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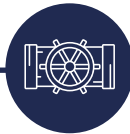


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**Annual
Management
Report**

**Good energy
ALWAYS**

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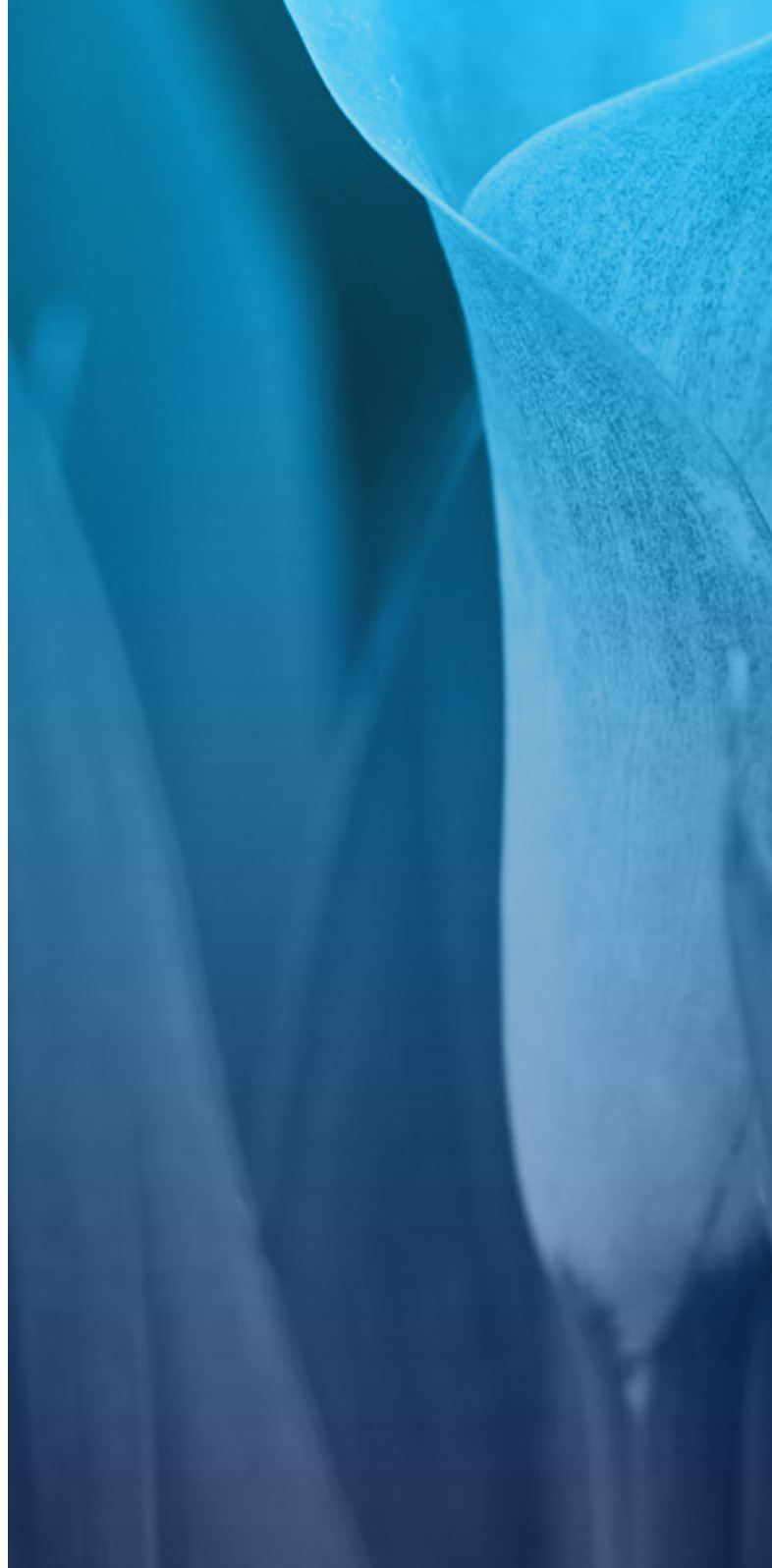
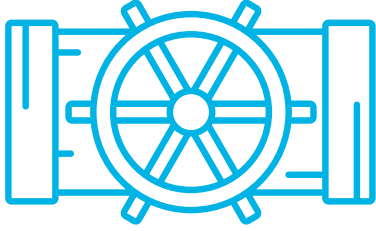
122 ACKNOWLEDGEMENTS



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.





About Promigas



PROMIGAS ¹

■ GRI 102-1



More than 45 years connecting markets to sources of energy. This is how we generate value, bring progress and wellbeing

and build long-term, **mutually-beneficial relations** with everyone with whom we interact. Throughout this period, we have played a leading role in delivering the mass use of gas in **Colombia and Peru**, and we continue to search for new business opportunities in these countries and in new markets.



With passion and in an efficient, responsible manner, we develop energy markets directly and through our strategic transportation and distribution business groups,

the former consisting of organizations which engage in the transportation of natural gas and liquefied natural gas (LNG), **integrated solutions for industry and electricity generation**, and the latter of natural gas distribution companies, electricity distribution and marketing entities, and non-banking financing.



We transport 50% of the natural gas in Colombia via more than 3,200 km of gas pipelines belonging to ourselves and to our transportation companies,

and we provide **services for hydrocarbon producers and major industries** which include natural gas compression and dehydration, the construction of gas pipelines and interconnection lines, and energy solutions such as generation, cogeneration and self-generation,



Our affiliate Sociedad Portuaria El Cayao (SPEC) operates a floating regasification terminal that is permanently anchored in a port on Cartagena Bay

and processes more than **400 MMSCFD**. SPEC marks Colombia's entry into the international LNG market and supports the needs of the country's thermal generators by meeting their natural gas requirements during periods of peak demand and providing them with the necessary gas for generating **2,000 GW**, which represents **40% of the energy demand** on Colombia's Caribbean coast.

Promigas S.A. E.S.P. is a private company supervised by the Superintendency of Domestic Public Services and by the Financial Superintendency of Colombia. Its headquarters are located in Barranquilla, Colombia.



In Colombia, we distribute natural gas to over 3.7 million users - around 15 million people - with a 38% share of the domestic market,

while in Peru we serve around **1,100,000 users** through our share in Cálidda and Quavii, which represent **93% of the natural gas market in that country.**



We operate and maintain almost 26,000 km of electricity distribution networks which deliver electricity to more than 380,000 users

in 38 towns and cities in the southern part of the country, and we are **entering the photovoltaic solar energy market** in order to offer customers more environment-friendly energies.



We hold a AAA rating for issues in Colombia and a BBB- international rating, and we obtained a second international

investment-grade rating (Baa3) from Moody's, while our affiliates GdO and Surtigas **hold a AAA rating in Colombia.** We also hold ISO 9001 quality system, OHSAS 18001 occupational health and safety, and ISO 14001 environmental certifications.



We have been involved in the vehicular natural gas (VNG) market, which we pioneered, for more than 24 years, and this has had positive economic and environmental impacts due to the very characteristics of this fuel

We continue to search for **new growth opportunities** and to foster initiatives in our efforts to ensure better air quality, especially through the use of VNG in the mass transit systems of cities where we have a presence and by supporting the conversion of heavy-duty freight vehicles to LNG.

Promigas has led the natural gas revolution in Colombia, and this has had a positive economic, social and environmental impact.

OUR BUSINESSES

STRATEGIC TRANSPORTATION BUSINESS GROUP



Natural gas transportation

Promigas
Promioriente
Transmetano
Transoccidente

Gas Pipelines:
3,204 km

Capacity:
1,168 MMSCFD



LNG

Sociedad Portuaria
El Cayao (SPEC)

**Regasification
capacity:**
400 MMSCFD

**Storage
capacity:**
170,000 m³



Integrated solutions for industry and electricity generation

Promisol
Zonagen

35 MMSCFD
of natural gas
treated

10,000 hp
compression
capacity

44 MW
of energy
generated

99.64%
availability

2,670 km
of gas pipelines
maintained.

20
companies

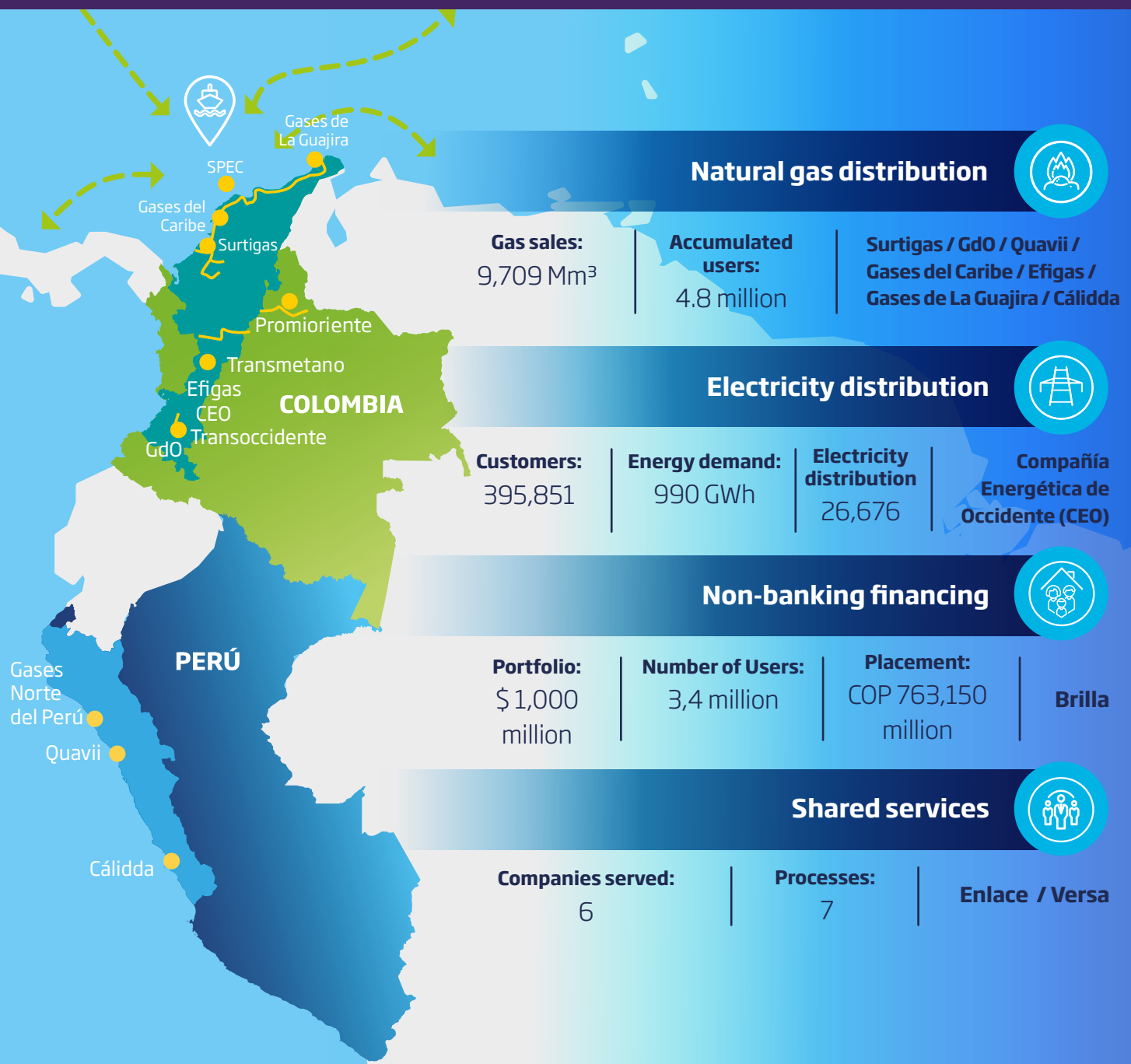
3,300
employees
Colombia
and Perú

Revenue:
3.9 billion Colombian pesos

Profit:
811,000 million Colombian pesos

■ GRI 102-2
GRI 102-4
GRI 102-6
GRI 102-7

STRATEGIC DISTRIBUTION BUSINESS GROUP



CORPORATE GOVERNANCE STRUCTURE

GRI 102-18
GRI 102-22



GENERAL MEETING OF SHAREHOLDERS

An ordinary meeting of shareholders was held on March 22nd 2019, and telecommunication technologies such as videoconferences and teleconferences, which transmitted the meetings and presentations of results, were used in order to encourage participation. Shareholders were invited to participate through press releases in a newspaper with a

wide circulation in Colombia and via email addresses registered in the corresponding database; participation was also encouraged through publications on the Financial Superintendency and Promigas websites.

Promigas maintains its commitment to continue as a Colombian Stock Exchange IR issuer.





BOARD OF DIRECTORS

The Board of Directors was elected for the period from March 2019 to March 2021. We have four independent members.

GRI 102-22
GRI 102-23

María Lorena Gutiérrez Botero

Principal - President
Equity Member

Member since:
September 2018

Attendance: 14 / 14

Committees:
Investments, Strategy
and Sustainability

Carlos Caballero Argáez

Principal -
Independent Member

Member since:
February 2011

Attendance: 14 / 14

Committees:
Investments, Strategy
and Sustainability
Compensation and
Development

Luis Ernesto Mejía Castro

Principal -
Independent Member

Member since:
April 2013

Attendance: 11 / 14

Committees:
Investments, Strategy
and Sustainability

Moisés León Rubinstein Lerner

Principal -
Equity Member

Member since:
March 2019

Attendance: 10 / 11

Committees:
Audit, Risks and Good
Corporate Governance

Claudia Betancourt Azcárate

Principal -
Equity Member

Member since:
April 2009

Attendance: 13 / 14

Committees:
Audit, Risks and Good
Corporate Governance
Investments, Strategy
and Sustainability
Compensation and
Development

Carlos Arcesio Paz Bautista

Alternate -
Equity Member

Member since:
April 2009

Attendance: 6 / 14

Gustavo Ramírez Galindo

Alternate -
Independent Member

Member since:
February 2011

Attendance: 13 / 14

Committees:
Audit, Risks and Good
Corporate Governance
Investments, Strategy and
Sustainability
Compensation and
Development

Bernardo Noreña Ocampo

Alternate -
Independent Member

Member since:
May 2016

Attendance: 13 / 14

Committees:
Audit, Risks and Good
Corporate Governance

Leonardo Garnica Eljaiek

Alternate -
Equity Member

Member since:
April 2013

Attendance: 12 / 14

Camilo De Francisco Valenzuela

Alternate -
Equity Member

Member since:
April 2012

Attendance: 13 / 14

Committees:
Audit, Risks and Good
Corporate Governance
Investments, Strategy and
Sustainability

Note: For more information about seniority, other significant commitments and experience, go to www.promigas.com/inversores

Average Attendance: 87%

Promigas holds the résumés of members of the Board of Directors, and these accredit the professional skills, suitability and personal qualities which served as criteria for them to be elected.

Composition of Board of Directors by gender, 2019*

Male

8 - 80%



Female

2 - 20%



* Not members of a minority group

Attendance at meetings of the Board of Directors was active.

14 meetings were held in 2019, 12 of them ordinary sessions and two extraordinary, and each member attended an average of nine meetings.

The Board of Directors is in contact with the Fiscal Auditor, insofar as they meet periodically at sessions of the Audit, Risks and Good Corporate Governance Committee.

Members of this Committee also meet in private on an annual basis with the Fiscal Auditor and Internal Audit, with no management in attendance, in order to determine the degree of independence the internal auditor has when performing his duties and if he has received the necessary support for doing his work.

MANAGEMENT



Eric Flesch
CEO



Alejandro Villalba
Vice-President, Operations



Aquiles Mercado
Vice-President, Finance and Administration

The firm KPMG was elected as Fiscal Auditor for the period from March 2019 to March 2020 at the General Meeting of Shareholders held on March 22nd 2019 (Minute 080).

By means of Board of Directors Minute 485 dated February 14th 2019, Aquiles Ignacio Mercado González, Natalia Abello Vives, Wilson Chinchilla Herrera and Ricardo Fernández Malabet were appointed as alternates to the President.



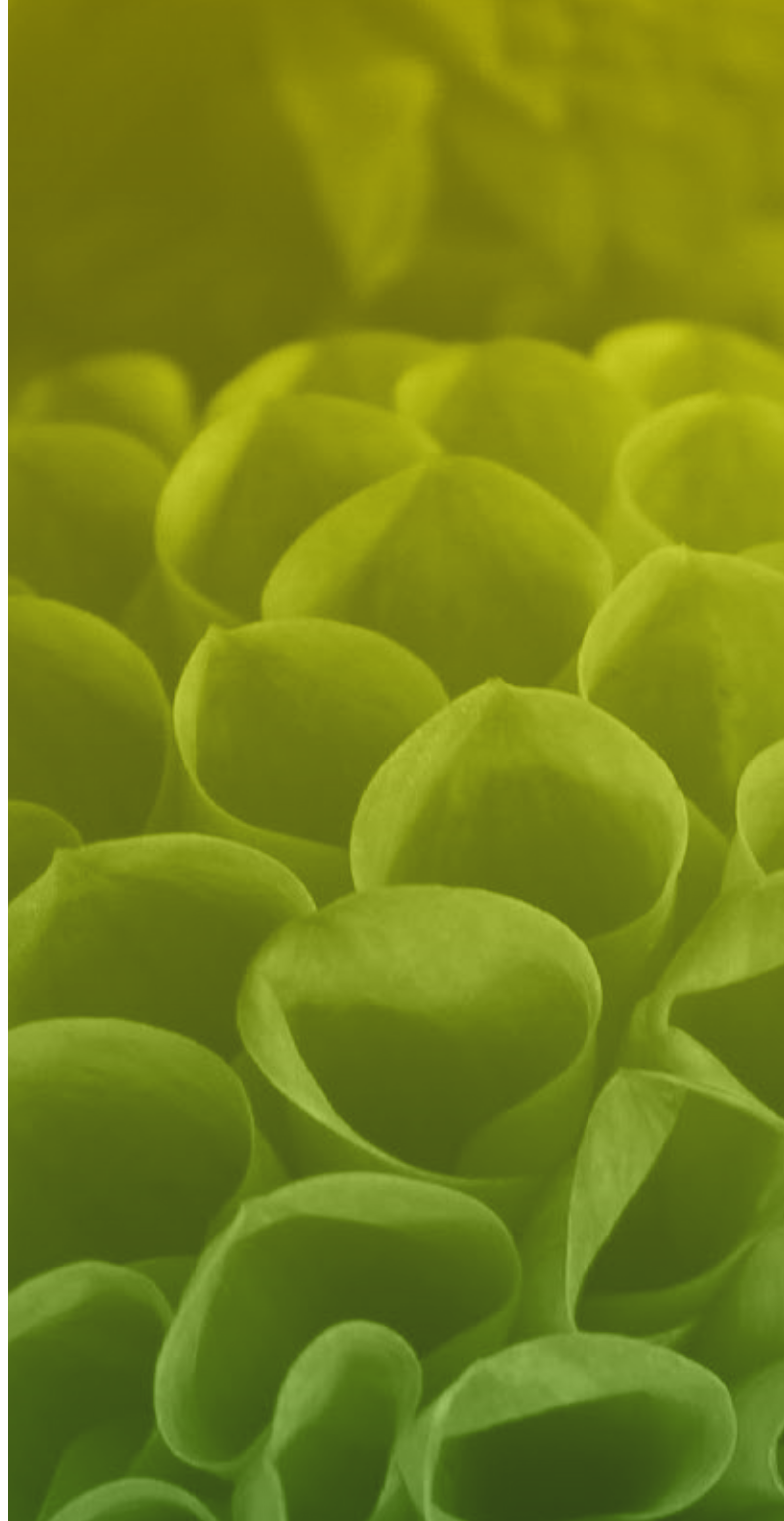
Natalia Abello
Vice-President, Corporate Affairs



Ricardo Fernández
Vice-President,
Transportation Business



Wilson Chinchilla
Vice-President,
Distribution Business



Message from the CEO



MESSAGE FROM THE CEO

GRI 102-14
GRI 102-15



It is thanks to the constant hard work of our staff and in response to the trust deposited in us that we have pleasure in presenting the “2019 Management Report”, which illustrates the good results and achievements made by Promigas and its companies.

National and international context

2019 witnessed a downturn in the world economy, due to reduced growth in both advanced and emerging economies. In fact, the United States economy recorded a downturn despite household consumption being the principal driving force.

Against this tense international background, the average exchange rate for the Colombian peso was COP 3,281 to the dollar, a devaluation of 11% with respect to the 2018 figure. 2019 was marked by uncertainty over the trade dispute between China and the United States, the downturn in the world economy, reduced investor appetite for risk, and the increase in demand for dollars as a safety net.

*The average price of Brent crude on the international market was **10%** down on the previous year and, although it reached a peak of **USD 75** per barrel in April, it maintained a downward trend in the second half of the year, which was reflected in a weak expansion in global economic activities. Despite this, the Colombian economy grew by **3.3 %**.²*

The efforts of sector agents and the national government in the last two decades are reflected in the dynamics of natural gas coverage figures: seven of every ten Colombians now enjoy the benefits of having access to this fuel.

Proven reserves currently stand at 3.8 Tpc with an R/P factor of 9.8 years, not counting new supply alternatives such as offshore deposits, non-conventional deposits or LNG imports. It is estimated that the Caribbean Sea blocks could hold between 7 and 30 Tpc of gas, with a further 5.9 Tpc in the Pacific Ocean.

To the above could be added a further figure of between 4 and 24 Tpc from non-conventional deposits in the Magdalena Medio and Catatumbo regions, if the respective authorizations are granted. An optimistic scenario could therefore arise, if offshore and onshore potential materializes, that would lead to a true leap forward in sector competitiveness.

Promigas has contributed by making the necessary investments in transportation infrastructure and increasing its ability to face up to new challenges and meet needs deriving from discoveries and production at new fields in the south of Colombia's Caribbean region and from the decline in traditional fields.

² Estimated figure



Our activities

In 2019, we transported 50% of Colombia's natural gas through our gas pipeline network of more than 3,000 km. As part of our commitment to operation safety and continuity, our carriers achieved reliability figures of over 99.9%.

We served more than 3.7 million users in 13 Colombian provinces in 2019, with a 38% share of the domestic market, and almost 1.1 million users in Peru, a figure that represents 93% of the Peruvian market.

Also in 2019, we regasified a total of 5,837 MMSCFD at our LNG terminal in Cartagena, and since this enabled us to meet the needs of thermal generators on the Caribbean coast, it illustrates the fundamental backup we provide for the national electricity system. One important fact has been the arrival of a new partner for SPEC, namely Dutch firm Royal Vopak, whose LNG experience will allow us to progress our business plan and consolidate and extend SPEC operations toward new initiatives.

Similarly, we finetuned our operation in Peru in 2019 by consolidating our presence in the northern part of the country through a new gas distribution concession in Piura which will involve an investment of USD 230 million, has an initial commitment of 64,000 new users representing 250,000 beneficiaries, and will provide 33 MMSCFD to serve the industrial, commercial and VNG sectors. Together with our current operations and investments, this makes Promigas the leading company in Peru in the field of mass natural gas usage.

With the commissioning of the new Jobo-Cartagena gas pipeline and the corresponding compression stations, we finalized and commenced operations on the first stage of the project to expand our transportation capacity by 100 MMSCFD. This project sees Promigas anticipating the decline in the La Guajira fields through new sources of gas from other fields in the southern part of the Caribbean region.

We would like to highlight the underwater directed horizontal drilling crossing of the Dique Canal and Correa channel, a major work in the hydrocarbons industry that was executed in 2019 using Colombian engineering as part of the 100 MMSCFD Project and is 3.4 km long and 112 meters deep, and involved an investment of COP 72,000 million. It is believed to be the longest crossing in Latin America and the eighth longest in the world.

Our biodiversity conservation strategy for these projects seeks to connect protected areas in the national parks system where fragments of tropical dry forest still exist; to this end, connectivity corridors have been created between these fragments in areas inhabited by the protected cotton-top tamarin species.

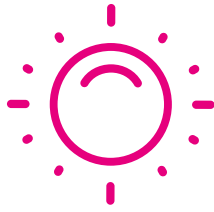


One feature of 2019 was that we consolidated our presence in Peru by inaugurating a new gas distribution concession in the Piura region, in the north of the country, which will involve investments totaling USD 230 million. The initial commitment is 64,000 new users, representing over 250,000 beneficiaries, and a volume of 33 MMSCFD to serve the industrial, commercial and VNG sectors. Together with our current operations and investments in the country, this makes Promigas the leading mass supplier of natural gas in Peru.

We adhere to best corporate governance practices as we pursue our activities, promoting an ethical, transparent business culture. The Colombian Stock Exchange recognized us in 2019 as one of the issuers with the best information divulgence and corporate governance standards, which serve to finetune our total commitment to investors. Similarly, for the seventh consecutive year we won IR (or IR Issuer) Recognition, and award which the Colombian Stock Exchange makes to 32 companies that are noted for their transparency and their good shareholder relationship practices.

In line with our commitment to climate change and to reducing greenhouse gases, we foster the use of new sources of clean, less-contaminating energies.





Thus it was that in 2019 we entered into important commercial agreements to carry out photovoltaic solar energy projects in Cartagena, Cali and Popayán,

thereby progressing in our aim to enter the non-conventional renewable energies sector. As far as sustainable mobility is concerned, together with our affiliates we succeeded in playing an active role in introducing natural gas-powered buses on the mass transportation systems in Barranquilla, Cartagena and Cali, and we foster green VNG transportation in heavy-duty freight vehicles along the logistic Buenaventura-Cali-Bogotá and Barranquilla-Cartagena-Bogotá corridors.



We support worldwide initiatives aimed at improving air quality.

This is why, in 2019, we officially launched the Promigas Center for Energy and Gas Research and Innovation, which brings together 12 of our companies and focuses on project research and development, in order to assist energy transformation in the country on its path to a more sustainable future where gas will play a leading role. It is also why, that same year, with our subsidiary GdO, we promoted air quality measurements in Cali, which produced interesting results in terms of days and areas where the highest concentrations of particulate material occurred, citizen education and communication proposals, and the implementation of strategies to encourage the use of vehicles that run on other sources of energy, such as natural gas.



Our Center for Energy and Gas Research and Innovation has been granted Level 3 Global Innovation Management Institute (GIMI) certification,

making us the first company in Latin America to receive this award and thereby validating the fact that our management model and system are suitable for contributing to business growth.

We reiterate our commitment to the Global Compact initiative and its principles, which are enshrined in four major issues: human rights, anticorruption, labor standards, and environment. As far as this latter is concerned, we support the 'Caring for Climate' initiative by guiding our activities and processes towards mitigating the impacts and effects of climate change.



In addition to our commitment to the Global Compact, the work Promigas carried out through its Foundation

supports the United Nations Development Programme's (UNDP) Sustainable Development Goals (SDG), especially Goal 4: "Ensure inclusive and equitable quality education and promote lifelong learning alternatives for all".

Over a period of twenty years working in the field of education, we have forged more than a hundred alliances with the public and private sectors, enabling us to reach 2,137 public schools in the country, 84% of them in Colombia's Caribbean region and the remaining 16% in other parts of the country, 46% of the total in rural areas. The programs we have executed have enabled us to impact the skills of 21,866 teachers and managers and to influence the learning experience for 1,615,231 students. In addition to this is the influence we have achieved over public education policies in the region, such as by becoming directly involved in drawing up the Ten-Year Education Plan for Barranquilla. Through its knowledge management line, which is recognized and certified both nationally and internationally, the Foundation has made more than 70 publications available to the academic community.

Regulation



In 2019, the Ministry of Mines and Energy formed an expert Energy Transformation Commission,

with the task of drawing up a road map for modernizing the country's energy sector. The results were received in early 2020 and we are now in the process of reviewing them so that we can express our opinion in focus groups that concern us, as established by this commission.



As far as the regulatory framework for transportation is concerned, we continue to create opportunities for discussion

and analysis and, after a four-year delay, we are waiting for CREG to issue the new transportation rate calculation methodology for the next five-year period. Similarly, we are also still waiting for CREG to issue a Resolution approving values relating to the as-new replacement cost and the cost of keeping in service certain assets belonging to Promigas and its companies.

Our distributors continue to await pronouncements by CREG so that they can register rating files and obtain approval of definitive natural gas distribution charges, which are now overdue by 15 years. Similarly, the update of the gas marketing methodology that has been in force since 2003 and which should be updated for five-year periods is still pending.

As far as electricity generation is concerned, our affiliate CEO has received approval of distribution income for the next five-year period, which recognizes the investment plan for the 2019-2023 five-year period and the loss reduction program.

With respect to the Natural Gas Supply Plan, it is expected that UPME will issue the definitive project towards the end of the first half of the year and that this will be taken on board by the Ministry of Mines and Energy for adjusting and establishing the associated regulatory matters.



Our subsidiaries

Our distributors continue to become involved in other lines of business in order to increase the value offer to customers, examples including new solar energy projects and promoting the use of environment-friendly energies.

When Surtigas connected its user number 800,000 in the town of Mompox, it achieved a total coverage figure of 96% in Bolívar, Sucre and Córdoba provinces, where it carries out its operations.

In Peru, Quavii has reinforced its activities and met its commitment with the Peruvian Government to connect 87,000 users by the end of the year. We would like to highlight the 2019 Business Creativity Prize, one of the most prestigious in the country, which was awarded by the Peruvian University of Applied Sciences for the operation of the LNG virtual gas pipeline to provide for the mass use of natural gas in the north of Peru.

In terms of electricity distribution, CEO consolidated the solar energy business and carried out the first coverage expansion project in Colombia, with smart measurement and a user prepayment service. It was recognized for this by the Superintendency of Domestic Public Services for Best User Service Practices in the Strategy for Fostering Citizen Participation category.

We would like to highlight an important landmark, that Promioriente has achieved 25 years of taking progress to Santander, the region where it is the leading utilities and social impact company.

Transmetano, meanwhile, has continued to contribute to progress in Antioquia by leading activities and alliances with public and private institutions for developing the natural gas market in the region and converting major industries and vehicles to natural gas.

Promisol, with its 355 km network, has advanced towards its goal of consolidating its construction business by leading the Dique Canal underwater crossing project.

SPEC LNG, the LNG import and regasification terminal, has ratified its high operation and maintenance quality standards by achieving positive results in the worldwide evaluation of major LNG, that is carried out by terminals where operations are planned.



Financial results



Because of our activities in 2019, Promigas net profit was 11,84% up, the share value rose by 49%, and budget compliance was 105%. Due to operation commencing on the first phase of the 100 MMSCFD Expansion Project, Promigas offset the decline in the La Guajira fields with gas from the fields in Córdoba and Sucre and thus minimized the impact that this would have had on revenue.

Our successful arrival on international markets and the major uptake of the bonds we issued have been a significant landmark in the company's 45 years of history and, since these open the door to a new chapter of financing strategies, they encourage us to have an even greater presence on those markets, especially if we consider future growth in our current operations in Peru and the projected expansion of the company in the medium term. Our USD 400 million bond issue was oversubscribed 6.5 times, with a 3.75% coupon, the lowest for a corporate issuer.

We have retained our AAA rating for issues in Colombia and our BBB- international rating, and we obtained a second international investment-grade rating (Baa3) from Moody's. Our affiliates GdO and Surtigas also had their AAA ratings ratified, and Promioriente retained its AA+ rating from Fitch Ratings.

Outlook

In 2019 we made progress on bringing the organizational structure and culture into line and we laid the foundations for structuring and implementing a new strategic plan in 2020 that will set out the necessary growth horizons.



We continue to explore markets and to look for opportunities to invest, so that we can expand our current business or undertake new business ventures both in Colombia and elsewhere, enshrined at all times in sustainability principles and with the goal of generating greater benefits for our interest groups.

In 2020, in both Colombia and Peru, we will conclude expansion projects that are currently in progress. In Colombia, with the Cartagena-Barranquilla gas pipeline, we will finalize the second phase of the 100 MMSCFD Project which will, effectively, enable us to deliver a further 100 MMSCFD to the natural gas transportation system, especially on the Atlantic Coast. In Peru, after being awarded the gas distribution concession for the Piura region, we will begin in 2020 to build the 300 km gas pipeline and will start partial commercial operation in three cities in the region. Together with progress on connections by Quavii, this will allow us to finetune our business in the country.



We will continue to strengthen our presence in non-conventional renewable energies and in biomethane.

In conjunction with our subsidiaries, we will make investments in commissioning photovoltaic solar energy projects in the country and we will continue to support sustainable mobility through the use of natural gas in heavy-duty freight vehicles and in mass passenger transportation systems.

We share our detailed results in this, our integrated 2019 management report, in order to meet the information expectations of our interest groups, help provide a better understanding of our activities, and promote, as always, a long-term, mutually-beneficial relationship.

Eric Flesch

CEO



Our

Performance at Glance



MAIN OUTCOMES OF OUR SUSTAINABLE MANAGEMENT

Economic dimension

(Consolidated figures in millions of pesos)

Revenue

COP 3,900
million

EBITDA

COP 1,377,849
million

Net Profit

COP 811,347 million

Transported
Volume



479
MMSCFD

Accumulated
Users



4.8 million

Natural Gas Sales



9,709 MMm³

Regasified
Volume

5,837 MMSCF

Energy
Supply

990 GWh

Brilla Placement



COP 763,150
million

Continuity and reliability indices

Promigas

100%

Transportation
affiliates

99.8%

LNG

98.6%

Distribution company continuity index



above
99,6%

Accident rate

Promigas

6.12

Consolidated

19.28

Risk mitigation



90%



ENVIRONMENTAL DIMENSION

SOCIAL DIMENSION

Social and environmental investment: \$ 38.000 million

Emissions

206,554 t CO₂e

Environment investment

\$ 13,000 millones

Social Investment



\$ 10,031 million

Solar Generation installed capacity



10 MW

Energy generated from natural gas

306 GWh/year

Biodiversity



15,165 trees planted

650 epiphytes in an area of 50 hectares rescued and transferred

194 kilometers of new gas pipeline built, with a 20% reduction in the number of trees affected

100% of routes selected are outside any protected area category



Social investment and contributions to the community

COP 14,566 million

Beneficiaries of our social management

41.000 directos y 220.000 indirectos

Purchases from suppliers

\$ 1,7 million

96% from local suppliers

Investment in research

\$ 4,375 million

0.69% of revenue

Personne

2,257 direct

11,845 indirect employees

Breach of Code of Conduct incidents

0

Human rights violation reports

0

Personnel turnover

8.4

Absenteeism

1.3

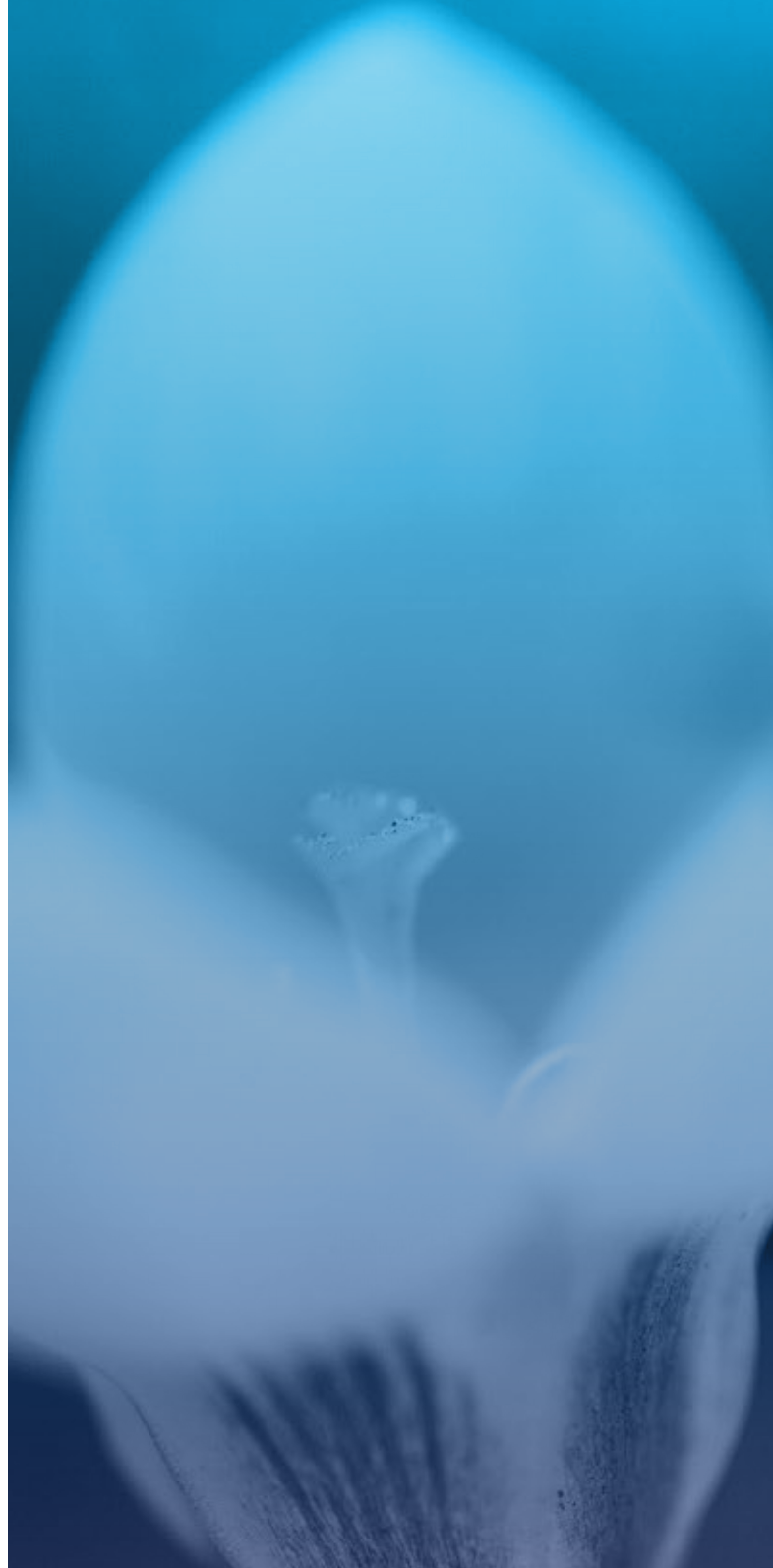
Climate

66,9 (good)

Professional illnesses

0





Performance highlights





Jobo-Majaguas gas pipeline and Filadelfia compression station commence operations

As part of the Jobo-Cartagena infrastructure expansion project, **a 20-inch, 85 km gas pipeline has been built** from Jobo station, in Córdoba, to Majaguas station, in Sucre. The gas pipeline and compression station are part of the first stage of the project **to expand the existing natural gas transportation network by 100 MMSCFD**, which will enable new gas reserves to be transported from fields in Sucre and Córdoba, in Colombia's Caribbean region.



Promigas completes the longest underwater crossing in Latin America

The work, on which construction commenced in January 2019, is part of the Jobo-Cartagena gas pipeline. The pipework for the crossing, which is **3,400 meters long and passes under El Dique canal at a depth of 110 meters**, runs from the village of Correa to María La Baja, in Bolívar, and the environmental impact on the area is minimal.



Promigas reaches Piura and leads gas expansion in Peru

Through its affiliate Gasnorp, Promigas will invest **USD 230 million** in the natural gas transportation and distribution system in the Piura region, which will initially benefit 260,000 inhabitants who currently do not have any such service.

The installation of a 1,000 km network capable of transporting 40 MMSCFD, which will link producers in the region to users in all segments, will lead to savings of around **USD 41.1 million for local industries in the first four years of operation.**

Reaching Piura has enabled Promigas to consolidate its position as one of the leading gas transportation and distribution companies in Latin America.



11.84%
Increase in profits

the share value rose by
49%
during the year



Successful international bond issue a Promigas landmark

Promigas and its affiliates made a successful debut on the international capitals market with a

USD 400 million bond issue

The great demand during the process, USD 2,600 million - in other words, six times the target set by the company - enabled **Promigas to get the lowest interest rate achieved by a Colombian issuer on the international market.**

This operation, which will not lead to any incremental indebtedness since all funds obtained will be allocated to refinancing existing loans with better market conditions in terms of rates and expiry terms, confirms the trust that international markets have in the company's activities in Colombia and Peru and opens up a new and important source of financing for the future.



Shareholder transparency recognition

The Colombian Stock Exchange has recognized that Promigas is an issuer that has adopted the highest standards in terms of disseminating information and corporate governance, and for the seventh consecutive year the company received IR (or IR Issuer) Recognition, which is granted to

only 32 companies in Colombia.



Fitch ratings maintains international bbb- and national aaa ratings, and we obtain a second investment grade rating

Because of the stability of our operations, due to our strictly adhering to financial obligations and a correct policy of allocating funds to Capex, Opex and dividends, **Fitch Ratings has maintained the BBB- (international) rating for the ninth consecutive year for IDR issues in local and foreign currency and stressed the company's strong market position,** geographical diversification, low investor risk profile, and stable and predictable revenue structure. At international level, we obtained a second investment grade rating (Baa3) from Moody's.

Promigas has also maintained its **AAA national rating for the 18th consecutive year,** with a stable perspective, as have our affiliates GdO and Surtigas, while **Promioriente has maintained its AA+ rating,** likewise granted by Fitch Ratings.



Gas transportation operational excellence



In Colombia, the continuity indicators for our transportation companies were **99.9%.**

Promioriente celebrated **25 years of taking progress to Santander,** a province where it is the leading company in terms of utilities and social impact.



New SPEC partner

By bringing on board Dutch company **Royal Vopak,** a new partner with extensive experience in LNG for our affiliate SPEC, we will be able to redefine the SPEC business plan, consolidate its position and extend its operations toward new business initiatives.



Innovation achievements



Promigas has been granted Level 3 Global Innovation Management Institute (GIMI) certification, making it the first company in Latin America to receive this award. This certification model is a worldwide industry standard for measuring and certifying the innovation skills and structure of persons, governments and companies. The award made, for innovation competence, validates the fact that the company's management model and system are suitable for contributing to business growth.

The award also certifies that “there is a critical mass of the workforce who receive innovation training, a commitment by top management, and a portfolio of innovation projects in different business units that are oriented toward creating and capturing value in the long term”.

More than 200 companies on the Fortune 500 list, including Cigna, Verizon, Bunge, P&G, Alibaba, Eastman Chemical, Natura and Emirates NBD, have taken part in developing innovation skills based on the GIMI methodology, and around 10,000 people and 800 companies in over 60 countries have been certified.

The launch of our Center for Energy and Gas Research and Innovation, which is operated by Promigas Innovation Management, brings together 12 companies, more than 3,100 staff and two research and development units, together with two new business areas, and aims to guide the national energy transformation program toward a sustainable future where gas plays a major role, alongside new sources of energy.



Environmental recognition



In the sustainable management area, Promigas has been recognized by ANDI for its leadership of the tropical dry forest ecosystem conservation program in Colombia's Caribbean region, for its commitment to the region's natural heritage, and for its activities in reinforcing and managing local protected areas, **all of which impact the Sustainable Development Goals (SDG) in environmental and human health terms.**



The Promigas foundation celebrates its twentieth anniversary

In the course of our dedicated work, we have focused on improving the quality of education. Through more than a hundred public and private sector alliances we have been able to reach **2,137 public schools around the country, 84% of them in Colombia's Caribbean region and 16% elsewhere, 46% of them in rural areas.**

The programs we have carried out using our own education models have impacted the skills of 21,866 teachers and managers and influenced learning for 1,615,231 students. In addition to this is the influence we have achieved over public education policies in the region, such as by having become directly involved in drawing up the Ten-Year Education Plan for Barranquilla. **Through its knowledge management line, which is recognized and certified both nationally and internationally, the Foundation has made more than 70 publications available to the academic community.**





Around 420,000 new gas distribution users

Our affiliated distribution companies have continued to expand their current activities and to offer their customers more and better services in new lines.

We reached



3.78 million users in the year in 13 provinces in Colombia



plus almost 1.1 million in Peru



Green freight transportation



Gases de Occidente has continued to commit itself to consolidating vehicular natural gas (VNG) usage by bringing in 15 mini-trucks that use VNG exclusively as fuel as they travel distances of more than 500 km between Buenaventura and Bogotá.

This project is the biggest gas-powered heavy freight operation in the country to date.



Promigas and Surtigas connected user number 800,000

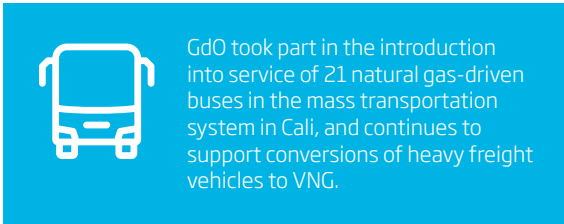
Promigas affiliate Surtigas connected user number 800,000, in the town of Mompox. This Promigas and Surtigas landmark shows Colombia and Latin America that a safe, clean, sustainable and economical energy transformation is possible, with the enormous social and environmental benefits that this brings.

Over a period of five decades of distributing natural gas as a replacement for firewood and coal, **Surtigas has helped to reduce tropical dry forest deforestation in Colombia's Caribbean region, which has had an impact on SDGs in environmental and human health terms.**





Cities with better air



GdO took part in the introduction into service of 21 natural gas-driven buses in the mass transportation system in Cali, and continues to support conversions of heavy freight vehicles to VNG.

Cali thus joins other cities, such as Cartagena, where our affiliate Surtigas supported Transcaribe, which began operations in March 2016 with VNG buses in its fleet, resulting in one of the best investments in mobility and the environment the city has made.



Committed to competitiveness in Antioquia through natural gas



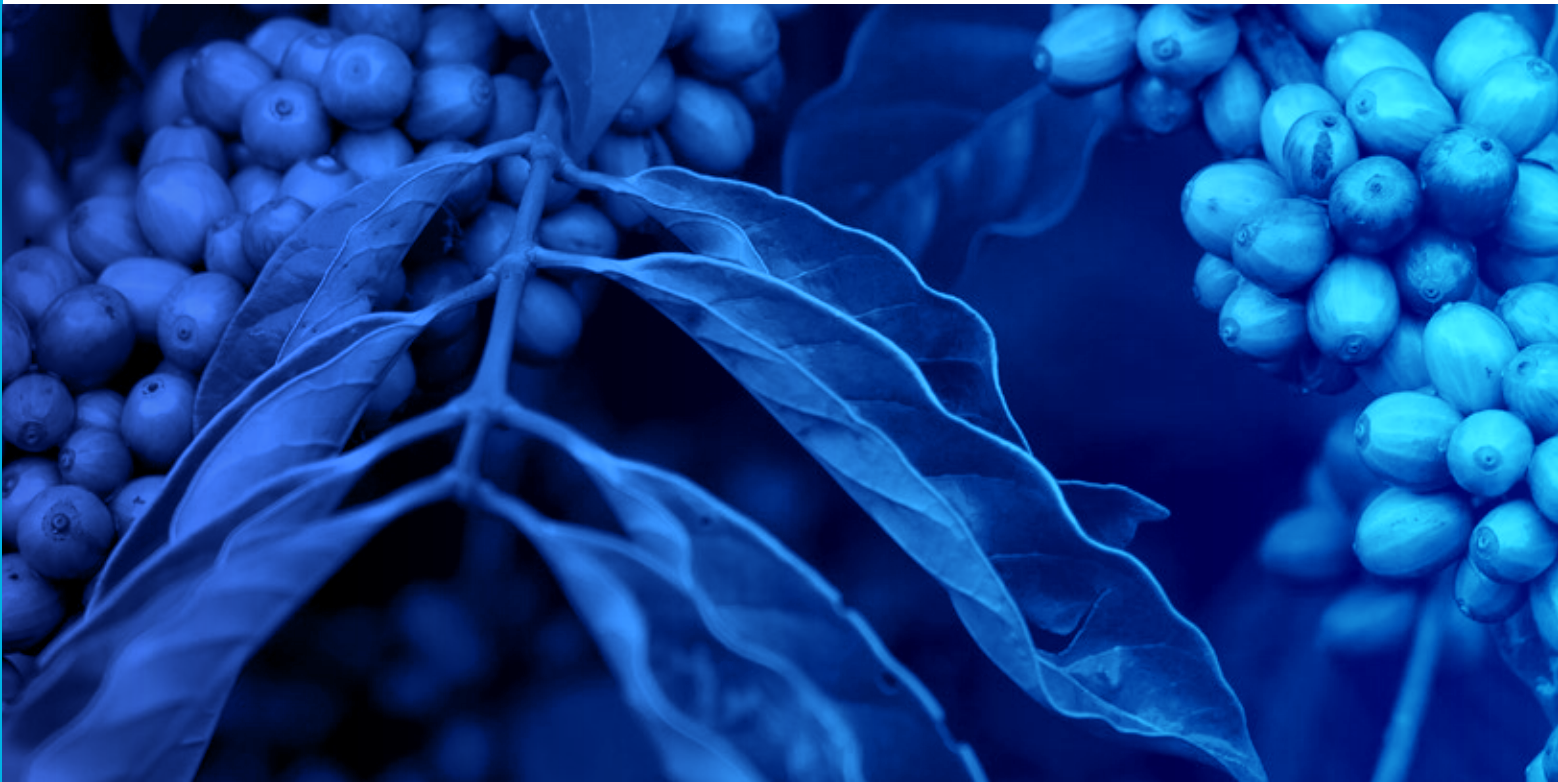
The Antioquia Inter-Industry Committee, Naturgas and Transmetano signed a memorandum of understanding aimed at boosting sustainability, competitiveness and productivity in Antioquia province and the country. This alliance seeks to expand supply, make demand dynamic, and develop the natural gas market as a clean solution for mobility and industry, **with a view to improving the quality of the air breathed by the inhabitants of Medellín, the Aburrá Valley, Antioquia, and the whole of Colombia.**



Good mobility practices



The World Economic Forum's Global Future Council on Mobility, in Geneva, included Promigas in its 2019 Report as one of 13 outstanding companies in its Global Corporate Transportation Mobility Challenge. **61% of employees participate and 60% of these do so with zero carbon emissions; measurements are made and documented on a daily basis, following the five modalities in the program.**





Promigas searches for new forms of sustainable energy



We incorporate new forms of sustainable energy in order to diversify the energy solutions we offer.

10MW INSTALLED CAPACITY FOR PHOTOVOLTAIC SOLAR ENERGY GENERATION



Resources for research



After two years devoted to administration, design and evaluation, the United States Trade and Development Agency (USTDA) **approved a grant of USD 649,310 to Promigas for analyzing the feasibility of implementing concentrated thermo-solar energy technologies in Colombia.** This initiative will enable Promigas to have exclusive knowledge for determining the viability of a new renewable thermal energy service in its areas of influence.



There are no industrial applications of the concentrated thermo-solar energy system in Colombia.

However, in the United States there are 1,836 MW, in Spain 2,370 MW, and in the rest of Europe 1,650 MW, and these currently supply clean energy to the network.



Surtigas commits itself to renewable energies in order to contribute to energy transformation in the Caribbean region



Surtigas will carry out its first renewable energies project, which consists of installing over 2,000 rooftop solar panels that will generate **30% of the electricity a shopping mall in Cartagena requires.**



This initiative, which involves an investment of COP 3,000 million and will bring significant operational savings, **will prevent approximately 503 equivalent tonnes of CO₂ emissions into the atmosphere,** a figure which represents the carbon absorbed by 20 hectares of forest or that emitted by 115 automobiles in one year.

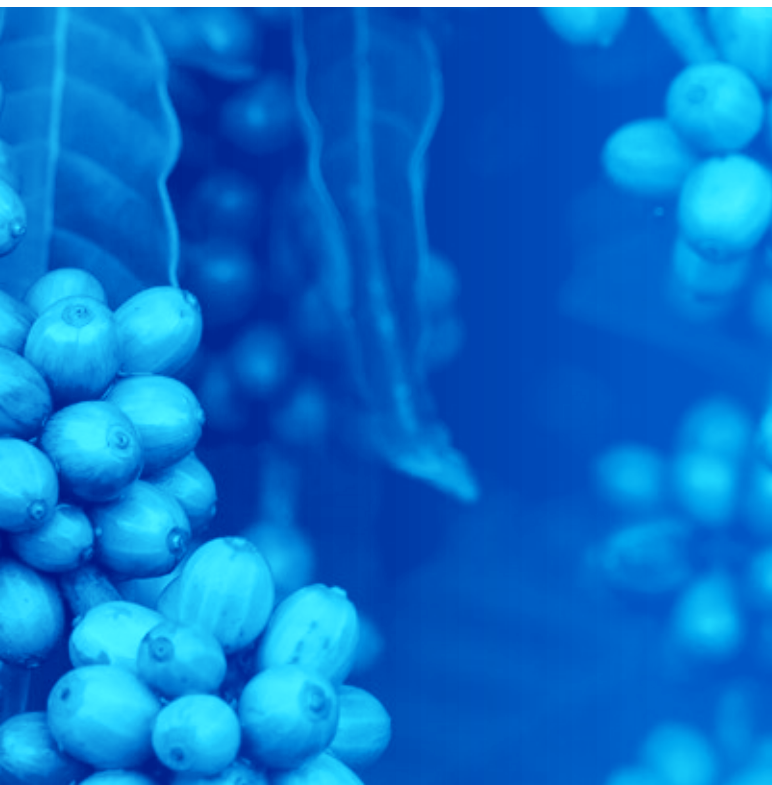


Investments in new energies



Our affiliate CEO ended the year with 583 kWp of installed power, **representing more than 200% growth in its solar energy generation.**

In November 2019 it had installed more than 370 MWh, with a billing figure of COP 124 million.





Our sustainability approach



INTEGRATED MANAGEMENT WITH A SUSTAINABLE APPROACH

Materiality, scope and coverage



■ GRI 102-46
 GRI 102-47
 GRI 103-1

We at Promigas approach sustainability from a transverse angle as we seek to generate lasting economic, social and environmental value between interested parties, centered around the human being as the cornerstone of all our actions. We foster sustainable development based on ethics and transparency, and we treat opportunities and risks deriving from our management in a responsible and effective manner.

Integrated management model with a sustainable approach

Our sustainability approach



Our management model is centered around three fundamental focal points which guide our actions, and when these are coordinated with strategy, we display relevant matters on which our management, measurement and communication at corporate level are focused.

This is how we make our accountability viable and communicate progress made in our management with a sustainable approach in terms of the contribution to business (growth, productivity, risk mitigation, profitability) and compliance with interest groups.

Our material issues are corporate; in other words, they extend to the companies that make up our portfolio. Internally, they relate to our employees, while externally they relate to the target publics detailed in each one.


We are also committed to the Global Compact and its principles, and to the United Nations Sustainable Development Goals (SDG), which enable us to identify future growth opportunities, improve the value of business sustainability, use our resources in a more efficient way, strengthen relations with interested parties, and participate in a common language and with a common goal.

We constantly review our activities and we compare ourselves against the highest sustainability standards, such as the Dow Jones Sustainability Index, which enables us to work on any gaps that might be identified in our efforts to improve the performance of our organization

In 2019 we began a process of validating and updating our materiality, taking into account new trends in the environment and our corporate reality. As a result, we integrated emerging issues such as cybersecurity and access to energy for vulnerable customers, and also progress toward decarbonizing the portfolio and research into, and implementation of, projects involving new forms of energy.


This way, our business initiatives contribute with SDG 8, Decent Work and Economic Growth and 9, Industry, Innovation and Infrastructure.

We have determined that the following SDG are a priority for Promigas.

4 QUALITY EDUCATION 

To ensure equitable and inclusive quality education and promote lifelong learning opportunities for all.

Promigas and its Foundation work actively to develop skills and knowledge, and to carry out educational programs focused on training managers, teaching staff and families

7 AFFORDABLE AND CLEAN ENERGY 


To ensure access to affordable, sustainable, reliable and modern clean energy for all.

Promigas is working to develop more efficient energy markets, with a view to increasing the share these have in the national energy basket.

11 SUSTAINABLE CITIES AND COMMUNITIES 

Sustainable Cities and Communities.

We foster and support initiatives to make our cities good places to live in.

13 CLIMATE ACTION 

To adopt urgent measures to combat climate change and its impacts.

We are committed to implementing measures to mitigate risks associated with climate change. We have undertaken a plan to reduce our carbon footprint, to which end we are measuring greenhouse gas emissions, and we have guaranteed a 10% reduction by 2025.

15 LIFE ON LAND 

To protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biological diversity loss.

We establish measures to minimize areas to be worked on, and to restore biodiversity by means of reforestation actions.

We have also reviewed our strategy for verifying their alignment with the Sustainable Development Goals.

Strategic Goal



To grow in a profitable and sustainable manner, in line with the expectations of our shareholders.



To strengthen value proposals for our customers.



To optimize productivity and guide the organization toward levels of operational excellence.



To guarantee a safe operation.



To ensure an environmentally responsible operation.



To reinforce supplier and contractor management.



To reinforce relations with the community.



To reinforce the overall development of our personnel and the corporate culture.

Relations with interest groups

GRI 102-40
GRI 102-42
GRI 102-43
GRI 102-44

We constantly foster scenarios for interaction, with a view to understanding the perceptions and expectations of our interest groups and thus cultivate long-term, mutually-beneficial relations, bearing in mind that this is one of our fundamental focal points.

Each process has its mechanisms and procedures for incorporating this information into its continual improvement cycles, and also for receiving and dealing with petitions, complaints, claims and reports.



Shareholders

We have an Investor Relations office where they can be attended to directly, and every quarter we share our results by teleconference and the annual Shareholders Meeting was transmitted online. As part of our commitment, we remain a Colombian Stock Exchange (BVC) IR issuer.



Board of Directors

We hold monthly meetings. Currently there are three independent members and seven equity ones.



Personnel

We are in constant communication with them through our internal channels and primary group meetings. We measure their satisfaction every two years via our organizational climate studies.



Community

They are our neighbors in areas of influence of our operations. We are in constant communication with them through our attention lines and community education programs and visits. When we have new projects, we share these with them and conduct prior consultations where applicable, as established by law.



Customers

For us, service value is a fundamental part of our culture, and we are therefore committed to their loyalty and entire satisfaction. Consequently, Commercial Management and Operations Management professionals maintain close relations and communicate constantly and directly. We measure their satisfaction every year and improve our services on the basis of the feedback we receive.



Suppliers and contractors

We create opportunities for relating and communication, and we periodically carry out activities aimed at keeping them updated on matters relating to safety, health and environment. We have measured their loyalty since 2014, and we improve our processes on the basis of these results.



Government and regulatory bodies

As we are a regulated business, this interest group is of vital importance to us. We always meet requirements promptly and keep our communication channels up to date.

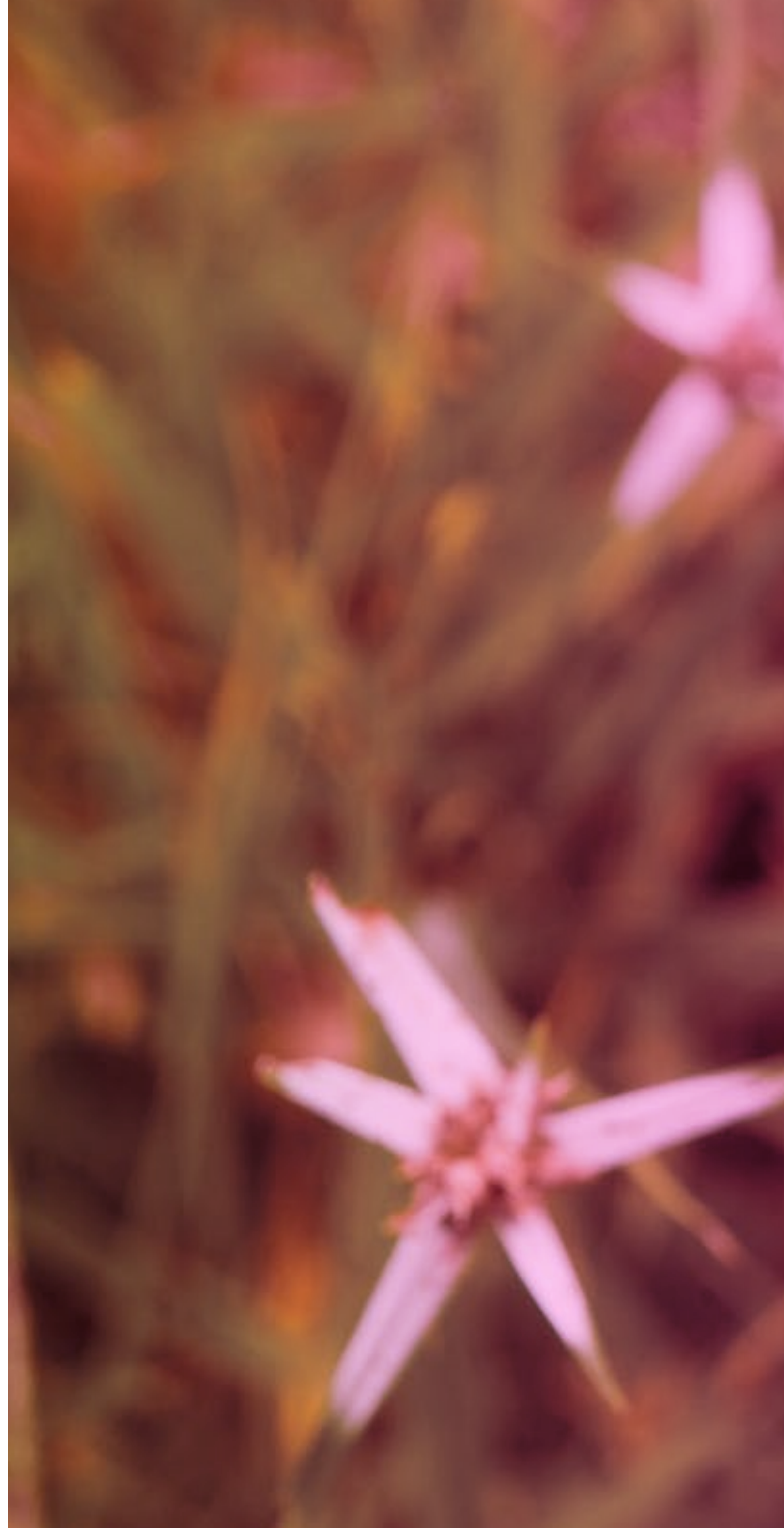
Associations to which we belong

■ GRI 102-12
GRI 102-13

Promigas and its affiliates play an active part in associations and initiatives which help them to achieve their goals and contribute to the social and economic development of regions where they operate. Promigas, Gases de Occidente, Surtigas and Compañía Energética de Occidente (CEO) are accordingly signatories of the Global Compact, and Promigas has also joined the Caring for Climate initiative promoted by this latter organization.

We are also active members of renowned international institutions in the gas sector, such as the Gas Control committees of the American Gas Association (AGA) and the National Association of Corrosion Engineering (NACE), and important national institutions, including Andesco, Naturgas, World Energy Council (WEC), Colombian Corrosion Engineers Association, National Gas Operation Council (CNO Gas), Colombian Safety Council, Colombian Industrial Relations and Personnel Association (ACRIP), Grupo Apell, Concentra, Icontec, National Accreditation Organization (ONAC), ANDI, Fenalco, and the Internal Auditors Association.

We are conscious of the value of institutional synergies in matters of local, regional and national interest for enriching public policies, and several of our companies therefore continue to play an active role in organizations like Empresarios por la Educación, Business Foundations Association (AFE) and the Interamerican Network of Foundations and Business Actions for Base Development (RedEAmérica).



Our fundamental cornerstones



ETHICS AND CORPORATE GOVERNANCE

Promigas and its subsidiaries have a Compliance program, which identifies risks we are exposed to on matters relating to corruption, asset laundering and the financing of terrorism and establishes controls, reliable reporting mechanisms and continuous training plans for workers and our third parties.

■ GRI 103-1
GRI 103-2
GRI 102-16
GRI 102-17

We have responsibilities with our Code of Conduct:



Principles and values

■ GRI 102-16

The internalizing of our principles and values is essential for Promigas and its associated companies, since it is the factor which differentiates us from other companies and builds our identity

Reliable reporting mechanisms

■ GRI 103-2

The existence of safe and reliable reporting channels is essential for creating trust and a viable business and working environment. Our reporting channels, such as telephone lines and the website, therefore direct such calls or messages to an independent third party which channels them so that the report is received in full and in a reliable manner, and without any intervention whatsoever by company officials. Our personnel and everyone who interacts with us, whether they be a shareholder, supplier, contractor, customer or service user, or have some other link, can report incorrect conduct or acts of corruption, bribery or asset laundering, and any possible breach of our Code of Conduct.



These reporting channels are:

Tel.: 018009120577 (transportation companies)
or tel.: 018009120534 (distribution companies)

- < www.reportesconfidencialespromigas.com >
- < www.reportesconfidencialesdistribuidoras.com >

Communication and training

■ GRI 205-2
GRI 412-2

Constant training is one of our cornerstones.

This is why Corporate Risk and Compliance Management carries out training every year for all personnel and for our principal interest groups, in line with a training and communication plan, so that training, updating and, principally, remembering our ethical topics are part of everyday life and are constantly being put into practice.

Training mechanisms and channels are diverse, and that is why we do all we can to carry out dynamic activities which enable our trainees to internalize our principles, values, policies and procedures in a pleasant and simple way, one which guarantees that the goal of the training is achieved. Thus it was that in 2019 the annual Code of Conduct training consisted of an interesting game that allowed all staff to come together, and then provide feedback.

Additionally, various managements received specific training in policies and procedures relating to their daily jobs which warrant precise knowledge.

Our third parties are also part of our training plan; therefore, various training sessions in company policies and procedures were held in 2019 for suppliers and contractors, to guarantee that they are in line with our behavior, and this enables us to minimize the risk of improper conduct or to detect it, if it occurs.

The game 'Who wants to be a values millionaire?' allowed us to train, record and finetune the precepts of our Code of Conduct with almost all personnel at Promigas and its associated companies

Ethics and Compliance Committee

The Ethics and Compliance Committee was formed in 2019. It is guided by the Promigas CEO and its secretariat is headed by Corporate Risks and Compliance Management, while its principal goal is to ensure that the Code of Conduct is correctly adhered to and to make whatever recommendations might be necessary for reinforcing the company's ethical culture; it also has other functions which are defined in its regulations.

This committee allows for greater transparency in decision-making processes and in the treatment of the most important conflicts of interests for the company. By acting as a collegiate body that issues whatever instructions might be necessary, it creates greater transparency and becomes a fundamental, second-level support for Corporate Risks and Compliance Management, at the same level as anticorruption compliance officials.

The Ethics and Compliance Committee is chaired by the Promigas CEO, and the secretariat is headed by Corporate Risks and Compliance Management, who safeguard issues to the highest degree of confidentiality.

Indicators			
■ GRI 205-3, GRI 103-3 / 🌐 PRINCIPIO 10			
ETHICAL CULTURE TRAINING AND DISSEMINATION			
Total number and percentage of governance body members informed of the organization's anticorruption policies and procedures*	10 100%	Total number and percentage of personnel informed of the organization's anticorruption policies and procedures*	2,453 97%
CONFIRMED CASES OF CORRUPTION AND ACTIONS TAKEN			
Total number and nature of confirmed corruption incidents	Total number of confirmed incidents in which employees were dismissed or penalized for corruption		0 2018 - 2019
Total number of confirmed cases which resulted in contracts with business partners being terminated or not renewed due to corruption-related breaches	Report on public court cases for corruption filed against the organization or its employees during the period and the results thereof		

New conflict of interest validation channel

The <conflictosdeinteres@promigas.com>, email address was created for channeling consultations and validations aimed at reinforcing conflict of interest transparency and management. This tool is available to workers, suppliers, contractors, customers, service users, shareholders and any of our interested parties.

RISK MANAGEMENT

■ GRI 102-11
GRI 103-1
GRI 103-2

Integrated Risk Management simplifies the decision-making process for achieving the organization's goals by enabling top management to have a full view of the risks to which the organization is exposed.

Promigas has implemented a 'three lines of defense' model which aims to manage risks effectively by clearly allocating risk, control and supervision responsibilities, thereby reinforcing the organization's risk culture and control environment.

Promigas and its companies have a corporate Integrated Risk Management policy for guaranteeing effective management of risks that could cause deviations from the achievement of strategic objectives and the carrying-out of processes.

The integrated risk management model for Promigas and its associated companies adheres to and is based on the requirements established in the Risk Evaluation component of COSO 2013 and in NTC ISO 31000 Risk Management, and on other specific requirements requested by shareholders or the Board of Directors.

The corporate integrated risk management methodology defines guidelines for identifying, evaluating, monitoring and controlling risks deriving from the strategy determined by the company. This methodology also covers operational and strategic risks, by project and by process.

The first human rights risk identification and evaluation workshop was held with leaders of the processes involved the ten principal risks were evaluated and the current mitigation controls for each one were established, based on the standards defined in the Dow Jones sustainability index for best social, environmental and corporate governance practices.

The Asset Laundering and Financing of Terrorism (LAFT) and Anti-Bribery and Anticorruption (ABAC) risk matrices were updated, in accordance with internal policies and current regulations.

Assistance was provided to the metrology laboratory in its NTC-ISO 17025:2017 certification process. The laboratory's risks matrix was updated, in line with regulatory requirements.

A start was made on implementing the Corporate Governance, Risks and Compliance (GRC) model, which is defined as the overall supervision, risks management and compliance functions and skills in the organization, in order to reliably achieve business goals.

The first session to identify and appraise risks related to climate change was held, and this was attended, among others, by Sustainability and Environment management and Maintenance management.

Information bulletins were introduced, the aim being to reinforce the culture of risks related to the adequate management and safety of information.


The second supply chain risk exercise was carried out, based on gaps detected in the voluntary evaluation that was carried out as proposed in the Dow Jones Global Sustainability Index.

A risk session was included in Sustainability Week, when the basic concepts of effective risk management were reinforced in a dynamic and interactive way with Promigas personnel.

The 37 inherent risks with the greatest impact on Promigas were presented to the Promigas Audit Committee.

Implementation of the corporate third-party risk management (TPRM) methodology, in order to identify, evaluate, deal with, monitor and administer third party risks and their formal relationship with Promigas and its associated companies

The following emerging risks have been monitored at Promigas:

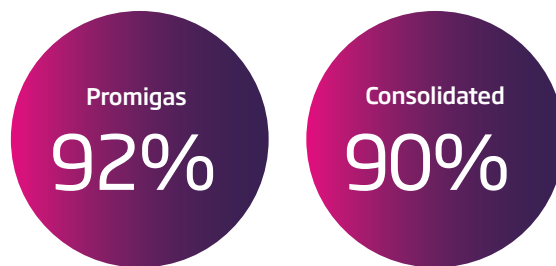
Principal Emerging Risks	Monitoring Actions
<p>Rising sea level due to waves or current, causing shoreline erosion in areas where critical Promigas natural gas infrastructure is located.</p> <hr/> <p>Changes in consumer behavior in the whole value chain (electrification of gas appliances and mass use of electric vehicles, major consumers migrate to an electricity or mixed portfolio for greater electricity share).</p>	<div style="text-align: center;">  <p>Major Possible Impact Level on Business</p> </div> <p>Monitoring and follow-up by shoreline surveying and bathymetry.</p> <hr/> <p>Carrying out surveillance and technological feasibility analyses (Rational, Opportunity and Impact - ROI - and technical feasibility, Financial Impact, Risk and Execution - FIRE) in order to verify opportunities to implement new technologies and their potential impact on Promigas business units.</p>



In 2019, we made 2,474 strategic risk appraisals relating to processes, human rights, climate change, financial SOX, anti-bribery and anticorruption, and LAFT.

Indicator

Compliance with risk mitigation action plans (%)



PROMIGAS 1
GRI103-3

HUMAN RIGHTS

■ GRI 103-2
■ GRI 103-1
■ GRI 412-2
🌐 PRINCIPALS 1, 2, 3, 4, 5, 6

The human being is the cornerstone of everything we do. We therefore have to respect his rights and promote them, and also remedy any negative consequences, should the need arise. We value diversity and recognize that rights are non-negotiable and inherent in all persons, who should always receive equal treatment.

In 2019 we drew up our Human Rights Policy, which is based on the declarations made on the subject in our Code of Conduct, which for many years has promoted respect for human rights. The Human Rights Policy sets out their scope when we are pursuing our corporate purpose, and the different areas and fronts, such as communities, our operation, and the environment.

Workshops were held with different areas of the company in order to identify the risks we are exposed to on the human rights front, and from these a human rights matrix was drawn up which enables us to not only identify those risks but also to establish activities, measures and controls to mitigate them.

Knowing what our human rights risks are gets us closer to communities and enables us to be sustainable and supportive.



Indicators

■ GRI 103-3
GRI 406-1



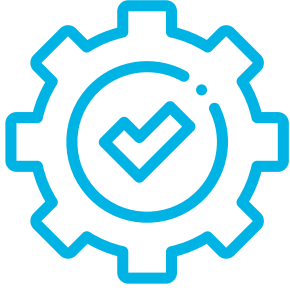
0 complaints

relating to human rights at Promigas and subsidiaries.



0 reports

made to the Labor Harmony Committee of discrimination, harassment at work or other related issues.



Our performance



TO GROW IN A PROFITABLE AND SUSTAINABLE MANNER, IN LINE WITH THE EXPECTATIONS OF OUR SHAREHOLDERS

GRI 103-1
GRI 103-2

Economic performance

To foster the expected yield and sustained growth by effectively identifying opportunities and a management of investments and funds that is in line with risk levels.

A high level of economic performance is a priority for Promigas, so that it can meet its commitment to reimburse its shareholders and interest groups adequately and consolidate the position it holds and which identifies it as an energy holding company in Colombia and the rest of Latin America.

To build society, we seek financial excellence through a sustainable growth model which adds value for our shareholders and all interest groups. Our target is always to achieve our strategic objectives and to consider the economic and regulatory context in each of the sectors or markets in which we operate.

Our management focuses on improving profitability and growth, on maintaining a sound financial position and stable liquidity, and on achieving regulatory visibility and efficiency in order, on the one hand, to offer shareholders an attractive and sustainable reimbursement and, on the other, to be a leader in gas transportation and distribution and in the distribution and marketing of gas and electricity.

Consolidated figures



Economic environment

Due to slower growth in both advanced and emerging economies, 2019 witnessed a downturn in the world economy, compared to the previous year. 2019 was marked by the trade war between China and the United States, Boris Johnson's victory in the general elections in the United Kingdom, social tensions in Latin American countries and a generalized strengthening of the dollar, all of which have led to a fall in economic growth expectations for 2020 and 2021.

2019 saw a downturn in the United States economy, the driving force for which continues to be household consumption, since it has been the base for constant growth in recent years. This consumption increased even in 2019, a year when business investment weakened, exports faced strong headwinds, and housing stagnated.

However, this behavior is not surprising if it is remembered that the unemployment figure, which has been very low in the last fifty years, ended 2019 at 3.4%. In monetary policy terms, the Federal Reserve continued the adjustment cycle that began in 2015 and continued until the summer of 2018. The high level of uncertainty, the downturn in business investment and the recession in the manufacturing sector, combined with low inflation, convinced members of the Federal Reserve Board that monetary policy should have been more expansive. Since then, the FED has increased treasury bond purchases in order to increase reserves and has lowered the target interest rate on three occasions, thereby reversing almost all of the 2018 increases, and it closed 2019 in the 1.50% - 1.75% range.

Last year, the average international Brent crude price was 10% down on the average for the previous year, mainly due to lower economic growth prospects and the downturn in manufacturing activities, which were partly offset by lower commercial tensions and an expected cut in production by the Organisation of Petroleum Exporting Companies (OPEP). Brent crude began 2019 at USD 54 per barrel, with an upward trend that took it to USD 75 per barrel in April; however, the trend was downwards in the second half of the year, a reflection of weak expansion in the global economy.

Against this tense international background, the average Colombian currency exchange rate was COP 3,281, a devaluation of 11% compared to the average for 2018.

On December 2, 2019, the representative market exchange rate (TRM) for the dollar was COP 3,522.48, the highest figure ever recorded. This behavior was due to uncertainty about the trade war, the downturn in the world economy, the fact that investors were less inclined to take risks, and the increase in the demand for dollars as a safe haven in a context where the United States economy was slowing less than elsewhere, and the FED adopted less accommodating postures than other central banks, such as the European Central Bank or the Central Bank of Japan. Similarly, this can also be explained by the uncertainty over the social protests in the country and the region.

Despite the above, the Colombian economy grew by 3.3% during 2019, 70 basic points up on 2018 growth. The sectors behind this growth in GDP were activities related to trade and transportation, public administration and defense, and financial and insurance operations. On the other hand, the sector which limited growth was construction, specifically because of the downturn in the buildings subsector.

The twelve-month inflation figure remained within the Banco de la República target range of 2% - 4% during 2019, although it closed the year at 3.80%, which was higher than the central goal. This behavior can principally be explained by the increase in food prices as a result of

supply issues and the effect of the foreign exchange pass-through; in other words, the transmission from depreciation to inflation. Despite this, Banco de la República kept the interest rate at the same 4.25% throughout 2019, even when inflation approached the upper limit of the target range.

As far as fiscal policy is concerned, on December 27 last, Colombian President Iván Duque passed the Economic Growth Law, which contains measures aimed at continuing to boost growth in the country's GDP and direct foreign investment. Essentially, the reform presented is the same 2018 Financing Law but with new articles added, notable among which are social measures that will benefit the most vulnerable sectors of the population. The exemptions proposed in the Economic Growth Law could increase the fiscal deficit, and the government therefore is faced with the challenge of increasing tax collections in order to adhere to the fiscal rule and maintain the country's credit rating.



Natural gas consumption in Colombia

In 2019, the average natural gas consumption in Colombia was 970 MMSCFD

The sector with the highest consumption was non-regulated industrial, with a 48% share, followed by thermoelectric (22%), regulated (24%) and VNG (6%). The thermoelectric sector was 3% down, since the non-availability figure for electricity transmission infrastructure in 2018 had been higher and the thermoelectric dispatch figure was accordingly higher, especially by gas plants on the coast. However, residential sector consumption was 3% up, due to growth in new settlements in recent years.

A figure of over 9.6 million regulated users in the country was reached in 2019. 80% of these users are in the interior, 17% are on the coast, and the remaining 3% in isolated areas. The total number of users rose by 448,797 in the year from December 2018 to December 2019, a 5% increase on the previous year.

Note. Sources: Monthly National Demand and Regulated User Reports (Concentra) and Gas Coverage Report (Ministry of Mines and Energy, 3rd Quarter, 2019).

Portfolio sustainability and development of new business

GRI 103-1
GRI 103-2

Not only do we identify, evaluate and carry out new business opportunities, we also reinforce our current services in order to guarantee our sustainability and ensure that the growth horizons and strategic units defined in corporate Strategic Planning are achieved.

The target of corporate strategy is portfolio sustainability, and by carrying out new business activities and growing the economic, social and environmental value of existing business, we boost strategy.

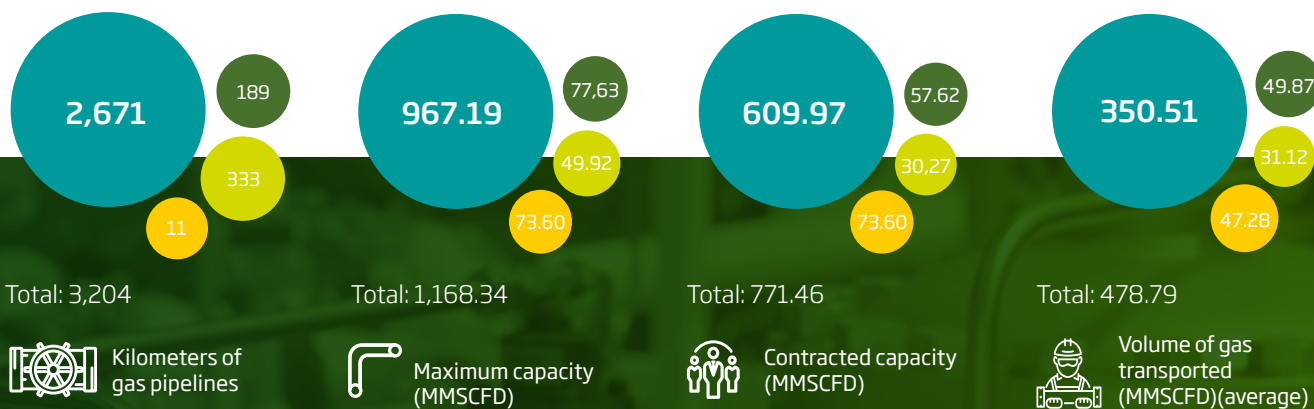
GRI 103-3
PROMIGAS 3



Strategic Transportation Business Group Natural Gas Transportation Companies

Operating Information

■ Promigas ■ Transmetano ■ Promioriente ■ Transoccidente



Kilometers of gas pipelines

Maximum capacity (MMSCFD)

Contracted capacity (MMSCFD)

Volume of gas transported (MMSCFD)(average)

PROMIORIENTE

Since it was not significantly affected by any external events, gas pipeline operational stability was maintained, thus enabling it to render a continuous service and generate the revenue budgeted.

Fitch confirmed the AA+ (Col) rating for Promioriente, based on its cash flow stability, the strength of its transportation infrastructure, the stability of its credit metrics and its long-term capital structure, thus enabling it to have high levels of financial flexibility for absorbing contingencies.

TRANSMETANO

For 2020, Transmetano has succeeded in contracting an additional 106 MMSCFD in total through firm and interruptible agreements. As a result of implementing the new commercial policy, which commenced on January 1, 2020, it proved possible to retain capacities in other modalities with a renewal risk.

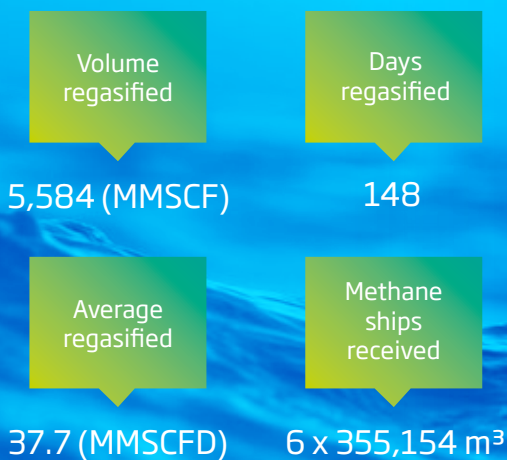
The Yarumito deviation was built and commissioned, resulting in the Sebastopol-Medellín gas pipeline now being outside the area affected by mass earth movements in the Aburrá Valley metropolitan area. This deviation enables risks associated with a land instability incident to be mitigated.

TRANSOCCIDENTE

100% of the capacity contracted by GdO was retained in 2019, with a couple of 100-0 charges, thus guaranteeing the company's expected revenue level.



LNG



SPEC

On a total of 148 days in 2019, SPEC regasified 5,837 MMSCF of gas, in total, which was injected into the National Gas Transportation System on the Atlantic coast. Thus, by meeting thermal requirements and carrying out scheduled and emergency maintenance on electricity infrastructure lines, SPEC has become a fundamental backup for the National Electricity System.

In the course of the year, SPEC received six LNG ships containing a total of 355,154 m³. LNG is received by means of a ship-to-ship operation, using cryogenic hoses. Operations have been carried out successfully and within the permitted unloading times.



Integrated solutions for industry

PROMISOL



Promisol carried out a successful operation at the Bonga and Mamey hydrocarbon treatment plant, which exceeded the expectations of the customer, Hocol, in terms of the operational availability agreements, which stated 99.34% and an average gas treatment figure of 35 MMSCFD.

As far as energy services were concerned, at the close of 2019 Zonagen had 15 customers connected and 98% of its installed

capacity sold, and reported a 2% growth in energy sales. Meanwhile, it continued to honor its operation and maintenance contracts with its customers Ajoover, Mexichem and Essenttia in Cartagena.

It also made progress on consolidating its construction business, with over 355 km laid, and it led the works involved in the underwater crossing of El Dique Canal.



Strategic Distribution Business Group

GRI 103-3
PROMIGAS 3

Related companies in Colombia connected 154,450 new users in 2019, for a total of 3.7 million beneficiaries. They also served 818 towns and villages in the country, as a result of which they had a 38% share of service beneficiaries.

As far as distribution companies in Peru are concerned, these succeeded in connecting 257,424 users during the year, thus achieving a total of over one million. Cálidda and Quavii together served 37 towns and villages in the country, making for an accumulated total of 1.1 million users in Peru.

Distribución de gas natural

Towns / villages served

GdO
276

Surtigas
185

Gas Caribe
231

Efigas
61

Gases de La Guajira
65

Cálidda
30

Quavii
7

Total 855

Users in the period

GdO
44,236

Surtigas
33,066

Gas Caribe
44,542

Efigas
28,023

Gases de La Guajira
191,466

Cálidda
65,958

Quavii
411,874

Total 411,874

Accumulated users

GdO
1,183,355

Surtigas
805,457

Gas Caribe
1,021,153

Efigas
591,871

Gases de La Guajira
119,053

Cálidda
952,684

Quavii
87,486

Total 4,761,259

Effective coverage

GdO
90

Surtigas
95

Gas Caribe
90

Efigas
84

Gases de La Guajira
86

Cálidda
88

Quavii
45

Natural gas sales (MMm³)

GdO
1,103

Surtigas
895

Gas Caribe
1,363

Efigas
318

Gases de La Guajira
59

Cálidda
5,928

Quavii
43

Total 9,709

Effective Promigas share (%)

GdO
94.4

Surtigas
99.9

Gas Caribe
30.9

Efigas
24.8

Gases de La Guajira
26.9

Cálidda
40

Quavii
100

SURTIGAS

A further seven towns and villages were served, for a total of 185 and a coverage figure of 96% in its zone, with 805,457 users connected by the end of the year. Under an agreement between Canacol and Promigas, a start was made on the Sahagún gasification project, which will benefit a total of 735 homes.

GdO

During the year, GdO constructed 404 km of network serving 11 new towns and villages, for a coverage figure of 90% and a total of 1,183,555 users. It continued to graduate the distribution charge defined in CREG Resolution 197 of 2017 for its beneficiaries.

GASES DEL CARIBE

This company and its affiliates served a further seven towns and villages last year, meaning that they now have a presence in 231 towns and villages in their area of influence, 65 in the Gases de La Guajira zone, and 61 in that of Efigas. By the year-end they had an accumulated total of 1,021,153 users and had increased gas sales to 1,362 Mm³ as a result of better management on the secondary market.

CÁLIDDA

Cálidda received approval from Osinergmin for the full plan, and the new rate came into force on August 7, 2019. In the course of the year, it connected 7 new towns and villages for a total of 30 and 191,331 new users, making an accumulated total of 952,547.

QUAVII

Quavii met its commitment with the Peruvian Government to connect 87,000 users by the end of the year. It managed to increase its coverage to 45% by virtue of constructing 118,204 new rings, for an accumulated total of 194,130.

It has 32 tanks for virtual transportation from the plant to regasification stations, eight of them acquired in 2019.

It was awarded the Business Creativity 2019 prize by the Peruvian University of Applied Sciences for operating the virtual LNG gas pipeline for mass natural gas usage in northern Peru. This is one of the most prestigious prizes in the country.



Electricity distribution

CEO

Towns and villages served	38
Users in the period	13,795
Accumulated users	395,851
Effective coverage	94
Energy sales (GWh)	607
Effective Promigas share	97.1

CEO serves 38 of the 42 municipalities in Cauca province, in southwest Colombia, plus five corporate customers in other regions. A notable feature of its operation is the 51% fall in the public lighting portfolio overdue by more than 90 days and the 1.94% drop in other portfolio overdue by more than 90 days.

CEO developed new installed power business (2,594 MW), achieving results that were 70% up on the previous year, and it also managed to exceed the target set by 34.5%. Similarly, its solar energy generation projects exceeded 370 MWh, with installed power rising from 187 kWp to 583 kWp, a growth figure of over 200%.



Non-banking financing

BRILLA

<p>Accumulated beneficiaries</p> <p>3.4 million</p>	<p>Loans placed</p> <p>COP 763,150 million</p>	<p>Total portfolio</p> <p>COP 1 billion</p>
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Brilla has served 3.4 million families and accumulated a portfolio of more than one thousand million pesos. This business represented 16% of consolidated distribution company EBITDA in 2019.

Commercial features of note include 31% growth in the construction materials line and 35% and 29% growth in the electrical appliances and television lines, respectively.

Corporate economic and financial management

FINANCIAL STATEMENTS

■ GRI 103-3

The principal figures on the General Balance Sheet and the Profit and Loss Statement, compared to those presented in 2018, are shown below.

General Balance Sheet (Figures in millions of pesos)			
ASSETS	dec-18	dec-19	Var %
Current Assets	339,110	359,375	6
Net Fixed Assets	68,674	77,523	13
Assets under Concession	1,369,995	1,799,846	31
Financial Assets	1,976,041	2,147,513	9
Other Assets	2,602,020	2,777,510	7
TOTAL ASSETS	6,355,841	7,161,767	13
LIABILITIES			
Current Liabilities	562,018	428,475	-24
Non-Current Liabilities	2,580,948	3,140,477	22
TOTAL LIABILITIES	3,142,966	3,568,953	14
TOTAL EQUITY	3,212,875	3,592,815	12
LIABILITIES + EQUITY	6,355,841	7,161,767	13

At the 2019 year-end, assets were 13% up as a result of investments made in the 100 MMSCFD expansion project and the annual financial asset adjustment due to the updating of macroeconomic and operational variables.

Fixed assets were up as a result of the works carried out during the year at administrative headquarters and pre-operational expenses associated with the evaluation of various expansion projects in progress.

The increase in assets under concession was due to the fact that, in 2019, work continued on significant investments associated with the 100 MMSCFD expansion project (Jobo-Majaguas gas pipeline, Mamonal-Paiva 20" and Paiva-Caracolí, and Paiva, Caracolí and Filadelfia compression stations), and also on other investments, such as construction of the HCA deviation in Riohacha, the Mamonal-Paiva 24" gas pipeline, and the El Dique canal crossing.

The financial asset generated by the transportation concessions reflects the annual adjustment relating to the updating of operational and macroeconomic figures and the weighted average capital cost (WACC).

Other assets rose because participation method profits of related companies were reported, mainly distribution companies

like Surtigas, arising from higher marketing revenue, Gases de Occidente, whose distribution business income rose, higher CEO profits, and Cálidda, where a greater volume was invoiced and also because of the new rate that came into force in May 2018. As far as the gas transportation companies were concerned, notable features were growth at Transmetano due to the greater installed capacity and at Promioriente, due to revenue related to the gas imbalance.

Total liabilities, mostly in the long-term category, were 14% up. A USD 210 million international bond issue in October provided funds that were used for optimizing our debt payment profile by paying off the USD 125 million syndicated loan and to finance projects in the course of execution, such as the 100 MMSCFD project, and those budgeted for 2020, such as the Banana Zone gas pipeline and the Riohacha and Bonda-Tasajera deviations. Meanwhile, provisions were reported in December for environmental costs requested by ANLA relating to projects already executed, namely Jobo-Majaguas, San Mateo-Mamonal and Paiva-Mamonal, and an adjustment was made to the 2018 provision for higher environmental costs related to the Paiva compression station.

Summary Profit and Loss Statement (Figures in millions of pesos)

	dec-18	dec-19	Var %
Operating Revenue	594,932	642,830	8
Constructions Revenue	153,601	828,113	439
Participation Method	444,822	507,451	14
Costs and Expenses	218,860	240,376	10
Construction Costs	153,601	828,113	439
EBITDA	820,894	909,904	11
Depreciation, Amortization & Provisions	88,984	96,559	9
Operating Profit	731,910	813,346	11
Financial Asset Revenue	171,348	172,033	0
Other Revenue	89,621	168,218	88
Other Expenditure	216,567	302,740	40
Pre-Tax Profit	776,312	850,857	10
Income Tax	50,903	39,704	-22
Net Profit	725,409	811,153	12

The growth in operating revenue was due to higher gas transportation revenue, which increased because of the variation in the average exchange rate and the signing of new, interruptible contracts with Canacol. These counteracted the decline in volumes transported, compared to 2018, a year when consumption increased as a result of attacks on the National Transportation System (NTS) and maintenance work the Coast-Interior interconnection lines.

The construction revenue and cost, which are reported as having the same value under current accounting regulations, was up because of the change in accounting policy, with the result that for 2019 not only capitalizations made are reported but also progress on projects during the year, which was not included in 2018.



Participation method revenue was up in 2019 at the following companies.

Surtigas: higher marketing revenue, gas business, and the gasification project in the town of Sahagún that was carried out under an agreement with Canacol.

Gases de Occidente: higher distribution business revenue and participation method revenue due to CEO results.

Cálidda: increased revenue due to higher volume invoiced and new rate from May 2018.

CEO: higher distribution revenue and lower costs due to application of IFRS 16.

Transmetano: higher contracted capacity.

Promioriente: revenue received due to gas imbalance with Vanti.

Costs and expenses were up by 10% as a result of the annual increase in labor expenses, the change in the methodology for calculating the contribution to the Superintendency of Domestic Public Services, which increased the cost base on which the 1% rate applies by including financial expenses, maintenance of the SAP S4HANA administration service that was being reported in the project, and the growth in insurances due to the higher value of assets to be insured.

The increase in depreciation and amortization was due to the capitalization of projects relating to the 100 MMSCFD expansion project.

Financial asset revenue reflects the annual adjustment for updating macroeconomic variables and the weighted average capital cost (WACC).

The behavior of other revenue and other expenditure is due mainly to the effect of revaluation / devaluation during the year on the loan and the rental in dollars of the Hocol plant with Promisol, as well as on the USD 125 million syndicated loan paid in October and on the USD 210 million bond issue the same month. Additionally, the difference on exchange on dividends decreed in dollars by Cálidda was reported in May. The higher debt balance in 2019 is reflected in a higher financial expense for the year.

Income tax was down because of the 40% tax benefit under the legal stability contract applicable to the acquisition of productive fixed assets and the difference on exchange caused by the bonds issued.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements at December 31, 2019, compared to those presented at December 31, 2018, are given below.

Consolidated General Balance Sheet (Figures in millions of pesos)			
ASSETS	dec-18	dec-19	Var %
Current Assets	1,611,591	1,813,811	13
Net Fixed Assets	1,139,381	1,285,242	13
Assets under Concession	2,534,795	3,149,329	24
Financial Assets	2,502,015	2,718,833	9
Other Assets	2,637,690	2,789,187	6
TOTAL ASSETS	10,425,471	11,756,401	13
LIABILITIES			
Current Liabilities	1,285,442	1,220,790	-5
Long Term	5,706,206	6,701,241	17
TOTAL LIABILITIES	6,991,649	7,922,031	13
TOTAL EQUITY	3,433,822	3,834,370	12
LIABILITIES + EQUITY	10,425,471	11,756,401	13

Current assets were 12% up, mainly in Surtigas accounts receivable for higher non-banking financing marketing and placement revenue, at Cálidda due to higher volumes invoiced and the better rate, and at Promigas due to higher invoicing in December.

Assets under concession were up due to the continuing execution of major investments associated with the 100 MMSCFD expansion project (Jobo-Majaguas gas pipeline, Mamonal-Paiva 20" and Paiva-Caracolí, and Paiva, Caracolí and Filadelfia compression stations), and investments made in commissioning Quavii.

There was a variation in financial assets generated by virtue of International Financial Reporting Interpretation Committee (IFRIC) accounting regulation 12, which governs the transportation and distribution concession, due to the periodic updating of operational and macroeconomic figures. The weighted average capital cost (WACC), which is used for disconnecting the market value of the gas pipeline at the end of the concession, was also adjusted.

Total liabilities, mainly in the long-term category, were 13% up. A USD 400 million international bond issue was carried out in October, in which Promigas had a 52.5% share (USD 210 million) and Quavii USD 190 million. These funds were used to optimize the short- to long-term debt profile and to finance both companies' expansion and current projects in 2019 and 2020, such as the 100 MMSCFD expansion project and those budgeted, namely the Banana Zone gas pipeline and the Riohacha and Bonda-Tasajera deviations.

Consolidated Profit and Loss Statement (Figures in millions of pesos)

	dec-18	dec-19	Var %
Operating Revenue	3,381,282	3,753,710	11
Constructions Revenue	346,176	1,073,187	210
Participation Method	172,629	194,609	13
Costs and Expenses	2,297,824	2,586,320	13
Construction Costs	346,176	1,073,187	210
EBITDA	1,256,087	1,361,999	8
Depreciation and Amortization	175,080	195,218	12
Operating Profit	1,081,007	1,166,781	8
Financial Asset Revenue	205,803	217,616	6
Other Revenue	116,725	208,293	78
Other Expenditure	438,305	555,479	27
Pre-Tax Profit	965,229	1,037,212	7
Income Tax	189,711	181,687	-4
Minority Interest	50,055	44,178	-12
Net Profit	725,463	811,347	12

The increase in operating revenue is principally the result of the following:



Distribution companies:

Surtigas: bigger profit in the marketing business, bigger margin in the gas, materials and services businesses, and revenue from the assignment of rights in the gasification project in Sahagún, carried out under an agreement with Canacol and Promigas.

Gases de Occidente: bigger profit on the distribution business, marketing, rights and financing.

Cálidda: bigger margin in the gas business due to higher volume invoiced and the higher rate that came into force in May 2018, plus the bigger margin in other businesses.



Transportation companies:

Promigas: signing of new interruptible contracts with Canacol.

Transmetano: higher transportation revenue due to greater contracted capacity and index-linking of the rate.

Promioriente: revenue from the gas imbalance with Vanti.

Promisol: higher gas pipeline maintenance and construction service revenue from projects associated with Canacol 100 MMSCFD: the directed horizontal crossing of El Dique Canal and sections 1 and 2 of the Jobo-Majaguas gas pipeline.

The behavior of construction cost and revenue is due to the change in accounting policy, with the result that for 2019 not only capitalizations made are reported but also progress on projects during the year, which was not included in 2018. The Canacol 100 MMSCFD project, at Promigas, and investments made by Quavii are notable features of 2019.



The increase in the participation method is due to higher revenue from the gas business at Cálidda, due to the higher volume invoiced, the better rate, which came into force in May 2018, and the bigger margin in other businesses.

Costs and expenses were up in 2019, mainly at distribution companies, as a result of updating the portfolio provision at the year end and the change in calculating the contribution to the Superintendency of Domestic Public Services, which now includes financial expenses.

Financial asset revenue was up at Promigas and at Surtigas, due to the annual adjustment of macroeconomic and operational variables.

The increase in other revenue and expenditure is due to the difference on exchange generated by assets and liabilities in dollars. In 2019, these related to rental, the dollar loan between Promigas and Promisol, and Promisol financial assets in dollars, and also to the liability from the USD 400 million international bond issue in October for refinancing the Promigas and Quavii debt, in which Promigas has a 52.5% share (USD 210 million).

Other expenditure also increased because of the higher debt balance in 2019 at Promigas and the aforementioned bond issue at Quavii.

Income tax was down, due to the effect of the 40% tax benefit under the legal stability contract applicable to the acquisition of productive fixed assets.

Financial information disclosure and control systems

At Promigas, we implement internal controls and procedures for administering business risks, preserving the effectiveness and efficiency of operations, and guaranteeing the reliability and opportunity of the information we present to our interest groups.

We continually check and evaluate the performance and effectiveness of internal controls over financial reports. These evaluations include analyzing the design and effectiveness of controls that mitigate risks associated with the generation of financial information which, additionally, aim to guarantee the integrity of that information.



The monitoring mechanisms we have established in our internal control system

reasonably guarantee that in the course of 2019 there were no deficiencies in such controls that might have impeded the recording, processing, summarizing and adequate presenting of financial information. Similarly, we have had no knowledge of any fraud, willful errors or manipulations that might have affected the quality of this information. .

Legal and regulatory management

 GRI 103-1
 GRI 103-2
 GRI 103-3
 GRI 307-1
 GRI 419-1
 PRINCIPLES
 7,8,9 Y 10



Having regulated businesses implies carrying out our operations in the context of applicable legal regulations. Correct adherence to legal obligations is ensured by our Internal Control and Risk Management System, which guarantees that laws, rules and regulations are complied with.

LEGAL MANAGEMENT

No fines or sanctions were imposed on Promigas in 2019 for failing to comply with laws or regulations. **Similarly, the saving in judicial awards made in favor of Promigas was COP 9,153,385,315;** however, the sum of COP 3,498,700,229 was paid under awards which were against the company and a settlement agreement.

Overall, including both Promigas and the affiliated companies for which it renders back office administration services, **34 proceedings were concluded in 2019**, 22 of them resulting in favorable awards and the remaining 12 in unfavorable ones.

Similarly, as part of an arbitration procedure for an alleged fault in the transportation service, a conciliation agreement totaling COP 9,870,371,000 was signed as a precautionary measure in view of the initial claim, which was for COP 61,933,000,000.

Three of our affiliates were penalized. The Superintendency of Domestic Public Services imposed a sanction on Surtigas for failure to adhere to CREG Resolution 059 of 2012. Since the company does not agree with what is stated in the said administrative act, it will file the appeals established in the law by the legal deadlines stipulated therefor, with a view to getting the sanction revoked.

GdO is currently involved in motions to set aside relating to an administrative decision by the Superintendency of Domestic Public Services to impose a fine under the terms of CREG Resolution 059 of 2012.

DIAN imposed a sanction on SPEC for the alleged ineffectiveness of two withholding at source declarations for 2016. The value of the sanction was approximately USD 86,000.

Regulatory management



Natural gas transportation

Remuneration for assets that have reached the end of the regulatory useful life:

To date, the expert Tipiel S.A. has provided appraisals of those assets which have reached the end of their regulatory useful life. We are waiting for CREG to issue a resolution approving sums relating to the 'replacement as new' cost and the cost of keeping the following assets operating:

- **Promigas, useful life 2016:**
La Mami-Bureche loop and two branch gas pipelines.
- **Promigas, useful life 2017:**
12 branch gas pipelines.
- **Promigas, useful life 2018:**
Dibulla-Palomino loop, Palomino compressor, Termoflores gas pipeline, and 15 branch gas pipelines.
- **Transoccidente, useful life 2016:**
Yumbo-Cali gas pipeline.
- **Promioriente, useful life 2017:**
8" Bucaramanga-Payoa gas pipeline
- **Transmetano, useful life 2017:**
Sebastopol-Medellin gas pipeline.

Natural Gas Supply Plan

In January 2020, UPME issued the technical study for the Supply Plan to agents, for comments. It is expected that towards the end of the first half of the year, UPME will issue the definitive plan and that this will be taken on board by the Ministry of Mines and Energy. It is envisaged that by the end of the first half of the year CREG will adjust and define regulatory matters associated with the draft Supply Plan and publish the resolution defining the efficient value of investments in the Barranquilla-Ballena bidirectional project, and also that UPME will issue the definitive bid documents for the Pacific Infrastructure early in the second half of the year.

Transportation rate methodology

In August 2016, the Commission issued draft CREG Resolution 090 containing a proposed methodology for calculating the natural gas transportation rate. In 2017, 2018 and 2019 efforts were made to get CREG to reinforce a suitable regulatory framework for the transportation activity. According to the regulatory agenda for 2020, it is envisaged that CREG will issue a new resolution for comments in the first quarter of the year, followed by the definitive resolution in the second quarter.

Natural gas wholesale market. In August, CREG issued Resolution 082 of 2019 for consultation

This proposes adjustments to the marketing of transportation capacity and suggests wider dissemination of available capacity, speedier auction processes, and the possibility of signing shorter contracts, which are perceived as favorable to the activity. It is envisaged that CREG will issue the definitive resolution in the first quarter of the year and that in the third quarter it will issue adjustments to the marketing of supplies for comments.

General behavior framework

In July, CREG issued definitive Resolution 080 of 2019, which establishes a general market behavior framework for agents engaged in domestic public services activities.



Natural gas distribution

Transformation Mission

The Ministry of Mines and Energy invited the Energy Transformation Mission to draw up a road map that will guide energy modernization in the country. This map will be designed by a group of twenty Colombian and international experts who were chosen for their experience and their knowledge of the focal points defined for the Mission, and results are expected in 2020. The five focal points established are as follows:

- **The role of gas in energy transformation**
- **Decentralization and digitalization of the industry and efficient management of demand**
- **Closing gaps, improving quality, and the efficient designing of subsidies**
- **Competition, participation in and structure of the electricity market**
- **Review of the institutional and regulatory framework**

FNCER auctions

Two auctions were held in October this year for long-term electricity contracts with non-conventional sources. In the first, in February, no projects were awarded because the competition conditions established by CREG were not met. In the second, a target demand of 12,050.5 MWh-day was presented, as determined by the Ministry of Mines and Energy, and CREG established a maximum individual upper price limit of COP 200 kWh. As a result, a total of 10,186 MWh-day were allocated at a weighted average price of COP 95 per kWh. 544 electricity supply contracts were signed with seven generators and 22 marketers under eight projects that were awarded, with a total capacity of 1,298.9 MW, 17.39% of which is solar energy and 82.61% wind energy.

Natural gas auction

The natural gas supply marketing process began in June 2019 with publication of the "Total Production Available for Firm Sale (PTDVF)", which producers report. Bilateral negotiations commenced later, and these concluded with the signing of long-term contracts. A relevant factor during this process was the Ecopetrol auction for the Cusiana and Cupiagua fields, which culminated in a weighted average price for Cupiagua of USD 5.80 / MBTU for 2021, and for Cusiana a price of USD 4.70 / MBTU for 2020 and USD 5.76 / MBTU for 2021.

Natural gas distribution

In line with Circular 107 of 2018, companies which render the natural gas distribution service via networks expressed their decision as to whether to remain under the transitory charge or to take on board a new, definitive one in January 2019. The Commission later issued Circular 030 of 2019, which set the rate application process in motion for the new definitive charge. Rate files are expected to be presented in 2020.

CREG issued various resolutions in 2019 that had an impact on the regulatory framework. In Resolution 080 of 2019 the Commission established behavior rules, with a view to progressively migrating to a self-regulation scheme.

Cálida:

In Resolution 129-2019-OS/CD, Osinergmin approved the updated Cálida Five-Year Plan for the period 2018-2022 and the respective rate readjustment.

The new mean rate was thus established as USD 24.6 per thousand m³, and this came into force in August 2019.

Electricity distribution

Resolutions were published in 2019 which approved variables for calculating revenue and the electricity distribution charge for network operators. For CEO, Resolution 141 of 2019 contained approval of the variables for calculating company revenue for the next rate period. This Resolution also gave approval for the Investment and Reduction of Losses plans.



Corporate indicators

Contracted Capacity (%)

GRI 103-3
PROMIGAS 2



Natural gas sales (MMm³)



Regulatory compliance

GRI 307-1
GRI 419-1

- Promigas:**
 Notification was received in 2019 of a fine of COP 165,448,306 imposed by ANLA for failing in 2008 to carry out an environmental procedure with the national authority, the Ministry of Environment and Sustainable Development, for carrying out an "urgent" work for which the local authority had granted permits, a situation that was not accepted by ANLA.
- Subsidiaries**
 SPEC sanction of USD 86,000 imposed by DIAN.

Economic value created and distributed

GRI 201-1

ECONOMIC VALUE CREATED AND DISTRIBUTED		(millions of pesos)
Direct economic value created (VEC)		
Total consolidated revenue		5,274,946
Operating revenue		5,066,653
Other non-operating revenue		208,293
Economic value distributed Valor (VED)		
Total personnel salaries and social benefits		262,209
Operating costs		3,511,044
Investments in the community		14,566
Payments to governments		66,906
Payments to capital suppliers (dividends credited to all types of shareholders)		420,622
Total economic value distributed		4,275,347
Economic value retained (VER) (VEC less VED)		999,599

TO STRENGTHEN THE VALUE PROPOSAL FOR OUR CUSTOMERS

Customer Service quality

GRI 103-1
GRI 103-2

To guarantee our customers a prompt, reliable and safe service that is at the forefront of their needs and expectations and which enables us to provide value added solutions that are in line with our internal quality culture.

Internally, we focus on strengthening the service culture in our personnel and contractors in order to transmit a warm attitude that inspires respect, integrity, solidarity, a passion for what we do, and excellence.

Gas transportation operations

In 2019, the Promigas gas pipeline system on the Coast extended for 2,671 kilometers. By the year end, the company had a maximum transportation capacity of 967 MMSCFD and a gas transported volume of 350.5 MMSCFD, 4% down on the previous year because the availability figure for the Coast-Interior electricity interconnection infrastructure and other regional electricity circuits was lower in 2018, resulting in the thermal power stations reporting higher dispatch figures that year.

Other gas consumption sectors on the Coast have remained stable, as will be seen from the following table, which summarizes their annual consumption.

VOLUME OF GAS TRANSPORTED BY PROMIGAS

Volume transported by sector (MMSCFD)	2018	2019	Var %
Thermal electricity	166.9	147.9	-11%
Industrial	141.0	141.8	1%
Distributor	46.7	49.4	6%
GNCV	11.1	11.5	4%
TOTAL	365.7	350.5	-4%

One notable feature of the second half of 2019 was the commissioning of the loop, or parallel gas pipeline for increasing transportation capacity, between Jobo (Córdoba) and Majaguas (Sucre), which is 85 km long and has a diameter of 20 inches, thus enabling us to increase our transportation capacity by 100 MMSCFD; operations also commenced at the new Filadelfia station, 38 km from Sincelejo.

Complete project, which consists of expanding more than 200 km of the transportation network on the following routes:

Jobo-Majaguas gas pipeline (Canacol wells to Sincelejo), Mamonal-Paiva gas pipeline (Cartagena to new Paiva station), and Paiva-Caracolí gas pipeline (new Paiva station to Barranquilla). This also included activities at three compressor stations, adaptation of Caracolí Compression Station, expansion of Filadelfia Compression Station, and the construction of a new one at Paiva.

Our distributors

Surtigas entered the electricity and thermal energy sale market for the industries sector with solar panels and gas combustion motors. On the household market, it continues to be the best-rated public service by the inhabitants of Cartagena, with an 89% favorability figure and 98% recognition in the most recent survey conducted by "Cartagena cómo Vamos". It also achieved the best satisfaction rating in Montería, a city where 2019 was the first year that measurements were made.

GdO improved by one per cent in the 2019 "Cali cómo Vamos" citizen perception survey in 2019, from 88% in 2018 to 89%. In the same survey in the municipality of Yumbo, the figures were 92% in 2019, compared to 85% in 2018. And in the first evaluation carried out under the "Cómo Vamos" program in Buenaventura, the satisfaction figure was 85%, making it the best public services company in that city.

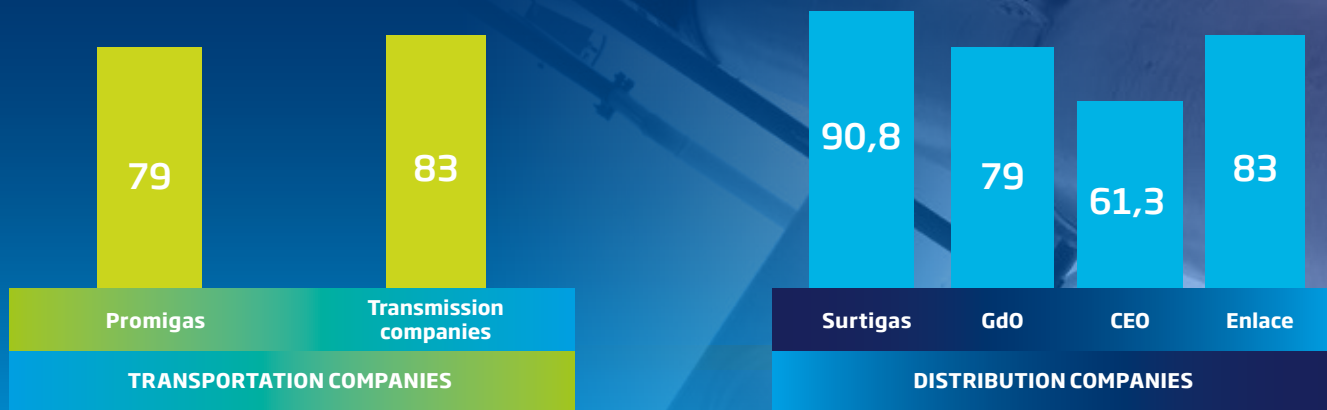
CEO now reaches 38 of the 42 municipalities in Cauca province, in southwest Colombia, and has five corporate customers in Palmira, Pereira, Barranquilla and Cartagena.

CEO had two solar energy projects, for a total of around 187 kWp in early 2019, but it ended the year with an installed power of 583 kWp, a growth figure of more than 200%. Solar energy generation in the five projects installed totaled over 370 MWh by November.

Quavii searched for opportunities in new segments and succeeded in converting five fish processing plants which formerly used petroleum waste to natural gas.

Enlace, in its search for greater efficiency, introduced two projects The first involved using descriptive analytic indicators to facilitate analysis and planning, improve decision-making and cut costs, while the second involved the updating and systematization of business processes for field work.

Satisfaction index

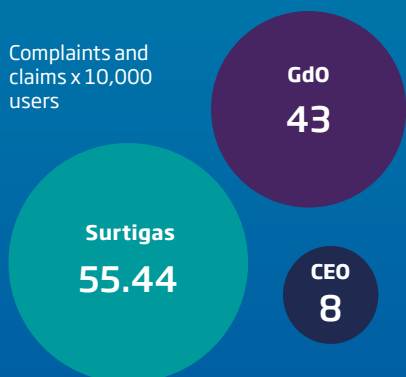


Dealing with Complaints and Claims by our Customers



DISTRIBUTION COMPANIES

Complaints and claims x 10,000 users



Average time settling complaints and claims (days)

Company	Average Time (days)
Surtigas	17.43
GdO	6
CEO	96% less than 13 days

Note: Maximum time for settlement stipulated by law is 15 business days.

Development of competitive solutions through innovation

**GRI 103-1
GRI 103-2** *Innovation enables us to strengthen the value proposal for our current customers and to diversify and enrich our portfolio of products and services on the energy market, and hence contribute to the economic growth, sustainability and overall development of our customers and our environment.*

We view innovation as a human process in which our ability to understand and anticipate needs and trends in the environment converges with our strategy, resources and market position to create and construct new value and make this available to our customers and other interest groups

In 2019, when operations at our Center for Energy and Gas Research and Innovation (CIIEG) were consolidated, approval was obtained for its new governance model, the 2019-2022 innovation strategy, the corporate innovation indicators system and the innovation management model which clearly defines roles and responsibilities at Promigas and in the companies in its investment portfolio, including the identification of projects that will be led at corporate level. This innovation architecture, which was drawn up in line with good international practices, was certified by the Global Innovation Management Institute in the United States at Compliance Level 3. Promigas was the first company in Latin America to receive this award.

The strategy defines two growth vectors via innovation: renewable gases and distributed generation. In this latter line, distributed generation, Promigas, CIIEG and Promisol received approval for a grant of around USD 650,000 from USTDA for conducting a feasibility study into implementing thermo-solar systems for industrial process heat. This technology would allow for diversification in the portfolio of solutions by means of a renewable concentration heat supply that today does not exist in the country. Headed by Innovation Management with Colciencias and the National Taxation Benefit Council, it has enabled four new projects for accessing this mechanism to be classified, with a projected tax benefit of more than COP 2,000 million for the years 2019 to 2022.

Under the terms of the agreement that was signed between Promigas and the Royal Academy of Engineering in the United Kingdom for launching the Industry and Academia Association Program, Promigas made the first of two invitations, with a place being awarded to attend the Operations Forum and an internship on a project at our research center.

We would like to highlight the fact that, for the second consecutive year, our affiliate CEO won the Ambar Award in the Innovation and Technological Development category for the work entitled "Design and Implementation of a Multipurpose Solution for the Telemetry of Commercial Frontiers, Energy Loss Control and Fault Location in the SDL". According to the Business Innovation ranking published by Dinero magazine and ANDI, CEO is one of the top ten incipient innovation systems.

Indicators

**GRI 103-3
PROMIGAS 6A
PROMIGAS 6B
PROMIGAS 6C**

Expenditure on and investment in research and development as percentage of gross revenue	FTE Personnel for Research Development and Innovation	% of net revenue derived from innovation	Innovation mechanism diversity
2019 result 0.67 %	17 FTE, equivalent to 4.2% of total staff	2019 result: 1.83%	Three different mechanisms used: research and development contracts with universities, open innovation invitation, and innovation tournament (distributed creativity).
2019 target: between 0.6 y 0.8 %	2019 target: between 2 y 4%		

TO OPTIMIZE PRODUCTIVITY AND GUIDE THE ORGANIZATION TOWARD LEVELS OF OPERATIONAL EXCELLENCE

Continuity and reliability index

100 %

at Promigas and above 99.8%
at our subsidiaries

Operational excellence

In terms of good operational excellence practice, we would like to highlight the Promigas Main Control Center administration model that we have implemented in recent years. This is based on Department of Transportation (DOT) regulations in the United States through the Pipeline and Hazardous Material Safety Administration (PHMSA), and seeks to ensure human factors and other Control Room Management (CRM) matters. No regulations yet exist in Colombia on this issue, which means that there is no obligation to meet these requirements in the country.

Training our personnel in all matters relating to critical tasks is essential, if we are to ensure that our operations are performed safely. In order to complement our operator classification program, which is integrated into Process Safety Management, we have therefore drawn up a study curriculum with a view to meeting these needs. As a starting point in 2019, ten modules were produced which enable our personnel to extend and reinforce their knowledge of technical subjects that are deemed basic for a correct understanding of the principles that govern gas pipeline and station operations, so as to comply with two of the criteria established in the control center management philosophy associated with operational experience and personnel training.

Business integrity and continuity

■ GRI103-1
GRI103-2

To ensure the integrity, reliability and availability of natural gas and electricity transportation and distribution systems through operating practices that meet high national and international standards and with effective risk management and continual improvement in our processes.

This is a strategic measure which boosts the corporate response capability to render reliable, quality services.

We ensure the integrity, reliability and availability of natural gas and electricity transportation and distribution systems in order to minimize both the probability of a fault occurring and the consequences thereof, such as losses, to improve safety, and to efficiently use the resources available for executing our activities.



Each year we have seen how our training program has gradually eliminated gaps in identifying abnormal infrastructure operating conditions, and we have progressed toward our goal of carrying out a safe, reliable and continuous operation.

In order to maintain the integrity of our transportation infrastructure, investment projects totaling COP 18,600 million were carried out during the year, notably directed crossings, deviations and individual refurbishment work. Examples include the Arroyos Directed Horizontal Drilling on the Mamonal - Sincelejo gas pipeline, in order to correct open-air pipework, the deviation of the Barranquilla Distribution Network in the La Virgencita sector due to pipework interfering with the highway project to improve the road to the airport and also repairs that were carried out to defects reported in the Fit for Purpose (FFP) study aimed at mitigating the threat of internal and external corrosion, and changing a section of pipework in the Caracolí - Heroica gas pipeline, in order to correct an anomaly that was detected under La Cordiality highway using a smart tool (ILI).

Subsidiaries

Surtigas, together with a group of experts and taking world benchmarks into account, introduced an Operational Excellence Model with a value chain approach in an effort to find faster and more practical solutions to guarantee its customers top quality, productivity, and competitive services.

GdO, with a view to reducing third party damage to infrastructure, entered into various agreements with public institutions, such as the Santiago de Cali Risk Management Secretariat.

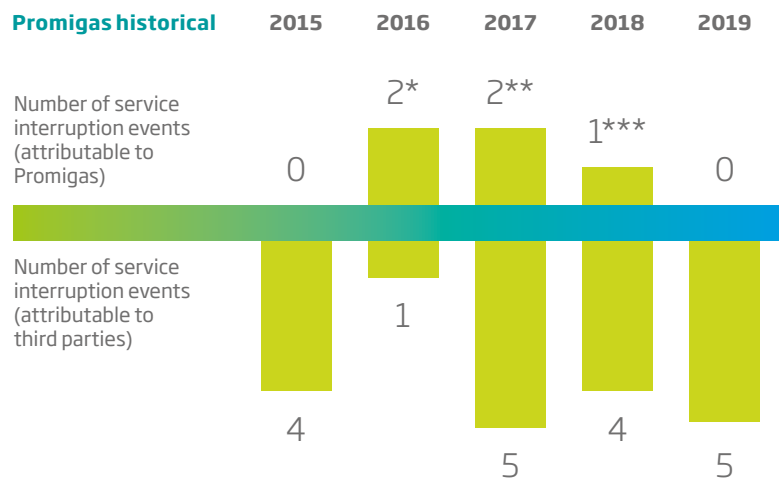
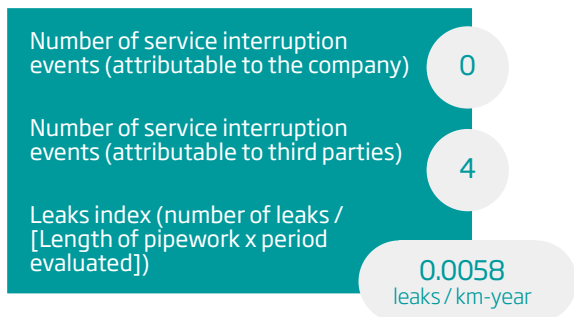
These agreements aim to prevent damage to the distribution network by making the different public services companies, industries and infrastructure builders aware of the risk they run if they cause damage to the natural gas infrastructure.

CEO achieved a reduction in its loss indicator, which ended the year 0.6% down on the December 2018 figure of 19.04%, at 18.4%, as against the target figure for 2019 of 18.5%, thus not only achieving the target set but also being 0.1% up on it.

Promioriente continued to carry out the Geotechnical Risk and Vulnerability Study in 2019, reaching phase III during the year with 28% progress toward the target set for completion in 2023. The Silencers plan for the Promioriente Transportation System vents was presented to Colciencias, which approved it. Implementation of the initial plan is scheduled for 2021.

Promigas indicators

Our operations



*Mamonal Regional Transportation System affected
 **Mingueo and Sampués ERM affected
 ***El Carmen de Bolívar ERM affected

GRI 103-3
 PROMIGAS
 7, 8, 9, 10



SPEC managed to reduce the generation of boil off gas on board the Höegh Grace vessel to 0.12% below the 0.15% monthly target.

Additionally, with a view to providing its customers with a quality service, it introduced precise gas dispatch regulation controls in order to minimize differences between quantities required and quantities delivered. These controls recorded a deviation of 0.36%, which denotes the effectiveness of the measures implemented

Promisol, carried out a successful operation at the Bonga and Mamey hydrocarbon treatment plant, enabling it to exceed the expectations of its customer Hocol under the operational availability agreements, namely 99.34% and an average gas treatment figure of 35 MMSCFD. During this period, it had an average availability figure of 99.37% at the seven plants operated, thus guaranteeing the stable supply of cogenerated electricity and thermal energy (steam and thermal oil) that customers need for their production processes.

Zonagen continued its performance of previous years with a total annual average availability figure of over 99%, thus maintaining the quality and reliability levels that differentiate it from the competition.

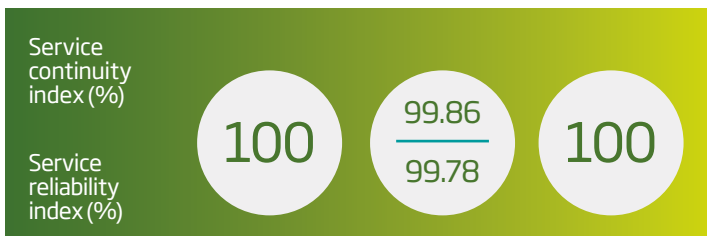
Indicators for subsidiaries



Gas transportation

GRI 103-3
PROMIGAS 7, 8, 9, 10

Transmetano Promioriente Transoccidente



The SPEC availability figure at the terminal was 98.6%, and the continuity figure was 99.88%. The Promisol reliability index was 99.43%.



Gas distribution

GRI 103-3
PROMIGAS 7, 8, 9, 10

	Surtigas	GdO
Service continuity index (%)	99.65	
DES	30.89	26.28
IRST	99.98	9.95
Leaks		0.0085
Number of service interruption events (attributable to the company)	5	7

Quavii: Availability index 100%

*Duration equivalent to service interruption in hours
**Technical services response index (%)



Energy distribution

GRI 103-3
PROMIGAS 7, 8, 9, 10

CEO	Meta	Resultado
SAIDI (hours)	36	41.71
SAIFI (with exclusions - frequency)	32	36.53
Mean response rate (hours)	5,0	5.15

*Duration of each energy service interruption
**Number of energy service interruptions

TO GUARANTEE A SAFE OPERATION

SAFETY IN ALL PROCESSES

GRI 103-1
GRI 103-2
GRI 103-3
GRI 403-1



Our Health and Safety at Work Management System is based on such national and international standards as Decree 1072 of 2015, NTC OHSAS standard 18001 with transition to ISO 45001, and the Cornerstones of Process Safety, which focus on natural gas infrastructure integrity for business continuity.

What do we base ourselves on?

On our Health and Safety at Work Management System, which meets national and international standards.



PROCESS SAFETY

GRI 403-2
GRI 403-5
GRI 403-7



The principal risk when transporting natural gas

through pressurized pipework is fire and explosion, and we therefore focus our efforts on improving safety management with our Maintaining Gas in Pipework process.

In order to reinforce even more the technical knowledge of our personnel, last December we therefore carried out training with a firm of experts in the electrical classification of dangerous areas for 61 members of staff from the Engineering, Maintenance, Operations and Industrial Safety areas at Promigas and its affiliated companies, with a view to reinforcing their knowledge of these issues. The target in 2020 is to reach a figure of 120 participating officials.

HIGH RISK TASK MANAGEMENT: There is a need to carry out maintenance activities in order to guarantee the availability of our gas infrastructure, and this implies that our own personnel or contractors could be exposed to high-risk tasks; we have therefore drawn up various strategies for reinforcing competence and implementing effective control systems that will prevent accidents occurring while these tasks are being carried out.

DANGEROUS ENERGY: The Dangerous Energy Control System (lock out and tag out) has been implemented in order to prevent accidents occurring when work is being done on energized systems or equipment. The company's operating areas received theoretical and practical training, specifications were designed for blocking each item of equipment, and blocking kits were handed out for implementing the standard.

CONFINED SPACES: Technical personnel were given training in procedures for working safely in confined spaces, and assistance was provided for various gas infrastructure maintenance activities that involve working in such spaces.

WORKING AT HEIGHTS:

By providing training activities while working safely at heights (or “learning by doing”), every year we develop the skills of our personnel and contractors who are involved in such work.

CONTRACTOR MANAGEMENT:

Our contractors are among our interested parties and they are very important when it comes to safety at work management, so we help them to improve their performance. The “Supervisor, Safety Leader” training school was therefore held, during which their leadership skills were strengthened, with an emphasis on industrial safety. One hundred supervisors and resident engineers from 19 important service companies duly graduated.

Affiliates:

There were no fatalities at either Promigas or any of its affiliates.

Surtigas obtained a score of 81%

in the first diagnosis under the new SST ISO 45001: 2018 standard. The company continued to implement the Process Safety Model with guidance from the Center for Chemical Process Safety (CCPS), which enabled it to construct the integrity baseline for the steel network. And it succeeded in reducing its accident frequency and that of its contractors by 18%.

CEO completed the Induction and Reinduction program for all new personnel and contractors,

and also the Health and Safety at Work training plan, which covered the question of safe working at heights, among other things.

Indicators

Promigas, individual Employees

GRI 103-3
GRI 403-9

Accident frequency: 1.41

Severity frequency: 2.0

Fatalities per accident at work: 0



Accident rate (number of debilitating accidents / total number HHT) x 1,000,000:

6.12

Suppliers

Accident frequency: 4.58

Severity frequency: 34.03

Severity frequency: 1



Accident rate (number of debilitating accidents / total number HHT) x 1,000,000:

19.28

Promigas, consolidated Employees

GRI 103-3
GRI 403-9

Accident frequency: 2.51

Severity frequency: 16.27

Severity frequency: 0



Accident rate (number of debilitating accidents / total number HHT) x 1,000,000:

6.0

Suppliers

Accident frequency: 4.26

Severity frequency: 44.80

Severity frequency: 0



Accident rate (number of debilitating accidents / total number HHT) x 1,000,000:

13.74

Total hours worked (THW)
Promigas: 1,143,556
Contractors: 5,445,367

Note: The main types of accidents that occurred at Promigas were traffic accidents and falls, while with contractors the main types were being hit by objects, injuries with tools, and falls.

TO ENSURE THAT OUR OPERATION IS ENVIRONMENTALLY RESPONSIBLE

In accordance **with environmental legislation**, our management, with its sustainability approach, means that we perform our activities in line with our Corporate and Environmental Policy. Environmental studies and procedures were carried out during 2019, as well as environmental controls and offsetting, the total investment for which was **COP 10,031 million**.



Institutional management

With a view to reinforcing our environmental management, we carried out such actions as the following.

All companies measured and certified their carbon footprint in accordance with ISO 14064 standard, and our affiliate GdO took part in the Valle Carbon Neutral program (CVC and DAGMA).

Transmetano was party to the Production and Sustainable Consumption agreement (Proaburrá Norte, CEO and Prosur) for verifying its carbon footprint. It also supported the Sustainable Mobility program in Medellín, which runs from 2017 to 2022.

The ANDI Biodiversity and Development in the Caribbean agreement, to which Promigas and SPEC are party, continued.

At a pig farm at the Villa Don Bosco Training Center in Santander de Quilichao, GdO began a pilot program to generate biogas from porcinaza. This process, which closes energy cycles, is a successful example of the circular economy. Don Bosco is a training center in technical skills for young people from towns and villages where the social risk is high.

Adaptation to climate change

■ GRI 103-1
GRI 103-2
GRI 103-3



To accompany the company's operations and processes with initiatives which generate environmental value, and to evaluate the current and potential environmental impacts of our entire operation in terms of climate change.

Natural gas is currently one of the principal and most relevant sources of energy used by human beings for both domestic and industrial purposes, since it plays an important role in promoting a low-carbon economy.

However, although it is a cleaner source of energy than others, such as petroleum, we should continue our work to ensure that we can deal with risks relating to climate phenomena, mitigate our impacts, improve our infrastructure and strengthen our ability to react, not only in order to reduce costs involved in unscheduled maintenance and losses resulting from disasters but also to provide our interest groups with an ever more diversified portfolio with offers of renewable and decarbonized services.

The company's environmental management seeks not only to evaluate and reduce current and potential risks in its entire operation by reducing, mitigating and offsetting the carbon footprint but also to accompany processes that add value to the business and for our interest groups.

Improving energy efficiency and reducing greenhouse gas emissions are key aspects of our management and are the reason why we have annual and medium-term emission reduction targets and a strategy for offsetting emissions.

With a view to administering our carbon footprint and reducing our emissions, we have performed the following actions.

Contracting audits of emissions generated throughout the organization, with 100% coverage.

CEO carried out a project to plant 7,047 trees, with their respective isolation, as a contribution to the capturing of greenhouse gases and the conservation of natural resources (water, soil and air). The project was carried out in six municipalities in Cauca province: Caloto, Caldono, Corinto, El Tambo, Morales and Suárez. Various parties were involved: community, education establishments, local councils, the environmental authority (CRC).



Direct emissions generated

These include the operation of generators and compressors, mobile sources, events relating to controlled vents and leaks in the transportation and distribution systems, and the use of extinguishers and coolants, also in SPEC and CEO operations.

■ GRI 102-48

* Updated figures with ICONTEC verification as part of carbon footprint and information treatment certification processes.

** The number of methane (CH4) leaks was higher in 2019 due to emergencies at our affiliate GdO, and the calculation methodology was updated. Note: 48% of emissions come from our affiliate SPEC and 23% from Promigas. The reduction is due to compression equipment operating for less time.

■ GRI 103-3
GRI 305-1
PRINCIPALS
7, 8, 9 Y 10



Greenhouse gas emissions (Scope 1)			
	2017 (tonnes of CO ₂)	2018 (tonnes of CO ₂)	2019 (tonnes of CO ₂)
Promigas	36,058.42	62,054.45	45,802.74*
Corporate	134,568.85*	194,352.37*	199,482.29**



Indirect emissions from electricity consumption

Greenhouse gas emissions (Scope 2)			
	2017 (tonnes of CO ₂)	2018 (tonnes of CO ₂)	2019 (tonnes of CO ₂)
Promigas	616.83	603.86	582.38
Corporate	1,069.11	1,1130.63	1,082.32

■ GRI 103-3
GRI 305-2
PRINCIPALS
7, 8, 9 Y 10



■ GRI 102-48

* Updated figures with ICONTEC verification as part of carbon footprint and information treatment certification processes.

** Energy consumption fell by 1% in 2019.



Other indirect greenhouse gas emissions (Scope 3)

These include emissions resulting from the operation of equipment and vehicles by our contractors and emissions from the use of air transportation for direct employees.

* The increase was due to more construction activities.

** Does not include emissions by Promisol, Transoccidente and CEO.

*** The increase was due to more construction activities and includes reports by affiliates Promisol and SPEC with respect to other years.

■ GRI 103-3
GRI 305-3
PRINCIPALS
7, 8, 9 Y 10



Greenhouse gas emissions (Scope 3)			
	2017 (tonnes of CO ₂)	2018 (tonnes of CO ₂)	2019 (tonnes of CO ₂)
Promigas	641.45	963.87	2,313.03*
Corporate**	1,083,17	1,237	1,237

Reduction in greenhouse gas emissions

■ GRI 103-3
GRI 305-5
PRINCIPALS
7, 8, 9 Y 10

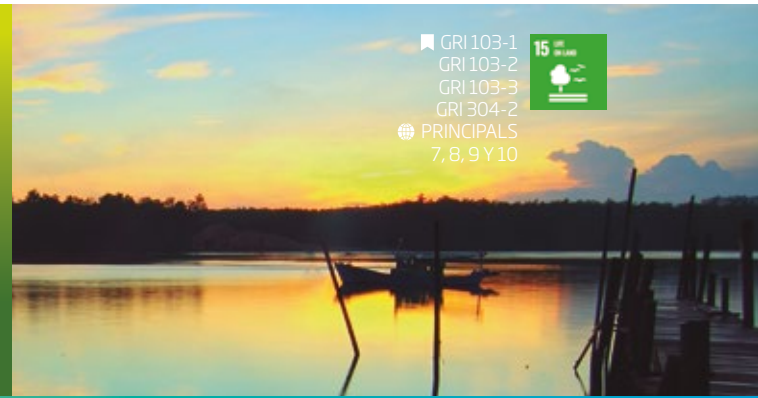


Our affiliate Transmetano has been developing a forestry plantation of Pinus oocarpa (126 hectares, 138,830 species) in Yolombó (Antioquia) since 2009, in order to capture carbon from this plantation to offset company emissions, and as at a 2015 cut-off date (South Pole Group, 2017) this had generated 15,975.9 tonnes of equivalent CO₂ as the average carbon content stored by the plantation, which offsets 100% of the CO₂ and CH₄ emissions generated by Transmetano.

Caring for biodiversity

To respect flora and fauna in places where we operate as we perform our activities, preserving species identified and adopting sufficient and necessary management measures to be able to minimize the impact of projects that are to be carried out and existing ones.

GRI 103-1
GRI 103-2
GRI 103-3
GRI 304-2
PRINCIPALS
7, 8, 9 Y 10



We are committed to minimizing and controlling impacts caused as we carry out our operations, and we consider conserving biodiversity a criterion from the earliest project planning and design stages.



Our approach is based on knowing and preventing environmental risks to biodiversity and minimizing and controlling impacts as we carry out our operations, considering the conservation of biodiversity a criterion from early stages. Right from the design stage we conduct field studies in order to prevent or reduce to a minimum the effects of our network passing through ecosystems or settlements with a high biodiversity value. We have a Corporate Policy and an Environmental Policy which include a commitment to biodiversity, and we perform our activities accordingly, by minimizing impacts.



Conscious of the need to contribute to preserving tropical dry forest, we directed our biodiversity conservation efforts in 2019 at this important ecosystem. The offsetting plans presented include forming natural reserves for civil society, a protected area category of around 400 hectares including conservation projects and production projects, and the purchase by Promigas and SPEC of around 1,000 hectares of land in nature reserve zones for sanitation.



At the same time, through the Biodiversity and Development initiative, we took part in study groups and work sessions to review the best conservation practices engaged in by companies and other organizations. As a result of this, we were recognized by ANDI for our commitment to preserving tropical dry forest.



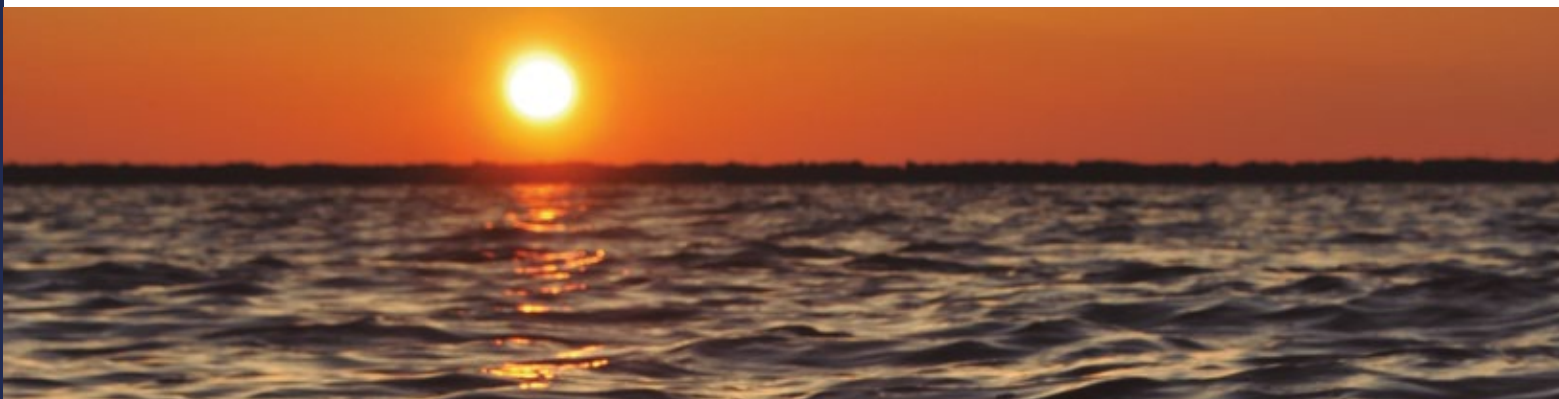
Promigas built approximately 194 km of new gas pipeline after proposing a construction strategy that involved a 20% reduction in authorized area, which resulted in fewer trees being affected. Routes that were selected were outside any area that was classified in a protected category, although in 2019 Atlántico Regional Autonomous Corporation declared one zone an integrated regional management district (DRMI), which implies that it comes into the protected area category, and 0.6% of the route of one of the new projects was inside the DRMI. This forced us to establish additional measures with the authorities for reducing areas intervened and to provide wildlife corridors so as not to interrupt routes taken by the protected cotton-top tamarin, with weekly follow-up monitoring of this species.



We trained our suppliers to frighten off and rescue wildlife while building or maintaining gas pipelines and to deal with wasps and bees when carrying out pruning and felling activities and maintaining infrastructure (electricity networks, structures).



Meanwhile, our affiliate GdO, as part of the BanCO₂ strategy, has been supporting three families who have been protecting 13 hectares since 2017. The target was to increase the number of hectares protected in 2019 to 374.75, which was achieved with a 102% compliance figure, namely with 383 hectares and 13 families. This project was presented in Valle del Cauca at the National Bicycle Forum, and through this the service for studying biodiversity in four municipalities has been administered, to identify species that are registered in the Red Book of Endangered Species in Colombia and inhabit areas that are currently protected.



GRI 103-3

In 2019, Promigas carried out the following recovery and offsetting activities.

15,165 trees were planted on public and private property, in conjunction with the environmental authorities.

650 epiphytes were rescued and transferred to a 50-hectare area in El Tamarín Nature Reserve in the settlement of Arroyo de Piedra, which comes under the city of Cartagena.

Progress was made on the following, under the ANDI agreement.

The National Parks organization was asked to create 400 hectares in Civil Society Nature Reserves (RNSC), including conservation agreements signed by communities.

The design of a fauna or flora species protection program for native species or ones in an endangered category, with conservation and restoration actions aimed at Caribbean connectivity.

Support for the scheme to implement the update of Serranía de Coraza Protective Forestry Reserve Management Plan.

Implementation of conservation agreements covering an area of 328.5 hectares with communities in tropical dry forest ecosystem areas in the SFF Los Colorados - SFF Corchal corridor.

Administration of ANLA approval for offsetting

SFF Los Colorados property through 120 hectares corresponding to the San Mateo Loop project (approved by means of Resolution 1115 of 2019), 55 hectares corresponding to the Mamonal - Paiva project (approved by means of Ruling 8383 of 2019), and 148 hectares to the Sociedad Portuaria El Cayao (SPEC) project.

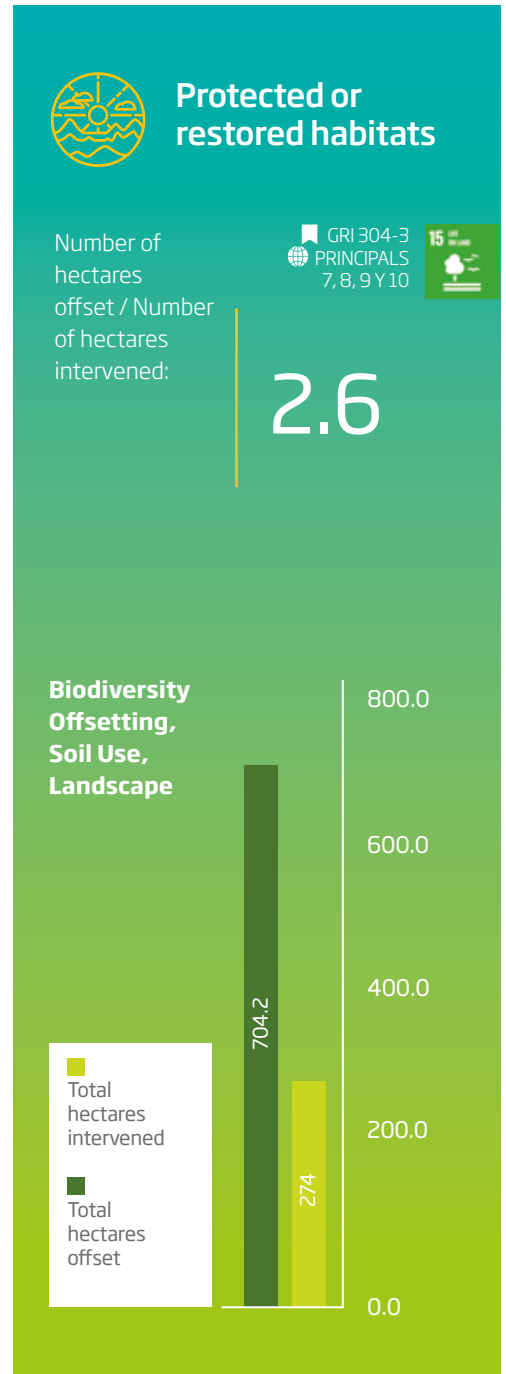
Drawing-up of biodiversity inventories during implementation of RNSC management plans in prioritized bodies of water and priority zones for Caribbean connectivity that will be used as a basis for monitoring in 2021 and 2023

The route followed by our gas transportation system crosses certain protected areas, on land belonging either to the state or to private individuals. The operation itself and maintenance activities are carried out in these areas, in line with directives issued by the environmental authorities. Many of these gas pipelines were acquired from other companies.

Owned, rented or administered operations centers located in or next to protected areas or zones of great biodiversity value outside these areas

GRI 103-3
GRI 304-1
PRINCIPALS
7, 8, 9 Y 10

Parks	Gas Pipeline	Lines	km ²	Location
Los Corales del Rosario y San Bernardo National Park	Barú	Gas pipeline to Barú	0.01386	Interior
Sierra Nevada de Santa Marta National Park	Trunk Line	Line 20B	0.08961	Interior
Tayrona National Park	Trunk Line	Line 20B	0.00003	Interior
Tayrona National Park (Buffer zone)	Trunk Line	Line 20B and sections of Line 24B	0.15814	Buffer Zone
Isla Salamanca National Park road	Trunk Line	Lines 20C and 24C	0.47773	Interior
Los Flamencos Wildlife Sanctuary	Trunk Line	Lines 20A and 20E	0.02197	Interior
Los Rosales Regional National Park	Trunk and Regional Line	Line 20D and Felicidad Los Límites	0.01619	Interior
Santander (zona de reserva forestal, DMI Berlín, DMI Bucaramanga)	Gasoducto		1.36800	Interior



Species on the International Union for Conservation of Nature (IUCN) Red List of Endangered Species and Colombian conservation lists whose habitats are in areas affected by operations.

Number of flora species included on the Red List*		Number of fauna species included on the Red List*	
CR Critically Endangered	5	1	
EN Endangered	20		
LC Lesser Concern	7		
VU Vulnerable	7		

** Promigas natural gas transportation system*

GRI 103-3
GRI 304-4
PRINCIPALS
7, 8, 9 Y 10



Resources and waste management

To promote the efficient uses of resources, in order to prevent and minimize environmental impacts of the company's operations.

The organization seeks to minimize environmental impacts and risks and to strictly adhere to laws governing the matter.

The operations of Promigas and its companies aim to improve the overall management of resources such as water, energy and waste by promoting the prevention of waste generation, fostering reuse and recycling, and favoring the tracking thereof. We have also introduced a system of management,

storage and delivery to authorized handlers of dangerous and non-dangerous waste, in order to guarantee that this is correctly treated.

As far as resources like water and energy are concerned, we control consumption associated with our processes, foster the use of other renewable energies, and have various measures aimed at reducing consumption.

GRI 103-1
GRI 103-2
PRINCIPALS
7, 8, 9 Y 10

In our efforts to achieve operational efficiency, optimize energy consumption and minimize leaks in our internal water network, the following actions were executed.



As part of the saving and efficient use of energy program, campaigns and strategies were designed to reduce consumption in Promigas, GdO and CEO headquarters.

To control functioning time, air conditioning management units were integrated into the automated operation software, with a 93% coverage figure at Promigas administrative facilities.



At Promigas headquarters 1 and 2, the use of LED lighting was increased to 88% coverage by installing LED illumination systems and distributing this in such a way as to optimize consumption. Water-saving devices have also been used.

New sectorized water meters were installed at various points, so that the network can be inspected more frequently and leaks detected promptly.



Surtigas, with support from the Technological University of Bolívar, drew up an Environmental Culture program for the next five years

Based on these actions, corporate achievements were as follows.



An 11% reduction in consumption from water supply companies.

A 1% reduction in energy consumption compared to the previous year, due to lower electricity consumption.

A 26% reduction in Scope 2 emissions.



To achieve greater efficiency, work is progressing on defining a strategy for reviewing and updating energy and water reduction targets from 2020, and on consolidating an emissions reduction plan.



Energy consumption by source



Promigas	2017 GJ	2018 GJ	2019 GJ	2017MWh	2018 MWh	2019 MWh
Energy from non-renewable sources, natural gas**	514,918.3	1,031,421.0	833,990.4	143,032.9	286,505.8	231,664.0
Energy from renewable sources, solar energy	12.1	570.2	966.1	3.4	158.4	268.4
Electricity at administrative headquarters and other facilities	11,158.7	10,926.0	10,535.6	3,099.6	3,035.0	2,926.5
Corporate	2017 GJ	2018 GJ	2019 GJ	2017MWh	2018 MWh	2019 MWh
Energy from non-renewable sources, natural gas**	532,192.0	1,048,786.6	858,705.0	147,831.1	291,329.6	238,529.2
Energy from renewable sources, solar energy	101.8	660.8	1,055.8	28.3	183.6	293.3
Electricity at administrative headquarters and other facilities	24,221.7	24,679.6	24,425.4 *	6,728.2	6,855.5	6,784.8 *

* The figure includes projected consumption for Transmetano at December 2019

** The data was adjusted by error in the calculation formula.



Total electricity consumption costs

Promigas	2017	Corporate	2017
	816,412,159		4,098,088,684
	2018		2018
1,514,539,859	3,631,956,579		
2019	2019		
1,841,384,497	4,281,466,914		

For calculating energy by fuel used, thermal value and volume of gas consumed in equipment are used, while for energy by solar source the average power of the equipment is used and for electricity consumption, public service company bills.



Total water consumption by source Promigas



Promigas

Total water consumption by source	2017 (m³)	2018 (m³)	2019 (m³)	Recording and control method
Municipal water supply**	42,257	34,591	29,502	Measurement by water meters
Surface sources	0	0	0	
Deep well*	1,700	2,051	1,657.8	Measurement by water meters in catchment wells

Promigas made a 15% contribution to reducing water taken from the water supply, compared to 2018.
 ** Catchment using meters authorized by environmental authorities.

Corporate

Total water catchment by source	2017 (m³)	2018 (m³)	2019 (m³)	Recording and control method
Total water catchment by source	57.537	50.806	45.347	Measurement by water meters
Municipal water supply*	0	0	0	
Surface sources	1.700	2.051	1.558	Measurement by water meters in catchment wells

Calculations are made on the basis of volume meters at the different sources of supply or catchment.

Total weight of waste generated, by type and disposal method (tonnes)



Ordinary waste. This originates in administrative headquarters and on construction projects. It is delivered to the respective public services company for disposal.

	2017	2018	2019
Promigas	140.40	3.30	766.55
Consolidated portfolio	386.24	510.37	1,352.64



Waste water. This is sanitary water from portable bathrooms on construction projects and at facilities. It is delivered to the companies responsible for maintaining the portable bathrooms for subsequent disposal in public sewage systems or third-party treatment systems.

	2017	2018	2019
Promigas	1,569.03	14.50	119.66
Consolidated portfolio	1,835.17	414.35	544.30



Recyclable waste. This consists of paper, newspapers, cardboard and scrap generated in office activities and on construction projects. It is delivered to recycling cooperatives in Barranquilla, Riohacha and other municipalities for processing.

	2017	2018	2019
Promigas	22.89	27.47	69.08
Consolidated portfolio	41.51	49.56	103.46



Rubble. This consists of remains from excavation or demolition work in the course of our construction activities. Disposal is in the form of reuse in works or on authorized sites.

	2017	2018	2019
Promigas	6.10	34.30	1,315.33
Consolidated portfolio	132.83	34.51	1,319.54



Solid dangerous waste (RESPEL). This refers to electronic waste, oils and solids contaminated with hydrocarbons or chemical substances, and hospital and similar waste. It is produced in transportation system operation and maintenance activities and in offices and handled comprehensively, separating at source and avoiding spills or leaks. Electronic waste is delivered to authorized companies for recycling or destruction. Remaining RESPEL is delivered for treatment or incineration, with ashes disposed of in safety cells.

	2017	2018	2019
Promigas	84.24	19.61	150.03
Consolidated portfolio	128.14	41.90	170.79



Liquid dangerous waste (RESPEL). This consists of oils and oily water generated in transportation system operation and maintenance activities and in offices, and is handled comprehensively, separating at source and avoiding spills or leaks. Oily liquid waste is treated by third parties for subsequent use as a source of fuel.

	2017	2018	2019
Promigas	190.00	36.68	119.43
Consolidated portfolio	244.86	74.43	232.46

* The report does not include data relating to waste generated by Promisol.

** Includes waste generated by contractors engaged in maintenance or construction activities.

In 2019, 148.6 km of new gas pipeline were installed, one compression station was built and another one expanded, and maintenance work involving changing the lining of the trunk gas pipeline was carried out, with the result that 75% of the waste generated by Promigas came from activities carried out by our contractors, as does 60% of corporate waste.

Environmental compliance

GRI 307-1

Notification was received in 2019 of a fine of COP 165,448,306 imposed by ANLA for failing in 2008 to carry out an environmental procedure with the national authority, the Ministry of Environment and Sustainable Development, for carrying out an "urgent" work for which the local authority had granted permits, a situation that was not accepted by ANLA. The preventive actions taken include carrying out the environmental procedure in order to ensure that all projects fully meet legal environmental requirements, even in cases where works are required as a matter of urgency.

TO STRENGTHEN SUPPLIER AND CONTRACTOR MANAGEMENT



Sustainable management with suppliers

To have suppliers and contractors who offer the goods and services needed for the operations of Promigas and its affiliates in the context of good environmental and social practices.

Sustainable supplier management enables the organization's guidelines to be incorporated throughout the supply chain and risks which affect not only the company's reputation but also the different interest groups to be mitigated. We therefore engage in relations with our suppliers on the basis of strict ethical, transparency and fairness principles, with a view to doing business under just, mutually beneficial and long-term conditions.

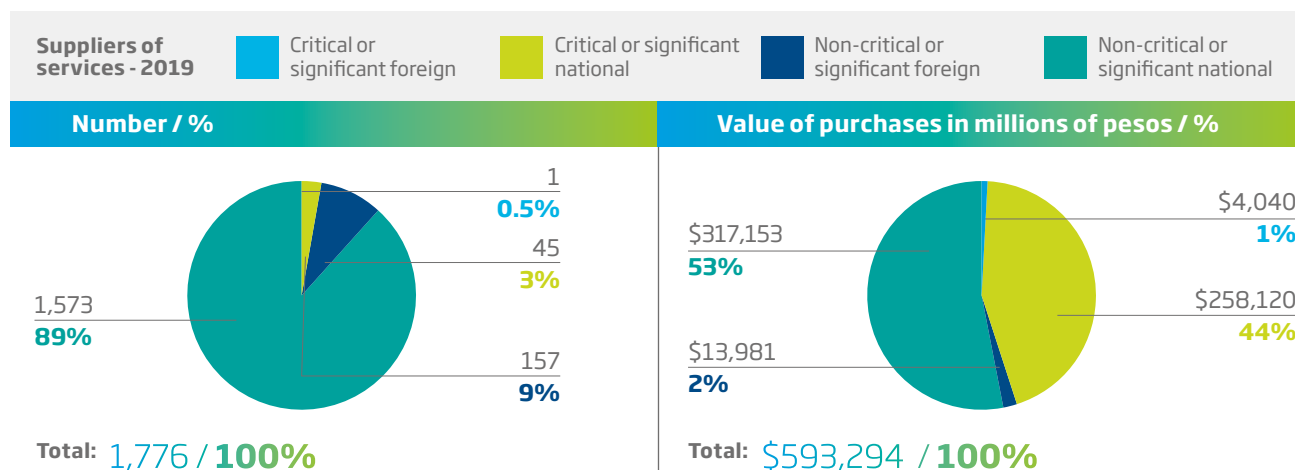
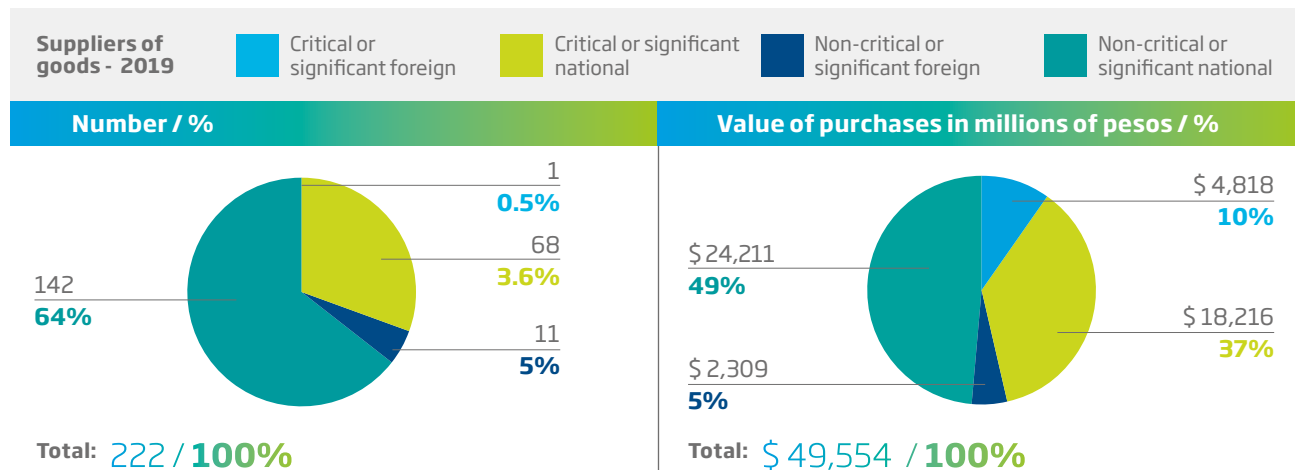
We achieve sustainable supplier management by means of a rigorous selection process; we ensure that our suppliers are subjected to risk evaluations before they are hired, with a view to guaranteeing transparency in terms of asset laundering or the financing of terrorism; we attract suppliers in order to forge strategic alliances that will enable us to develop the regions where we operate, and we work hand in hand to achieve better human rights, labor, environmental, and health and safety practices.

Our suppliers

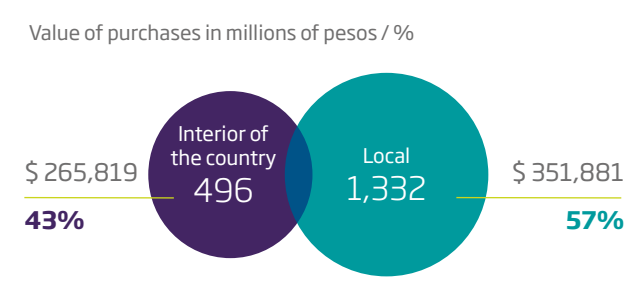
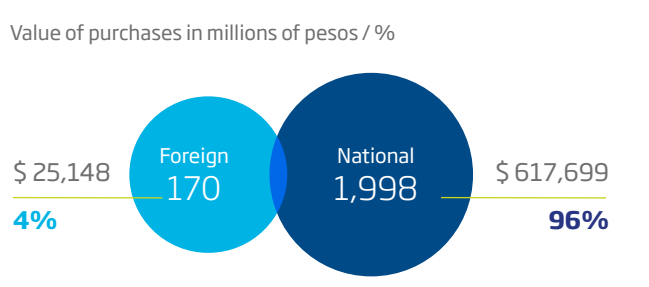
Significant progress in management systems for our suppliers: **83%**

Our supplier rating is over **75%** in all our companies.

Promigas



Suppliers by geographical location (consolidated) - 2019

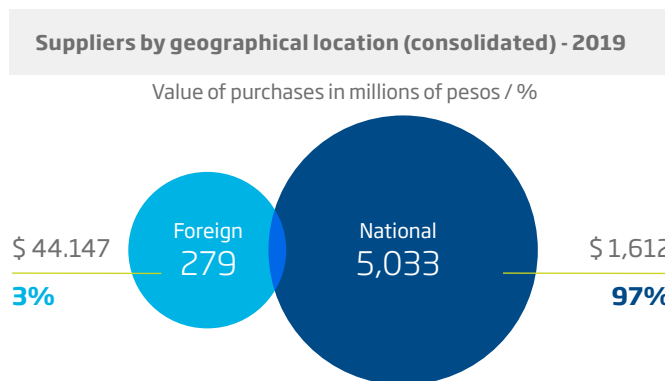
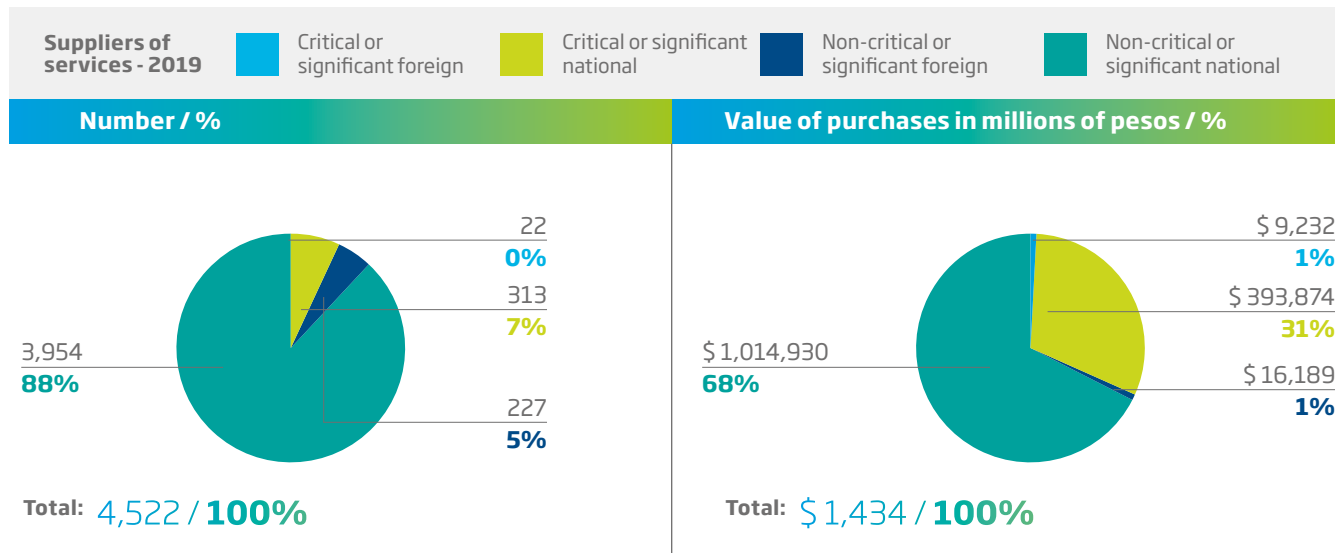
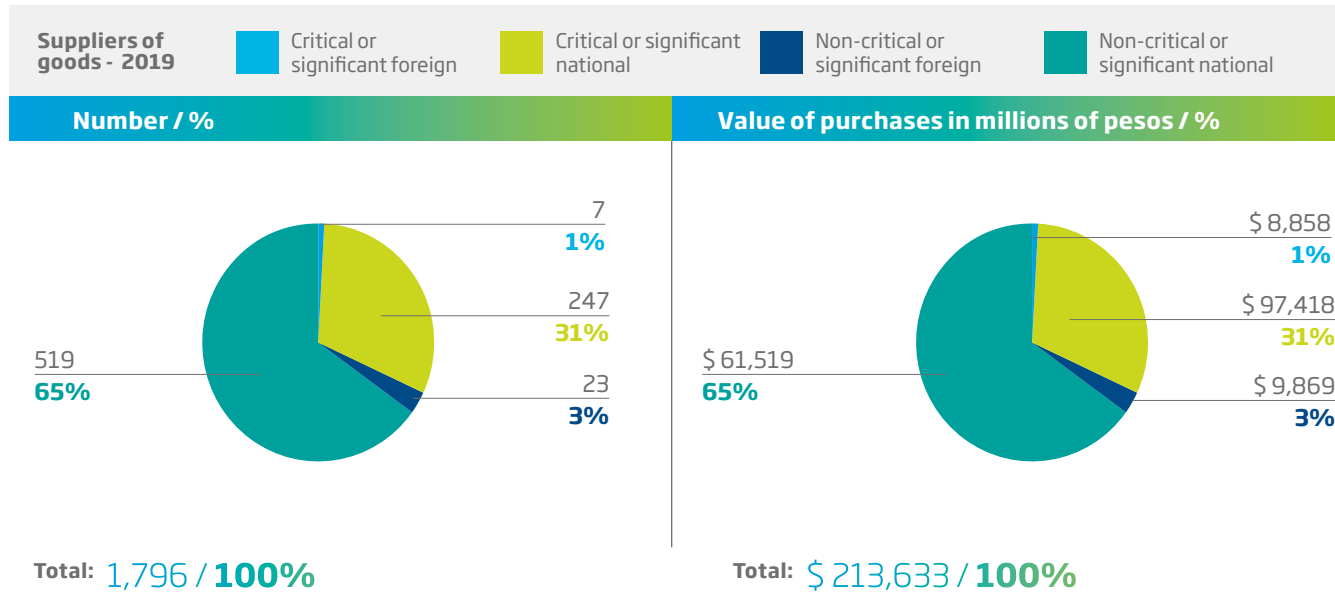


96% or purchases were made from national suppliers.

57% of these purchases were from local suppliers.

Number of critical suppliers and percentage of total. 115 critical suppliers represent 6% of the total

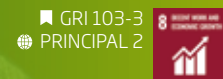
Subsidiaries



94% or purchases were made from national suppliers

Number of critical suppliers and percentage of total
826 are equivalent to 15% of the total

Promigas



55 critical suppliers were visited during the year for checking that facilities were in accordance with the information recorded in the system and that environmental, social and good governance policies were being adhered to, including with respect to human rights.

Suppliers certified in ISO 14001 standard in 2019:
50% (24% in 2018)

With respect to critical suppliers, we continued the self-evaluation exercise in 2019 on sustainability matters. 46 such suppliers were surveyed.

The principal conclusions reached were as follows

 **63%**

of participants have persons in charge of or responsible for environmental matters.

 **76%**

of participants have persons in charge of or responsible for social or compliance subjects.

 **50%**

of participants have some type of **ISO 14001 certification.**

 **20%**

of participants have some type of human rights compliance indicator, audit their suppliers, or apply State of California legislation on supply chain matters.

	2017	2018	2019	
RSE actions	Environmental sustainability	67%	69%	63%
	Compliance	25%	52%	76%
	Human rights indicator	8%	16 %	20 %
	ISO 14001	25%	24%	50%



We continued our good-practice activities by holding the sixth annual gathering of Promigas goods and services suppliers and back office companies, an event where relevant information was shared for improving relations and opportunities were provided for listening and discussing matters of interest for the parties, as well as environmental and occupational health issues, cybersecurity management and ethics, with the presentation of our Anticorruption Policy (FCPA). 73 people were in attendance, representing 30% of our significant suppliers.

Surtigas

continued to carry out its **Sustainable Supplier Management Program**, which covers both suppliers and contract administrators, in order to finetune such matters as process safety management skills, the correct administration of findings and nonconformities, and climate change opportunities.

Its local supplier development program, in conjunction with the Cartagena Chamber of Commerce (Competitive Maintenance cluster), made progress on categorizing the critical services that Surtigas needs to contract and held a relationship session for persons responsible for these processes at Surtigas and in other affiliate companies, so that they could later be registered in the master suppliers plan and be taken into consideration in future contracting processes.

Indicators Supplier performance evaluation



	2017 (i)	2018 (ii)	2019
Percentage of suppliers whose performance was evaluated (of total target population)	78%	83%	84%
Average supplier score (out of 100)	89	90.6	90

(i) The data relates to the evaluation carried out in 2017 for the 2016 fiscal year.
 (ii) The data relates to the evaluation carried out in 2018 for the 2017 fiscal year.
 Note: The evaluation is carried out for all suppliers of goods and services for the following companies: Promigas, Transmetano and Promioriente (integrated into SAP). Evaluation criteria (quality, performance and service) include environmental-type sub-criteria (health and safety audits, environmental NC and incidents).





GdO

continued its **Proser program**, in which it invested **COP 991 million**. This aims to promote fair, decent work among suppliers and contractors and to strengthen their management, leadership and customer service skills as well as the necessary technical skills for the connection, maintenance, suspension and reconnection processes. Its contribution to job creation benefited over 2,000 people, 78% of them at local level this year.

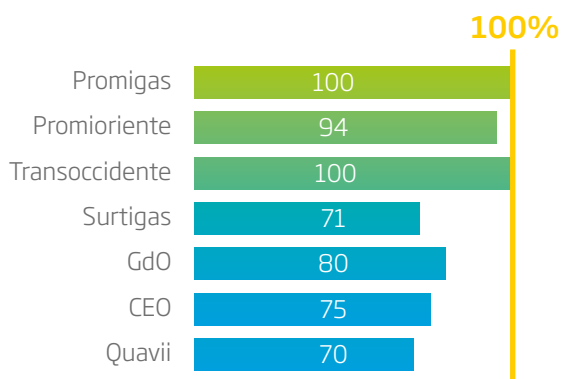
CEO

trained 92% of its critical suppliers in health and safety at work, and followed up on progress made in implementing its health and safety management systems.



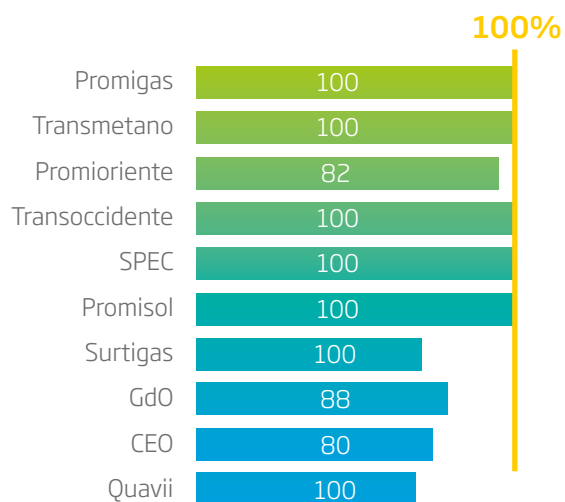
Progress on significant contractor management systems (%)

PROMIGAS 11
GRI 103-3
PRINCIPAL 2



Significant suppliers who received health and safety training (%)

PROMIGAS 13
GRI 103-3
PACTO GLOBAL:
PRINCIPAL 2



All contracts with contractors include clauses stipulating compliance with legal obligations relating to health and safety.

TO STRENGTHEN RELATIONS WITH THE COMMUNITY



Contribution to social progress

To contribute to improving quality of life in regions where the company engages in its operations and to build mutually-beneficial relations based on trust.

We appreciate that contributing to social transformation in the communities where we operate should be our commitment, since we know that we make local development more dynamic, that communities expect our contribution, and that good community relations contribute to the sustainability of our operation.

Our social activities contribute to the development of collective skills in our territories and pursue the common good by providing local communities with the necessary tools and opportunities to progress toward improving quality of life and education.

Our relations with communities and other parties in areas where we operate are based on the long term, understanding, and trust. We view communities as a priority interest group and are committed to improving their skills as we pursue the common good by providing them with tools and opportunities to progress and improve quality of life by contributing to social development.

Community relations are based on respecting the community's customs, traditions and age-old values, their human rights, and on appraising and exploiting local opportunities. Together with the community we identify the possible social impacts of our operations and specific management measures that need to be implemented.



We understand the importance of communities and their development to the sustainability of the Promigas business,

and we therefore work to carry out responsible, ethical transformation initiatives that will have a positive impact on society.

Social management follows the guidelines established in some of our standards, such as the Social Management Policy, Donations Policy, Community Relations Manual, and Social Acts Guidelines.

These documents are the benchmark for the operation and for the behavior of employees, customers and suppliers and their relations with interest groups, for all of which respect for human rights is the conceptual framework.

The principles of our policy are:

Comprehensive human development:

We foster education as the fastest way for people to expand their opportunities, options and skills, and to lead a dignified life and take part in transforming their community.

Territoriality:

We are acquainted with local policies, programs and projects. We aim for alliance and coordination with the various social parties who are working to transform the territory. We respect special characteristics and we contribute to appropriating the cultural riches of the territories.

Joint responsibility:

We promote people's joint responsibility for matters relating to their own development and, while not replacing the state, we work with various parties to increase the impact of our social investments and boost the common good.

Social efficacy:

We take the skills, special characteristics and contexts of communities into account as we pursue our social initiatives in our efforts to always achieve the best social impacts and results.

Social learning:

We adopt an open, reflexive attitude in our social activities and we create demonstrative examples that help us to learn with others in order to strengthen relations in the territory.

We have played an active role in promoting development in vulnerable communities that we work with through continual dialogue, strategic social investment, and contributions via strategic lines in our foundations.

We have worked in conjunction with contractors, which facilitates knowledge of and interaction with various parties in the territory. Induction and reinduction sessions were held on the subject of special social characteristics, in order to promote appropriation of corporate relationship guidelines.

Joint foundation-company committees were set up to facilitate the incorporation of community approaches into the projects of the different foundations and to integrate various parties and sectors in the territories, apart from school.

We held a Wayúu Customs and Habits Workshop for the team of staff and contractors that will be in charge of projects in La Guajira in 2020, for purposes of contextualizing and generating knowledge of and respect for Wayúu traditions.

In order to improve relations with Afro-descendant communities, company staff were provided with opportunities to learn about ancient practices, legislation that protects such communities as ethnic groups, their cultural characteristics, and their vision of social and economic ethnic development

Promigas Foundation: 20 years of writing transformation stories

GRI 203-2
GRI 413-1



The work Promigas has done through its Foundation has enabled it to contribute to its commitment to the Global Compact and its principles, as well as to the United Nations Sustainable Development Goals (SDG), in particular SDG 4: "To ensure equitable and inclusive quality education and promote lifelong learning opportunities for all".

Over a period of twenty years work in the field of education, we have forged more than a hundred alliances with the public and private sectors, civil society organizations, international cooperation bodies and academia to strengthen the social fabric and the educational changes that our region requires.

Over this period of twenty years work in the field of education, the Promigas Foundation has reached 2,137 public schools in the country, 84% of which have been establishments in Colombia's Caribbean region and the remaining 16% in other parts of the country. 46% of beneficiary schools have been in rural areas. The programs carried out have impacted the skills of 21,866 teachers and managers and influenced learning for 1,615,231 students.

During these two decades we have trained 15,031 leaders and other members of the community and strengthened 6,238 small businesses. And 27,817 family members have a better quality of life because of the small businesses the Foundation has supported.

To commemorate its twentieth anniversary, the Promigas Foundation has received the following awards, among others.



Compartir Foundation

"For its contribution to recognizing the best teachers and principals in the country". The award was made in honor of the cooperative work done on behalf of Compartir Foundation - Promigas Foundation. Bogotá, June 2019.

Grupo Social Foundation award

"For its contribution to education quality and relevance in the context of the Cartagena de Indias Good Living Plan". Cartagena, December 2019.

Empresarios por la Educación award

"For its twenty-year commitment to social progress in the country". Bogotá, June 2019.



Other awards received

The Promigas and Surtigas Foundations won the **“Finalist Experience” award in the fourth version of the RedEAmérica Transformers Prize**, Latin American Sustainable Communities Award, for the Communities that Educate Initiative and the Young People who Make their Mark in the Territory Initiative, in the context of the 11th RedEAmérica International Forum, held in Salvador, Brazil.

The Promigas Foundation was awarded Knowledge Management and Intellectual Capital Certification by the firm Belly Knowledge Management, an international knowledge management certification body, for being an organization that meets international standards and complies with fundamental principles for carrying out knowledge and intellectual capital management with its interest groups.

With the lecture entitled **“The Power of Companies to Change their Territory”**, and in view of its experience with the Young People who Make their Mark in the Territory strategy,

Surtigas took part in the 13th World Forum for a Responsible Economy, in France.

Social investment

GRI 103-3 / GRI 203-2 / PROMIGAS 16



Social investments in projects		\$ 13,500 million
Programs and social projects		
Promigas Foundation	Consolidated	
\$ 6,920 million	\$ 14,566 million	

Principal initiatives carried out



Healthy environments

We assisted two Zenú indigenous communities in Chinú, Córdoba, by providing them with primary health care training and reinforcing their overall action model in their territory. Patients at the health sessions were given treatment in general medicine and oral health, and received vaccinations.

We also provided primary health care in Manaure, La Guajira, the aim being to assist four Wayúu indigenous communities by providing them with primary health care training and reinforcing their overall action model in their territory. Symbolic agreements were reached with the authorities to train health administrators in the four communities and to define elements of their Ayaawataa: we recognize each other and think together (community, family and institutional observatory which seeks to identify potentialities, needs, and ways to meet these).

The SaludArte Festival strategy of building healthier environments in settlements in the Banana Zone extends to young people, families, leaders and local governments, and emphasizes nourishment and self-care in the school and family environment.

As a result, progress has been made on inter-sector work with such entities as the Family Welfare Institute (ICBF), the Health Secretariat, community councils, communal action boards, and parents. Work has also been done on consolidating policies and regulations, on creating suitable environments, and on managing social services aimed at providing a comprehensive and integrated response to human development and quality of life.



Quality education and development skills

GRI 103-3 / GRI 203-2



The Promigas Foundation has projects and strategies that contribute to the development of quality education, which creates opportunities for significant changes. We assist schools in their task of doing what they should do but better, with a view to improving student learning.

In 2019, the education assistance provided by the Promigas Foundation enabled **311 education establishments** to be reached in Colombia's Caribbean region.



As part of the Prisma II, Assist to Transform Mathematics program for first and second primary school levels, in conjunction with Universidad del Norte, a guidance chart was designed for working on reading comprehension as a transverse strategy for the teaching and learning of mathematics in the classroom by basic primary teachers, and to strengthen student problem-solving capabilities.



The Soledad Education Secretariat was assisted in drawing up the strategy for social appropriation of the Municipal Ten-Year Education Plan.



Drawing up the Ten-Year Education Plan in Polonuevo (Atlántico) has resulted in the Education Secretariat being able to lead the process of drawing up other Ten-Year Education Plans.

The programs implemented had a direct impact on the skills of around 2,300 teachers and managers and 8,000 students, and an indirect impact on more than **5,500 teachers and managers and 160,000 students.**

The following were the most notable achievements.



The project to strengthen ethnic education in official institutions in María La Baja (Bolívar) between 2017 and 2019 succeeded in carrying out the basic primary school training and assistance process for institution and teacher teams at the two participating institutions, namely to update their institution improvement plans and study plans on the basis not only of Ministry of Education quality benchmarks but also the ethno-educational nature of the institutions and the existing Afro-Colombian heritage in those communities.



The Gases de Occidente Foundation and the Palmira Education Secretariat joined forces to introduce the Reading Schools project,

which seeks to assist with improving the teaching and learning of reading comprehension in official education establishments. The project began in 2019 in ten education institutions and impacted 30 teachers, 38 managers, and 332 basic primary school pupils. The Palmira Education Secretariat therefore made Gases de Occidente Foundation an award for its contribution to quality education in the municipality.

Support was also given to the Jerry Mina Foundation's education program,

in which psychologists and teachers attempt to stimulate interest in various fields of learning in children and young people with a view to preventing or reducing the numbers who abandon school, which are high in these areas. The program converts football pitches into schools and trainers into teachers who use football as a universal language for educating children.



In Peru, Quavii signed an agreement with the provincial municipality of Chiclayo

to offer 30 youngsters from the town the opportunity to be trained as Category IG1 natural gas installers by Tecsup, a prestigious training institution. By strengthening their skills, Quavii aims to ensure that they have better opportunities of getting employment, contributing to economic development, and improving their quality of life.



Community infrastructure

With respect to the CEO Learning with Energy campaign, two photovoltaic systems were installed in education establishments in Cauca, benefiting over 500 students who now have clean, environmentally-responsible energy, thus guaranteeing optimum conditions for education activities and contributing to the sustainability of these communities. With these actions we contribute to SDG 7 and 13.

As far as construction projects are concerned, Promigas carries out voluntary social investment activities in community social infrastructure in the respective areas of influence of those projects. In the case of the Jobo-Majaguas gas pipeline project in Sucre and Córdoba provinces, Promigas built deep wells

which enabled 11 communities to have a water supply, which constitutes a considerable improvement for those people.

Activities were also carried out to repair and maintain 24 km of tertiary access roads used by the inhabitants of rural settlements in the areas of influence of various projects. In the case of the Mamonal-Paiva and Paiva-Caracolí gas pipelines, as part of the compensation paid to the community under a commitment made in the prior consultation processes with community councils in the municipality of Santa Rosa de Lima, roads were repaired which today provide access to the school in one hamlet, which had been closed due to access issues.



When Promigas arrived in Santa Rosa to carry out the Mamonal-Paiva deviation gas pipeline project, it saw an opportunity to solve a number of problems that were affecting the community. This was the first time in the history of the town that a road in a hamlet attached to Santa Rosa de Lima had been concreted.

In Polo, Aguas Prietas, Entra Si Quieres and Ahoga Gatos, construction of the pipeline provided funds by way of compensation to improve roads and quality of life for the inhabitants of these hamlets.

Repairs carried out in the hamlet of Tabacal have made it possible for the small school there to now be reached by a perfectly usable track.

Repairing tracks has been the solution to enable peasants to transport their crops, which were being lost every season.

The experience of repairing tracks in hamlets around Santa Rosa de Lima is proof indeed that responsible activities by private companies in such areas, in conjunction with local organizations and other local parties that prioritize community needs, will always be a successful venture for both parties.

GdO took part in the Active Buenaventura initiative, a regional development project that is cofinanced by the company, the United States Agency for International Development (Usaid), and other important institutions. The initiative, which meets the need to reconfigure the relationship between local institutions and inhabitants, helps to reinforce public administration and democracy.

CEO promoted improvements to community radio stations in Cauca, with a view to forging alliances with the different communities who view this means of community communication as a source of information and entertainment. The radio stations, in turn, have become partners who inform the communities of CEO activities in the province.

Relations with the community



Indigenous and Afro-descendant communities

Our relations with indigenous and Afro-descendant communities are guided by our corporate and human rights policies, which stress respect for diversity, among other things. The ethnic groups we had most relations with in 2019 were the Zenú communities in the area of influence of the Jobo-Majaguas project and Afro-descendants throughout Colombia's Caribbean region and in Cauca, in the Pacific zone.

All projects and activities with these types of community are carried out from an inter-cultural perspective, and to this end:

We clearly and precisely establish which ethnic groups inhabit areas where operations by Promigas companies and their foundations are being executed.

We identify the cultural characteristics that define customs, meanings about their territory, community practices, and other benchmarks that have to be taken into account.

We involve various parties from the territory, and also from the ethnic group when so required, in community relationship processes with Promigas and its Foundation.

We generate actions aimed at awareness and appropriation of interculturality with the team involved in projects that are to be executed in areas where there is an ethnic population.



Hiring local non-qualified manpower

GRI 103-3

Promigas and its contractors are committed to job creation in areas where they operate by hiring local manpower for new gas pipeline construction activities. Non-qualified manpower is 100% from the area of influence of the projects, which favors local development.



Petitions, complaints, reports and requests (PQRS) from communities

GRI 103-2

Most PQRS in 2019 involved requests for information and requests for social investment support from communities, although some expressed concern about the company's infrastructure operation, especially noise at compression stations. Corrective measures were adopted to ensure that these issues do not arise in the future.



We engage in communication strategies that contribute to a greater and better intercultural dialogue with the following communities:

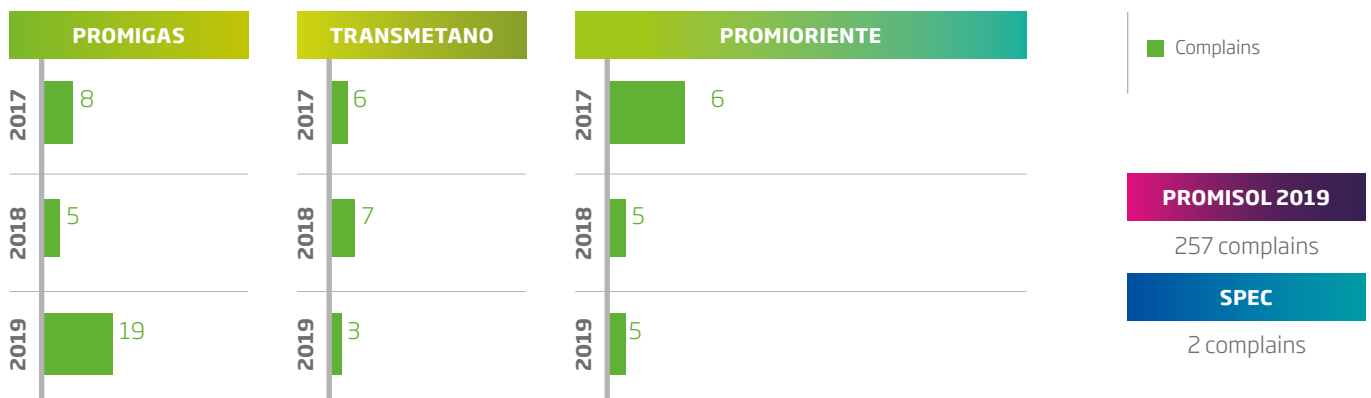
La Guajira: Wayúu indigenous community;

Magdalena: indigenous peoples on the Sierra Nevada, and the Gran Vía and Kennedy community councils in the Banana Zone;

Bolívar: Amanzaguapo (Santa Catalina), Santa Rosa, Rocha (Arjona), Correa, Nispero and Flamenco (María La Baja) Afro-descendant community councils, and Zenú indigenous groups in Gambote and Membrillal (Cartagena). Also the following Afro-descendant communities: Ararca, Barú, Bocachica, Caño de Loro, Pasacaballos and Santa Ana, in Cartagena, and Bocachica and Tierrabomba, on the island of Tierrabomba.

Sucre and Córdoba: Zenú indigenous reserves and council.

With respect to prior consultation processes in previous years in connection with the San Mateo-Mamonal Loop, Jobo-Majaguas, Mamonal-Paiva and Paiva-Caracolí projects, we have continued to adhere to agreements made with ethnic communities. Many of these consultation processes cannot be closed until construction activities have been completed, but follow-up has been carried out in all cases on adherence to agreements with communities, with assistance from the Ministry of the Interior and other guarantors of rights in the municipalities



We have management specifications covering all possible social and environmental impacts, and follow-up on these is carried out by the environmental authorities, while in the case of prior consultation agreements with ethnic communities, follow-up is the responsibility of the Ministry of the Interior.

Our best practices for guaranteeing adequate community participation include the following.

Operation Workshops. Visits to the SPEC regasification terminal were arranged in 2019 for communities, who were shown round the facilities and had the main activities involved in the operation explained to them.

Community Participation Committees. The aim of community participation committees is to present social and environmental information and receive feedback from the community.

Community information programs

With a view to minimizing the risk of third parties affecting transportation infrastructure, Promigas carries out a Preventive Information Program with communities in its area of influence. This consists of informing the company's Contingency Plan and information about risks associated with the gas pipeline and preventive actions, and it also educates communities and entities in risk management and dealing with emergencies.



At the end of the training, each community is certified and is donated an emergency kit containing a stretcher, a first aid kit, a megaphone, jackets, and a meeting point table.

Activities connected with this program were carried out in 2019, and a 100% coverage figure was achieved in municipalities where the company has infrastructure and in high risk and priority interest areas for the company in terms of risk prevention.

Distribution of Information. In conjunction with communities, wall newspapers were put up in community centers and information bulletins and electronic bulletins were provided, containing relevant information about our social and environmental management.

Follow-up on Prior Consultation Agreements. We hold follow-up meetings that are arranged by the Ministry of the Interior's National Prior Consultation Division, where we provide information about the extent of compliance with formalized agreements.

Exchanges of Experiences. We hold sessions with community leaders to swap experiences, where community council representatives and representatives of communal action boards share their views on how relations with Promigas companies have contributed to their vision and their development plan.



Number of homes receiving direct information

8,147



Leader certification and drawing-up of community emergency plans workshops

60



Number of workshops with CMGRD

88



PDC community information workshops

113

TO STRENGTHEN THE OVERALL DEVELOPMENT OF OUR STAFF AND THE CORPORATE CULTURE

Our people

■ GRI 102-7
GRI 102-8

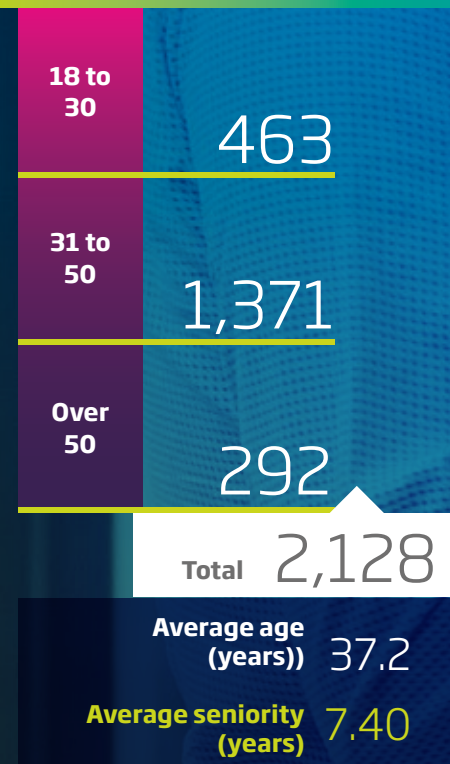
Staff by type of contract - 2019

	Number	%
Indefinite Term	1,918	13.93
Fixed Term	210	1.52
Contractors	11,645	84.55
Total	13,773	100

Number of staff by geographical location (Province)

	Male	Female
Atlántico	306	217
Bolívar	231	147
Sucre	55	31
Córdoba	66	39
Guajira	20	1
Santander	21	14
Valle del Cauca	284	218
Antioquia	15	7
Cauca	176	156
Cundinamarca	1	1
Perú	78	44
TOTAL	1,253	875

Number of staff by age range - 2019



■ GRI 102-41

Staff by benefit groups 2019

	Promigas		Consolidated	
	Number	%	Number	%
Collective pact	265	67	1604	75
Comprehensive salary	111	28	263	12
Collective convention	18	5	18	1
	0	0	243	11
Total	394	100	2128	100

Staff attraction and retention

To identify and select the most suitable candidates, who should share corporate values, and to promote the retaining of staff with a high potential who will allow the business to grow.

For Promigas, recruiting the best talents and encouraging them to remain with the company leads to staff understanding the strategic value of their good performance and their growth opportunities, thereby enabling the company to enjoy continuity in its pursuit of its business objectives in an efficient and prompt manner and to generate win-win relations for the parties.

We believe that quality service begins with quality personnel, and this is why we at Promigas are always trying to attract the best talents, so that we can offer our interest groups a better service. We work every day to carry out selection processes to the highest standards, in order to meet the company's needs and expectations, offer attractive retention plans, and foster internal mobility opportunities that will allow our staff to achieve their goals.

A total of 50 vacancies were filled at Promigas in 2019, 34% of which were through internal promotions while the remaining 66% involved hiring new employees. This in itself is an indicator which shows that Promigas creates jobs and, at the same time, it is a thermometer of talent renewal in the organization.

Succession

We continued in 2019 to measure potential, in order to identify suitable candidates to fill posts with greater managerial responsibility. These plans have enabled us to identify people who will be ready in the short, medium and long terms.

100% of the target population were also evaluated during the year. 59% of posts at strategic and tactical levels in all companies in the portfolio have been evaluated to date. We have identified specific development recommendations for current leaders and successors through our Talent Development program, and these are integrated into development plans each year.

GRI 103-1
GRI 103-2
PRINCIPALS 3, 6



GRI 103-3
PROMIGAS 18
PRINCIPALS 3, 6



	Turnover	Promotions
Promigas	8.4%	34%
Promisol	7.79%	33%
Promioriente	5.7%	0%
SPEC	6.1%	50%
Transmetano	7%	0%
GDO	7.6%	0.38%
CEO	10.7%	29%
Surtigas	7.2%	12%
Enlace	5.4%	29%
Quavii	17.50%	36.92%

Knowledge management

To foster the idea that the knowledge possessed by our staff boosts business strategy through continuous and strategic training opportunities



Promoting knowledge development and transmission enables us to have staff who are ready to fully and adequately meet challenges associated with their responsibilities as they go about bringing business needs into line with their personal growth expectations.

We are conscious of the fact that our team is the organization’s principal asset and we are confident that its personal and professional development will help us to achieve the strategic goals we have established, and all companies in the portfolio therefore strengthen the Talent Development program every day, with a view to preparing our team for future challenges or posts with greater responsibility.

Training and Development

PROMIGAS		Hours spent	
	Investment (COP)	Male	Female
Managerial	\$ 1,141,378.764	990	972
Non-managerial		19,504	6,084
Total	\$ 1.141.378.764	20,494	7,056

Average hour of training per person: 63

GRI 103-3
GRI 404-1

TRANSOCCIDENTE		Hours spent	
	Investment (COP)	Male	Female
Managerial	\$ 6,617,194	0	0
Non-managerial		78	27
Total	\$ 6,617,194	78	27

Average hour of training per person: 115

PROMIORIENTE		Hours spent	
	Investment (COP)	Male	Female
Managerial	\$ 318,136,363	41	121
Non-managerial		2,037	785
Total	\$ 318,136,363	2,078	906

Average hour of training per person: 80

PROMISOL / ZONAGEN		Hours spent	
	Investment (COP)	Male	Female
Managerial	\$ 65,156,392	188	0
Non-managerial		2,420	475
Total	\$ 65,156,392	2,608	475

Average hour of training per person: 41

TRANSMETANO		Hours spent	
	Investment (COP)	Male	Female
Managerial	\$ 142,056,959	242	0
Non-managerial		1,301	972
Total	\$ 142,056,959	1,543	972

Average hour of training per person: 87

SPEC		Hours spent	
	Investment (COP)	Male	Female
Managerial	\$ 105,000,000	183	0
Non-managerial		1,868	785
Total	\$ 105,000,000	2,051	785

Average hour of training per person: 85

One notable feature of 2019 was the structuring and implementation of the skills reinforcement program in the S/4 HANA and Success Factors modules by creating training materials designed to be used in the virtual and non-virtual modalities. A total of 58 courses were built, the contents of which (simulations, tests, scripts) documented knowledge associated with the modules for managing finance, logistics, maintenance, project, commercial and payroll processes at Promigas and its transportation companies. Additionally, the Human Resources' Employee Central module went live for transportation and distribution companies.

Due to these technological updates, the priority for the training plan was to disseminate new associated knowledge and the development of the respective skills, using the Learning module platform for these subjects and those associated with information security and business continuity.

As part of the corporate skills reinforcement program, work continued on Leadership skills in the form of individualized coaching sessions, the holding of systemic equipment coaching workshops, and the reinduction of primary group leaders, who received training in the use of a material for developing skills in members of their groups.

GRI 103-3
PRINCIPALS 3, 6



GDO	Hours spent		
	Investment (COP)	Male	Female
Managerial	\$ 347,226.113	419	121
Non-managerial		5,103	5,010
Total	\$ 347,226.113	1,543	5,131

Average hour of training per person: 20

CEO	Hours spent		
	Investment (COP)	Male	Female
Managerial	\$ 400,939,947	0	0
Non-managerial		0	0
Total	\$ 400,939,947	0	0

Average hour of training per person: 54

SURTIGAS	Hours spent		
	Investment (COP)	Male	Female
Managerial	\$ 640,332,366	595,4	35
Non-managerial		6,315,75	5,173,75
Total	\$ 640,332,366	6,911,15	5,208,75

Average hour of training per person: 26

ENLACE	Hours spent		
	Investment (COP)	Male	Female
Managerial	\$ 117,302,094	30	0
Non-managerial		1,320	1,596
Total	\$ 117,302,094	1,350	1,596

QUAVII	Hours spent		
	Investment (COP)	Male	Female
Managerial	\$ 60,036	158	1
Non-managerial		6,183	2,131
Total	\$ 60,036	6,341	2,132

Average hour of training per person: 64

Strengthening the organizational climate



To maintain a positive work climate for all staff, thus enabling them to improve their competitiveness and their sense of belonging to the company.

Organizational climate management encourages staff to adopt company values and increase their sense of belonging. Similarly, constantly reinforcing the work environment within the organization helps to bring its objectives into line with employee growth and development objectives.

Our aim is to guarantee that the organization has a skilled team to achieve its goals by promoting the team's health and overall development and providing an organizational climate and culture that are in line with corporate strategy.

Climate action plans were drawn up in 2019 on the basis of measurements made in 2018, in order to respond to concerns detected by staff and with a view to improving their motivation and their commitment to the organization.

These actions focused on disseminating the results at every level of the organization and on working on six teams using focal groups and individual interviews, which enabled in-depth results to be obtained. As a result of this work, areas where there was room for improvement were identified in three groups, which were assisted in constructing and implementing their action plans, and follow-up was carried out on these in order to ensure that they achieved the goals established. Notable among these actions were team strengthening workshops and individual coaching for managers.

We continued with methodology reinduction for primary groups, and 60 team leaders took part. These opportunities enabled internal communications to be strengthened, relations improved, and healthy working environments to be promoted. Teams will be assisted in 2020 in consolidating these opportunities for interaction.

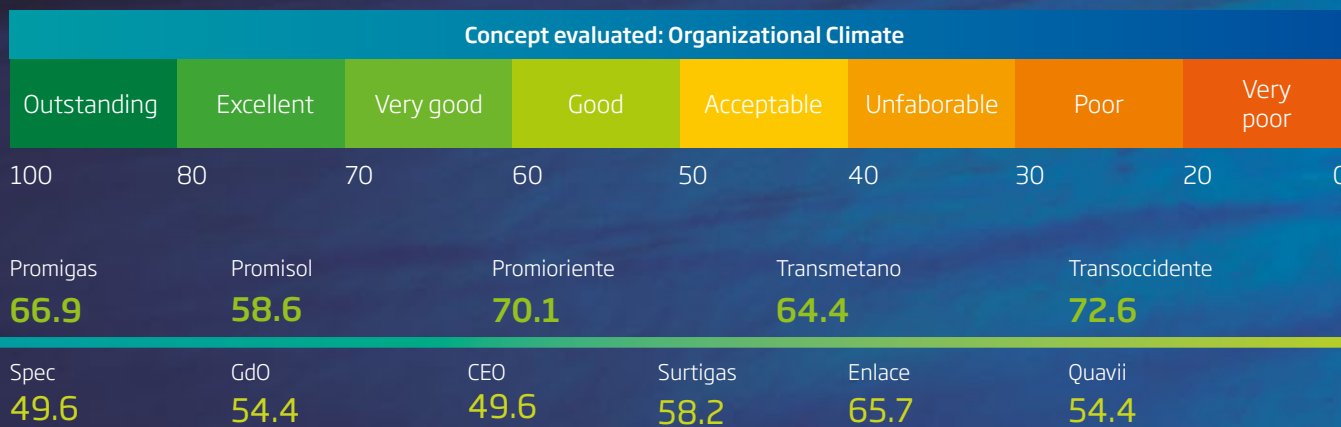
Values

In 2019 we continued to provide opportunities for promoting and reflecting on our corporate values through leisure and creative activities. A contest called "V Factor: Singing with Value" was held during the year, with nine companies taking

part. At the national competition to choose the winners, which was held in Barranquilla, employees from all the companies took part, and their 1,064 votes were 40% of the total score. The Gases de Occidente (GdO) team was the winner.



Organizational Climate Indicator





Occupational Health

GRI 103-1
GRI 103-2
GRI 403-3
GRI 403-6
PRINCIPALS 3, 6



To promote and maintain the physical, mental and social wellbeing of workers in all occupations by preventing injuries and sickness caused by working conditions and protecting and improving staff health and the working environment and conditions.

Having adequate, prompt health management practices that are fully in line with the characteristics and needs of the Promigas business results in fewer occupational illnesses and enables trends and patterns that promote the overall wellbeing of staff and their family group to be identified.

We promote health at work and caring for our staff and their family nucleus by designing programs that focus on improving their lifestyle, reducing risks through changes in habits and behavior, preventing occupational and common illnesses, and family integration.

Quality of life

As part of the change-of-shift procedure for staff at the Promigas and SPEC Main Control Centers, the PEVS app was introduced, the object of which is to systematically ensure that people's physical, cognitive and emotional health when they start their daily job is adequate for their working day, and to guarantee proper process safety and continual reinforcement of self-care messages with a view to consolidating healthy working environments as part of corporate culture.

882 surveys of 13 members of staff were conducted between May and December 2019. The results showed that 64% of them arrived in optimum condition for doing their job and that the remaining 36% had slight fatigue, which it was possible to identify and remedy in time by means of a series of recovery exercises.

Care Schools

This program is a new educational strategy that enables us to encourage person-centered processes, thus favoring the learning and appropriation of care as an everyday social practice in our workforce on matters relating to health or which contribute to the organization's risk management. We began in 2019 with the Care School for the Prevention of Osteo-Muscular Injuries. 30 members of Promigas staff took part, 13 of whom graduated and are today leaders and capable of supporting observation and feedback processes with their respective teams in order to prevent bad postures that could give rise to injuries.

Health Club

This program evolved in 2019 toward 'care awareness' as an essential part of getting our staff, both at Promigas and at all back-office companies, to adopt a healthy lifestyle. The customary structure of the program was modified and it joined other programs, such as Sustainable Mobility (walking and cycling) and leisure and sports activities (gymnastics, football, softball). This new strategy extended to all Health Club personnel, which went from having 99 participants in 2018 to a current figure of 320; in other words, a 223% increase.

Work Reintegration Program.

Work group assistance was strengthened for all companies in the portfolio this year, with a view to ensuring that care processes were carried out in the best way possible by Social Security System entities. In the last quarter of the year, 21 of 35 open cases were able to be closed; in other words, the effectiveness figure was 60%. This

reduction is highly significant, not only at internal level in terms of real follow-up on cases but also because it enables entities to reduce their reserves, which results in bigger returns on support activities for adhering to the Health and Safety at Work Management System.


Health Investment

GRI 103-3
 PROMIGAS 19
 PRINCIPALS 3, 6



Concept	Investment	Beneficiaries
Employee Health Policy	COP 903,812,217	376
Family Health Policy	COP 1,873,088,767	765
Dentistry Services	COP 111,094,313	131
Glasses and Frames Allowances	COP 55,370,654	146

GRI 403-4
 GRI 403-8
 PRINCIPALS 3, 6



HEALTH AND SAFETY AT WORK PARITY COMMITTEE (COPASST)

4 (2 main members, 2 alternates) Number of worker representatives	12 Number of meetings called
6 Number of meetings held	5 Average number of members attending each meeting
12 Cases received	12 Cases closed

JOB HARMONY COMMITTEE (CCL)

4 (2 main members, 2 alternates) Number of worker representatives	4 Number of meetings called
4 Number of meetings held	4 Average number of members attending each meeting
4 Cases received	0 Cases closed

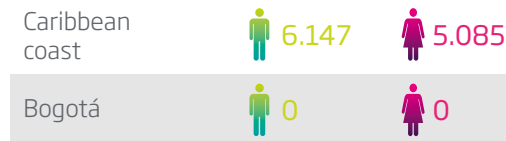
Note: 100% of workers are represented.

GRI 403-9
GRI 403-10
PRINCIPALS 3, 6



Working hours lost by geographical area

(includes all types of medical disability except maternity leave)

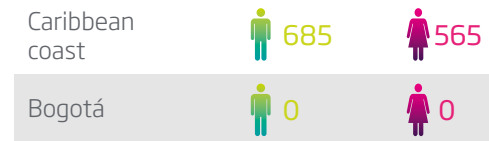


Total absenteeism rate* total 1.286

* Time lost / Time workable x 100

Total days lost in year due to disability by geographical area

(includes all types of medical disability except maternity leave)



Total 130

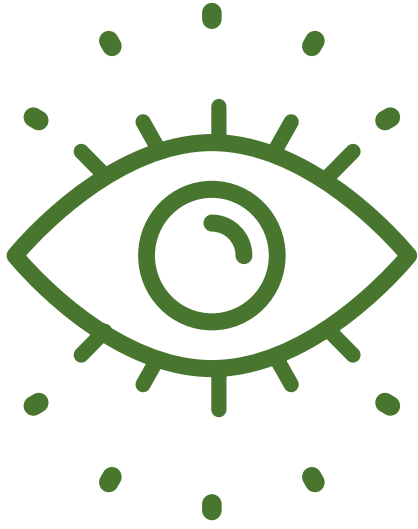


0 Illnesses confirmed in Promigas

0 Illnesses under study in Promigas

Absenteeism rate

Promigas	Transmetano	Promioriente	Transoccidente	Promisol	SPEC
1.286	6.504	1.6	0.18	1.31	0.0890
Surtigas	GdO	CEO	Quavii	Enlace	
0.00963	0.03	2.333	0.0117	3.55	



Outlook



Outlook for 2020



2019 was a year that was noted for a high level of uncertainty in political and economic spheres, despite which the panorama is expected to start to become clearer during 2020.

Boris Johnson's overwhelming election victory has increased the chances of the United Kingdom leaving the European Union on good terms, while the announcement that the first phase of a trade agreement has been signed between the United States and China relieves the diplomatic and commercial tension between the two countries, at least momentarily. However, the general uncertainty is still there, because the agreement leaves the most sensitive matters intact, given that the prospect remains of the tariff changes being permanent. Even though it has led to a degree of calm for reactivating international trade, it remains to be seen whether the agreement can prevent ups and downs in commercial and diplomatic relations during 2020.

At local level, the early part of the year will be marked by the impact that the new tax reform could have and how public expenditure evolves, including the response to the social demands made by the promoters of the national strike that began in November 2019. A further challenge facing the government in 2020 will be to implement policies that aim to improve the employment rate and how dynamic non-petroleum exports are, since these have been affected by the downturn in the Latin American market.



Despite this, Colombia continues to be one of the region's promising economies and rating agencies have maintained the country's investment grade.

Like last year, economic dynamics are expected to be boosted by domestic rather than external demand, mainly due to household consumption, better gross fixed capital performance and a more moderate imports rhythm, as a result of which a growth rate of around 3.3% is envisaged. However, a number of external factors could alter the production cycle and the performance of the Colombian economy, such as high financial market volatility, the repeated trade disputes between the major powers, instability in the price of raw materials and fears of a marked downturn in worldwide growth.

As far as the average exchange rate is concerned, this is expected to be between 3,300 and 3,400 pesos, although periods of volatility can be expected due to uncertainty on international markets. The 2020 year-end inflation figure is expected to be 3.4% and converging on the Banco de la República target of 3.0%. To achieve this, Banco de la República will possibly be forced to increase the interest rate once or twice during 2020 if inflationary pressures caused mainly by the foreign exchange pass-through and the increase in food prices continue.

With respect to fiscal policy, the Economic Growth Law was passed in late 2019, and this contains measures that will continue to boost Colombia's GDP and direct foreign investment. This new law also contains policies of a social type that will benefit the most vulnerable sectors of the population. The exemptions proposed in the law could increase the fiscal deficit, and the government is therefore facing the challenge of increasing tax collections if it is to keep to the fiscal rule in the medium and long terms and maintain the country's credit rating. It is envisaged that UPME will

Natural gas transportation

Administrative actions relating to assets belonging to Promigas, Transoccidente, Transmetano and Promioriente which came to the end of their regulatory useful lives in 2016, 2017 and 2018 are expected to be resolved in the first half of 2020.

According to the CREG Regulatory Agenda, in the first quarter of 2020 it will reissue the remuneration methodology for the transportation activity for consultation by agents, and in the second quarter it will issue the definitive resolution.



Similarly, with respect to Natural Gas Supply Plan projects, UPME issued the technical study in January 2020 for agents to comment.

It is envisaged that UPME will issue the definitive plan towards the end of the first half of the year, and that this will be taken on board by the Ministry of Mines and Energy. Likewise at the end of the first half of the year, CREG is expected to adjust and define regulatory matters associated with the Barranquilla-Ballena Bidirectional project, while UPME will issue the definitive bid documents for the Pacific Infrastructure early in the second half of the year.

Natural gas distribution

Natural gas distribution companies began the rating process during 2019, and the expectation is that their definitive distribution charges will be approved during 2020.

According to the regulatory agenda for 2020 established by the Commission, the year will be a very important one, with significant structural changes in the regulatory framework. CREG is expected to issue the remuneration methodology for the gas marketing service in the third quarter, so that charges can be updated in 2021. Additionally, we expect that the Commission will issue changes in the rating formula (CU) methodology and in the WACC methodology.



Various adjustments are envisaged in wholesale marketing, with a new definitive transportation capacity marketing methodology and another for consultation relating to supply marketing. Additionally, the process of selecting the market agent will continue; until now, this duty has been performed by the Colombian Stock Exchange.

Electricity distribution

CREG is expected to continue publishing distribution revenue approvals in the course of 2020 for distribution companies that are awaiting these.

According to the definitive Indicative Agenda published by CREG, this year will see the defining of other important remuneration methodologies for the electricity sector, such as marketing (C), transmission (T), and the energy purchases component (G). The Commission also envisages reviewing and publishing the definitive rating formula (CU), which was open for consultation in 2015. The definitive resolutions containing these methodologies are expected to be published in the second half of the year.

Another important regulation the sector is waiting for relates to the implementation of smart metering (AMI) and how remuneration for this is going to be defined, given the targets set by the Ministry of Mines and Energy for 2030; according to the Commission's agenda, this will be published in the first half of the year.

The agenda also includes strategic subjects for the sector, such as binding dispatch and intra-daily market, complementary services, meeting demand, gas-electricity coordination, and a review of the WACC methodology, and it is expected that these will be defined in the course of the year.

Strategy and growth

In 2020, we expect to complete projects that are currently in progress in Colombia and Peru. In Colombia, commissioning of the Cartagena-Barranquilla gas pipeline will enable us to effectively deliver an additional 100 MMSCFD to the transportation system.

We will continue to commit ourselves to clean energies. Together with our affiliate CEO, we envisage building a 214 kW solar energy project, plus another one, of 1,766 MWp, at our headquarters in Santander de Quilichao, Cauca, which is currently at the detailed engineering stage.

Surtigas, another of our affiliates, will also continue to increase its renewable energy supply and, like our affiliate GdO, will continue to support the conversion of new fleets of trucks and buses to VNG so as to contribute to better air quality in our country.

Our target in Peru is to commence commercial operation in Piura and to build the gas distribution pipeline. This, together with further connections by Quavii, will enable us to finetune our business in the country.

In 2019, we consolidated our managerial team and progressed toward aligning our organizational structure and culture. We were able to define a strategic road map for the company, and this will allow us in 2020 to structure and begin to implement new Strategic Planning for analyzing opportunities in segments like LNG, non-conventional renewable energies and electricity, to define the necessary growth horizons for strengthening our current business, and to undertake new business ventures.

And all this while adhering to our ethical principles and respect for human rights and the environment.

Note. As this report went to press, the coronavirus (COVID-19) was officially declared a pandemic by the World Health Organization (WHO). The magnitude of the economic impact will depend on how the outbreak evolves over the coming months. Significant uncertainty and volatility are envisaged, due to the dramatic falls on stock exchanges, the collapse in the prices of raw materials, especially oil, currency devaluations in emerging markets, and the reductions in domestic demand, production, foreign trade and tourism.

However, the World Bank, the International Monetary Fund and the world's principal central banks have put stimulus packages aimed at offsetting the economic effects of the coronavirus on the table. Meanwhile, Promigas and its affiliates have set in motion a containment policy with preventive and self-care guidelines, with a view to keeping staff and their families healthy and safe and thus guaranteeing overall business continuity.

ACKNOWLEDGEMENTS

We would like to thank our shareholders for the trust they have placed in us and also our people for their commitment and constant efforts, without which we would not have been able to obtain the good results that we have presented.

Our thanks also go to our customers for their support and preference. This has allowed us to progress and encourages us to innovate and offer new services. To our suppliers, for their dedication to the activities that they assist us with; and to our communities and other interest groups for allowing us to perform our activities and to continue generating progress and development.

To all of you, our sincere thanks.

Intellectual property, copyright, and others

The company has ensured that it uses duly licensed software in all its processes, and it adheres to provisions currently in force relating to copyright.

In accordance with the provisions stipulated in Article 87 in Law 1676 of 2013, it is hereby placed on record that the company has not hindered the circulation of invoices issued by sellers of suppliers.

María Lorena Gutiérrez

Chair of the Board of Directors

Eric Flesch

CEO, Promigas

Note: This report was read and approved unanimously by all directors at a meeting of the Board of Directors held on February 18, 2020, as accredited in Minute N° 499.

Natalia Abello

Secretary

REPORT PROFILE

■ GRI 102-50
GRI 102-51
GRI 102-52
GRI 102-53
GRI 102-54

The Annual Management Report, which is drawn up in accordance with reporting sustainability principles, is the main accountability channel we use for all our audiences.

The information published has been selected and prioritized on the basis of the most relevant matters for Promigas and its interest groups, and covers businesses we are involved in through the companies that make up our strategic transportation and distribution groups. The financial information also includes companies in which we have a shareholding but which we do not control. The indicators reported for our affiliates are for information purposes and are not covered by the scope of the GRI Content Index. For further information, please consult those companies' respective reports.

This report has been produced in accordance with GRI Standards, 'Essential' option. It was drawn up by Promigas Corporate Communications Management, with EY verification. Should you have any queries or comments, please do not hesitate to send them to us at comunicaciones@promigas.

Note. The 2018 version of the Promigas Annual Management Report was published in March 2019 and includes information relating to the period from January 1 to December 31, 2018.

GEN Transportation: Promigas, Promisol, Promioriente, Transmetano, Transoccidente, SPEC.

GEN Distribution: Gases de Occidente, Surtigas, Compañía Energética de Occidente, Gases del Pacífico, Gases del Caribe, Efigas, Gases de La Guajira, Cálidda.

■ GRI 102-45



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Limited and independent assurance statement on the Annual Management Report 2019 - Promigas S.A. E.S.P.

To Promigas S.A. E.S.P. management office:

■ GRI102-56

Scope

By the request of Promigas S.A. E.S.P. (hereinafter Promigas 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 Promigas management office; therefore, we do not accept or assume any responsibility for any other purpose or against any other person or organization.

Promigas 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.

AS-2231-20

Promigas reported information from its subsidiaries within the report which will be identified in the table of thematic contents and own indicators verified as follows: Promisol S.A.S. (1); Promioriente S.A. E.S.P. (2); Sociedad Portuaria El Cayao S.A. E.S.P. (3) and Transportadora de Metano E.S.P. S.A. (4)

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 Promigas 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 Promigas, 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.

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 Promigas.

Confirm the compliance option declared by Promigas 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 Promigas 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 Promigas 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 Promigas that have been excluded from the Annual Management Report 2019, for the verified contents.

We are not aware of important aspects excluded from the trials of Promigas on the content of 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 Promigas are not presented correctly.

It has not revealed any aspect that makes us believe that the Annual Management Report 2019 of Promigas 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 Promigas 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 06, 2020

Bogotá D.C., Colombia.

Annex. Topic specific standards and own indicators verified:

MATERIAL TOPIC	TOPIC SPECIFIC STANDARDS OR OWN INDICATORS
ECONOMIC PERFORMANCE	201-1. Direct economic value generated and distributed
	Promigas 2. Contracted capacity of the transportation system ^{2,4}
	203-2. Significant indirect economic impacts
DEVELOPMENT OF COMPETITIVE SOLUTIONS THROUGH INNOVATION	Promigas 6 A. % of gross revenue on innovation
	Promigas 6 B. % of net revenue from innovation
	Promigas 6 C. FTE for R + D + i
SUSTAINABLE MANAGEMENT OF SUPPLIERS	204-1. Proportion of spending on local suppliers
	Promigas 11. Percentage of progress in management systems of significant contractors ^{1,2,3,4}
	Promigas 13. Percentage of significant suppliers receiving training in health and safety ^{1,2,3,4}
	Promigas 14. Suppliers performance evaluation ^{1,2,4}
PROMOTION OF LOCAL DEVELOPMENT	Promigas 16. Social investment
	413-1. Operations with local community engagement, impact assessments, and development programs
CORPORATE GOVERNANCE	205-2. Communication and training about anti-corruption policies and procedures
	205-3. Confirmed incidents of corruption and actions taken
NEW BUSINESS DEVELOPMENT	Promigas 3. New business ^{1,2,3,4}
CARE OF BIODIVERSITY	304-1. Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas) ³
	04-2. Significant impacts of activities, products, and services on biodiversity
	304-3. Habitats protected or restored
	304-4. IUCN Red List species and national conservation list species with habitats in areas affected by operations
CLIMATE CHANGE	305-1. Direct (Scope 1) GHG emissions ^{3,4}
	305-2. Energy indirect (Scope 2) GHG emissions
	305-2. Other indirect (Scope 3) GHG emissions
RISK MANAGEMENT	Promigas 1. Percentage of compliance with action plans for mitigation
RESOURCE AND WASTE MANAGEMENT	302-1. Energy consumption within the organization ⁴
	303-1. Interactions with water as a shared resource
	306-2. Waste by type and disposal method

MATERIAL TOPIC	TOPIC SPECIFIC STANDARDS OR OWN INDICATORS
LEGAL AND REGULATORY MANAGEMENT	307-1. Non-compliance with environmental laws and regulations
	419-1. Non-compliance with laws and regulations in the social and economic area
INTEGRAL DEVELOPMENT	401-1. New employee hires and employee turnover ^{1,2,3,4}
	404-3. Percentage of employees receiving regular performance and career development reviews
	Promigas 19. Integral health investment
KNOWLEDGE MANAGEMENT	404-1. Average hours of training per year per employee ^{1,2,3,4}
HUMAN RIGHTS	406-1 Incidents of discrimination and corrective actions taken
	412-2. Employee training on human rights policies or procedures
STRENGTHENING THE ORGANIZATIONAL CLIMATE	Promigas 20. Organizational climate ^{1,2,3,4}
	(2018) Occupational health and safety management system ³
	403-2. (2018) Hazard identification, risk assessment, and incident investigation ^{1,2,3,4}
	403-3. (2018) Occupational health services ^{1,2,3,4}
	404-4. (2018) Worker participation, consultation, and communication on occupational health and safety ^{1,2,3,4}
	403-5. (2018) Worker training on occupational health and safety ^{1,2,3,4}
	403-6. (2018) Promotion of worker health ^{1,2,3,4}
	403-8. (2018) Workers covered by an occupational health and safety management system ^{1,2,3,4}
	403-9. Work-related injuries ^{1,2,3,4}
	403-10. (2018) Work-related ill health
Promigas 18. Employee turnover	
INTEGRAL DEVELOPMENT	Promigas 7. Continuity
	Promigas 8. Reliability ^{1,2,3,4}
	Promigas 9. Service interruption events ^{1,2,3,4}
	Promigas 10. Leak rate
INTEGRAL DEVELOPMENT	Promigas 4. Attention of requests, complaints and claims of our clients ^{1,2,3,4}
	Promigas 5. Loyalty of our customers



GRI CONTENT INDEX

■ GRI 102-55

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S) AND/OR URL(S)	EXTERNAL ASSURANCE
GRI 101: FOUNDATION 2016			
GENERAL DISCLOSURES			
Organizational profile			
GRI 102: GENERAL DISCLOSURES 2016	GRI 102-1: Name of the organization 2016	8	✓
	GRI 102-2: Activities, brands, products, and services 2016	10,11	✓
	GRI 102-3: Location of headquarters 2016	8	✓
	GRI 102-4: Location of operations 2016	10	✓
	GRI 102-5: Ownership and legal form 2016	8	✓
	GRI 102-6: Markets served 2016	10	✓
	GRI 102-7: Scale of the organization 2016	10, 110	✓
	GRI 102-8: Information on employees and other workers 2016	110	✓
	GRI 102-9: Supply chain 2016	93,94	✓
	GRI 102-10: Significant changes to the organization and its supply chain 2016	-	✓
	GRI 102-11: Precautionary Principle or approach 2016	48	✓
	GRI 102-12: External initiatives 2016	43	✓
	GRI 102-13: Membership of associations 2016	43	✓
Strategy			
GRI 102: GENERAL DISCLOSURES 2016	GRI 102-14: Statement from senior decision-maker 2016	18	✓
	GRI 102-15: Key impacts, risks, and opportunities 2016	18	✓
Ethics and integrity			
GRI 102: GENERAL DISCLOSURES 2016	GRI 102-16: Values, principles, standards, and norms of behavior 2016	46	✓
	GRI 102-17: Mechanisms for advice and concerns about ethics 2016	46	✓
Governance			
GRI 102: GENERAL DISCLOSURES 2016	GRI 102-18: Governance structure 2016	12	✓
	GRI 102-22: Composition of the highest governance body and its committees 2016	12, 13	✓
	GRI 102-23: Chair of the highest governance body 2016	13	✓

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S) AND/OR URL(S)	EXTERNAL ASSURANCE
Stakeholder engagement			
GRI 102: GENERAL DISCLOSURES 2016	GRI 102-40: List of stakeholder groups 2016	42	✓
	GRI 102-41: Collective bargaining agreements 2016	110	✓
	GRI 102-42: Identifying and selecting stakeholders 2016	42	✓
	GRI 102-43: Approach to stakeholder engagement 2016	42	✓
	GRI 102-44: Key topics and concerns raised 2016	42	✓
Reporting practice			
GRI 102: GENERAL DISCLOSURES 2016	GRI 102-45: Entities included in the consolidated financial statements 2016	125	✓
	GRI 102-46: Defining report content and topic Boundaries 2016	40	✓
	GRI 102-47: List of material topics 2016	40	✓
	GRI 102-48: Restatements of information 2016	84	✓
	GRI 102-49: Changes in reporting 2016	No hubo	✓
	GRI 102-50: Reporting period 2016	125	✓
	GRI 102-51: Date of most recent report 2016	125	✓
	GRI 102-52: Reporting cycle 2016	125	✓
	GRI 102-53: Contact point for questions regarding the report 2016	125	✓
	GRI 102-54: Claims of reporting in accordance with the GRI Standards 2016	125	✓
	GRI 102-55: GRI content index 2016	130	✓
	GRI 102-56: External assurance 2016	126	✓

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S) AND/OR URL(S)	OMISSION
MATERIAL TOPICS			
Economic Performance			
GRI103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its Boundary	40, 54	EXTERNAL ASSURANCE ✓
	103-2 The management approach and its components	54	
	103-3 Evaluation of the management approach	60	
GRI201: ECONOMIC PERFORMANCE 2016	201-1 Direct economic value generated and distributed	71	SDO 7,8 Y 9
Indirect Economic Impacts (Contribution to social development)			
GRI103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its Boundary	40	EXTERNAL ASSURANCE ✓
	103-2 The management approach and its components	98, 106	
	103-3 Evaluation of the management approach	101, 103, 106	
GRI 203: INDIRECT ECONOMIC IMPACTS 2016	203-2: Significant indirect economic impacts	98, 100, 101, 103	SDO 2 Y 8
Procurement practices			
GRI103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its Boundary	40, 92	EXTERNAL ASSURANCE ✓
	103-2 The management approach and its components	92	
	103-3 Evaluation of the management approach	93, 94	
GRI 204: PROCUREMENT PRACTICES 2016	204-1 Proportion of spending on local suppliers	93, 94	SDO 8 Y 9
ANTI-CORRUPTION (ethics)			
GRI103: GENERAL DISCLOSURES 2016	103-1 Explanation of the material topic and its Boundary	40, 46	EXTERNAL ASSURANCE ✓
	103-2 The management approach and its components	46	
	103-3 Evaluation of the management approach	47	
GRI 205: ANTI-CORRUPTION 2016	205-2 Communication and training about anti-corruption policies and procedures	46	GLOBAL COMPACT PRINCIPAL 10
	205-3 Confirmed incidents of corruption and actions taken	47	SDO 8
Energy (Resources and waste management)			
GRI103: GENERAL DISCLOSURES 2016	103-1 Explanation of the material topic and its Boundary	40, 88	EXTERNAL ASSURANCE ✓
	103-2 The management approach and its components	88	
	103-3 Evaluation of the management approach	89	
GRI 302: ENERGY 2016	302-1 Energy consumption within the organization	89	GLOBAL COMPACT PRINCIPALS 7, 8 Y 9 SDO 13
Water (Resources and waste management)			
GRI103: GENERAL DISCLOSURES 2016	103-1 Explanation of the material topic and its Boundary	40, 88	EXTERNAL ASSURANCE ✓
	103-2 The management approach and its components	88	
	103-3 Evaluation of the management approach	90	
GRI 303: WATER 2016	303-1 Water withdrawal by source	90	PACTO GLOBAL PRINCIPALS 7, 8 Y 9 SDO 6

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S) AND/OR URL(S)	OMISSION
Biodiversity			
GRI103: GENERAL DISCLOSURES 2016	103-1 Explanation of the material topic and its Boundary	40, 85	EXTERNAL ASSURANCE ✓
	103-2 The management approach and its components	88	
	103-3 Evaluation of the management approach	85, 86, 87, 88	
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GRI 304: BIODIVERSITY 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	87	GLOBAL COMPACT PRINCIPALS 7, 8 Y 9 SDO 15
	304-2 Significant impacts of activities, products, and services on biodiversity	85	
	304-3 Habitats protected or restored	87	
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	88	
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Emissions (Adapting to climate change)			
GRI103: GENERAL DISCLOSURES 2016	103-1 Explanation of the material topic and its Boundary	40, 83	EXTERNAL ASSURANCE ✓
	103-2 The management approach and its components	83	
	103-3 Evaluation of the management approach	83, 84	
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GRI 305: EMISSIONS 2016	305-1 Direct (Scope 1) GHG emissions	84	GLOBAL COMPACT PRINCIPALS 7, 8 Y 9 SDO 13
	305-2 Energy indirect (Scope 2) GHG emissions	84	
	305-3 Other indirect (Scope 3) GHG emissions	84	
	305-5 Reduction of GHG emissions	84	
<hr/>			
Effluents and waste (Resources and waste management)			
GRI103: GENERAL DISCLOSURES 2016	103-1 Explicación del porqué el tópic es material y alcance	40, 88	EXTERNAL ASSURANCE ✓
	103-2 Enfoque de gestión	88	
	103-3 Evaluación del enfoque de gestión	91	
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GRI 306: EFFLUENTS AND WASTE 2016	306-2 Waste by type and disposal method	91	SDO 12
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Environmental Compliance (Legal and Regulatory Management)			
GRI103: GENERAL DISCLOSURES 2016	103-1 Explanation of the material topic and its Boundary	40, 67	EXTERNAL ASSURANCE ✓
	103-2 The management approach and its components	67	
	103-3 Evaluation of the management approach	67	
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GRI 307: ENVIRONMENTAL COMPLIANCE 2016	307-1 Non-compliance with environmental laws and regulations	67, 71, 91	GLOBAL COMPACT PRINCIPALS 7, 8 y 9 SDO8

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S) AND/OR URL(S)	OMISSION
Occupational health and safety (Safety in all processes.)			
GRI103: GENERAL DISCLOSURES 2016	103-1 Explanation of the material topic and its Boundary	40, 80	EXTERNAL ASSURANCE ✓
	103-2 The management approach and its components	80	
	103-3 Evaluation of the management approach	80, 81	
			GLOBAL COMPACT PRINCIPALS 1,2,3,4,5,6
			SDO 8
GRI 403: SALUD Y SEGURIDAD EN EL TRABAJO 2018	403-1 Occupational health and safety management system	80	
	403-2 Hazard identification, risk assessment, and incident investigation	80	
	403-3 Occupational health services	115	
	403-4 Worker participation, consultation, and communication on occupational health and safety	116	
	403-5 Worker training on occupational health and safety	80	
	403-6 Promotion of worker health	115	
	403-8 Workers covered by an occupational health and safety management system	116	
	403-9 Work-related injuries	81, 117	
	413-10 Work-related ill health	117	
	Training and education (Knowledge management)		
GRI103: GENERAL DISCLOSURES 2016	103-1 Explanation of the material topic and its Boundary	40, 112	EXTERNAL ASSURANCE ✓
	103-2 The management approach and its components	112	
	103-3 Evaluation of the management approach	112, 113	
			GLOBAL COMPACT PRINCIPALS 1,2,3,4,5,6
			SDO 8
GRI 404: TRAINING AND EDUCATION 2016	404-1 Media de horas de formación al año por empleado	112	Information not available. The SuccessFactors Employee Central module, which feeds the information required for skills evaluation, was introduced in 2019, and this explains why this was not done in 2019. The next exercise will be carried out in 2020, using the tool and with an adjusted review of skills.
	404-3 Percentage of employees receiving regular performance and career development reviews		
Non-discrimination (Human Rights)			
GRI103: GENERAL DISCLOSURES 2016	103-1 Explanation of the material topic and its Boundary	40, 50	EXTERNAL ASSURANCE ✓
	103-2 The management approach and its components	50	
	103-3 Evaluation of the management approach	51	
			GLOBAL COMPACT PRINCIPALS 1,2,3,4,5,6
GRI 406: NON-DISCRIMINATION 2016	406-1 Incidents of discrimination and corrective actions taken	51	SDO 8

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S) AND/OR URL(S)	OMISSION
Human Rights Assessment (Human Rights)			
GRI103: GENERAL DISCLOSURES 2016	103-1 Explanation of the material topic and its Boundary	40, 50	EXTERNAL ASSURANCE ✓ GLOBAL COMPACT PRINCIPALS 1,2,3,4,5,6 SDO 8
	103-2 The management approach and its components	50	
	103-3 Evaluation of the management approach	51	
GRI 412: HUMAN RIGHTS ASSESSMENT 2016	412-2 Employee training on human rights policies or procedures	46, 50	
Local communities (Contribution to social development)			
GRI103: GENERAL DISCLOSURES 2016	103-1 Explanation of the material topic and its Boundary	40, 98, 106	GLOBAL COMPACT PRINCIPAL 1 SDO 2 y 8
	103-2 The management approach and its components	98, 106	
	103-3 Evaluation of the management approach	100	
GRI 413: LOCAL COMMUNITIES 2016	413-1 Operations with local community engagement, impact assessments, and development programs	100, 106	
Socioeconomic compliance (Legal and Regulatory Management)			
GRI103: GENERAL DISCLOSURES 2016	103-1 Explanation of the material topic and its Boundary	40, 67	EXTERNAL ASSURANCE ✓ ODS 8
	103-2 The management approach and its components	67	
	103-3 Evaluation of the management approach	67	
GRI 419: SOCIOECONOMIC COMPLIANCE 2016	419-1 Non-compliance with laws and regulations in the social and economic area	67, 71	
Risk management			
GRI103: GENERAL DISCLOSURES 2016	103-1 Explanation of the material topic and its Boundary	40, 48	EXTERNAL ASSURANCE ✓
	103-2 The management approach and its components	48	
	103-3 Evaluation of the management approach	49	
PROMIGAS	PROMIGAS 1 - Compliance with risk mitigation action plans	49	
Economic Performance			
GRI103: GENERAL DISCLOSURES 2016	103-1 Explanation of the material topic and its Boundary	40, 54	EXTERNAL ASSURANCE ✓ SDO 7 y 11
	103-2 The management approach and its components	54	
	103-3 Evaluation of the management approach	71	
PROMIGAS	PROMIGAS 2 - Capacidad contratada del sistema de transporte	71	

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S) AND/OR URL(S)	OMISSION
Portfolio Sustainability			
GRI103: ENFOQUE DE GESTIÓN 2016	103-1 Explanation of the material topic and its Boundary	40, 56	EXTERNAL ASSURANCE ✓ SDO 7 y 11
	103-2 The management approach and its components	56	
	103-3 Evaluation of the management approach	56, 58	
PROMIGAS	PROMIGAS 3 - Portfolio Sustainability	56, 58	
Customer Service Quality			
GRI103: GENERAL DISCLOSURES 2016	103-1 Explanation of the material topic and its Boundary	40, 75	EXTERNAL ASSURANCE ✓ SDO 7 y 11
	103-2 The management approach and its components	75	
	103-3 Evaluation of the management approach	75	
PROMIGAS	PROMIGAS 4 - Complaints and Claims by our Customers	75	
	PROMIGAS 5 - Satisfaction index	75	
Developing Competitive Solutions Through Innovation.			
GRI103: GENERAL DISCLOSURES 2016	103-1 Explanation of the material topic and its Boundary	40, 74	EXTERNAL ASSURANCE ✓ SDO 7, 8 y 9
	103-2 The management approach and its components	74	
	103-3 Evaluation of the management approach	74	
PROMIGAS	PROMIGAS 6 A- Expenditure on and investment in research and development as percentage of gross revenue	74	
	PROMIGAS 6 B % Percentage of net revenue derived from innovation.	74	
	PROMIGAS 6 C - FTE Personnel for Research Development and Innovation	74	
Service Integrity and Continuity			
GRI103: GENERAL DISCLOSURES 2016	103-1 Explanation of the material topic and its Boundary	40, 77	VERIFICACIÓN EXTERNA ✓ SDO 7, 8 y 9
	103-2 The management approach and its components	77	
	103-3 Evaluation of the management approach	78, 79	
PROMIGAS	PROMIGAS 7 - Continuity index	78, 79	
	PROMIGAS 8- Reliability index	78, 79	
	PROMIGAS 9 - Service interruption events	78, 79	
	PROMIGAS 10 - Leaks index	78, 79	

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S) AND/OR URL(S)	OMISSION
Sustainable Supplier Management			
GRI103: GENERAL DISCLOSURES 2016	103-1 Explanation of the material topic and its Boundary	40, 92	EXTERNAL ASSURANCE ✓
	103-2 The management approach and its components	92	
	103-3 Evaluation of the management approach	92, 95, 96, 97	
PROMIGAS	PROMIGAS 11 - Progress on significant contractor management systems	97	GLOBAL COMPACT PRINCIPAL 1
	PROMIGAS 13 - Significant suppliers who received health and safety training	97	SDO 8
	PROMIGAS 14- Supplier performance evaluation	96	
Contribution to Social Development			
GRI103: GENERAL DISCLOSURES 2016	103-1 Explanation of the material topic and its Boundary	40, 98	EXTERNAL ASSURANCE ✓
	103-2 The management approach and its components	98	
	103-3 Evaluation of the management approach	101	
PROMIGAS	PROMIGAS 16 - Social investment	101	SDO 2 y 4
Talent attraction and retention			
GRI103: GENERAL DISCLOSURES 2016	103-1 Explanation of the material topic and its Boundary	40, 111	EXTERNAL ASSURANCE ✓
	103-2 The management approach and its components	111	
	103-3 Evaluation of the management approach	111	
PROMIGAS	PROMIGAS 18- Turnover	111	GLOBAL COMPACT PRINCIPALS
			SDO 8
Occupational Health			
GRI103: GENERAL DISCLOSURES 2016	103-1 Explanation of the material topic and its Boundary	40, 115	EXTERNAL ASSURANCE ✓
	103-2 The management approach and its components	115	
	103-3 Evaluation of the management approach	116	
PROMIGAS	PROMIGAS 19 - Health Investment	116	GLOBAL COMPACT PRINCIPALS
			SDO 8
Organizational Climate			
GRI103: GENERAL DISCLOSURES 2016	103-1 Explanation of the material topic and its Boundary	40, 114	EXTERNAL ASSURANCE ✓
	103-2 The management approach and its components	114	
	103-3 Evaluation of the management approach	114	
PROMIGAS	PROMIGAS 20 - organizational climate	114	GLOBAL COMPACT PRINCIPALS
			SDO 8



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