



PROMIGAS

2020

**ANNUAL  
MANAGEMENT  
REPORT**

GOOD ENERGY  
ALWAYS



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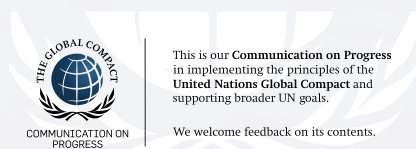
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**Sustainability Yearbook**  
Member 2021  
**S&P Global**





# MESSAGE FROM THE PRESIDENT

# MESSAGE FROM THE PRESIDENT

GRI 102-14  
GRI 102-15



***We at Promigas have always been interested in good energy. Ever since we took our first steps, we have been conscious of the great responsibility we have and the impact we make on society, and encouraged by this, we have boosted***

***progress in the regions where we have a presence in Colombia and Peru. Today we present this “2020 Management Report”, which shows the good results achieved by Promigas and its companies.***



The worldwide economy contracted and the world entered the worst recession since the Second World War. Given the serious distortions of domestic supply and demand, of trade and finances, per capita income was affected in every region, resulting in a significant drop in household incomes.

Resilience, planning, the regulated nature of our business, the stability of the contracts we have with our customers and the flexibilization we introduced enabled us, in these hard times, to keep up good performance levels and even to exceed what was budgeted in 2020.

In a year of many challenges, we worked hard to guarantee business sustainability and to adapt to the new reality and the health emergency. We

prepared ourselves for facing the challenges that COVID-19 brought in the short and medium terms and, thanks to our staff and our robust business infrastructure, we achieved operational continuity as we took our natural gas and electricity services to our customers and users in 2020 without interruptions.

Promigas and its companies committed themselves to a comprehensive self-care and health management strategy. 75 per cent of our employees thus worked from home, which brought with it the challenge of maintaining communication and a fluid interaction, managing the everyday operation, and with this, developing and reinforcing our digital platforms in order to ensure a normal operation and to guarantee the provision of gas and electricity services.



## SUSTAINABILITY AND INNOVATION

Promigas restated its commitment to go on taking development and wellbeing to all society and to seeking a better future at all times.

**We allocated over 22,000 million pesos to helping our communities cope with the economic and social effects of the health crisis and to strengthening the health system, and we donated medical and hospital equipment to 23 hospitals in eight provinces in Colombia and Peru and delivered over 122,000 humanitarian aid packages to more than 500 communities in our areas of influence.**

On the question of sustainability, it is with great satisfaction that we highlight the fact that we were selected for inclusion in S&P Global's Sustainability Yearbook 2021 for our strength in the economic, social, environmental and governance fields, enabling us to score 83 per cent in the sustainability evaluation.

We were also chosen in 2020 as one of the ten companies with the best private social investment index by the United States Agency for International Development (USAID) and Semana Sostenible. And the Global Compact granted us the highest award in good sustainable development practices for our "Tropical Dry Forest, a Challenge for Conserving Biodiversity" project.

The Ministry of Science, Technology and Innovation recognized us as the leading Business Research, Development and Innovation (RDI) Unit in Colombia's Oil and Gas Sector.

We will continue to innovate in order to build a sustainable future where our energy services play a leading role and enable us to continue to look for undertakings aimed at decarbonizing our business, to operate more safely and efficiently, and to diversify our portfolio of services.





***The Corporate Strategic Plan, which set out the route we will follow for the next ten years, was completed in 2020. The goal is to maximize the natural gas and electricity transportation and distribution business, to explore opportunities on new markets, and to increase the value for our shareholders, based around our experience as a leading and sustainable company in Colombia and Peru.***

.....

## OUR MANAGEMENT

In a year full of uncertainties, we recorded high continuity levels for our customers - over 99.8 per cent at corporate level - and this enabled us to maintain corporate standards and achieve good financial performance, even in such hard times for the sector and for the economy in general.

Natural gas transportation figures show that we transported 458 Mpcd, 48 per cent of the total volume in Colombia. And as far as natural gas distribution is concerned, we connected 244,000 new users, taking the total number of beneficiaries in Colombia and Peru to more than five million.

With electricity we topped 400,000 users connected to distribution networks and also exceeded the targets set.

Conscious of the difficulties people were facing, we established a temporary flexibilization policy for gas transportation contracts, the financing of natural gas billing, Brilla and other areas, in order to support our customers and users in income brackets 1, 2, 3 and 4.

The successful completion of our gas transportation infrastructure expansion program saw the Promigas gas pipeline achieve a new capacity of 951 Mpcd in the system. This was due to the recent commissioning of the so-called 100 Mpcd Project (the biggest expansion project in the company's history), which involved the construction of 230 km of large-diameter trunk pipeline, the construction of a new, 7,800 HP turbo-compressor station, the 15,000 HP expansion of an existing compressor station, and the crossing of El Dique Canal using a directed horizontal drilling process, a major 16-inch work in the hydrocarbons industry that is 3.4 km long and became the longest such crossing in Latin America and the eighth longest in the world.

These Promigas investment projects brought great benefits in all areas where the work was done by creating more than 4,000 direct and indirect jobs, and the country was provided with the necessary infrastructure for exploiting to the maximum the new natural gas potential on the southern part of the Caribbean coast, specifically in Bolívar, Sucre and Córdoba provinces.

We continued to support energy security in the country, especially in the first months of 2020 when reservoir levels were at 32 per cent, the lowest figure for 20 years. It was because of this critical scenario that our LNG regasification terminal reported its highest operating figures, since it received 14 methane tankers with around 690,000 cubic meters of LNG and delivered more than 13,000 million cubic feet of natural gas to the principal thermal plants in the country, thereby helping to ensure that gas for thermal generation provided the necessary backup for up to 22 per cent of the country's energy demand.

We consolidated our leading position in the sector on the Peruvian market by acquiring 100 per cent of Gascop (now Promigas Peru), a company that pioneered the marketing of natural gas for the industry and vehicles market in the north of the country, through an investment of USD 22.8 million (85,000 million pesos). We strengthened our gas distribution business in the north through Quavii by connecting 36,000 new users, and despite the restrictions imposed because of the pandemic and the agrarian strike, volume was 84 per cent up on 2019, due, among other things, to increased demand in the fishing sector. Meanwhile Cálidda, the distribution company that serves the Lima and Callao market, achieved a coverage figure of 90 per cent by executing investments totaling USD 70 million and exceeding a million users.

We continue to support the use of fuels that have a low environmental impact, such as VNG, and from this perspective we celebrated the commissioning of 40 trash compactors and 120 trucks and mini-trucks in Promigas areas of influence. Over 2,000 buses and 400 heavy transportation vehicles now run on compressed gas.

We also fostered new business based on renewable energies, which is a growth vector in our corporate planning. 3.16 MWp of the 5 MWp contracted began operating during the year, thereby completing 15.7 MWp of total capacity, a figure that is 47 per cent up on 2019.

In the non-banking financing area, we placed COP 450,706 million in loans through Brilla and we began operations in Peru. COP 10,762 million in EBITDA was generated in insurance.

.....

*We officially started the open-season process for the Jobo-Transmetano gas pipeline project, a work 300 km long and involving an investment of approximately USD 400 million to incorporate new gas reserves in the lower Magdalena valley and on the coast for meeting demand in the interior.*

# FINANCIAL RESULTS

In March and April 2020 we unveiled a financing strategy for obtaining COP 1.3 billion, which enabled us to guarantee the operation and meet investment commitments in the face of possible market limitations. This was part of a responsible austerity plan aimed at making savings on costs and expenses, in order to mitigate the effects of measures adopted against COVID-19.

One notable feature was the reopening of the bond issue on the international capitals market for Senior bonds with a 3.75 per cent coupon and 2029 expiry date, issued in October 2019. USD 120 million were obtained in response to an initial issue of USD 100 million, which was oversubscribed more than eight times and reached a total of USD 818 million (Bid to cover: 8x).

In November 2020 we placed ordinary bonds worth COP 599,999 million under the local capitals market issue and placement program. Demand reached COP 1.04 billion; in other words, 1.75 times the initial amount offered. The final rates in the A5 and D25 series awarded were the lowest for issues on the local market in 2020.

Our access to local and international banking and to capitals markets, based on our investment-grade credit ratings, has guaranteed that the necessary funds will be available for our operations and investments in Colombia and Peru, even in the midst of the pandemic.



The Promigas financial statements reflect a consolidated EBITDA of COP 1.9 billion and a net profit of COP 1.1 billion, representing 133 per cent of the 2020 budget.

Promigas received a ratification of its Baa3 international rating by Moody's and of its local AAA and international BBB- ratings by Fitch Ratings, both with stable perspective. Fitch Ratings reconfirmed the AAA (Col) and F1+ (Col) ratings with stable perspective for Surtigas and Gases de Occidente. The AAA national rating is highest on the country scale for issuers with the lowest default risk expectation in relation to other issuers.

For the eighth consecutive year we received the IR recognition by the Colombian Stock Exchange that is granted to 32 local companies noted for their transparency and good practices in their relationships with shareholders and investors.

We will continue to work toward optimizing our corporate debt profile by improving the term and other conditions, so that we can transmit these benefits to our integrated results, together with a firm commitment to maintain the aforementioned ratings.

# PROSPECTS

We will work with passion and commitment to achieve our ambition of being the best energy company in the region, a diversified one in terms of types of energy and geography, one that is part of the whole process, from origin to capturing the full value of the final user. We will therefore explore new markets and investment opportunities, both in Colombia and elsewhere, enshrined at all times in the principles of sustainability and innovation and with the goal of creating the greatest value for society.

**Our aims for 2021 in terms of gas transportation are to continue to work on coast-interior interconnection and bidirectionality in the Barranquilla-Ballena gas pipeline, make progress on connecting minor fields belonging to several of our customers, make a start on the Jobo-Transmetano project, and construct and commission the new gas pipeline in the Banana Zone.**

Similarly, with our affiliate SPEC LNG, we will continue to work on reinforcing the only regasification terminal in the country, based around its potential, the experience gained in four years of operation, and development opportunities offered by liquefied natural gas.

We will continue to reinforce our businesses through a bigger share in non-conventional renewable energies, as defined in our corporate strategy. This is why we have identified 195 MWp in new energy service opportunities, and these provide us with a big impetus to continue working in this segment.

We hope that demand for the transportation service will pick up in 2021, especially for VNG, since this halted because of the pandemic. We will continue to develop incentives for a greater use of VNG in the cargo transportation sector and in mass transportation systems. We will also continue to support sustainable mobility in natural gas transportation.

Innovation will continue to be a key process throughout our management, and we hope to set in motion the first phase of the Augmented Reality project at our Caracolí Compressor Station in 2021.

We reiterate our commitment to the Global Compact and its principles, which are enshrined in four major subjects: human rights, anticorruption, labor standards, and the environment. As far as the latter is concerned, we support the Caring for Climate initiative by directing our activities and processes toward mitigating the impacts and effects of climate change. We are also committed to the Sustainable Development Goals. We believe that our management supports the targets set by the United Nations for 2030, and we have established contributing to SDG 7, 8, 9, 11, 13 and 15 as a priority for us.

Our robust natural gas and electricity transportation and distribution infrastructure, together with our regasification infrastructure, will continue to serve Colombia and Peru and support their reconstruction of the post-COVID economy. Our efforts will continue to be directed toward achieving the best results for our shareholders and interest groups.



*In this, our integrated report, you will find details of our management and our results, which we trust will have provided a suitable response to the value promises we made to our interest groups.*

**Eric Flesch**

President





# OUR ORGANIZATION

# THIS IS HOW WE GENERATE VALUE

We have been at the forefront of the natural gas revolution in Colombia for more than 45 years, and we are making a significant contribution to it in Peru. This has generated value and had positive economic, social and environmental impacts.

## OUR CAPITALS



### FINANCIAL CAPITAL

**969** shareholders  
**US\$ 233 million**  
 placed in loans (Brilla)



### INDUSTRIAL CAPITAL

**21 companies** - Colombia and Perú  
**3,292 km** of gas pipeline  
 1 Regasification Terminal with a capacity of **400 Mpcd**  
**5 million** domestic gas connections  
**10, 000 hp** compression capacity



### HUMAN CAPITAL

**3,300** employees  
**4,500** suppliers



### SOCIAL CAPITAL

**3.7 million** FNB users  
**450** communities in areas of influence



### INTELLECTUAL CAPITAL

Energy and Gas Research and Innovation Center  
 Equivalent to **114.4** full-time employees working on innovation  
 Investment in RDI: COP **42,866 million**. (1.1% of revenue)



### NATURAL CAPITAL

Environmental investment **COP 7,406 million**  
**58,116** examples of fauna and flora in 964 species identified in our area of influence in northern Colombia.  
**Dry Tropical Forest:** most representative ecosystem in the area of influence of our operations

## OUR ORGANIZATION

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

### Energy services



**Natural gas value chain**



**Electricity**

## COMPANIES

### TRANSPORTATION BUSINESS



#### Natural Gas

Promigas  
 Promioriente  
 Transmetano  
 Transoccidente



#### LNG

Sociedad Portuaria El Cayao (SPEC)



#### Integrated Solutions

Promisol  
 Zonagen



## GRUPOS DE INTERÉS

### VALUE PROMISE



**Shareholders**  
**Boards of directors**

Financial performance with sustainability



**Customers**

Service quality



**Suppliers**

Relationship with suppliers  
 Supplier development

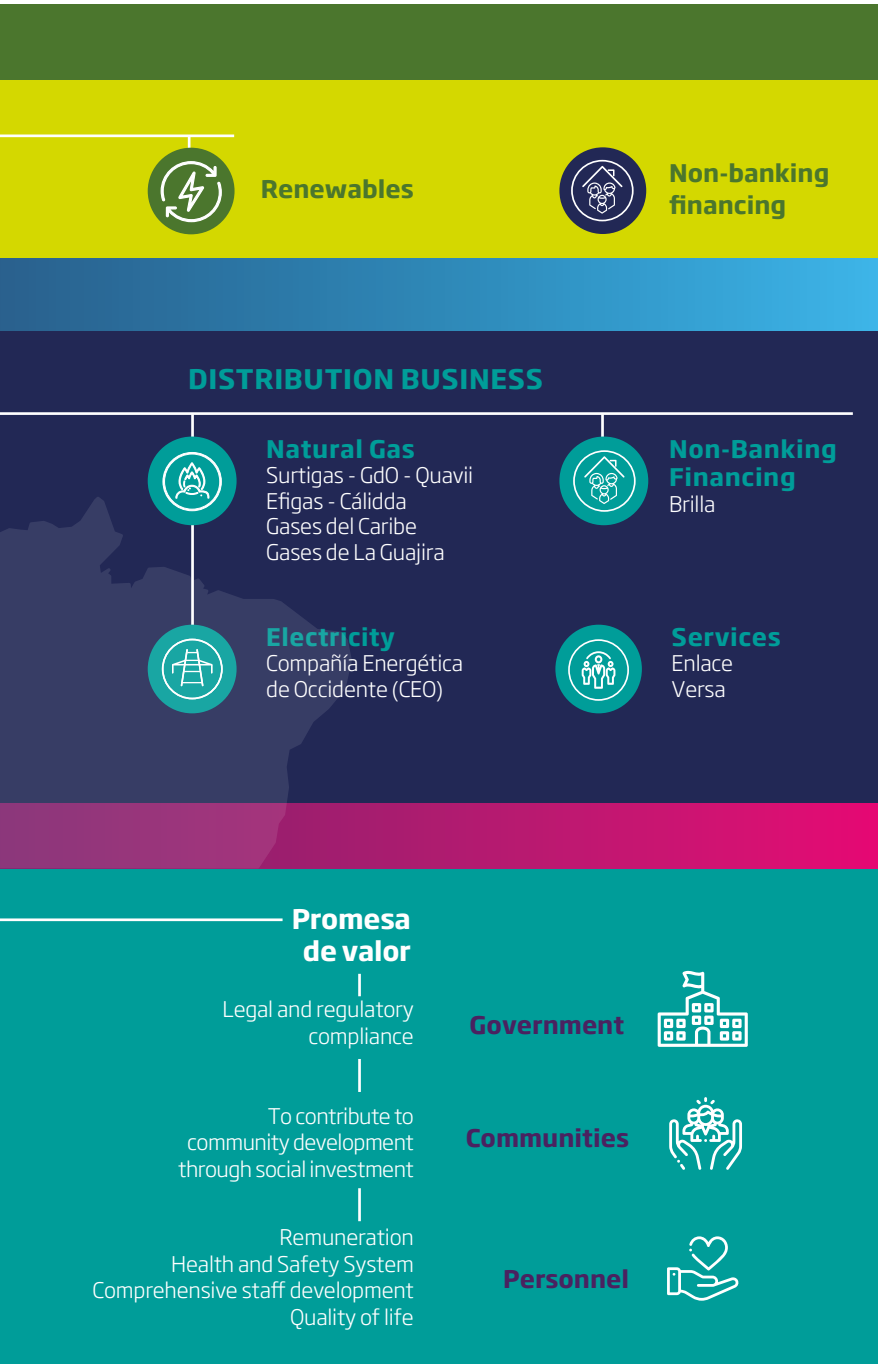


FITCH RATINGS  
**AAA** for issues in Colombia  
**BB-** at international level


Moody's  
**Baa3**

Nowadays we guarantee energy security in Colombia and we are growing continuously, so that we can take good energy to more places.


We develop energy markets directly and through our strategic transportation and distribution business groups, with passion and in an efficient and responsible manner.




## OUR RESULTS

**FINANCIAL CAPITAL** 


**COP \$ 1.9 billion** in EBITDA  
**COP \$ 1.1 billion** net profit

**INDUSTRIAL CAPITAL** 


**48%** of gas transported in Colombia  
**38%** of the distribution market in Colombia and **93%** in Peru  
**5 million** distribution users connected  
**13,076 Mpc** of gas regasified

**HUMAN CAPITAL** 


Climate: **66.9%** Category: **Very good**  
**0** accidents and deaths at work among employees  
 Training: **\$ 1.778 million** invested in **2,143 persons**  
**43%** of suppliers are local

**SOCIAL CAPITAL** 

Social investment: **\$30,000 million**  
 Beneficiaries: **400,000 persons**

**INTELLECTUAL CAPITAL** 

**95 innovation projects:**  
**69** for making our operation safer and more efficient and flexible  
**25** for diversifying the portfolio of services  
**1 strategic project** for producing green, renewable gases

**NATURAL CAPITAL** 

Reshaping and **replanting of 100%** of area worked on, for a total of **333.3 hectares**

**95%** species survival rate, thanks to maintenance of **2,342 species** of vascular epiphyte species transferred

**697.63** hectares offset

**10%** reduction in energy and water consumption and waste generated



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# OUR CONTEXT

## Economic Context

In late 2019, worldwide economic activity showed signs of stabilizing, due to better prospects in the manufacturing sector and for world trade. The international context was favorable, because the first phase of the trade agreement between the United States and China had been signed and the likelihood of a no-deal Brexit had receded because Boris Johnson had been elected Prime Minister in the United Kingdom. However, as a result of the COVID-19 pandemic, the global economy was faced with adverse conditions in 2020 when it became clear that there would be substantial downturns in the principal world economies, due to the measures that were being adopted to stop the virus spreading. The international environment was marked by uncertainty as to how the pandemic would evolve, and this resulted in increased market volatility and a generalized strengthening of the dollar, because of an increased aversion to risk, in view of all the uncertainty.

The US economy contracted by 3.5 per cent in 2020. On the one hand, household consumption continued to grow, as it had been doing year on year, house sales continued to boom, manufacturing was constantly strengthening, and rising share prices reflected confidence in the market. At the same time, however, the employment market was struggling to cope with millions of unemployed people and a resurgent pandemic was hurting consumers, service

providers and economic activity. As far as US monetary policy was concerned, the Federal Reserve continued to cut its intervention rate to a range of 0%-0.25% in response to the risks that the pandemic posed for the country's economy. Additionally, packages were launched from the time when compulsory lockdowns were enforced, containing stimuli to support the US economy and prevent a hardening of financial conditions.



***The average international price of Brent crude fell by 35 per cent in 2020 against the average for 2019, a reflection of the fears associated with the pandemic and the impact it would have on the worldwide demand for oil.***

At the same time, the first few months of 2020 saw the effects of the price war between Saudi Arabia and Russia which resulted, when no agreement was reached at OPEC meetings, in these countries suspending the agreements to cut crude production, and this, in turn, saw prices plummet to around 20 dollars per barrel.



Against this international background, the Colombian peso averaged 3,690 to the dollar, which represented a devaluation of 13 per cent against the average for 2019. The Representative Market Exchange Rate (TRM) on March 20, 2020 was COP 4,153.91, the highest peso-dollar exchange rate in history. This behavior was set against a background of uncertainty caused by the pandemic, the deceleration in the world economy, investors' reduced appetite for risk and the consequent fall in oil prices, and the result was historic maxima being recorded for depreciation of the Colombian peso, given the increased demand for safe assets.

In line with the above, the Colombian economy contracted by seven per cent in 2020, principally due to the decline in domestic demand, construction, entertainment activities, and exports. These latter were affected by reduced growth by our principal trading partners, contraction in coal and oil production, and plummeting commodities prices in general.

The twelve-month inflation figure for 2020 was 1.61 per cent, below the Banco de la República target range of 2 to 4 per cent. This can be explained, particularly, by the drop in domestic demand caused by the economic downturn and the lockdown measures imposed by the government. As far as monetary policy is concerned, Banco de la República cut the intervention rate seven times and this stood at 1.75 per cent at the year end, 250 down on the 2019 year-end rate. An expansionist policy that sets out to support economic recovery and domestic consumption.

In the fiscal sphere, public finances were affected in 2020 by both the fall in oil prices and the arrival of COVID-19 in the country. The measures adopted by the national government to flatten the contagion curve had a negative impact on the rhythm of production activities and, in turn, on the generation of tax revenues. The fall in collections and the increased expenditure deriving from the economic and social needs in the country were reflected in a big increase in public debt. In view of this, a decision was made to suspend the fiscal rule until 2022, so as to give the government more room to maneuver when dealing with the social and economic emergency.



## Prospects for 2021

After the devastating health and economic effects of COVID-19, the world economy appears to be emerging from one of its deepest recessions and starting a moderate recovery. Although the recent approvals of vaccines have led to hopes of a radical change in how the pandemic is handled, the new waves and the new variants of the virus pose new challenges for recovery. At the same time, countries are facing huge challenges in terms of

public health, debt management and fiscal and monetary policy if they are to achieve a balance without hindering economic recovery. It will therefore be fundamental that difficult action is taken, with a view to creating conditions that will prevent yet more companies from folding while generating new investments, accompanied by structural changes that will provide debt holders and rating agencies with certainty that public coffers will be managed properly.

*At local level, the start of the year will be noted for expectations that the national economy will begin to recover and that the National Vaccination Plan will be carried out, under which it is envisaged that 35 million Colombians will be vaccinated in 2021.*

Another challenge facing the government during the year will be to implement policies aimed at improving the employment rate and making exports more dynamic, since these latter have been affected, among other things, by the biggest worldwide recession in history and the oil price war between Saudi Arabia and Russia. Despite all this, Colombia is still one of the region's promising economies, and this is a view that is shared by the rating agencies that have maintained the country's investment rating. Assuming that social lockdown measures are progressively lifted and that the numbers of people in work recovers to pre-pandemic levels, economic dynamics are expected to be boosted by private consumption in 2021.

Construction is also expected to pick up, along with a reactivation of trade, transportation and hotels.

However, a number of external factors could affect the reactivation of the Colombian economy, such as high financial market volatility due to the over-valuation of assets, the repeated trade disputes between the major powers, and instability in raw materials prices.

As far as the average exchange rate is concerned, this is envisaged to be very close to COP 3,500, although it will not be exempt from periods of volatility caused by uncertainty on international markets. The 2021 year-end inflation figure is expected to be 2.8 per cent, close to the Banco de la República target of 3.0 per cent. If it is to achieve this goal, Banco de la República will probably have to increase the interest rate once during 2021, in order to continue to boost the economic recovery. As far as fiscal policy is concerned, there is a need for a tax reform in 2021, so as to increase fiscal revenue and to review the level of public expenditure in the country, especially in areas where there have been high levels of inflexibility in recent decades. This would serve the dual purpose of bringing the debt level down to sustainable levels in coming years and preserving the investment rating the country currently holds.

## Sector context

### Natural gas consumption in Colombia

The sectors with the highest consumption figures were non-regulated industrial, with a 45 per cent share of the market, thermoelectric with 26 per cent, regulated with 24 per cent, and VNG with 5 per cent. The thermoelectric sector was up by 23 per cent, due to increased thermal dispatches from the coast in the first half of 2020 because hydroelectric generation was lower, and this caused an increase in energy prices.

**Similarly, residential sector consumption rose by 1 per cent due to vegetation growth and penetration into new population sectors in recent years.**



However, industrial sector and GNVC consumption were 10 and 22 per cent down, respectively, due to the spread of COVID-19 and the compulsory preventive lockdown measures adopted by the national government.

A figure of 9.9 million regulated users was reached in 2020. 80 per cent of these users are in the interior, 17 per cent are on the coast, and the remaining 3 per cent in isolated areas. The number of users increased by 285,708 in the year from November 2019 to November 2020, a 3 per cent increase on the previous year.

*Note: Source: Consumo de Gas Nacional-COGNOS Analytics and November 2020 "Number of Regulated Subscribers Report" (Concentra).*

## Regulatory Context

CREG and the Ministry of Mines and Energy issued the following regulations during the lockdown caused by the COVID-19 pandemic, aimed at reducing the impact on final users.



### Gas transportation

#### Modification of contractual conditions due to COVID-19

Modification of contractual conditions due to COVID-19. Because of the COVID-19 emergency, transitory measures were introduced in CREG Resolution 042 of 2020 to modify prices and quantities established in supply and transportation contracts by mutual agreement. Promigas and its affiliated transportation companies held negotiations aimed at achieving more flexible contractual conditions, with a view to protecting both remitters and companies financially and guaranteeing service continuity.

#### Consultation for modifying the discount rate for regulated activities

In Resolution 155 of September 2020, CREG published, for comment, the procedure for calculating the regulated discount

rate for gas transportation and distribution, and for other activities in the electricity chain regulated by the Commission (WACC). Promigas and its affiliated companies continue to play an active role in discussing the percentage to be agreed on with the various entities involved in determining this, such as the Regulation Commission, the Ministry of Mines and Energy, and the Treasury Ministry.

#### Transportation rate methodology

In October 2020, the Commission issued draft CREG Resolution 160, which contains a new proposal for establishing the methodology for calculating the natural gas transportation tariff. This proposal retains the current price cap scheme and tariffs based on distance, but includes certain modifications, such as remuneration for investments in pesos. Promigas and its affiliated companies continue to play an active role in constructing the methodology with the various entities involved, such as the Regulation Commission and the Ministry of Mines and Energy. According to the CREG regulatory agenda for 2021, the definitive resolution is expected to be issued in the first half of the year.

## Marketing the natural gas wholesale market.

CREG issued the definitive version of Resolution 185 in November. This adjusts the transportation capacity marketing process and promotes a wider dissemination of available capacity, swifter auction processes, and the possibility of signing shorter contracts, which are viewed as favorable for the transportation activity. The first marketing processes under these new rules will commence in the first half of 2021.

## Remuneration for assets that have reached the end of their regulatory useful life.

Useful life processes continued in 2020 for assets belonging to Promigas and its transportation companies. CREG is expected to issue a Resolution in the first half of 2021 approving the corresponding costs of replacement to as new condition and keeping in operation for the following assets:

- **Promigas, useful life 2016**  
La Mami-Bureche loop and two branch gas pipelines
- **Promigas, useful life 2017**  
13 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**  
Bucaramanga-Payoa 8" gas pipeline
- **Transmetano, useful life 2017**  
Sebastopol-Medellín gas pipeline

Additionally, a request was made in December 2020 for administrative action to commence with respect to 11 Promigas assets that will reach the end of their useful life in 2021. These include the trunk gas pipelines from Jobo to Cartagena, the compressors at Sahagún station, the El Dique Canal and River Magdalena crossings, and five branch gas pipelines.

## Natural gas supply plan

UPME issued the definitive Natural Gas Supply Plan in a document entitled "Technical Study for the Natural Gas Supply Plan" in October 2020. This was taken on board by the Ministry of Mines and Energy in Resolution 40304 dated October 15, 2020. Similarly, the definitive bid documents were published on October 29 for selecting the Pacific Regasification Infrastructure investor, the award for which will be made in the first half of 2021. During this same period, CREG is expected to adjust certain regulatory aspects relating to execution of the Supply Plan projects and to define and approve the efficient value of investments in the Barranquilla-Ballena Bidirectionality project, which is headed by Promigas.





## Natural gas distribution

### • Ministry of Mines Decree 517:

This decree determined the 36-month deferral of residential user bills up to subsistence consumption for non-subsidized income brackets 1 and 2. Companies that provide the natural gas and electricity service could have access to a 0 per cent line of credit for adopting these measures. CREG was also granted the power, on a transitory basis, to make special arrangements for deferring payment of bills already issued and, again on a transitory basis, to adopt all special measures, tariff provisions and regulatory regimes that might be deemed necessary.

### • CREG Resolution 048:

Definition of the transitory application of the tariff option for residential natural gas users in income brackets 1 and 2.

### • CREG Resolutions 058 and 059:

Deferral was permitted for 36 months for users in income brackets 1 and 2 with respect to consumption above subsistence level, and for 2 months for income brackets 3 and 4. A two-month period of grace was also granted. This measure was extended for a further two months.

### • CREG Resolutions 060 and 061:

These Resolutions established transitory payment deferral measures for natural gas and energy marketers on other activities in the chain.

### • Ministry of Mines Resolution 40236:

A further 10 per cent was added to the subsidy granted for natural gas service users in income brackets 1 and 2.

### Impact of the COVID-19 contingency on the natural gas sector

An impact analysis of the pandemic on the main variables in two links in the natural gas sector chain in the country was carried out: transportation and distribution. The pandemic had a negative impact on the transportation business in terms of contract volumes, take or pay contract price flexibilization, and portfolio. The distribution business, meanwhile, suffered a drop in volumes, collections, provisions and subsidies. Bearing in mind the impact that COVID-19 was having on natural gas users, production and transportation companies granted consumers relief by temporarily renegotiating contracts with marketers.





# SUSTAINABILITY APPROACH



# SUSTAINABILITY APPROACH

GRI 102-27  
GRI 102-44  
GRI 102-46  
GRI 102-47

We foster sustainable development and, based around ethics and transparency, we treat the opportunities and risks that derive from our management responsibly and effectively. We operate in a socially responsible manner, with due respect for human rights and the principle of legality in national and international standards and regulations.

We view sustainability with a transverse approach, seeking to generate lasting and persistent economic, social and environmental value among interested parties, and focusing on the human being as the fundamental focal point for all our activities and on the general wellbeing of society and future generations as the basis for sustainable development.

## COMPREHENSIVE MANAGEMENT MODEL



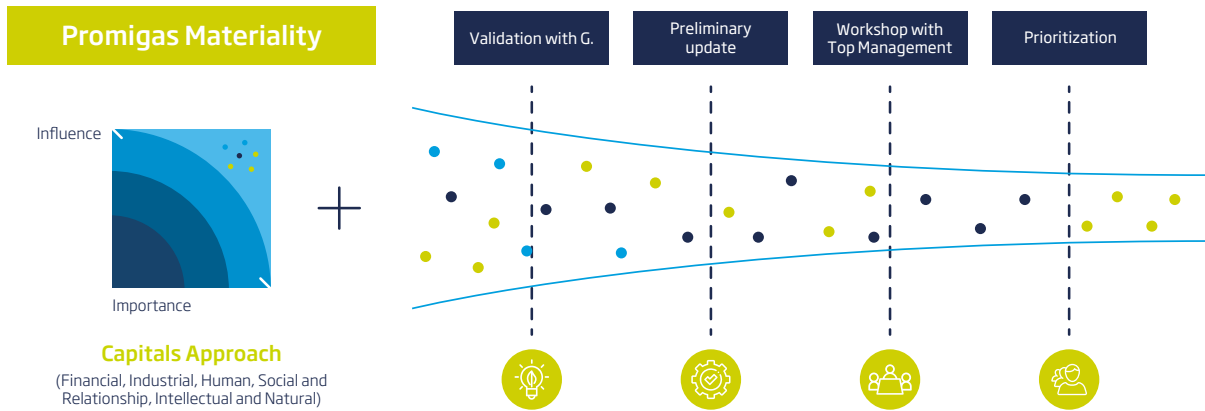
Our management model consists of three fundamental focal points that guide our actions: Ethics and Corporate Governance, Risk Management, and Innovation. We have coordinated our materiality with the strategy in order to facilitate the way in which our management, measurement and communication are presented at corporate level.

Our material issues are corporate; in other words, their scope extends to all the companies in our portfolio. Internally, they relate to our employees and, externally, to the target publics we have relationships with.

# OUR MATERIALITY

We as an organization understand the importance of informing our interest groups of relevant matters and the economic, environmental and social impacts we generate, so as to meet their expectations, and we also take high international standards relating to our activities into account.

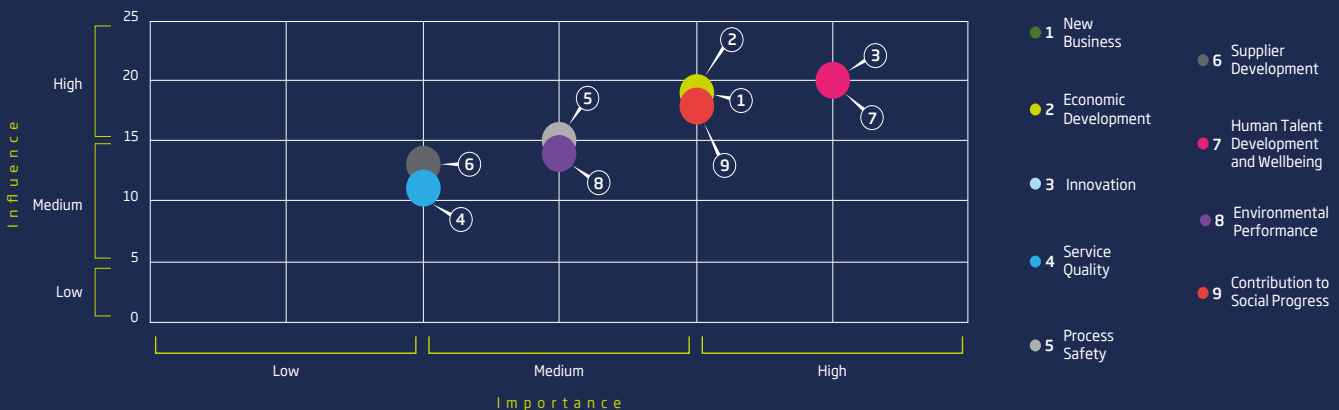
We make our accountability viable and we communicate progress made with our management with a sustainable focus in terms of its contribution to business (growth, productivity, risk mitigation, profitability, reputation) and complying with interest groups.



We follow a rigorous process for determining our materiality, one which includes the following:

- | Dialogues with our interest groups.
- | Identifying relevant sustainability issues
  - | Review of internal sources in order to identify issues, taking into account the impacts of our business and our operation from an internal perspective and our corporate strategy.
  - | Review of external sources such as global standards, industry organizations, the global sustainability context, and companies in the sector.
- | Prioritization of relevant issues: appraisal of the relevance of issues identified, based on such criteria as strategic importance for sources, management of good practices, and the impact and crosschecking of each issue, both for Promigas and for interest groups, the environment and the sector.
- | Validation with top management.
- | Materiality analysis update: we integrate matters such as cybersecurity and access to energy for vulnerable customers as emerging issues, so that they can be followed up on even though they are still not active. Likewise, progress towards portfolio decarbonization and the investigation and implementation of projects that imply new forms of energy. Similarly, material issues were crosschecked against IR capitals.

## Materiality matrix



# OUR CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS - SDG

We are committed to the Global Compact and its principles, and to the United Nations Sustainable Development Goals (SDG), and from this viewpoint we can identify future opportunities for growth, improve the value of company sustainability, use our resources more efficiently, strengthen relations with interested parties, and share a common language and a common purpose.

We as an organization are committed to performing actions that are directed toward contributing to the United Nations Sustainable Development Goals. Our business activities thus contribute to Initiative 8, Decent Work and Economic Growth, and Initiative 9, Industry, Innovation and Infrastructure.

For our voluntary work, we have identified the following SDG as a priority for Promigas.



**Affordable and Clean Energy.**  
Guaranteeing access to affordable, safe, sustainable and modern energy for all.

Promigas is working to develop more efficient energy markets, with a view to increasing the share of these in the national breadbasket. These activities are based on the guidelines established in the business strategy for the period 2020-2031.



**Decent work and economic growth.**

Through our business and our excellent performance, we contribute to generating economic growth in the country. We are committed to our workforce, and we therefore pay decent salaries; we care for the physical and mental health of our people, beyond ensuring health at work, and we offer every guarantee so that our employees can exercise their rights in accordance with our human rights policy.



**Industry, Innovation and Infrastructure**

We promote the development of clean, decontaminating technologies, with a special interest in new products and services that support the transition toward an economy with low CO<sub>2</sub> emissions. We also work to support sustainable development in the countries where we operate by contributing, among other things, to process modernization and the efficient use of resources and by improving the positive impact of our activities.



**Sustainable cities and communities**

We foster and support initiatives aimed at making our cities better places to live. We are committed to improving air quality by using natural gas at residential level, for industry and for sustainable mobilization, so as to protect people from air pollution. We foster the use of vehicular natural gas in public transportation and for transporting cargo as a key aspect of mitigating climate change.

We promote sustainable mobilization among our employees through the use of other means of transport, such as walking or bicycle. We use solar energy at our facilities as a way to improve energy efficiency, and we administer water consumption and the consumption of other natural resources.



**Climate Action. To adopt urgent measures to combat climate change and its effects**

We are committed to implementing measures that will mitigate the risks associated with climate change. We have drawn up a climate strategy that includes mitigation actions aimed at reducing our carbon footprint, together with adaptation actions for improving the response capability of companies and of the communities most vulnerable to the impacts caused by climate variations.



**Life on Land. To protect, restore and promote the sustainable use of land ecosystems, to manage forests in a sustainable manner, to fight desertification, to halt and invert land degradation, and to put a brake on the loss of biological diversity.**

We established measures aimed at minimizing areas to be intervened and at restoring biodiversity through various offsetting actions, with work focused on ecosystems that are strategic to the country and the regions where we operate.

# INTEREST GROUPS

■ GRI 102-40  
GRI 102-42  
GRI 102-43

**We respect our interest groups as we carry out our activities, since we prioritized them and selected them on the basis of an evaluation in which Promigas top management was involved.**

We constantly foster interaction scenarios using a fluid dialogue, with a view to hearing their perceptions and expectations. We have established mechanisms and procedures for receiving information and consultations from our shareholders, employees, customers, suppliers and communities, and from society in general, and these enable us to respond to their

concerns, provide accountability and incorporate relationship levels that are in line with their expectations, so that we can cultivate long-term and mutually beneficial relationships.

Each process has its own mechanisms and procedures for incorporating this information into its continual improvement cycles, and also for receiving and attending to petitions, complaints, claims and reports. We consider their contributions to be of great value in our efforts to advance our economic, social and environmental performance, and we take them into account as we engage in our activities; it is thanks to this relationship that we define our sustainability priorities or strategic fronts.



 **Customers**

**Area responsible:**

Transportation Commercial Management and Transportation Operations Management

**Goal:**

Service value, for us, is a fundamental part of our culture and is why we are committed to customer loyalty and full satisfaction. Consequently,

Commercial Management and Operations Management staff have close relations and are constantly communicating with customers. We measure their satisfaction each year and we improve our services on the basis of the feedback we receive.

**Relationship scenarios:**

- Direct attention from Commercial Management and Operations Management
- Periodic surveys
- Satisfaction surveys
- Specialized events
- Email
- Nominations
- Website

 **Communities**

**Area responsible:**

Sustainability and Environment Management

**Goal:**

To increase community trust in order to obtain an operating license and generate value in the social transformation via an inclusion approach and recognizing intercultural differences, with a view to preserving the cultural heritage.

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

**Relationship scenarios:**

- Education campaigns
- Satisfaction surveys
- Communication sessions
- Project social management activities
- Media
- Emergency lines
- Website
- Reporting lines for human rights matters

 **Suppliers**

**Area responsible:**

Area responsible: Asset Procurement Coordination and Services Procurement Coordination

We create opportunities for relating and communication, and we periodically arrange activities aimed at keeping suppliers updated on matters relating to safety, health and the environment.

**Goal:**

To establish win-win relationships with suppliers, in order to generate value for the business.

**Relationship scenarios:**

- Periodic surveys
- Bulletin for suppliers and contractors
- Annual meetings
- Induction for suppliers
- Email
- Website



### Government and regulatory bodies

#### Area responsible:

Corporate Affairs  
Vice-Presidency, Transportation  
Regulation and Administration  
Management, and Distribution  
Regulation and Administration  
Management

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

#### Goal:

To forge constructive and cooperative relations with regulatory bodies, to promote sector performance, and to operate fully in compliance with the law.

#### Relationship scenarios:

- Technical gatherings
- Participation in and cooperation with regulators, and local and national governments



### Society and the media

#### Area responsible:

Corporate Communications  
Management

#### Goal:

To highlight our values, our commitment to sustainability, and initiatives through which we contribute to sustainable development in the regions where we operate.

#### Relationship scenarios:

- Press releases
- Interviews
- Website
- Social media



## RELATIONSHIP SYSTEM WITH INTEREST GROUPS

The approach to relationship followed by Promigas and its affiliated companies sets out, principally, to identify and involve all interested parties that the company interacts with and, later, to take on board interests and problems that are relevant to each of them, with a view to creating value, meeting their expectations and, of course, being profitable.

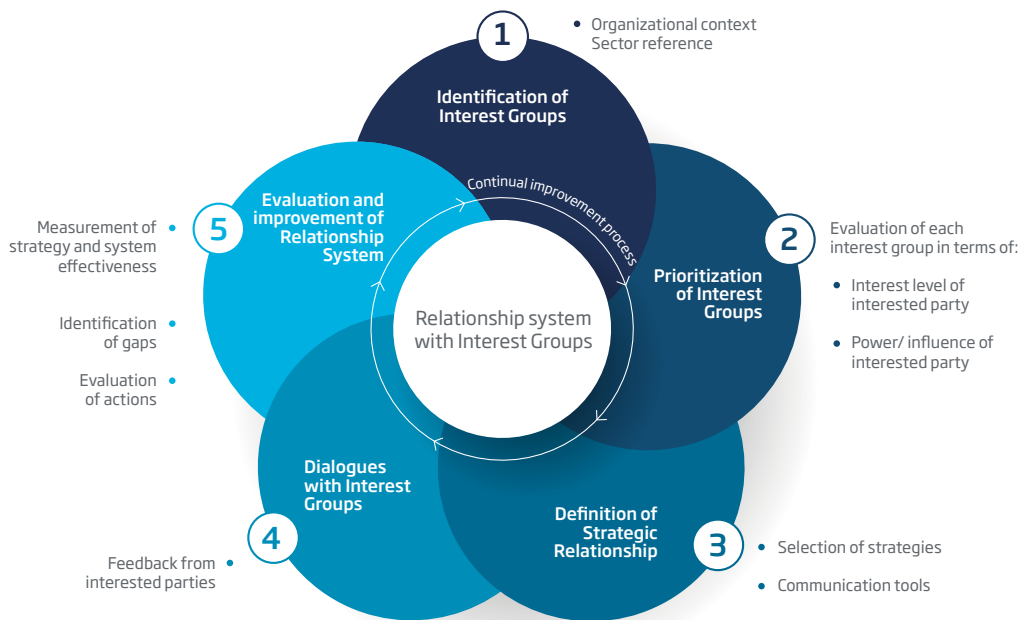
**Relationships with interest groups are considered to be a key element in the process of making strategic and operational decisions by the company, and they are fundamental to guaranteeing sustainable, long-term growth.**

### System goal

To administer problems that interested parties have in an integrated manner

To strengthen company risk management (identification and mitigation of risks that could materialize in interest groups)

To reinforce Board of Director efficiency and sustainability in accountability



# VOLUNTARY COMMITMENTS

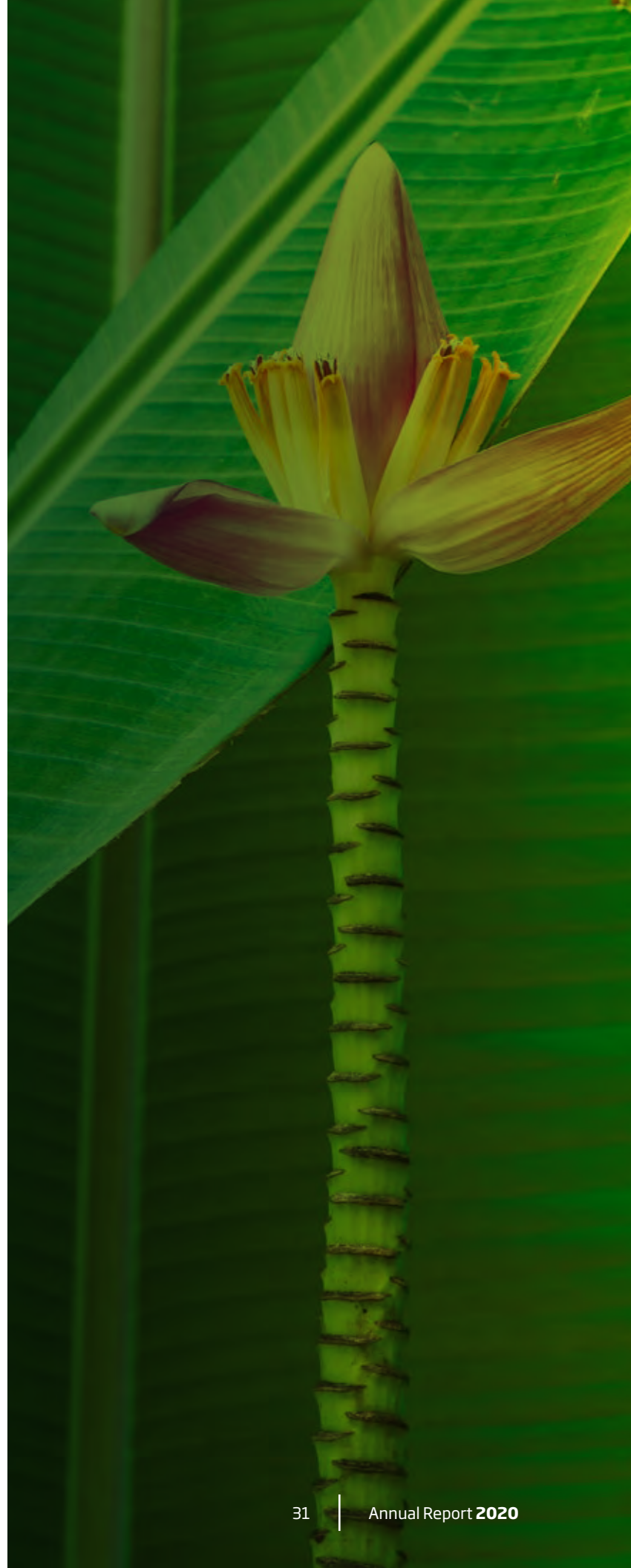
■ GRI 102-12  
GRI 102-13

We are committed to the Global Compact and its principles and to the United Nations Sustainable Development Goals (SDG), and we also adhere to the Caring for Climate initiative promoted by the latter organization.

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

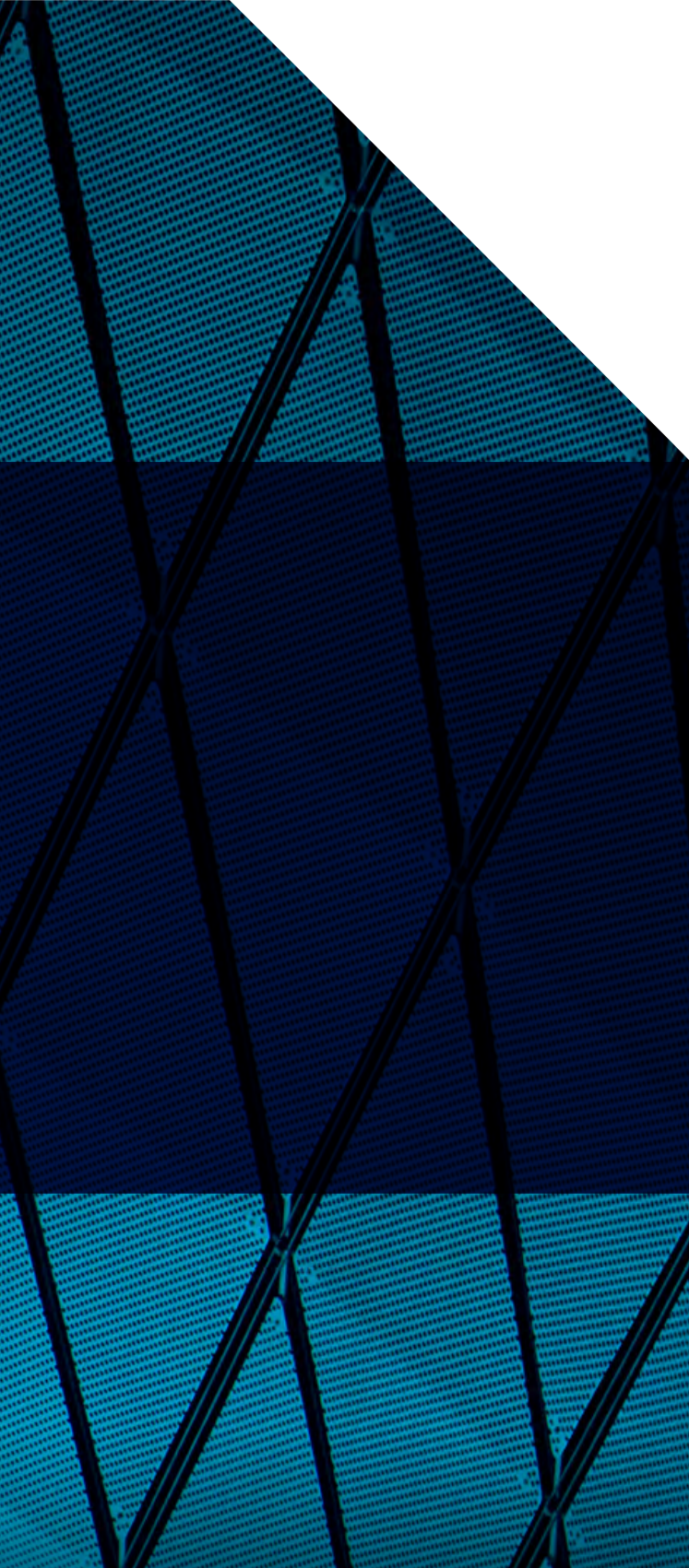
We are conscious of the value of institutional synergies on matters of local, regional and national interest for enriching public policies, and we therefore continue to play an active part, together with some of our companies, in organizations like Empresarios for Education, Association of Business Foundations (AFE) and RedEAmérica.

As established in our Code of Conduct, we make no type of political contribution.









# OUR STRATEGY

# OUR STRATEGY

When we carried out our corporate strategic planning in 2020, the aim was to determine the course that would guide us during the next ten years. Our previous strategy focused on maximizing the natural gas transportation and distribution business, and we achieved the goals we had set. Based on those results, and after analyzing market trends, we defined our ambition and identified the skills and capabilities that will enable us to gain competitiveness and find our strategic opportunities



Promigas operates in an ever more dynamic industry, which means that it has to have varied options for generating value over the course of time. In this context, the company bases itself on its existing assets, in order to exploit its principal natural gas business, and on its skills and capabilities for boosting other business activities that will ensure that sustainable growth is a key player in the country's development and in guaranteeing energy reliability. All this is based around ethics, risk management and innovation, which are the fundamental cornerstones of everything we do.

Promigas faces regulatory challenges, gas infrastructure maturity, and competition from energy substitutes. Even so, there are opportunities for expansion, in line with regional and global energy market trends. Based on our strengths, we defined growth vectors for the next ten years that will enable us **to be the best energy company in the region, diversified in terms of types of energy and geography, one that participates from origin to capturing the full value of the final user.** Our strategy is ambitious, and it will allow us to grow in a sustainable manner.



STRATEGIC FOCUS	STRATEGIC GOAL	PRINCIPAL INDICATORS
To grow in a profitable and sustainable manner	To grow in terms of profit and the return our shareholders expect	EBITDA Net Profit
	To diversify revenue into new geographies and new businesses	Revenue from new businesses (clean energies)
To be recognized as the best energy services company	To strengthen the value proposal for our customers	Percentage of revenue that comes from innovation
	To guarantee operational excellence	Customer satisfaction / Continuity
	To guarantee a safe operation	Deaths and injuries from accidents
	To strengthen supplier and contractor development	Supplier evaluation
	To reinforce the overall development of our personnel	Organizational climate
To be sustainability leaders in Latin America	To ensure an environmentally responsible operation	Carbon footprint
	To reinforce relations with communities	Social investment

Our business strategy is aligned with our innovation and climate strategies, in order to boost the goal of continuing to be sustainable. It is through these strategies that we will succeed in adapting to the changing nature of the industry and in creating value by helping to reduce negative impacts on the environment.

# INNOVATION STRATEGY

We innovate in order to build a sustainable future, one where our energy services play a vital role.

**Through excellence and entrepreneurship, we seek the following:**

- 1 To decarbonize our business
- 2 To operate in a safer and more efficient way
- 3 To diversify our portfolio of services

**Typically, innovation actions are based around digital technologies and data sciences. Our focus:**

Innovation in products: distributed generation and green gases.

Innovation in business processes: flexibility, efficiency and safety

**We aim to contribute:**

To growing in a profitable and sustainable manner

To increasing flexibility, efficiency and safety in our processes through innovative projects

To increasing corporate profits, deriving from incremental innovation in new businesses and innovative processes

In a relevant way to revenue with products, services and savings derived from significant process transformations.



## INDICATORS

Expenditure on research, development and innovation as a percentage of adjusted gross sales

- This is an important indicator of the innovation process, one that seeks to determine the intensity of financial resources allocated to innovation. It quantifies the total investment in RDI as a fraction of total sales in the period evaluated

Financial contribution of innovation as a percentage of the company's adjusted gross sales

- This indicates the result of the innovation process and seeks to determine the impact of innovation actions and projects on the company's revenue. It quantifies the savings and revenue generated by the RDI projects as a fraction of total sales in the period evaluated.

## CLIMATE STRATEGY

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The climate strategy that the organization has drawn up is coordinated with the business strategy and backs this up, since we are conscious of the relationship that exists between the Promigas business and the risks and opportunities deriving from climate change.



Our management model with a sustainable approach defines climate management as one of our material issues in response to our environmental responsibility and our commitment to our customers and to society in general to support processes, products and services with low carbon emissions.

In line with energy transition trends, the company prioritizes, as a core business, the development and boosting of energy services, especially photovoltaic solar energy, in order to continue contributing to the reduction of carbon emissions.

## SOCIAL MANAGEMENT STRATEGY FOR COMMUNITY PROGRESS

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Social Management for reinforcing the social license to operate is led by the Vice-Presidency and by Legal and Sustainability Management, which coordinate the social management of the company and its foundation. The philanthropic actions that are carried out are in response to the Social Management policy and the principles and guidelines of the Promigas Foundation.

The companies have voluntarily adhered to and adopted guidelines deriving from the following international benchmarks, which are relevant to decisions and actions aimed at reinforcing and applying the sustainability approach:

United Nations Global Compact. Each year we report progress on the ten principles that are fostered under this. The evaluation of the progress report has resulted in a 97 per cent compliance figure.

We adopted Global Reporting Initiative (GRI) standards in 2009. These help us to report performance results and economic, social and environmental impacts to our interest groups in a coherent manner.

We have been using the Dow Jones Sustainability Index (DJSI) since 2015, in order to find new opportunities for improvement and thus help to reinforce the company's sustainable management approach.

Our sustainable management approach is in line with the Sustainable Development Goals, and we prioritize the most relevant SDG, in order to ensure that the goals established in our mission contribute to development in the areas where we operate.

In 2019, we carried out a pilot project to appraise the external effects of social impacts, and we are adjusting the methodology, with a view to updating the calculation of those impacts.





# OUR FUNDAMENTAL FOCAL POINTS



The background of the page features a blurred image of hands holding a globe, overlaid with a blue-to-purple gradient. The text is positioned on a dark purple horizontal band.

# ETHICS AND CORPORATE GOVERNANCE

■ GRI 102-40

# ETHICS

■ GRI 102-16  
 GRI 102-17  
 GRI 103-1  
 GRI 103-2  
 PACTO GLOBAL PRINCIPAL 10



By promoting ethical, transparent business conduct, we carry out our activities in a context of best corporate governance practices.

Reinforcing the application of our corporate values and performing our activities ethically and transparently enable us to ensure that we comply with laws and regulations, including the principles of the United Nations Convention against Corruption, mitigate fraud and corruption risks, establish a commitment to do business honorably, and help people to act correctly.

Promigas and its affiliated companies are convinced that the key to achieving profitability and sustainable growth lies in ethical business conduct. We have a Code of Conduct that has been approved by the Board of Directors, and a Compliance Program for which top management is the main area responsible.

Our principles and values are:

■ GRI 102-16



We perform our activities on the basis of the three lines of defense approach to risks and the reporting channels, and these lines also enable us to ensure that our ethical principles are adhered to.



**Ethics Committee**



**Compliance Officer**  
**Risks and Compliance Manager**



■ GRI 102-17

We have an electronic mailbox for consulting and validating everything related to conflicts of interest. Third parties also have the option of getting advice from the Compliance Office and consulting him.

## COMMUNICATION OF, AND TRAINING IN, ANTICORRUPTION POLICIES AND PROCEDURES

Total number and percentage of people who were informed of the organization's anticorruption policies and procedures and received anticorruption training

	Governance body members		Employees		Business partners	
	Count	Percentage	Executive	Non-executive	Count	Percentage
COLOMBIA	26	98%	26 (98%)	2,338 (98%)	173	35%
PERU	3	100%	3 (100%)	176 (98%)	33	65%

## COMPLIANCE

■ GRI 205-3  
 GRI 307-1  
 GRI 419-1

■ GRI 103-3  
 GRI 205-2  
 GRI 412-2

PRINCIPAL 10



No cases of corruption were reported in 2020, nor were any fines or sanctions of any kind imposed.

# CORPORATE GOVERNANCE

GRI 102-18  
GRI 102-22



## General Meeting of Shareholders




## Board of Directors:

This is our supreme administrative body, which acts in representation of shareholders and the organization's sustainable growth. More than 25 per cent of its members are independent.

## JUNTA DIRECTIVA

### María Lorena Gutiérrez Botero

President  
Main member  
Equity 

Investments, Strategy and Sustainability Committee

**Attendance:** 100 per cent  
**Seniority:** 2.3 years

Has worked as adviser and consultant to various companies and has been a member of the executive councils of international organizations and universities, such as the European Foundation for Management Development, Durham University, Tulane University, Los Andes University, Sumaq Alliance, Latin American Council of Schools of Management, Business Association for Latin American Studies, and Corporación.

### Carlos Caballero Argáez

Main member  
Equity

Investments, Strategy and Sustainability Committee / Compensation and Development Committee

**Attendance:** 100 per cent  
**Seniority:** 9 years

Experience in the energy sector; knowledge of the stock and foreign exchange market; technical knowledge of the energy sector; top executive / sits on board of directors of other companies; managerial and risk management skills; regulatory and legal knowledge; strategic planning and innovation skills; focus on social, economic and environmental sustainability aspects; experience in public administration and governance.

### Luis Ernesto Mejía Castro

Main member  
Independent

Investments, Strategy and Sustainability Committee

**Attendance:** 94 per cent  
**Seniority:** 7 years

Experience in the energy sector; high-level financial, accountancy or management education; top executive / sits on board of directors of other companies; managerial and risk management skills; regulatory and legal knowledge; strategic planning and innovation skills; focus on social, economic and environmental sustainability aspects; experience in public administration and governance.

### Claudia Betancourt

Main member  
Independent

Investments, Strategy and Sustainability Committee / Compensation and Development Committee / Audit Committee

**Attendance:** 100 per cent  
**Seniority:** 14 years

High-level financial, accountancy or management education; knowledge of stock and foreign exchange market; top executive / sits on board of directors of other companies; managerial and risk management skills; strategic planning and innovation skills.

### María Virginia Torres

Main member  
Independent

**Attendance:** 100 per cent  
**Seniority:** 0.3 years

32 years' professional experience focused on Colombia's public administration service, during which time she has held leading positions in resources management, asset management, human talent policy and legal management in entities at national and district level.

### Carlos Arcesio Paz Bautista

Alternate member  
Equity

**Attendance:** 88 per cent  
**Seniority:** 19 years

High-level financial, accountancy or management education; top executive / sits on board of directors of other companies; managerial and risk management skills; strategic planning and innovation skills; focus on social, economic and environmental sustainability aspects.

### Gustavo Ramírez Galindo

Alternate member  
Equity

**Attendance:** 100 per cent  
**Seniority:** 11 years

High-level financial, accountancy or management education; knowledge of the energy sector; top executive / sits on board of directors of other companies; managerial and risk management skills; strategic planning and innovation skills.

### Camilo Erazo

Alternate member  
Independent

**Attendance:** 100 per cent  
**Seniority:** 0.3 years

Electrical engineer with management option; electronics engineer; Executive MBA; extensive knowledge of electricity and natural gas sector regulations in Colombia; experience in regulatory analysis and development; analysis and construction of information systems; execution of surveillance and control actions for domestic public services companies.

### Camilo De Francisco Valenzuela

Alternate member  
Independent

**Attendance:** 100 per cent  
**Seniority:** 8 years

High-level financial, accountancy or management education; knowledge of the stock and foreign exchange market; top executive / sits on board of directors of other companies; managerial and risk management skills; regulatory and legal knowledge; strategic planning and innovation skills; focus on social, economic and environmental sustainability aspects.

### Guillermo Fonseca

Alternate member  
Independent

**Attendance:** 100 per cent  
**Seniority:** 8 years

Executive at director level with more than 25 years' national and international experience in leadership and general management functions in the hydrocarbons and energy sectors.

**Board of Directors Committees:**



Investments, Strategy and Sustainability Committee

Audit, Risks and Good Corporate Governance Committee

Compensation and Development Committee



7 - 70 %

Male

3 - 30 %

Female

None belong to minority groups.



**Average seniority:**

7.1 years

**Evaluation result:**

94%

**Independent members:**

6 (60%)

**Evaluation result:**

9.1

For further information, go to:

<<http://www.promigas.com/Es/Inversionistas/Paginas/JuntaDirectiva/JuntaDirectiva10.aspx>>.

**MANAGEMENT**



**Eric Flesch**  
President



**Alejandro Villalba**  
Vice-President,  
Operations



**Natalia Abello**  
Vice-President, Corporate Affairs



**Aquiles Mercado**  
Vice-President, Finance and  
Administration



**Ricardo Fernández**  
Vice-President,  
Transportation Business



**Wilson Chinchilla**  
Vice-President, Distribution



# HUMAN RIGHTS

■ GRI 103-1  
GRI 103-2  
GRI 103-3  
🌐 PACTO GLOBAL PRINCIPAL  
1, 2, 3, 4, 5, 6



**We have a human rights policy which, since it is based on the declarations on this subject that are contained in our Code of Conduct, sets out the scope thereof as we pursue our social purpose in the different areas and on the various fronts, such as communities, our operation, and the environment.**

The human being is the focal point of everything we do. We therefore have to respect his rights and promote them, and remedy any negative consequences, should this be necessary. We value diversity and recognize that rights are non-negotiable and inherent in all persons, and that everyone should always be treated equally.

We administer the risks we are exposed to on the question of human rights, so that they can be mitigated by establishing activities, measures and controls. Knowing what our risks are in terms of human rights gets us closer to communities and enables us to be more sustainable.



## INDICATORS

■ GRI 103-3  
GRI 406-1



0

Zero complaints on the report line relating to human rights at Promigas and its affiliated companies



0

Zero reports filed with the Labor Harmony Committee relating to discrimination, harassment at work, or other similar complaints



1

One complaint under investigation filed for harassment at work.



# RISK MANAGEMENT

**By allowing top management to have a full vision of the risks the organization is exposed to, Comprehensive Risk Management facilitates the decision-making process for achieving the organization's goals.**

In order to strengthen the control environment and risk culture in the organization, Promigas has implemented the three lines of defense model, which aims to administer risks effectively by assigning clear risk, control and supervision responsibilities. The second line of defense consists of Corporate Risk and Compliance Management, or the equivalent risk areas in each company in charge of such duties, which are required to carry out continuous follow-up on all risk-related obligations.

Promigas and its affiliated companies have a corporate comprehensive risk management policy which aims to ensure effective administration of risks that could cause deviations with respect to compliance with strategic goals, Inherent Major Impact Risks (RIMI), and processes.

13 strategic risks and 18 RIMI were identified, appraised and monitored in 2020 by evaluating the design and operation of controls associated with the respective risks.

There is also a governance, risks and compliance model which permits Comprehensive Risk Management for Promigas and its affiliated companies to perform risk management and monitoring duties and responsibilities. This consists of the following:



\*Each affiliated company (distribution companies) will report its strategic risk management at the respective levels.

Similarly, as part of the reinforcement of Corporate Governance, the Corporate Risk and Compliance Committee was set up as an entity that communicates with and reports to top management on comprehensive risk management. This committee, which consists of the Presidency, Vice-Presidencies and Risks and Compliance Management, meets at least once per year and its responsibilities include following up on risk management and issuing guidelines and recommendations.

The Comprehensive Risk Management model for Promigas and its affiliated companies complies with, and is based on, the requirements established in the 'Risk Evaluation' component of COSO 2013, in NTC ISO 31000 Risk Management, and other requirements as requested by shareholders or the Board of Directors.

**The Comprehensive Risk Management corporate methodology consists of a cycle with six stages**

- 1. Planning
- 2. Evaluating
- 3. Dealing with
- 4. Monitoring
- 5. Reporting
- 6. Communicating

Which is a transverse stage. Possible deviations from the goals established can thus be administered correctly.



Risk evaluation is carried out by appraising impact and probability. Bearing in mind some key elements of the strategy, impact criteria are defined by the company as follows:



The criteria for appraising probability that have been defined by the company are as follows:



Top management establishes priorities for dealing with key risks, based on the results of the residual appraisal, and the following criteria are established for defining additional mitigations.

In the case of risks classified as extreme, additional mitigations have to be defined in order to reduce the probability of the risk occurring or to absorb the consequence associated with the risk materializing. When risks are classified as high or moderate, top management or the process leader can propose additional risk mitigators, in accordance with the analysis of whether it is viable to introduce them, where applicable, and if the nature of the risk so permits, such as with regulatory risks.

**Success with risk management depends on all stages of the aforementioned cycle being applied; partial application does not contribute to achieving the company's strategic goals.**

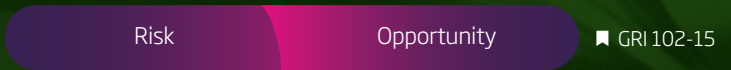
Reinforcement of risk monitoring in 2020 paved the way for the evaluation of inherent high-impact, strategic, and information security risks. Part of this monitoring included helping the first line of defense to identify changes in risks and controls in their processes because of the pandemic.

Similarly, the phase relating to the identification and evaluation of third parties and intermediaries as a segment of implementing the corporate third-party management methodology (TPRM/TPI) was completed, and a virtual third-party risk management training session was held. This was attended by 61 third parties considered critical for the company, and transportation and distribution companies. It was part of activities under the risk culture reinforcement program entitled 'Promigas Connections, More United with our Suppliers'. A start was also made on regulatory risk management, in the form of structuring the Regulatory Compliance Program, the purpose of which is to administer the risk of default on internal and external standards and

regulations that are binding on the company. The respective policy and procedures were drawn up for execution.

With a view to strengthening and evaluating risk management and identifying trend, behaviors and how risks evolve over a period of time, Key Risk Indicators (KRI) and Key Performance Indicators (KPI) have been implemented.

**The following emerging risk was identified for Promigas:**



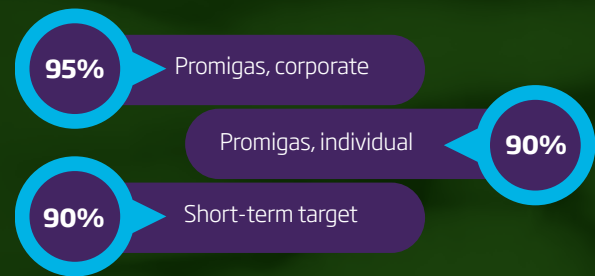
<p>Changes in consumer behavior throughout the value chain that could affect the demand for natural gas.</p>	<p>Develop new lines of business with a high financial impact that will enable our operations to expand into the renewable energy segment and new geographies.</p>
--	--



<p>Expanding renewable energy business in view of limited regulatory and market stimuli for promoting mass use.</p> <p>Use of intellectual property assets to generate competitive advantages in our businesses.</p>	<p>Carry out surveillance actions and technological feasibility analyses (rational, opportunity and impact - ROI) and technical feasibility analyses (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 2020 we carried out 1,675 appraisals of strategic risks, high-impact inherent risks, operating risks, projects, financial risks SOX, and human rights, climate change, anti-bribery, anti-corruption and LAFT risks.

**RISK MITIGATION ACTION PLAN COMPLIANCE (%)** ■ GRI 103-3  
IPCR1



## Administering risks and opportunities from an integrated vision

GRI 102-15

Based on an integrated thought vision, we connect strategy, risks and opportunities in relation to economic, governance, social and environmental aspects as conductors of value creators in order to boost internal capabilities in each business

group in the short, medium and long term for the organization and for our interest groups.

We analyze our risks in light of our strategic goals and material issues, in order to guarantee that they will not affect compliance with the value promises made to our interest groups.

### ECONOMIC DIMENSION

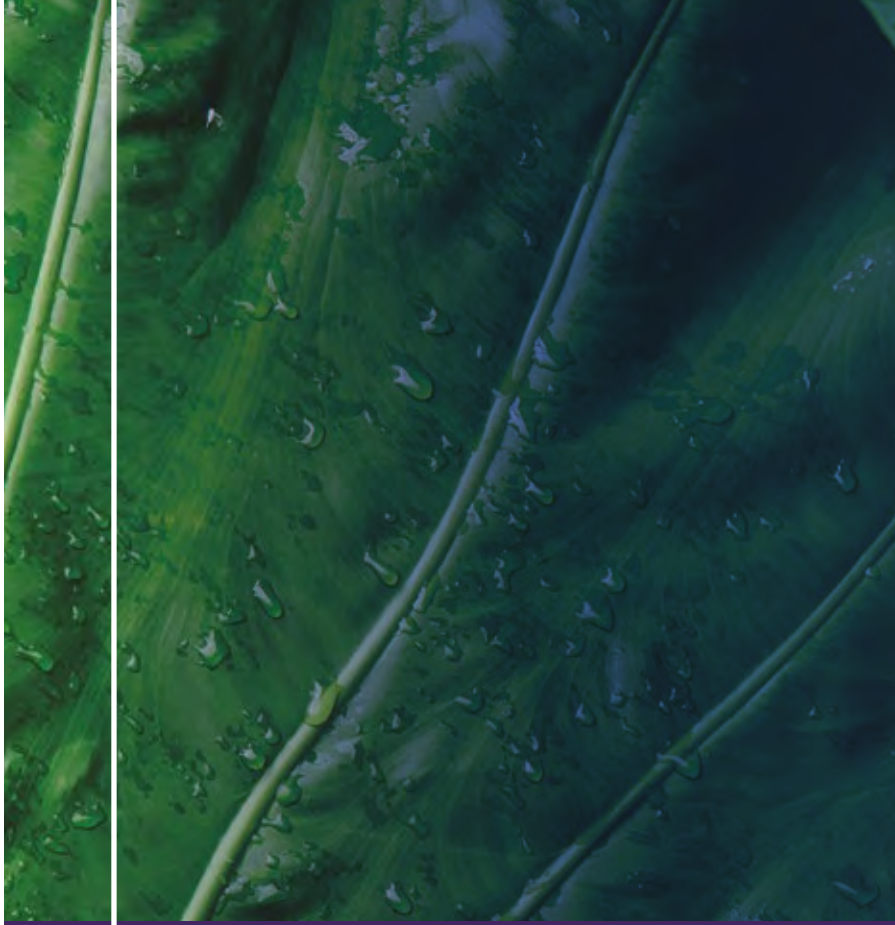
RISKS	WHAT WE ARE DOING	OPPORTUNITIES
<p><b>Short term</b></p> <ul style="list-style-type: none"> <li>- Delays in issuing or implementing transportation and distribution rating methodology.</li> </ul> <p><b>Medium term</b></p> <ul style="list-style-type: none"> <li>- Catastrophic infrastructure breakdown caused by forces of nature.</li> <li>- Business interruption due to non-availability of critical suppliers.</li> <li>- Loss of competitiveness in markets where we operate.</li> </ul> <p><b>Long term</b></p> <ul style="list-style-type: none"> <li>- Demand for natural gas affected by changes in consumer behavior throughout the value chain.</li> </ul>	<ul style="list-style-type: none"> <li>- Constant regulatory involvement with CREG directly and through industry organizations. Follow-up on regulation changes, presentation of proposals and comments before regulations are issued, and follow-up on the implementation of Resolutions.</li> <li>- Preventive maintenance plan aimed at reducing the frequency of interruptions and their impact on the number of users affected and the severity of faults in assets.</li> <li>- Supervision and control of operational variables in infrastructure from the Principal Control Center, in order to identify and mitigate Abnormal Operating Conditions (CAO) that could impact on service continuity.</li> <li>- Identification of potential preselected suppliers by category to support the procurement process.</li> <li>- Investments in new, non-regulated businesses.</li> <li>- Portfolio expansion and support for new business in portfolio companies.</li> <li>- Investment in infrastructure in order to ensure energy reliability.</li> <li>- Investment in research and development.</li> </ul>	<ul style="list-style-type: none"> <li>- To expand the portfolio of services to include renewable energy solutions, affirming our position as a sustainable energy company.</li> <li>- To maximize our SPEC asset (LNG Regasification Plant) as backup for supplying natural gas and providing energy reliability in the country.</li> </ul>
<p><b>Capitals impacted:</b></p> <ul style="list-style-type: none"> <li>Financial</li> <li>Social</li> <li>Relational</li> <li>Human</li> <li>Operational</li> </ul>	<p><b>Interest groups impacted:</b></p> <ul style="list-style-type: none"> <li>Suppliers</li> <li>Personnel</li> <li>Government</li> <li>Customers</li> <li>Shareholders</li> </ul>	

### ENVIRONMENTAL DIMENSION

RISKS	WHAT WE ARE DOING	OPPORTUNITIES
<p><b>Medium term</b></p> <ul style="list-style-type: none"> <li>- Direct environmental impacts of the operation relating to methane concentration (CH<sub>4</sub>)</li> </ul>	<ul style="list-style-type: none"> <li>- Having a climate strategy that focuses on administering the reduction in greenhouse gases and strengthening adaptation measures.</li> <li>- Integrating efforts relating to protecting tropical dry forest.</li> </ul>	<ul style="list-style-type: none"> <li>- To draw up plans for offsetting CO<sub>2</sub> emissions.</li> <li>- To encourage responsible environmental management by suppliers and contractors.</li> <li>- To take part in industry initiatives to support the achievement of country commitments relating to reducing emissions.</li> </ul>
<p><b>Capitals impacted:</b></p> <ul style="list-style-type: none"> <li>Natural</li> <li>Financial</li> <li>Social</li> <li>Human</li> <li>Operational</li> <li>Relational</li> </ul>	<p><b>Interest groups impacted:</b></p> <ul style="list-style-type: none"> <li>Suppliers</li> <li>Personnel</li> <li>Communities</li> <li>Government</li> </ul>	

### SOCIAL DIMENSION

RISKS	WHAT WE ARE DOING	OPPORTUNITIES
<p><b>Medium term</b></p> <ul style="list-style-type: none"> <li>- Conflicts with communities and associations which affect the service rendered and could lead to projects being suspended.</li> <li>- Companies' reputation affected by situations that arise with interested parties.</li> </ul>	<ul style="list-style-type: none"> <li>- Establishing and strengthening relations of trust with communities.</li> <li>- Permanent presence in communities in our area of influence, with social and risk management programs.</li> <li>- Implementation of projects and undertakings that contribute to reactivating the economy in communities that are strategic for operations.</li> <li>- Auditing and providing assistance for critical suppliers, so that they can verify facilities and ensure that environmental, social and good governance policies, as well as human rights, are adhered to.</li> <li>- Rigorous selection process for ensuring that our suppliers are subjected to risk evaluations before they are hired, with a view to guaranteeing transparency with respect to asset laundering or the financing of terrorism.</li> <li>- Constant monitoring of and follow-up on media publications.</li> <li>- Communicating the commitment of Promigas teams and affiliated companies to customers and communities through the mass media</li> </ul>	<ul style="list-style-type: none"> <li>- New portfolio of social projects in line with community needs.</li> <li>- Synergies with other organizations and coordination with regional bodies.</li> </ul>
<p><b>Capitals impacted:</b></p> <ul style="list-style-type: none"> <li>Financial</li> <li>Social</li> <li>Relational</li> <li>Human</li> <li>Operational</li> </ul>	<p><b>Interest groups impacted:</b></p> <ul style="list-style-type: none"> <li>Suppliers</li> <li>Personnel</li> <li>Communities</li> <li>Government</li> </ul>	



# INNOVATION





GRI 103-1  
GRI 103-2

We view innovation as a human process where our ability to understand and anticipate needs and trends in our environment converges with our strategy, resources and market position, in order to create and construct new value and succeed in capturing this so that it can serve our interest groups.

Innovation enables us to reinforce our value proposal and to diversify and enrich our portfolio of products and services on the energy market, in order to contribute to the economic growth, sustainability and overall development of our customers, our environment, and our organization.

*The energy market and the needs of our customers in the different stages of the value chain change constantly, and the reliability, quality and economic rationality of the energy are a decisive factor in competitiveness and in the ability to develop residential, commercial, industrial and institutional users. A robust, dynamic, effective and relevant value proposal enables us to fulfil our role in the energy value chain better and results in our being a strategic ally of the companies and in the regions we serve.*



Our integrated innovation portfolio, which will include responses to needs, problems and current opportunities, will, in turn, construct technologies, processes, products and services that will enable us to achieve a lasting presence on a digital, distributed and decarbonized energy market.

### INNOVATION ADMINISTRATION

Our innovation efforts are directed toward promoting contributions by our human talent, administering our own and external funds to support our initiatives, forming transverse teams to execute strategic projects, promoting the adoption of new solutions, and disseminating processes and the results of our innovations.

We focus on designing and unveiling strategies to foster innovation, administering our own and external funds to support our initiatives, designing transverse teams to execute strategic projects, adopting new solutions, maximizing the benefits of innovation project results, measuring indicators, and disseminating the results of initiatives / projects. The purpose of this is to create, construct and capture value so that it can serve our interest groups through an integrated innovation portfolio which meets current needs and provides a response to current problems and opportunities by building technologies, processes, products and services that will enable us to have a lasting presence on a digital, distributed and decarbonized energy market.

### As a result of this, the following were carried out in 2020:

- 1 Innovation culture reinforcement programs
- 2 Open innovation programs
- 3 Administration of tax benefits in order to amortize risks associated with innovation
- 4 Structuring and execution of local, transverse and strategic innovation projects
- 5 Launch of strategic projects
- 6 Co-development of research and development projects with external actors
- 7 Actions aimed at disseminating innovation initiatives and projects via digital platforms
- 8 Implementation of innovative solutions for making our processes more efficient

We also have a sound regulatory structure which governs the innovation system of Promigas and its affiliated companies, and this has become a guide for planning and executing initiatives and projects aimed at creating or significantly improving processes, products, services and other internal actions to foster innovation. This regulatory structure includes the governance model for the Center for Energy and Gas Innovation (CIEG), innovation policy, and intellectual property policy.

In 2020, the contingency caused by the pandemic forced us to review some of our activities that could not be executed as planned. However, it proved to be possible for us to adapt, and we accordingly responded to this contingency through the following actions:

1. Digital integration initiative to increase connectivity, which included the use of digital tools for holding meetings and carrying out follow-up on personnel, in order to share information quickly and accurately.
2. Implementation of a health and safety at work backup technological supervision system.
3. Development of a platform to support the remote commissioning of natural gas infrastructure.
4. Development of platforms / applications for visualizing and analyzing the company's COVID-19 figures in real time.
5. Design of the strategy for making health and humanitarian aid donations by Promigas and its affiliated companies.

## INNOVATION PROJECTS

*Promigas and its affiliated companies executed 95 innovation projects in 2020, 69 of them aimed at making our operation safer and more efficient and flexible, 25 at diversifying the current portfolio of services and meeting and anticipating customer needs, and one other, which was a strategic project for producing green gases, in order to prepare us for a transition to a cleaner energies market.*

Center for Energy and Gas Innovation management led nine of these projects, assisted with four others, and supervised 82. Center management were also in charge of structuring business concepts and cases for two strategic initiatives relating to the production of green and renewable gases.

These projects focused on reducing times by means of process automation, smart and prepaid metering, making customer care channels virtual, designing new digital channels for optimizing the loan placement process, expanding access channels,

and the customer experience: display and scaling of innovative business models, implementation of strategies for making savings in operating and administrative areas, and making the current portfolio of services more flexible. All corporate personnel were involved in executing these projects, representing the equivalent of more than 68 persons working full time on innovation projects. We highlight two projects:

1

Linear natural gas transportation infrastructure monitoring platform. This project aims to transform the infrastructure monitoring processes used for gas transportation by implementing a mixed platform of digital, infrastructure and services solutions that will enable reliability monitoring mechanisms and undesired event management to be enhanced. By increasing our ability to anticipate and react to events in the almost 2,600 km of gas pipeline operated by the transportation companies, the results will make us a new benchmark in the sector.

2

Introduction of a new natural gas storage solution using low-pressure absorption in four applications in different segments of the natural gas transportation and distribution value chain in Colombia.

We will implement pilot programs using this natural gas storage technology in new distribution services for the industrial sector. We are also constructing a new urban mobility value proposal and designing solutions to mitigate the carbon footprint generated today by our vents in both transportation and distribution. At a future date, using ANG, we will unveil energetically safer and more efficient solutions that will allow for a flexible operation for us and for our customers.

As far as activities to foster innovation are concerned, the companies executed 34 actions to reinforce the innovation culture, capture opportunities and develop skills, impacting 280 members of staff.

### For the medium and long term, we have the following plans:

- 1 To continue developing and reinforcing digital platforms that will enable innovation to be managed in comparable settings.
- 2 To reinforce the digital supervision function, with a view to speeding up the detection of new solutions and approach methods in response to sudden changes in business dynamics.
- 3 To continue the product and services portfolio diversification process, in order to reduce the company's financial exposure to national or global issues.

## INDICATORS

■ GRI 103-3,  
IPIN1, IPIN2,  
IPIN3, IPIN4, IPIN5

	YEAR		
	2018	2019	2020
Expenditure on and investment in research, development and innovation as a percentage of adjusted gross sales	0.80%	0,4%	0,9%
Full-time equivalent (FTE) personnel dedicated to innovation	14.2%	75.2%	114.4%
Investment in projects for new products and services as a percentage of expenditure and investment in research, development and innovation	4.8%	25.2%	29.9%
Financial contribution of innovation as a percentage of adjusted gross company sales	(Not calculated)	1.3%	2.3%
Revenue deriving from new products and services as a percentage of adjusted gross company sales	(Not calculated)	0.4%	1.8%

### The results obtained in 2020 show an increase in corporate innovation management performance.

The increase in research, development and innovation expenditure and investment illustrates the commitment by the companies to promote and strengthen the value proposal for our customers through innovation initiatives and projects and by diversifying and enriching our portfolio of products and services on the market, in order to make our operation more efficient and flexible. This figure totaled more than \$37.000 M.

The investment in new products and services as a percentage of total expenditure and investments in 2020 was 16.6 per cent up on the 2019 figure, indicating that the companies have taken on board the commitment to use innovation to diversify the portfolio of services, in order to respond to and anticipate customer needs.

The full-time equivalent personnel dedicated to innovation indicator rose from 75.2 to 114.4, indicating that corporate innovation ecosystem support structures have been reinforced. Personnel from the entire corporate area were involved in executing these projects, representing the equivalent of more than 68 persons dedicated full time to them.

The innovation financial contribution represented 1.3 per cent of consolidated operating revenue, a significant increase with respect to 2019. The principal impact on this result came from revenue from new products and services at Promisol, Promigas and GdO. Similarly, results in non-banking financing and tax benefits from investment in innovation are worth highlighting.

## TARGETS

To increase the financial contribution by innovation as a percentage of the company's adjusted gross sales, with a view to reaching 3.7 per cent in 2025.

To increase our companies' research, development and innovation expenditure and investment to 1.8 per cent of gross sales in 2025.

To achieve COP 25,000 million in savings deriving from innovation, including savings due to tax benefits on investment in research, development and innovation, in 2025.

## INDICATORS BY COMPANY

COMPANIES	Expenditure on and investment in RDI as a percentage of adjusted gross sales	Full-time equivalent (FTE) personnel dedicated to innovation	R&D investment in new products and services (%)	Financial contribution of innovation as a percentage of adjusted gross company sales	Revenue deriving from new products and services as a percentage of adjusted gross company sales (%)
Promigas	0.86%	26.9	9.1%	4.80%	4.7%
CEO	2.76%	18	12.6%	4.2%	2.1%
Enlace	3.86%	18.5	100.0%	3.5%	3.5%
GdO	0.79%	20.67	11.7%	8.4%	4.3%
Quavii	7.20%	6	19.7%	4.0%	0.0%
Surtigas	3.63%	10.4	75.6%	2.9%	2.8%
Promioriente	0.12%	1	0.0%	0.0%	0.0%
Promisol	0.23%	5.87	57.8%	23.8%	23.8%
SPEC	0.21%	1.85	0.0%	3.7%	0.0%
Transmetano	0.03%	5.18	37.9%	0.0%	0.0%
Fundación Promigas	0.39%	0.5	0.0%		





# OUR MANAGEMENT





WE GROW IN A  
PROFITABLE AND  
SUSTAINABLE  
MANNER

# WE GROW IN TERMS OF PROFIT AND RETURN FOR OUR SHAREHOLDERS

## ECONOMIC PERFORMANCE

*We foster the envisaged yield and sustainable growth by effectively identifying opportunities and managing investments and resources in line with risk levels.*

■ GRI 103-1  
GRI 103-2



*Promigas pursues financial excellence through a sustainable growth model which adds value not only to our shareholders but also to all interest groups for building society.*

Our target is always to guarantee that we achieve our strategic goals while taking into account the economic and regulatory context of every sector or market where we operate.

Our management focuses on improving profitability and growth, maintaining a sound financial position and liquidity, and achieving efficiency and legal and regulatory visibility, in order to have an attractive and sustainable return for our investors, and to be a leader in gas infrastructure and transportation and also in gas and electricity distribution and marketing in Colombia and Latin America.

EBITDA

COP \$ 1,9 billion

COP 1.1 Billion

COP \$ 1,1 billion

# STRATEGIC TRANSPORTATION BUSINESS GROUP

*The corporate strategy objective is portfolio sustainability, and we succeed in achieving our strategic focuses by developing new businesses and growing the economic, social and environmental value of our existing businesses.*

2020 saw the culmination of the 100 Mpcd expansion project when operations commenced on the Paiva-Caracolí gas pipeline and at the new Paiva Compressor Station, in Bolívar province, and these operations, together with the Jobo-Majaguas gas pipeline, which has been available since 2019, have enabled transportation capacity to be increased from the fields in the lower Magdalena valley, which are connected at Jobo, in Córdoba province, to the principal consumption centers on the Atlantic coast.

We also officially started the 'open season' process for the 300 km Jobo-Transmetano gas pipeline project, with an investment of approximately USD 400 million. This will incorporate new gas reserves in the lower Magdalena valley and on the coast, in order to meet demand in the interior.

Promigas ended the year with a maximum transportation capacity of 951.7 Mpcd and a volume transported figure of 346.8 Mpcd, one per cent down on the previous year because the propagation of the COVID-19 virus forced the national government to adopt health and lockdown measures, which resulted in an 11 per cent fall in gas consumption in non-thermal sectors, compared to 2019.

However, in the first quarter of 2020, thermal dispatches from the coast increased, due to low hydroelectric generation, and this led to increased energy prices, while sector gas consumption was 12 per cent up on the year before.

## Promigas - Gas transportation by sector

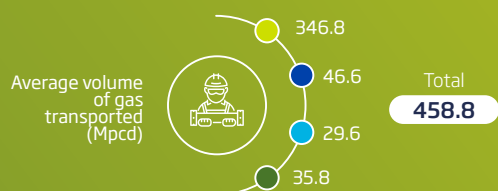
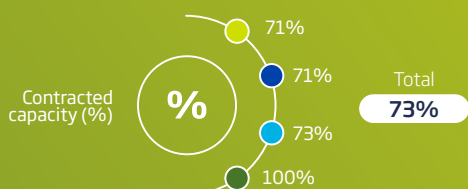
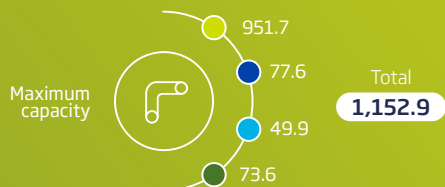
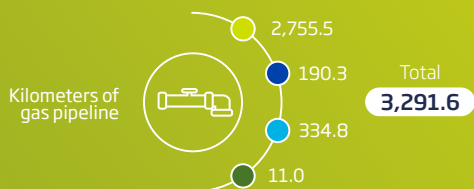
Volume transported by sector (Mpcd)	2019	2020	Var%
Thermoelectric	147.9	165.8	12%
Industrial	141.8	137.7	-3%
Distributor	49.4	35.3	-28%
GNCV	11.5	8.0	-31%
<b>TOTAL</b>	<b>350.5</b>	<b>346.8</b>	<b>-1%</b>

The daily average volume transported in 2020 by Promioriente, Transmetano and Transoccidente was 112 million cubic feet and was the result of an operation that neither stopped functioning nor reduced its level of excellence because of the problems facing the country and the world due to the spread of COVID-19.

Guided by the principles of solidarity and business responsibility and in order to help the country in the difficult situation caused by the pandemic, the transportation companies began negotiations with their customers in late March, before CREG Resolution 042 of 2020 was issued, with a view to modifying commercial conditions in existing contracts and making them temporarily more flexible, in order to find solutions that were mutually beneficial to customers and the company in view of the effects of the COVID-19 pandemic.



## Natural gas transportation companies



● Promigas   
 ● Transmetano   
 ● Promioriente   
 ● Transoccidente

## PROMIORIENTE

One highlight of 2020 was the execution by Promioriente of investments in complementary geotechnics as part of the Mitigation of Threat, Vulnerability and Risk Project for the Gibraltar-Bucaramanga gas pipeline, in view of new climatic events.

A further highlight, and a positive result of Promioriente commercial management, was the new 6 Mpcd contract with Ecopetrol, which means that the contracted capacity is 17 per cent up on the 2019 year-end figure.

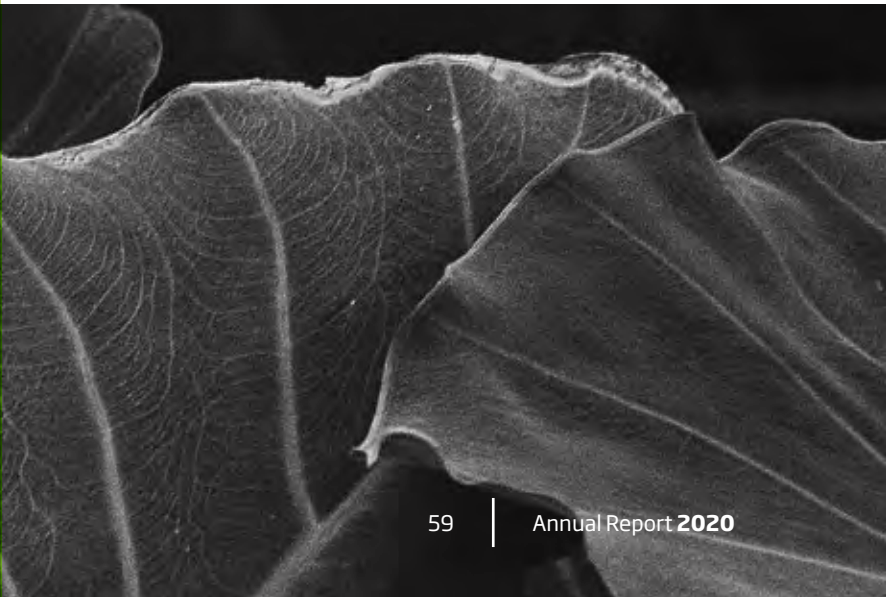
Fitch Ratings confirmed the Promioriente long- and short-term AA+(col) and F1+(col) ratings, respectively, based on the stable operational cash flow generation established in the structure of its contracts.

## TRANSMETANO

Transmetano implemented various strategies in line with preserving the integrity of its infrastructure and maintaining its levels of operational excellence. Notable among these are: (i) the Vinus project, which is carried out in conjunction with the company that holds the highway concession in the area and aims to resolve interferences between highway infrastructure megaprojects (4G networks) and the trunk gas pipeline; and (ii) preliminary engineering for reducing the risk caused by third parties infringing on the gas pipeline right of way in the Primavera sector.

## TRANSOCCIDENTE

Transoccidente operated uninterrupted during 2020, despite problems caused by the COVID-19 emergency, and maintained the level of excellence in managing and operating the gas pipeline. The company began to execute the project to change the reception station metering system, in order to bring it into line with the updated metrological control method for gas metering systems.



## LNG SPEC LNG

13.076 Mpc

Volume regasified

210

Days regasified

62 Mpcd

Average regasified

14

Vessels received

SPEC LNG continued to be a vital asset for the national electricity generation system, especially during the second quarter, when reservoir levels in the country fell to 32 per cent (the lowest in the last 25 years). It enabled the principal thermoelectric plants in the country to access international LNG markets at historically low prices, and this was reflected in a lower average price on the national energy exchange (50 per cent) in comparison with the situation when the last El Niño phenomenon occurred, in 2015, when reservoir levels were between 40 and 50 per cent.

As a consequence, SPEC LNG delivered 13,076 million cubic feet of natural gas (MPC) to the National Transportation System over a period of 210 non-consecutive days in 2020, thus setting a record since its operations began.

## COMPREHENSIVE SOLUTIONS FOR INDUSTRY PROMISOL

Dehydration  
capacity  
(Mpcd)

35

Average hours  
availability/month

732

Average  
dehydration  
volume (Mpcd)

997

Generation  
capacity (MW)

47

Compression  
capacity (HP)

10.000

Kilometers  
constructed

20

Promisol continued to offer companies in the hydrocarbons sector and the industrial sector reliable and competitive solutions, thanks to its various business units that build gas pipelines, generate energy, treat hydrocarbons, and carry out preventive and corrective maintenance on natural gas transportation infrastructure.

Its operation was affected by the various lockdown and prevention measures adopted by the Colombian government from March onwards in connection with the COVID-19 pandemic. Because of the state of emergency, energy consumption by Zonagen customers fell, and the Zona Bananera and Coast-Interior Bidirectionality construction projects with TGI had to be postponed, although both are expected to be carried out in 2021.

## STRATEGIC DISTRIBUTION BUSINESS GROUP

The companies related to Promigas, which have maintained their commitment to sustainable growth, have achieved greater coverage in their areas of influence and continue to render a high-quality service.

By connecting 244,000 new natural gas distribution users, we have passed the five-million landmark in Colombia and Peru. As far as electricity is concerned, we have over 400,000 users connected to our distribution networks, a figure that is higher than the target we set.

Despite the situation, the goal of continuing to expand the benefits of domestic natural gas followed its course in the area of influence. Distribution companies in Colombia connected 115,486 users and continued to deliver natural gas to a total of 3.8 million users in 873 cities and towns

in the country, which corresponds to 38 per cent of the total market. On the international market, the Promigas share in Peru resulted in 129,029 new users being connected, making a total of 1,169,208 natural gas service beneficiaries.

GEN Distribution companies succeeded in overcoming the challenges posed by COVID-19 during 2020. One of these challenges was to find mechanisms for reactivating gas consumption in the different markets served: the VNG and commercial sectors were the worst affected. A further challenge lay in stimulating residential demand sustainability, since this was affected by users' ability to pay, due to around 87 per cent of customers being in income brackets 1 and 2.

We consolidated our leading position in the Peruvian sector of the market by acquiring 100 per cent of Gascop (nowadays Promigas Peru), and we reinforced our gas distribution business in the north through Quavii by connecting 36,000 new users, thanks to which, together with the growing demand in the fishing sector, we achieved an 84 per cent growth in volume, compared to 2019. Meanwhile Cálidda, the distribution company that serves the Lima and Callao market, achieved a 90 per cent coverage figure and exceeded one million users.

## NATURAL GAS DISTRIBUTION



\* Corresponds to the Gas Caribe share in Efigas and Guajira.

## SURTIGAS

Surtigas continues to attract new customers to the gas service which, at the year end, benefited 824,713 users. It reached 23 new towns, thus totaling 208 towns served at December 2020. In order to go on boosting sustainable mobility, it arranged for 45 heavy cargo vehicles to enter service, and expects another 20 to do the same in 2021.



In June 2020, Surtigas received ratification of its national long- and short-term AAA and F1+ ratings, respectively. Fitch Ratings also confirmed the AAA rating for the Surtigas COP 200,000 million Ordinary Bonds issue.

## GdO

As a result of the joint commitment and efforts of every area of the company, GdO succeeded in connecting 39,151 new users and constructing 14,765 rings, thus achieving a 91 per cent coverage figure in its area of influence. At the 2020 year end, GdO had a 12 per cent share of natural gas service beneficiaries in Colombia. As part of its sustained effort to continue generating wellbeing in the area, it arranged for 52 heavy cargo vehicles to enter service, and expects another 24 to do the same in 2021.

**In April 2020, Fitch Ratings confirmed the national long- and short-term AAA and F1+ ratings, respectively. It also confirmed the AAA ratings for the GdO COP 200,000 million and COP 300,000 ordinary bond issues, thereby ratifying the company's strong business situation, stability, and adequate liquidity position.**

## GASES DEL CARIBE AND AFFILIATES

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Gases del Caribe and its affiliated companies Efigas and Gases de la Guajira reached the figure of 1,794,608 users in 2020.

66,274 beneficiaries were connected to the natural gas service during the year in La Guajira, Cesar, Magdalena, Atlántico, Bolívar, Caldas, Risaralda and Quindío provinces. The coverage figures for the areas served by Gases del Caribe, Efigas and Gases de La Guajira are 90 per cent, 85 per cent and 86 per cent, respectively.

## EXPANSION IN PERU

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We consolidated our leading position in the natural gas sector of the Peruvian market by making an investment of USD 22.8 million (COP 85,000 million) to acquire 100 per cent of Gascop (nowadays Promigas Peru), a company that pioneered natural gas for the industrial and vehicles market in the north of the country.

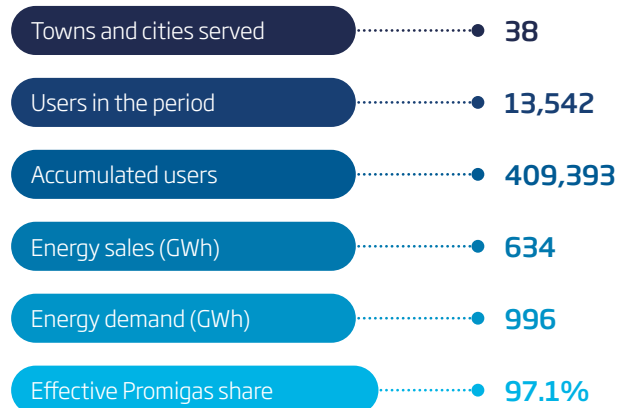
We strengthened our gas distribution business in the north through Quavii by connecting 36,000 new users and, despite the restrictions imposed because of the pandemic and resulting from the agrarian strike, volume was 84 per cent up on 2019, due, among other reasons, to growing demand in the fishing industry. Storage capacity at Coischo station was increased, with a view to meeting this growing fishing industry demand. This project included the installation of forced vaporizers, which increase efficiency in the current regasification process. The second VNG cock was connected to the Quavii network in the town of Chimbote, and testing continued on sections dedicated to LNG before execution of the green corridor project continued.

Gasnorp continued to execute the schedule during the period, in order to comply with the initial POC in April 2021. Work began on the Sullana station, the inauguration of which was attended by Lieutenant Osinergmin, the mayor and municipal manager. Construction work on the Piura and Talara stations was scheduled to commence in January 2021, as also was construction of the gas pipeline that will connect the whole Piura region.

Meanwhile Cálidda, the distribution company that serves the Lima and Callao market, achieved a coverage figure of 90 per cent by executing investments totaling USD 70 million, and it passed the figure of one million users. It reported 93,385 new connections in 2020 and achieved a year-end total of 1,046,067 users in Lima and Callao, ten per cent up on the total accumulated users in the previous year. As it continued with its mass usage plan, it penetrated four new towns and closed the year serving 34. It distributed 7,353 million m<sup>3</sup> of natural gas, 75 per cent of it to generators.



## ELECTRICITY DISTRIBUTION - CEO



CEO reached a total of 409,393 accumulated users during the year, 3 per cent up on the previous year. It ended the period with a commercial loss indicator of 12.6 per cent, which is in excess of the parameters defined in the Management Contract. In commercial terms, the company managed to strengthen the portfolio management process, since it reported improvements in its indicators.

## NON-BANKING FINANCE - BRILLA

	2018	2019	2020
Accumulated beneficiaries	2,867,282	3,390,862	3,670,014
Number of loans placed	498,118	562,040	353,666
Total portfolio	767,242	1,020,319	1,001,978

2020 was marked by the COVID-19 pandemic, which caused lockdowns that affected commercial development in the non-banking finance business, with placements partially suspended for four months. Similarly, due to rising unemployment, adjustments were made to the business risk profiles, in order to guarantee their sustainability.

These included adjustments to the allocation and use of credit, in order to be more rigorous when granting it, and evaluating localities with a view to determining their portfolio risk and offering users refinancing and restructuring plans.

Users in income brackets 1, 2, 3 and 4 who were unable to pay were offered the possibility of deferring payment instalments between February and July at 0 per cent interest rates, while those who paid promptly were granted discounts.

Some of the major landmarks during the year are listed below:

Launch of the non-banking financing model in Peru in December

Start of the Brilla digital transformation project

Definition of Brilla strategy for the next ten years

Growth in the micro-insurance portfolio



# CORPORATE ECONOMIC AND FINANCIAL MANAGEMENT

## Financial Statements

Promigas demonstrated its resilience during the economic and health emergency caused by the pandemic by carrying out continuous follow-up exercises on critical variables and by planning activities in detail, all of which enabled it to obtain satisfactory results.

The principal General Balance Sheet and Profit and Loss Statement figures for the year 2020, compared to those presented in 2019, are shown below.

<b>General Balance Sheet</b> (Figures in millions of pesos)			
<b>ASSETS</b>	<b>Dec-19</b>	<b>Dec-20</b>	<b>Var%</b>
Current Assets	376,269	416,124	11
Net Fixed Assets	72,415	74,794	3
Assets under Concession	1,799,846	1,882,500	5
Financial Assets	2,147,513	2,347,771	9
Other Assets	2,765,724	3,617,656	31
<b>TOTAL ASSETS</b>	<b>7,161,767</b>	<b>8,338,845</b>	<b>16</b>
<b>LIABILITIES</b>			
Current Liabilities	428,475	320,408	-25
Non-Current Liabilities	3,140,447	3,711,190	18
<b>TOTAL LIABILITIES</b>	<b>3,568,953</b>	<b>4,031,559</b>	<b>13</b>
<b>TOTAL EQUITY</b>	<b>3,592,815</b>	<b>4,307,246</b>	<b>20</b>
<b>LIABILITIES + EQUITY</b>	<b>7,161,767</b>	<b>8,338,845</b>	<b>16</b>

The 16 per cent increase in Assets is mainly due to the increase in Other Assets from the reporting, using the participation method, of distribution company profits and loans granted to affiliated companies as part of the corporate financing strategy, plus the increase in Financial Assets from the annual adjustment generated in the accounting entries of concessions and in Current Assets from the temporary investments balance.

In Other Assets, the participation method results of companies in the distribution sector were up by 86 per cent. This was due to the compulsory application of IFRS 15 (revenue from ordinary activities under contracts with customers) pursuant to concession agreements between Promigas affiliate concessionaires Gases del Pacífico and Gases del Norte del Perú (GASNORP) and the Peruvian state as grantor.

This regulation sets out parameters for recognizing the asset and the revenue, the latter subject to the performance obligations of the concession holders summarized under construction items, on the one hand, and operation and maintenance items, on the other. In the specific case of infrastructure construction, a profit margin was recognized that is calculated technically and revised periodically, and this resulted in a net revenue causation of COP 242,969 million at Gases del Pacífico (2018-2020) and COP 32,922 million at GASNORP (2020). These revenues do not generate cash movements in the said companies.

Elsewhere, loans totaling COP 324,100 million were disbursed to affiliates as a result of the local currency bond issue in November. There were other significant transactions in 2020, such as the USD 22 million prepayment for future capitalizations to Gases del Pacífico and the acquisition of GASCOP shares for USD 4.9 million.

Financial Assets increased as a consequence of the annual adjustment relating to the updating of operating and macroeconomic figures, and the weighted average capital cost (WACC).

The rise in Assets under Concession was due to important projects from the previous year continuing, such as the Jobo-Majaguas, Mamonal-Paiva 20" and Paiva-Caracolí gas pipelines and the Paiva, Caracolí and Filadelfia compressor stations, as well as other investments, like the HCA Bypass in Riohacha and the Rehabilitation of the 20A and 20E lines.

Total Liabilities were 13 per cent up, mainly long-term ones. There were two bond issues in 2020, aimed at optimizing the debt profile and improving credit conditions. The first, in October, was a USD 120 million international bond issue, in which Promigas has a 25 per cent share (USD 30 million) and its co-issuer, Gases del Pacífico, 75 per cent (USD 90 million). The second was in November and consisted of a COP 600,000 million bond issue. These funds were used for executing the investment plan and prepayment of debt, and COP 324,100 million were paid in loans to affiliated companies such as CEO, Surtigas, Gases de Occidente, Promisol and Transmetano.



**Equity grew by 20 per cent, thanks to the results the company posted in the year, and was 40 per cent up on the year before.**

## Profit and Loss Statement

PROFIT AND LOSS STATEMENT (Figures in millions of pesos)			
	Dec-19	Dec-20	Var%
Operating Revenue	642,830	731,338	14
Construction Revenue	828,113	220,375	-73
Participation Method, controlled	314,817	584,279	86
<i>National</i>	326,409	355,388	9
<i>Foreign</i>	-11,593	228,891	2,074
Participation Method, associated	192,634	213,730	11
<i>National</i>	86,477	111,281	29
<i>Foreign</i>	106,157	102,449	-3
Costs and Expenses	240,376	225,980	-6
Construction Costs	828,113	220,375	-73
<b>EBITDA</b>	<b>909,904</b>	<b>1,303,366</b>	<b>43</b>
Depreciation, Amortization Prov.	96,559	138,575	44
<b>Operating Profit</b>	<b>813,346</b>	<b>1,164,791</b>	<b>43</b>
Financial Asset Revenue	172,033	199,428	16
Other Revenue	11,666	15,145	30
Other Expenditure	146,188	155,641	6
<b>Pretax Profit</b>	<b>850,857</b>	<b>1,223,723</b>	<b>44</b>
Income Tax	39,704	86,233	177
<b>Net Profit</b>	<b>811,153</b>	<b>1,137,490</b>	<b>40</b>

Amid all the volatility and uncertainty in 2020, Promigas focused its efforts on analyzing the most critical variables and mitigating their impact. This enabled it to grow Operating Revenue by 14 per cent, mainly due to the volume transported in the first quarter of the year, when thermal dispatches from the coast increased, and the higher exchange rate during the year. This was counterbalanced in part by the impacts of the health and economic emergency caused by COVID-19.

Construction Revenue fell in 2020 because fewer investments were made during the year, mainly because they were reprogrammed as a consequence of the health and economic emergency and due to the bigger investments made in 2019, when the 100 MPCD expansion project came to an end. In

accordance with IFRS 15, investments associated with the construction of concessions is recorded as revenue, in this case reflecting the value of the associated cost, since the nature of the concession differs from those we operate in Peru.

Participation Method revenue for the controlled companies increased, due to the implementation of IFRS 15 at Gases del Pacífico and Gases del Norte del Perú, resulting in a profit of \$275,891MM associated with their intensive construction activity. \$250,587MM of this are recorded directly as participation in these (foreign) companies and \$25,304MM indirectly, through the participation in Surtigas (national).

Costs and Expenses fell as a result of the lower portfolio provisions recorded and lower financial interest due to the lower portfolio balance in the non-banking financing business. Meanwhile, because of the health emergency, a corporate program called "Responsible Austerity, Grade III" was established, with a view to preparing us to face one of the most difficult contingencies in the whole world. Without sacrificing our usual quality and safety standards in all our operations, relevant savings in excess of COP 70,000 million were made at corporate level, relating principally to labor expenses, travelling, advisory services and fees, services, publicity and events, and postponing non-priority operational and maintenance activities at administrative headquarters and stations until 2021.

The increase in Depreciation and Amortization relates to the December 2019 capitalization of the Jobo-Paiva gas pipeline and the Paiva and Caracolí compressors. Further capitalizations of projects relating to the 100 MPCD expansion (such as Jobo-Majaguas, Mamonal-Paiva and Paiva-Caracolí) were made in 2020.

The Financial Assets revenue, relating to the gas pipeline concessions, reflects the annual adjustment for updating macroeconomic variables and the weighted average capital cost (WACC).

Other Revenue increased because of the higher cash and investments balance during 2020 and because interest was recorded on loans made to affiliated companies.

The increase in Other Expenses was due to higher financial expenses being recorded in 2020 because of the bigger average debt balance and less interest being capitalized, compared to the previous year. However, it should be stressed that the average debt rate in 2020 was almost two points lower than the year before. Additionally, a credit accounting adjustment was made in 2019 for higher estimated income caused.



**Income Tax increased due to the lower 40 per cent tax benefit on the legal stability contract, since lower investments were made because of the lockdown.**

## Consolidated Financial Statements

Promigas and its affiliated companies demonstrated their resilience during the health and economic emergency caused by the pandemic through continuous follow-up exercises on critical variables and by means of detailed planning of activities that enabled them, ultimately, to obtain satisfactory results.

The consolidated financial results at December 31, 2020 are presented below, with a comparison to those presented at December 31, 2019:

<b>Consolidated General Balance Sheet</b> (Figures in millions of pesos)			
<b>ASSETS</b>	<b>Dec-19</b>	<b>Dec-20</b>	<b>Var%</b>
Current Assets	1,831,258	2,213,253	21
Net Fixed Assets	1,148,929	1,239,626	8
Assets under Concession	3,149,329	3,835,409	22
Financial Assets	2,718,833	2,976,510	9
Other Assets	2,908,052	2,905,107	-0
<b>TOTAL ASSETS</b>	<b>11,756,401</b>	<b>13,169,904</b>	<b>12</b>
<b>LIABILITIES</b>			
Current Liabilities	1,220,790	1,196,953	-2
Long term	6,701,241	7,406,214	11
<b>TOTAL LIABILITIES</b>	<b>7,922,031</b>	<b>8,603,167</b>	<b>9</b>
<b>TOTAL EQUITY</b>	<b>3,834,370</b>	<b>4,566,737</b>	<b>19</b>
<b>LIABILITIES + EQUITY</b>	<b>11,756,401</b>	<b>13,169,904</b>	<b>12</b>

Current Assets were 21 per cent up, principally because of higher cash and temporary investment balances at Promigas due to funds from the bond issues, and also at Gases del Pacífico and Gases del Norte del Perú due to funds received for starting construction work on the Piura project.

The increase in Assets under Concession was due to the continuation from the previous period of important projects at Promigas, such as the Jobo-Majaguas, Mamonal-Paiva 20" and Paiva-Caracolí gas pipelines, among other investments.

The variation in Financial Assets, generated by virtue of the IFRIC 12 accounting regulation which governs the transportation and distribution concession, is a result of the periodic updating of operational and macroeconomic figures. The weighted average capital cost (WACC), which is used to deduct the market value of the gas pipeline at the end of the concession, was also adjusted.

**Total Liabilities were 9 per cent up, principally long-term ones. In October there was a USD 120 million international bond issue, in which Promigas has a 25 per cent share (USD 30 million) and its co-issuer, Gases del Pacífico, 75 per cent (USD 90 million). In November, Promigas made a COP 600,000 million bond issue on the local market. These funds were used for optimizing the debt payment profile, from short- to long-term, and to finance projects already being executed and expansion projects for 2020 and 2021.**

## Consolidated Profit and Loss Statement

Consolidated Profit and Loss Statement (Figures in millions of pesos)			
	Dec-19	Dec-20	Var%
Operating Revenue	3,753,710	3,961,386	6
Construction Revenue	1,073,187	829,375	-23
<i>National</i>	836,163	238,992	-71
<i>Foreign</i>	237,024	590,382	149
Participation Method, associated	194,609	213,581	10
<i>National</i>	88,452	111,132	26
<i>Foreign</i>	106,157	102,450	-3
Costs and Expenses	2,586,320	2,655,507	3
Construction Costs	1,073,187	400,215	-63
<i>National</i>	836,163	204,393	-76
<i>Foreign</i>	237,024	195,822	-17
<b>EBITDA</b>	<b>1,361,999</b>	<b>1,948,619</b>	<b>43</b>
Depreciation and Amortization	195,218	303,334	55
<b>Operating Profit</b>	<b>1,166,781</b>	<b>1,645,285</b>	<b>41</b>
Financial Asset Revenue	217,616	252,355	16
Other Revenue	27,980	36,879	32
Other Expenditure	375,166	388,337	4
<b>Pretax Profit</b>	<b>1,037,212</b>	<b>1,546,183</b>	<b>49</b>
Income Tax	181,687	359,804	98
Minority Interest	44,178	48,935	11
<b>Net Profit</b>	<b>811,347</b>	<b>1,137,445</b>	<b>40</b>

Amid the volatility and uncertainty in 2020, Promigas and its affiliated companies focused their efforts on analyzing the most critical variables and mitigating their impact, which enabled Operating Income to grow by 6 per cent. This is mainly explained by the following:

### TRANSPORTATION COMPANIES:

**Promigas:** Higher volumes transported in the first quarter of 2020 due to increased thermal dispatches from the coast, and a higher Representative Market Exchange Rate (TRM).

**SPEC:** Increased revenue from the regasification service and higher average TRM compared to 2019, which affected the conversion of results in dollars to pesos.

### GAS DISTRIBUTION COMPANIES:

**Gases de Occidente:** Growth in gas business due to higher average residential sector consumption and tariff increase, as well as new customers and sales to Termovalle.

**Gases del Pacífico:** Volumes 84 per cent up, boosted by the industrial segment, which includes the fishing sector.

**Gases del Norte del Perú:** The Enel pipeline rental agreement commenced on August 1, 2020 (in 2019 there was no revenue).

### ELECTRICITY DISTRIBUTION COMPANIES:

**CEO:** In December 2019, CREG approved the distribution charge update.

The fall in Construction Revenue (and Cost) at companies in Colombia was the result of lower investments being made in 2020, mainly due to the rescheduling of these because of the health and economic emergency but also because bigger investments were made in 2019 in order to complete the Promigas 100 MPCD expansion project. Meanwhile, construction revenue at companies abroad increased in 2020 due to the obligatory application of IFRS 15 at our concessions in Peru, which resulted in a net revenue causation of COP 242,969 million at Gases del Pacífico (2018-2020) and COP 32,922 million at GASNORP (2020) as profit margin on the construction activity. This revenue did not generate any cash movements at the said companies.

Costs and Expenses increased as a result of regulatory commitments relating to the introduction of the new tariff at CEO, the effect of the higher Representative Market Exchange Rate (TRM) on costs at Gases del Pacífico, and the recording of operating expenses at Gases del Norte del Perú for 2020. However, because of the situation that arose due to the health emergency, these increases were largely offset by the corporate 'Responsible Austerity Grade III' program and, without sacrificing the customary quality and safety standards in all our operations, relevant savings of more than COP 70,000 million were made at corporate level, mainly relating to labor expenses, traveling, advisory services and fees, services, publicity and events, as well as by transferring non-priority operating activities and maintenance activities at administrative centers and stations to 2021.

The increase in Depreciation, Amortization and Provisions relates to recording the higher portfolio deterioration resulting from the lockdown imposed by the government because of COVID-19 at companies such as Gases de Occidente, Surtigas, Gases del Pacífico, Cálidda and CEO.

Financial Assets revenue increased at Promigas, Transmetano, Promioriente, GdO and Surtigas because of the annual adjustment of macroeconomic and operating variables.

Other Revenue increased because of the higher Cash and Investments balance in 2020 and the recording of interest on loans made to companies linked to Promigas.

Other Expenses also increased because of the higher debt balance in 2020 at Promigas and Quavii due to the aforementioned joint bond issue in dollars.

Income Tax increased at Promigas due to the lower 40 per cent tax benefit under the legal stability contract, since fewer investments were made because of the lockdown. On the other hand, higher taxes were recorded at Quavii and Gases del Norte del Perú, since revenue was up in 2020.

## Financial information disclosure and control systems

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

**We continually verify and evaluate internal performance and effectiveness with respect to financial reports. These evaluations include analyzing the design and effectiveness of controls which mitigate risks associated with the generation of financial information, and they are also orientated toward guaranteeing the integrity of such information.**

The monitoring methods we have established in our internal control system guarantee, in a reasonable manner, that no deficiencies occurred in these controls during 2020 that could have impeded the adequate registering, processing, summarizing and presenting of our financial information. Similarly, we have not been aware of any fraud, willful errors or manipulations that might have affected the quality of this information.

## Corporate indicators

■ GRI 103-3  
IPDE1  
IPDE2

### Contracted capacity (%)



### Natural gas sales (Mm³)



■ GRI 201-1

## Economic value created and distributed

2020  
(millions of pesos)

### Direct economic value created (EVC)

Total consolidated revenue	5,348.691
Operating revenue	5,265.342
Other non-operating revenue	83.349

### Economic value distributed (EVD)

Total salaries and social benefits for personnel	274.994
Operating costs	3,027.595
Investments in the community	35.489
Payments to governments	76.094
Capital supplier payments (dividends credited to all types of shareholders)	468.438

Total economic value distributed	3,882.609
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Economic value retained (EVR) (EVC less EVD)	1,466.082
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# WE DIVERSIFY OUR REVENUE

## NEW BUSINESS IN LINE WITH CLIMATE STRATEGY

*We reinforce our current business and we identify, evaluate and develop new opportunities to guarantee our sustainability through comprehensive, low-carbon energy businesses that are in line with the needs and expectations of our interest groups and society in general and will enable us to be competitive and an innovation benchmark in the energy sector.*

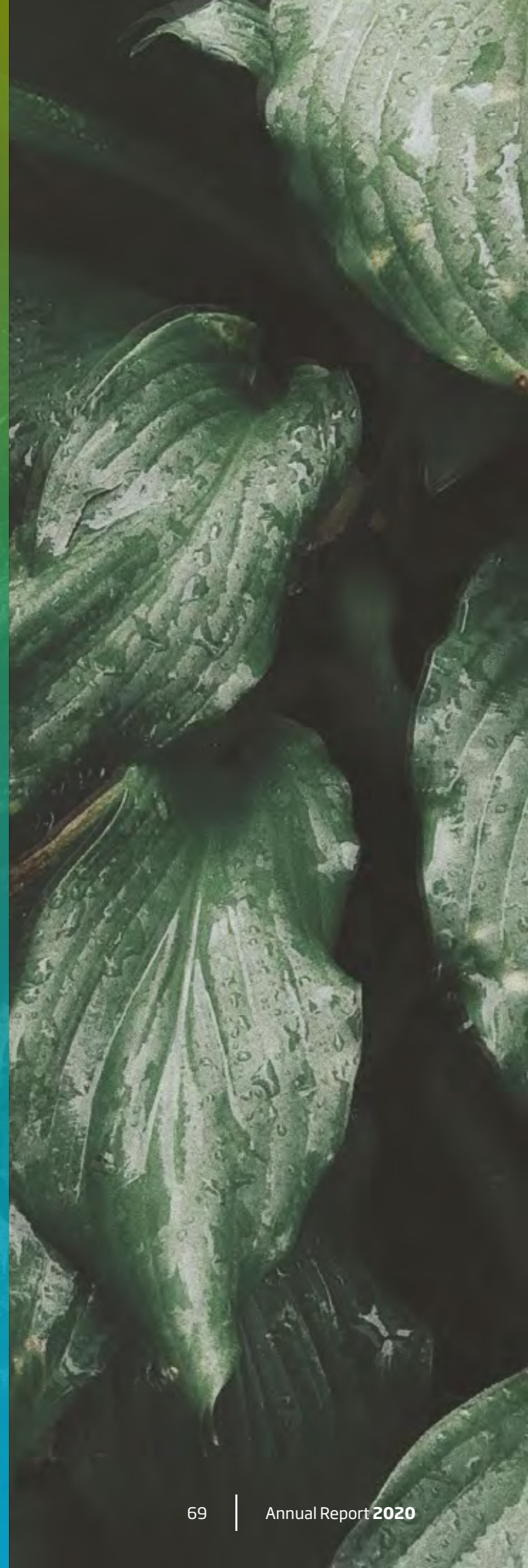
Our sector is involved in a transition toward more sustainable forms of energy, and this exerts pressure on companies in the fossil fuel value chain to decarbonize their current operation and their future business.

We focus our management on developing new lines of business based on energy products and services that produce low or zero emissions and can be scaled up and implemented in the medium and long term.



**We thus meet the expectations of our interest groups by creating and strengthening products and services that are in line with both specific demand requirements and our climate strategy.**

■ GRI 103-1  
■ GRI 103-2  
● PACTO GLOBAL  
PRINCIPAL 7, 8, 9





## We continue to support sustainable mobility

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Using natural gas as fuel for vehicles is a more economical and less polluting alternative, compared to fuels derived from petroleum, and it can also be used in every type of vehicle: light automobiles, utilitarian and cargo vehicles, trucks and buses.

It is an economically competitive fuel, compared to traditional fuels like diesel or gasoline, and it also reduces harmful gas emissions such as carbon monoxide (CO) and carbon dioxide (CO<sup>2</sup>) by about 30 per cent, compared to gasoline. It also reduces particulate material emissions, which are closely related to respiratory diseases, by more than 90 per cent.

*Promigas has been promoting its use for more than 30 years and has played an active role, in conjunction with agents in the VNG supply chain, in consolidating a supply chain that is capable of benefiting potential users, as a result of which there is today a wide range of service stations in Colombia that serve more than 200,000 vehicles, including 3,000 in the areas of mass passenger and heavy cargo transportation.*

The VNG business did not escape the effects of the pandemic in 2020. The significant, sudden fall in liquid fuel prices in March affected the economic benefit that VNG offers diesel or gasoline users under normal conditions (the 45 per cent saving compared to gasoline fell to around 30 per cent); additionally, the decline in mobility in the cities where we operate affected the number of active VNG light vehicles and also average fuel consumption, especially from March to June. The pandemic period started with 70 per cent contractions, compared to figures for 12 months earlier, and the year ended with that figure at 20 per cent, meaning that the overall volume of sales for 2020 was 30 per cent down on the figure for 2019.

Action that was taken in order to mitigate the situation and stimulate continuity in the use of this clean fuel included special gas supply contract negotiations with service stations, aimed at avoiding VNG price increases, and expanding the incentives granted to potential users, in order to facilitate their access to VNG, and to active users so that they would continue to use it; additionally, communication and relationship activities with our customers were intensified. Despite the difficult situation in the sector, in the heavy cargo transportation sector we succeeded in getting 50 vehicles running on VNG to enter service in the Surtigas and GdO areas of influence.

## We foster the use of renewable energies

The current global energy model will not be sustainable in the long term, due to the use of non-renewable resources and their effects on climate change. This is why we should progress to an energy transition where renewable energies (solar and wind, among others) will play a more important role in generating electricity. However, these technologies still face big challenges in terms of availability at times or on days when there is neither sun nor wind, and complementing them with natural gas will therefore be an alternative in the future.

The time is ripe in Colombia to promote the development and use of renewable energies. They will contribute to economic development by virtue of their lower costs and the fact that they reduce greenhouse gas emissions and provide energy system reliability.

Photovoltaic solar energy has become one of the great alternatives for generating electricity. Our geographical location, the development of new technologies, a clear regulatory framework and the fact that the government has simplified procedures have brought about a magnificent environment for carrying out projects based on this type of clean energy.

Through our affiliate companies, we have drawn up a portfolio of services which illustrates our commitment to this energy transition, one that will enable our customers to have a complete portfolio of energy solutions using clean and more environment-friendly fuels. 3.16 MWp commenced operation during the year, for a total capacity of 15.7 MWp, a growth figure of 47 per cent.

We offer our industrial, official and commercial customers who are interested in this service a Power Purchase Agreement (PPA). Under this arrangement, our affiliates take on full responsibility for the investment and for the operation and maintenance of the photovoltaic system, which offers the user a turnkey solution and generates electricity cost savings, thereby contributing to industry competitiveness and environmental sustainability.

■ GRI 103-3  
IPNN1

Indicator Percentage investment in new projects relating to clean energies or conversion to clean energies.	Investment percentage, 2020	Projected percentage, 2025
Renewable energies	3%	8%
Conversions to clean fuels (VNG, solar, natural gas)	1%	4%
Energy efficiency	0%	12%

*Our teams in different parts of the country are able to create tailormade solutions for each customer, and this will allow us, in 2025, to have more than 100 MWp of installed photovoltaic energy capacity for the whole of Colombia.*





WE WILL BE  
RECOGNIZED  
AS THE BEST  
COMPANY

# WE STRENGTHEN THE VALUE PROPOSAL FOR OUR CUSTOMERS

## NUEVOS PRODUCTOS Y SERVICIOS

■ GRI 103-1  
GRI 103-2



*The goal of sustained business growth, coupled to the persistent vocation to meet our customers' needs, leads us to undertake a constant cycle of innovation projects and actions that ends with the generation of new products and services.*



*In order to achieve this result in a systematic manner, a business trend analysis discipline needs to be developed, in order to anticipate the needs of our customers, identify opportunities, execute high-performance pilot programs and, finally, scale the new product or service up so that it can be of value on the markets that interest us.*

On a market as dynamic as the energy market, and faced with a transition scenario that will last decades as it develops heterogeneously in so many countries, offering new products and services will enable organizations to continue being relevant and to contribute to generating value constantly for the communities and interest groups that we serve.



Our innovation management model pursues three avenues for obtaining new products or services: developing new solutions, adapting existing solutions in other sectors or countries for use in our context, and adopting novel processes or technologies that show great potential for our markets. The goal of the innovation project opportunities portfolio is to achieve a balance between these three focal points, in order to ensure, in turn, a balance between risk, competitive advantage, and value generated and captured.

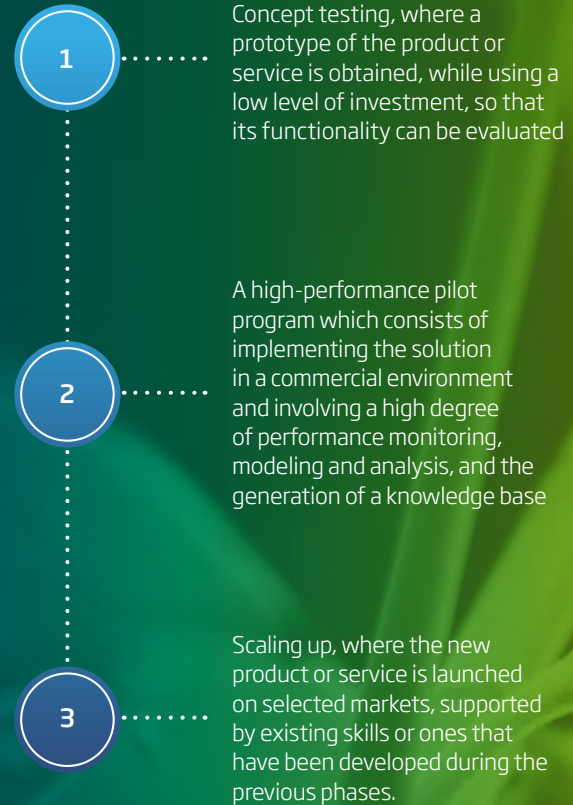
## CHALLENGES

To obtain adequate, prompt financing, bearing in mind the limited government and regulatory initiatives for reinforcing and operating company research, development and innovation units.

To find the correct balance between expectations, risks and uncertainty that will enable innovation projects to be executed and achieve results in the medium term

Renewable energy business expansion vs. limited regulatory and market stimuli for promoting them on a mass scale

### A risk mitigation measure in the generation and perfecting of new products and services sees these evolve in three phases:



## OUR MANAGEMENT IN 2020

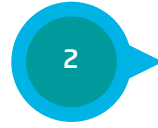
Investment in projects relating to new products and services as a percentage of total expenses and investments, which had been rising since 2018, was up by 18.6 per cent in 2020, compared to 2019. This increase shows that the companies have taken on board the commitment to offer an innovation-based, diversified portfolio, in order to meet customer needs.

Revenue from new products and services, which represents 1.8 per cent of consolidated operating revenue, increased significantly, compared to 2019. This result was affected, principally, by revenue from new products and services at Promigas, Promisol and GdO, and by non-banking financing results.

Many processes were affected by the COVID-19 health emergency; however, situations like the ones below that arose were mitigated promptly:



The need to draw up communication strategies that would enable all processes to be administered through a fluid interaction between personnel, bearing in mind the new 'home office' modality



The need to find and implement methods and tools that would provide continuity in daily operations, including the transportation infrastructure



Virtual interaction with external agents

To this end, the initiative entitled 'Digital Integration to Increase Connectivity' was developed. This facilitates the use of digital tools for holding meetings and carrying out follow-up on personnel, for sharing information quickly and accurately, and as a remote support platform for commissioning natural gas infrastructure.

A plan of action for the medium and long term was established, which consists of developing and strengthening digital platforms that will enable innovation and the diversification process for the products and services portfolio, aimed at reducing the company's financial exposure to national or global issues, to be administered.

## INDICATORS

GRI 103-3  
IPNP1, IPNP2

	YEAR		
	2018	2019	2020
% Investment in R&D in NPS (report as percentage)	4.8%	25.2%	29.9%
% New revenue (report as percentage)	(Not calculated)	0.4%	1.8%

The Table below shows the new products and services management process and result by company for 2020.

COMPANIES	Investment in new products and services as a percentage of RDI expenses and investment	Revenue deriving from new products and services as a percentage of adjusted gross sales
	Promigas	9.1%
CEO	12.6%	2.1%
Enlace	100.0%	3.5%
GdO	11.7%	4.3%
Quavii	19.7%	0.0%
Surtigas	75.6%	2.8%
Promisol	0.0%	0.0%
Transmetano	57.8%	23.8%

## TARGETS

Design and launch of an innovation project portfolio that will enable high-performance pilot programs to be increased and implemented.

Launch of new products and services with a low carbon intensity in a staggered and profitable manner.

The financial contribution by way of revenue deriving from new products and services will reach 3 per cent of company revenue.



# WE GUARANTEE OPERATIONAL EXCELLENCE

## CUSTOMER SERVICE QUALITY

CAs a strategic measure for boosting the corporate response ability to render reliable, quality services, we guarantee our customers a prompt, reliable and safe service that meets their needs and expectations and enables us to provide value added solutions in line with our internal quality culture.

We ensure integrity, reliability and availability in our natural gas and electricity transportation and distribution systems, with operating systems that meet high national

and international standards, an effective risk management, and continual improvements in our processes.

Our principal commercial management goal is to achieve customer loyalty and satisfaction at all times while rendering our services; we therefore work every day to have simple, agile processes that make our customers' lives and businesses easier.

GRI 103-1  
GRI 103-2



## TARGETS

To keep availability levels above 98 per cent

To maintain and increase customer satisfaction and loyalty

To update our operation management software, providing it with greater scalability and availability by functioning in the cloud by the end of 2022

To increase the service reliability level

## IN CONJUNCTION WITH OUR AFFILIATED COMPANIES, WE TRANSPORT 48 PER CENT OF COLOMBIA'S NATURAL GAS

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*The natural gas transportation service is one of the core activities in Promigas' business portfolio, and maintaining continuity in our operations is therefore fundamental. Our LNG terminal guarantees reliability and opportunity for receiving, storing and regasifying LNG, in accordance with customers' needs.*

An interruption would affect not only our revenue but also that of our customers, given that while some of them would use a substitute product in order to continue their operation, others would not have that option, and this would have implications in the form of excess costs, loss of profits, etc.

We supervise and control operational variables in our infrastructure from our Main Control Center, in order to identify Abnormal Operating Conditions (AOC) that could have an impact on service continuity and thus be able to take whatever action might be necessary for mitigating the problem. And when special work is being carried out on our infrastructure, operation assurance professionals produce operating guides, which are additions to the work procedures approved by the Change Control Technical Committee, so that Control Center personnel can have parameters and recommendations for ensuring that operating conditions are normal while the work is being done. When new infrastructure is being commissioned or after a major intervention, a special procedure is in place, in order to guarantee that service continuity is not affected while these activities are being carried out, since they are executed without interrupting the natural gas transportation service.

Main Control Center professionals are evaluated on an annual basis on matters relating to identifying AOC and the actions that are to be taken to deal with them, and follow-up audits are conducted on the standardized procedure and by measuring a performance indicator in the variable compensation program of the coordinator of operations.

## GAS DISTRIBUTION

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Service quality is directly related to having a continuous, safe and reliable operation which guarantees the quality standards stipulated and promptly meets the needs of our customers or deals with issues that arise in our distribution infrastructure. The impacts that could eventually occur include dissatisfaction with the service.

Our companies have policies, goals and strategic initiatives, among other things, for guaranteeing natural gas service continuity and reliability. There are also campaigns, such as the damage prevention plan, which involve interacting directly with companies that work in public areas. We have damage prevention campaigns for front gardens of the houses of users where work is being done, and for safe gas management; this latter is a communication campaign aimed at ensuring that users are aware of how to handle natural gas and that, if a problem arises, they know how to report it, should there be a need for assistance from specialist personnel.

Interaction is permanent with the Risk and Disaster Management Committee (CMGRD) in each town where there is a natural gas service.

**The company has a control center which handles all events and emergencies on a 24/7 basis throughout the week.**

As far as user safety is concerned, prevention and follow-up patrols of networks and rights of way are a constant feature, so that works where damage to networks or active leaks could potentially occur can be identified.

## OUR AFFILIATED COMPANIES WORK TO ACHIEVE EXCELLENCE IN THE NATURAL GAS DISTRIBUTION SERVICE



- GdO has focused on generating positive user experiences by optimizing operation capacity, reducing attention times, and ensuring speed in transactions. With a view to establishing cordial relations based on respect with its users, it redesigned existing processes and invested in technology for its multi-channel platform, in order to facilitate interaction with users from the comfort of their homes. This platform has proved to be of vital importance in ensuring that users can access the service during the pandemic.

In order to ensure equipment availability and operation continuity, an Annual Maintenance Plan was implemented, which includes such things as integrity inspections, prevention patrols and preventive maintenance of stations and equipment, in order to ensure that everything is in good condition and to guarantee reliability and continuity in the operation.

- **Average time for attending to emergencies at GdO:**

Compliance with the indicator was maintained in 2020, since 100 per cent of requests by users were dealt with, 89.7 per cent of them within the time established; events out of control and emergencies were dealt with in less than one hour, and controlled events in less than 36 hours.



- CEO uses two regulatory indicators to measure service continuity: Saidi (average duration of interruptions) and Saifi (average quantity of interruptions).
- Attention opportunity is measured against the percentage of cases resolved in more than eight hours and is broken down into four-hour ranges for analysis purposes. Average time to resolve a problem from the time a call is received to when the service is restored is also measured.



- **Surtigas, as in previous years, occupied first place in the 'Cartagena Cómo Vamos' and 'Montería Cómo Vamos' satisfaction surveys, thus reflecting the high service quality and satisfaction levels.**

Its philosophy, which is based on 'Passion for Service', has enabled it to develop competitive, innovative solutions and to reinforce its internal, service-oriented culture while implementing an operational excellence model that allows it to be more efficient and, therefore, to provide a better service, so much so that it has been recognized as the best public services company in our area of influence.



- Enlace, our service center, uses ANS indicators, which measure promptness in rendering the service. Corrective action is taken when default on any of these indicators occurs for a period of three consecutive months, with a view to the stipulated indicators being adhered to.

## MANAGING THE COVID-19 HEALTH CONTINGENCY

*In order to guarantee continuity in our operations, we adopted a series of measures aimed at ensuring that critical personnel were available and could continue to perform their duties in our various control centers:*

Adjustments to shift schedules, social distancing, supply and use of protection or biosecurity items

Periodic follow-up on compliance with biosecurity protocols

Disinfection of working areas

Exclusive transportation for our operators

Simultaneous operation of the Alternative Control Center

Retraining for professional personnel who formerly worked in the Main Control Center and who currently hold other posts in the company

Home office technical personnel of compressor station operator, who are available to deal with any contingency at the stations

These persons continue with telework

Daily follow-up on operator personnel health

COVID-19 laboratory tests for all critical personnel in control rooms

Strict adherence to these measures allowed us to continue rendering our services without any COVID-19 contagion cases being reported among our operating personnel.

SPEC implemented the necessary measures for coordinating safe operation continuity for its personnel, customers and contractors, and its operations were unaltered, in line with national government recommendations and demands.

Transmetano saw a drop in volumes transported compared to 2019, mainly during April and May, and this was attributed to nationwide restrictions because of the health emergency. A 'temporary commercial policy' was drawn up, aimed at providing economic relief for customers whose transportation capacity was affected, which consisted of making lower charges. Variations and volumes transported to customers were monitored on a permanent basis. This policy ended on September 30, 2020.

*In view of the difficulties caused by the COVID-19 contingency in terms of adhering to the projected Maintenance Plan execution schedule, Promioriente established a series of actions with its contractors in order to ensure that all operating activities and critical maintenance activities could be performed, thereby guaranteeing transportation infrastructure continuity, reliability and integrity and that all customers could be served satisfactorily.*

The principal effect on GdO lay in the preventive isolation restrictions placed on some staff and on those who were infected with COVID-19. To mitigate this situation, the technical team was strengthened with technical staff and contractor staff, and home working was introduced for staff in administration posts, who were provided with technological support.

Despite Customer Care offices being closed for more than two months, the service was maintained through other channels, such as the call center, and a special email address was created, inquietudes@gdo.com.co. This latter became an ally for users because more than 2,000 requests per month were dealt with, thus mitigating the effect of the offices being closed. This new channel was served by staff who worked in the offices taking on new roles, thereby demonstrating their ability to adapt to change.

**Another activity that made prompt attention easier was the creation of a robot (Hermes) to generate written responses to standard petitions and written complaints, claims and questions; the GdO app was also introduced. The next step will be a chatbox with artificial intelligence.**



## Complaints and Claims

GRI 103-3  
IPCS2



Gas transportation	YEAR		
	2018	2019	2020
Number of customer complaints and claims	19	9	2

These were all resolved within the 15 days established in the law, and the figures include all GEN Transportation companies.

GRI 103-3  
IPCS2



Gas and energy distribution	Number of complaints and claims per 10,000 users			Average settlement time in days		
	2018	2019	2020	2018	2019	2020
CEO	416.0	396.0	322.0	3.0	3.0	4.0
GdO	45.0	43.0	41.0	4.0	4.0	6.0
Surtigas	64.1	55.6	49.8	33.6	17.4	14.4

## Customer satisfaction

GRI 103-3  
IPCS2



Satisfaction index	YEAR		
	2018	2019	2020
	73.38	83.51	91.5

**Note:** The data for 2018 corresponds to the evaluation carried out that year for 2017. The data for 2019 corresponds to the evaluation carried out that year for 2018. The data for 2020 corresponds to the evaluation carried out that year for 2019.

## Continuity in our operations

GRI 103-3  
IPCS2



Row labels	YEAR		
	2018	2019	2020
Continuity index (as%)	99.78	99.90	99.86

Includes: CEO, GdO, Surtigas, Promioriente, Transmetano, SPEC, Promigas

All companies reached their annual service continuity targets, as follows:



With respect to Electricity Distribution, the indicators, which improved, were:

Saidd: in 2019 it was 41.86 hours, in 2020 it was 31.11 hours

Saifi: in 2019 it was 29.67 times, in 2020 it was 26.08 times.

## Interruptions

■ GRI 103-3  
IPCS4

Most interruptions were caused by third parties or were natural events in regions with difficult geotechnic and climatic conditions. However, such incidents have declined, thanks to greater control over maintenance activities, legal strategies, and educating people living in the area of influence.

	Attributable to the company			Attributable to third parties		
	2018	2019	2020	2018	2019	2020
Promigas	1	0	2	4	5	7
Promioriente	3	1	1	1	2	0
Transmetano	3	0	1	1	0	0
SPEC	7	5	4	0	1	1
GdO	7	9	3	11	15	10
Surtigas	9	5	3	116	85	42

■ GRI 103-3  
IPCS5

## Gas leaks (Leaks/km-year)

	2018	2019	2020
Promigas	0.0056	0.0058	0.0034
Promioriente	0.01	0	0.01
Transmetano	0	0	0
GdO	0.21	0.23	0.195
Surtigas	0.31	0.30	0.20

Target: Values of 0.001 leaks/km-year or lower, which is equivalent to a leak of 1,000 km per year. This limit has been established on the basis of an analysis of information available in studies by UKOPA (United Kingdom Onshore Pipeline Association) and EGIG (European Gas Pipeline Incident).

Note: Transoccidente reported no interruptions or leaks during the year.



## Privacy of our customers' information

**No instances were reported of information leaks or theft or loss of information belonging to customers.**

Our companies have a published Management Data Treatment Policy, which sets out the terms for the use of data by the company when interacting with its customers.

# WE GUARANTEE SAFETY IN OUR OPERATIONS

GRI 103-1  
GRI 103-2  
PACTO GLOBAL PRINCIPIOS  
1, 2, 3, 4, 5, 6



## PROCESS SAFETY

*We guarantee safety in our operations by providing adequate conditions and reinforcing the prevention culture and healthy and safe behaviors.*

The safety of our employees, contractors, customers and communities is a priority for us, and we accordingly work on preventing and mitigating risks in our processes.

We work every day to consolidate and promote a safety culture that will enable us to anticipate risks and hence to prevent accidents in our operation.

## TARGETS

To fully comply with the plan of action for implementing the 20 process safety elements in two years.

To reinforce the process safety culture with Promigas contractors and in companies that are part of our portfolio.



## OUR MANAGEMENT

■ GRI 403-1  
GRI 403-2  
GRI 403-3

The organization has adopted a risk management approach to guaranteeing safe and healthy environments in all its operations, and this extends to all interested parties who interact with those operations. To achieve this, it sets out its commitments with each interest group in its corporate policy, and health and safety are an integral part of these commitments

Our process safety management is based on our strategic goal entitled "To guarantee a safe operation". This goal includes the design, construction, operation and maintenance of gas pipelines, in line with national and international standards such as ASME B31.8. Our approach is based on risk management, since the Safety Management System is in line with the 20 process safety items established in the Center for Chemical Process Safety (CCPS) guide. In order to adhere to the provisions established in the Management System, we have a work plan for each management program relating to risks inherent in the natural gas transportation operation.

*All our companies have integrity plans, risk management plans, and 24/7 systems for monitoring the operation. Periodic audits are conducted, and improvement actions are established for mitigating any risks that might be found.*

There is a Health and Safety at Work system, which is based around three cornerstones: meeting applicable labor requirements, adhering to a voluntary international regulation under ISO 45001 standard, and implementing an international, risk-based process safety guide that includes the 20 items for a process safety management system established by the Center for Chemical Process Safety (CCPS).

In 2018, we hired a firm that is an expert in process safety which, in its diagnosis, awarded Promigas a score of 80.4 per cent and highlighted the competence of our people and of the Management System for maintaining the integrity of our gas pipelines. Since then, we have drawn up a work plan aimed at closing the gaps and achieving a score of 100 per cent in a period of four years.

■ GRI 103-3

**In September 2020, we applied the tool for measuring maturity and progress levels in our process safety system, resulting in a score of 88 per cent and the highlighting of achievements such as implementing the operation preparation procedure for starting up new or modified facilities; the strength of the operating risk analysis procedure and administration of the change; implementing technical audits in the gas infrastructure; the updating of operating, maintenance and safety manuals; and training in areas classified at 90 per cent for Vice-Presidency, Operations technicians and professionals, with a view to reinforcing skills in order to guarantee a safe operation whenever the gas infrastructure is intervened. Each Management also has a number of process safety indicators, which are used for measuring the respective safety approach.**



**The Health and Safety at Work Management System covers not only direct or temporary workers but also Promigas contractors. We have a formal process for identifying dangers and evaluating risks, and these are set out in a matrix, with the respective controls.**

■ GRI 403-1  
GRI 403-2

They take into account safety inspections, behavior observations, interviews, consultation processes, field assistance for critical tasks, risk analyses, and audits. It is on the basis of these results that programs like Process Safety, High-Risk Tasks, Chemical Risk Management, Strategic Road Safety Plan and Epidemiological Surveillance are established.

Workers are encouraged to identify dangers and propose improvements as part of the Process Safety Improvements Program, which identifies findings in the natural gas infrastructure and proposes improvements, which are then analyzed by a committee and subsequently implemented.

One commitment in the Promigas policy is to guarantee the health and safety of its workers, and it accordingly encourages them to work in safe conditions. Although everyone participates in identifying dangers associated with their respective post, we have a group of workers who have been trained as HSE leaders, and they make behavior observations in the field and propose improvement actions.

■ GRI 403-4



Our Health and Safety at Work Parity Committee and Labor Harmony Committee have a confidential ethics line, among other mechanisms, for protecting workers from possible reprisals. ■ GRI 403-4

They promote and supervises health and safety at work standards and regulations in the company. Responsibilities include inspecting workplaces, taking part in accident investigations, and supervising adherence to the Health and Safety at Work Program.

There is a procedure for investigating accidents and incidents, which consists of summoning the investigation team and the worker involved, identifying the causes using recognized methodologies, and establishing plans of action for ensuring that such accidents or incidents do not occur again.

*The Industrial Safety and Process Training Plan and the Health at Work Plan are designed each year, and these establish matters relating to health and safety induction, process safety, safe work at heights, lifting heavy loads, dangerous energies, safe work in confined spaces, permit issuers, handling emergencies, dangerous atmosphere measurements, classified areas, chemical risk management, defensive driving, technical HSE session for contractors, COVID-19 protocols for preventing contagion, preventing osteo-muscular injuries, healthy lifestyles, and care schools, among others.*

■ GRI 403-5  
GRI 403-8

Employees and workers other than employees who are covered by this system are subject to internal audit and certification by a third party.

**Promigas**

Number	Percentage
2,077	100

**Consolidado**

Number	Percentage
13,448	73



Number of deaths resulting from an injury caused by an accident at work.

Number of injuries caused by an accident at work with major consequences (excluding deaths).

Number of recordable injuries caused by an accident at work.

Number of hours worked.

Number		Rate	
Employees	Contractors	Employees	Contractors
0	0	0	0
0	0	0	0
1	14	0.18	0.83
1,097,379	3,337,701		

Note: The main types of injuries resulting from an accident at work were insect bites and falls from heights, in the case of employees, and public or traffic risks and getting trapped in excavations, in the case of contractors.



Number of deaths resulting from an injury caused by an accident at work.

Number of injuries caused by an accident at work with major consequences (excluding deaths).

Number of recordable injuries caused by an accident at work.

Number of hours worked.

Number		Rate	
Employees	Contractors	Employees	Contractors
0	2	0	0.02
0	0	0	0
20	225	0.84	2.52
4,765,379	17,892,998		

No accidents at work with major consequences associated with the aforementioned dangers were reported in the period covered by the report. In order to eliminate dangers or minimize risks, safety standards are followed when designing gas infrastructure and worksites, staff skills are ensured, and management programs and monitoring are implemented constantly.

## COVID-19 CONTINGENCY

When the national government declared the health emergency, our Presidency issued a policy relating to home office and field work. The COVID-19 Mitigation and Prevention Measures Plan for working safely was established, with each of the respective protocols, including the fieldwork protocol, the protocol for entering facilities, the health protocol and the protocol for suppliers and contractors. All Promigas premises and facilities were adapted, with a view to mitigating the risk of COVID-19 contagion, and the actions undertaken included the following:

Installing physical barriers at points of contact between internal and external publics; adapting, separating and installing physical barriers at dining room tables.

Installing portable washbasins; sanitizer dispensers.

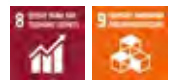
Signposting, and determining the maximum number of people permitted in offices, other rooms and shared facilities

Workers deemed critical to business continuity were given COVID-19 tests, and Industrial Safety increased assistance in the field, in order to verify that protocols to mitigate the COVID-19 risk were being adhered to.

# WE REINFORCE SUPPLIER AND CONTRACTOR DEVELOPMENT

## SUPPLIER DEVELOPMENT

GRI 103-1  
GRI 103-2  
PACTO GLOBAL PRINCIPIO 2



*Having suppliers and contractors who offer the necessary goods and services for the operation of Promigas and its affiliated companies in the context of good environmental, social and good governance practices.*

Sustainable supplier management means that the organization's guidelines can be incorporated throughout the supply chain and that risks which might affect the different interest groups can be mitigated. We therefore conduct our relations with suppliers on the basis of strict ethical principles, transparency and fairness, forging strategic alliances that enable us to promote development in the regions where we operate and work together to achieve better human rights, labor, and health and safety practices, with a view to doing business under fair, mutually-beneficial and long-term conditions that are based on trust, all of which will enable us to achieve greater efficiency and productivity when acquiring goods and services.

We achieve sustainable supplier management by having a rigorous selection process; we ensure that our suppliers are subjected to risk evaluations before we hire them, with a view to guaranteeing transparency on matters relating to asset laundering or the financing of terrorism; we attract suppliers in order to establish strategic alliances that will enable us to promote development in the regions where we operate, and we work together to achieve better human rights, labor, environmental, and health and safety practices.

We have a corporate Code of Conduct, which is published on the Promigas website, and suppliers are given training in this every two years.

Our suppliers and contractors should share our business vision, experience our values, and apply our Code of Conduct.

## TARGETS

To increase the plurality of available suppliers

To implement a permanent supplier pre-qualification program by category

To specialize a sustainable supplier management work group

To establish a formal development program for critical suppliers

To implement adjustments to the supplier performance evaluation at corporate level

## OUR SUPPLIERS

■ GRI 102-9

For infrastructure construction, operation and maintenance in Colombia and Peru we have suppliers of goods (steel pipework, pipework accessories, natural gas valves and instrumentation, fragrances, meters, regulators, cut-off valves) and critical services (construction, integrity, preventive and corrective gas pipeline and station maintenance, gas transportation, sale of services, taking readings, distributing invoices, suspension and cutoff, portfolio management, collections, etc.). We also have international suppliers.

■ GRI 103-3  
GRI 204-1

	Number /%		Value of purchases in millions of pesos /%	
<b>Total</b>	<b>4,491</b>		<b>1,636,635</b>	
Critical or significant foreign	119	3%	113,347	7%
Critical or significant national	1,325	30%	779,575	48%
Non-critical or significant foreign	483	11%	317,156	19%
Non critical or significant national	2,564	57%	426,558	26%
<b>Total local<sup>1</sup> suppliers</b>	<b>2,207</b>	<b>49%</b>	<b>710,864</b>	<b>34%</b>
<b>Significant local suppliers</b>	<b>781</b>	<b>17%</b>	<b>439,122</b>	<b>27%</b>

<sup>1</sup> Local refers to purchases made for operations by each of the companies. For Promigas, Promisol and Zonagen, local is defined as Barranquilla and Atlántico province; for Transmetano, it is Medellín and Antioquia; for Promioriente, it is Bucaramanga and the Santanders; for Transoccidente and GdO, Valle del Cauca province; for SPEC and Surtigas, Cartagena and Bolívar province; for CEO, Popayán and Cauca province; and for Quavii, local is defined as Peru.





## DEVELOPMENT AND RELATIONSHIPS

We create opportunities for relationships and communication, and we periodically arrange activities aimed at providing updates on safety, health and environment matters.

The COVID-19 emergency hindered scheduled in-person training and relationship activities initially, and these had to be carried out virtually, for which the #Conexiones2020 campaign was designed. However, and by way of contrast, this made it easier to arrange a number of additional activities virtually and provide greater coverage. #Conexiones2020 included two key lectures, effective management of risks and business continuity, and of supply challenges, and attendance was approximately 19 per cent of those invited.

Similarly, the 7th Annual Gathering of Suppliers of Goods and Services, which included all companies at corporate level, was held virtually and proved to be good practice for improving relationships and for providing opportunities to listen and discuss matters of interest to the parties.

2019 procurement and supplier management results were presented, and a detailed effective supply tutorial was given. 65 suppliers attended, 20 per cent of them significant

*Another initiative aimed at mitigating the supplier non-availability risk and increasing bidder plurality was the first Supplier Conference, with support from the Barranquilla Chamber of Commerce, which managed to arrange 407 appointments, 323 of which were completed.*

Every two years a survey is conducted, with support from a specialist third party, to measure suppliers' perception of the different processes they participate in as part of their commercial relationship with the GEN Transportation and GEN Distribution companies, and the results of this survey enable us to determine where there is room for improvement in the supply process and where there are opportunities for leverage.

■ GRI 103-3  
IPPS1, IPPS2

### Significant suppliers who receive health and safety training (%)

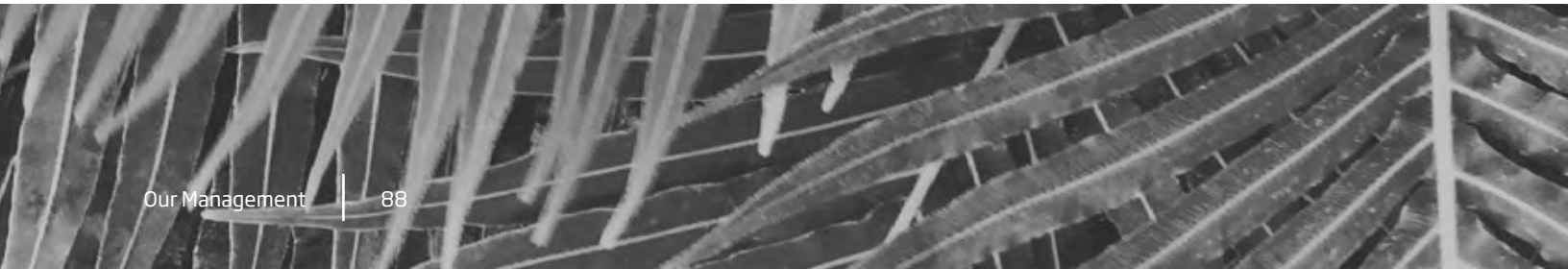


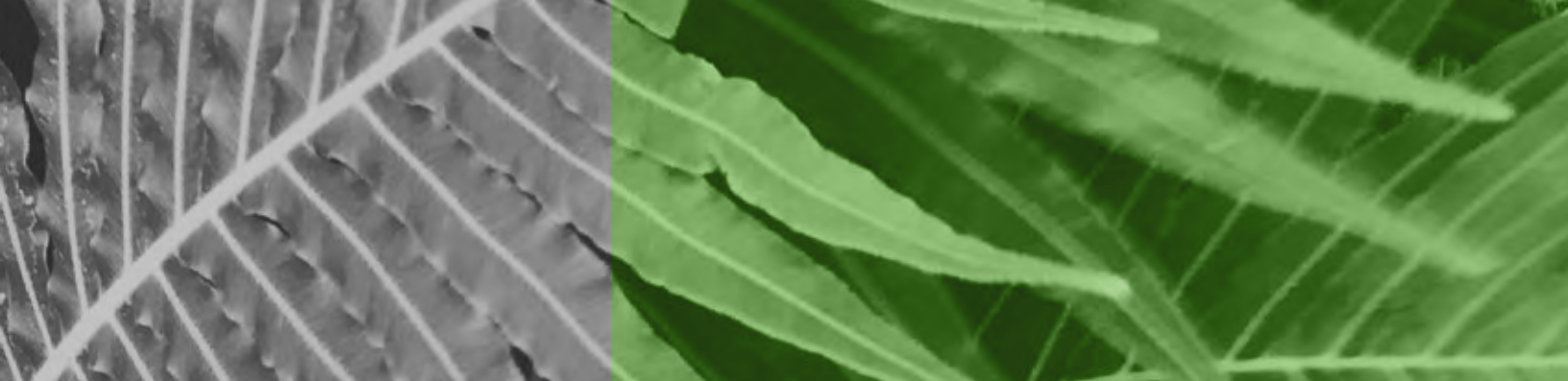
### Progress on significant contractor management systems (%)



Sustainable supplier management initiatives continued in 2020. 19 critical suppliers were visited, in order to check their facilities and ensure that information registered was correct and that environmental, social and good governance policies

and human rights positions were being complied with. 149 suppliers have been visited since 2018, approximately 28.4 per cent of the total critical suppliers.



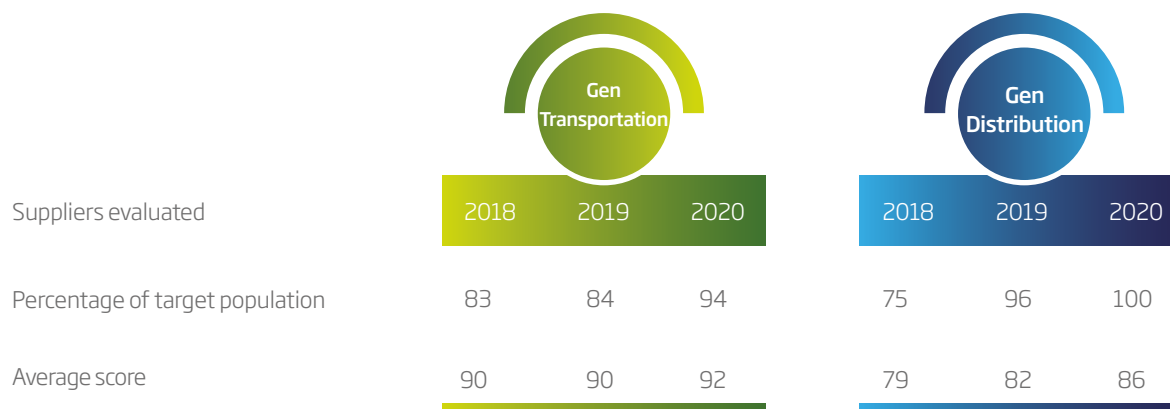


## PERFORMANCE EVALUATION

■ GRI 103-3  
IPPS3

We fully evaluate the performance of our suppliers of goods and services to GEN Transportation and GEN Distribution companies every year. The evaluation criteria (quality, compliance and service) include sub-criteria of

an environmental nature (HSE audits, environmental NC and incidents). We arrange periodic health and safety training programs and we evaluate progress made by our significant services contractors.



Note: Last year, we evaluated suppliers of critical goods and services or those whose purchases or annual contract were equal to or above 70 Current Monthly Legal Minimum Salaries (SMLMV) for Surtigas, GdO and CEO, 150 SMLMV for Versa, 600 SMLMV for Enlace, and USD 17,000 for Quavii and Gasnorp. The evaluation is conducted during the first five months of the year. The figures for 2018 correspond to the evaluation conducted that year for 2017. The data for 2019 corresponds to the evaluation conducted that year for 2018, and the data for 2020 corresponds to the evaluation conducted that year for 2019.





# WE REINFORCE THE OVERALL DEVELOPMENT OF OUR EMPLOYEES

## HUMAN TALENT DEVELOPMENT AND WELLBEING

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*We are committed to the development and quality of life of our team; we are conscious of the fact that it is through their professional and personal growth that we contribute to achieving corporate strategic goals and therefore have a positive impact on our people, their family group and their surroundings.*

📄 GRI 103-1, GRI 103-2  
🌐 PACTO GLOBAL PRINCIPIOS 3 Y 6






We believe that quality service begins with quality staff, and that is why we are always trying to attract the best talent, create attractive plans to retain it, and provide opportunities to move around internally as our staff pursue their targets.




We promote health at work and care for our staff and for their basic nuclei by carrying out programs that focus on improving their lifestyle and mitigating risks by promoting changes in their healthy life habits and behaviors.

## OUR PEOPLE

■ GRI102-8

COLOMBIA	 Male	 Female	 Total
<b>Number of workers by level and age</b>	1178	828	2006
<b>Executive (first and second levels):</b>	67	28	95
Executives under the age of 30	0	0	0
Executives aged between 30 and 50	44	20	64
Executives over the age of 50	23	8	31
<b>Non-executive:</b>	1111	800	1911
Non-executives under the age of 30	145	136	281
Non-executives aged between 30 and 50	753	587	1340
Non-executives over the age of 50	213	77	290
<b>Number of workers by type of contract</b>	1178	828	2006
Fixed term workers	58	43	101
Indefinite term workers	1120	785	1905
Workers by job/labor activity	0	0	0
<b>Number of persons with apprenticeship contract</b>	23	23	46
<b>Number of contract workers</b>	5273	831	6104
<b>Hiring / Contracting</b>	80	48	128
Under the age of 30	27	13	40
Aged between 30 and 50	52	34	86
Over the age of 50	1	1	2
Number of workers covered by collective pact	949	676	1625
Percentage of employees covered by collective pact	80.6%	81.6%	81.0%

■ GRI102-41

PERU	 Male	 Female	 Total
<b>Number of workers by level and age</b>	111	51	162
<b>Executive (first and second levels):</b>	3	1	4
Executives under the age of 30	0	0	0
Executives aged between 30 and 50	2	1	3
Executives over the age of 50	1	0	1
<b>Non-executive:</b>	108	50	158
Non-executives under the age of 30	32	28	60
Non-executives aged between 30 and 50	75	21	96
Non-executives over the age of 50	1	1	2
<b>Number of workers by type of contract</b>	111	51	162
Fixed term workers	10	7	17
Indefinite term workers	101	44	145
Workers by job/labor activity	0	0	0
<b>Number of persons with apprenticeship contract</b>	5	12	17
<b>Number of contract workers</b>	8	0	8
<b>Hiring/ Contracting</b>	18	13	31
Under the age of 30	5	9	14
Aged between 30 and 50	11	3	14
Over the age of 50	2	1	3

*In 2020, because of the pandemic, the human talent areas of Promigas and its affiliated companies responded to the various challenges that arose by designing and setting in motion a contingency plan, and this allowed for a prompt adaptation which helped ensure that business targets and goals were met, even under the new conditions.*

Business operations were affected by the health emergency, and we found that we needed to quickly set in motion a contingency plan that would enable us to adapt to the new conditions, if we were to adhere as normal to all the human talent processes and adopt the necessary biosecurity measures for preserving life in a safe environment. Staff adapted to the circumstances quickly, and all their activities were performed successfully.

**In order to meet the new challenges, a prevention strategy was drawn up which was based on the following cornerstones:**

**1**

#### **WORK MODALITY**

The organization established different work modalities, including 'home office' for administrative support areas and vulnerable people and flexible schedules for those who needed to attend in person, with the result that business continuity did not suffer.

No less important has been basing the administration of human talent on the idea of preserving jobs as a vital factor in the economic, social and productive sustainability of the country, and we have therefore maintained our staff headcount and also reinforced teams with temporary hirings, in our efforts to find the best formula possible for making up for those who were absent because they were in quarantine.

**2**

#### **SAFE SITE**

Company facilities were adapted, so that staff who were required to work in person could do their jobs in a safe environment.

The changes made included the following:

Signposting

Marking circulation zones

Installing physical barriers

Adapting eating areas

Renewal program for air conditioning and filter facilities

### 3 HEALTHCARE

Healthcare strategies include the following:

■ GRI 403-6

Daily monitoring of staff health conditions using a virtual tool that allows consolidated reports to be made; these are the main input for validation by the medical team both of people who work from home and of those who work in the field or office.

Providing everyone with biosecurity items from an adequate selection that enables staff who work in the field or office to enjoy maximum protection, and provision of cleaning materials in line with the tasks they perform.

Specialized consultancy and advisory services by a main group consisting of a team of epidemiologists, enabling COVID-19 behavior or evaluation in different parts of the country where we have a presence to be known early. This means that decisions can also be made early and strategies devised in line with the true situation.

Alignment of medical care protocols for suspected and confirmed COVID-19 cases under the health policy for employees and their relatives, permitting prompt medical care to the best quality and service standards.

Dissemination of the different care channels or medical lines for reporting cases and accessing services, if needed. 24/7 assistance by telephone was arranged with the health provider on matters relating to mental (psychology) and physical (nutrition) welfare for our staff.

### 4 TESTING PLAN

A testing plan was implemented, the main goal of which has been to identify persons critical to business continuity and isolate them promptly, with a view to protecting the collective.

This plan establishes clear guidelines which enable the company to make decisions over the handling of COVID-19 cases, the aim being for such cases to have as little impact on business continuity as possible. These guidelines include matters relating to type of test, frequency, isolation criteria, and medical discharges, all in the context of the COVID-19 guides established by the National Health Institute (INS).

### 5 EDUCATION AND COMMUNICATION

The 2020 education plan was adapted to meet the needs determined by the new conditions, using virtual means and platforms and with assistance from the ARL and the insurer. Actions were scheduled that related to self care, mental health, promoting healthy life habits, biosecurity protocols and safe work, all of which included the worker and his family nucleus, as needs dictated. Clear, direct communication with staff was maintained at all times by cellphone, WhatsApp, Yammer, text messages, chat teams, etc.

Infographics were periodically sent out en masse relating to different categories deemed relevant such as biosecurity, mental health, making the most of free time and planning of activities, as well as actions for escaping from the routine caused by the lockdown.

The Welfare Plan was made virtual and staff/ family integration contests were arranged, with the necessary content being taken to each home for carrying out the activities and fully maintaining and guaranteeing our benefits.

### 6 SAFE RETURN PROTOCOL

A corporate committee was set up to plan the gradual return to in-person activities and guaranteeing a safe working environment. This return plan includes implementing special work sessions, strict protocols, controlling numbers, physical adaptations of workplaces, an education and communication plan, the use of technology as a mechanism for establishing controls, and continual health monitoring, so that early warnings can be identified.

## INDICATORS

Human process management is evaluated by means of indicators that enable us to follow up on reaching targets and the effectiveness of results.

We monitor the labor market by identifying the level of competitiveness of our salaries, and we follow up on staff turnover by determining the causes, so that plans can be drawn up

that will enable us to improve our staff retention.

In the selection and development process, we monitor the opportunity and effectiveness of how we search for and hire personnel, as well as promotions and transfers.

## TURNOVER IN 2020

	Male	Female	Total	Male	Female	Total
	Number of resignations			Turnover rate		
<b>Colombia</b>	79	50	129	3.9%	2.5%	6.4%
Aged between 30 and 50	54	30	84	2.7%	1.5%	4.2%
Over the age of 50	16	11	27	0.8%	0.5%	1.3%
Under the age of 30	9	9	18	0.4%	0.4%	0.9%
<b>Peru</b>	75	41	116	46.3%	25.3%	71.6%
Aged between 30 and 50	53	25	78	32.7%	15.4%	48.1%
Over the age of 50	1	1	2	0.6%	0.6%	1.2%
Under the age of 30	21	15	36	13.0%	9.3%	22.2%
<b>Grand total</b>	154	91	245	7.1%	4.2%	11.3%

CORPORATE TURNOVER INDEX	2018	2019	2020
Corporate turnover index target <=9.6% - >11.3%	9.39%	7.80%	11.3%

ÍNDICE DE ROTACIÓN PROMIGAS	2018	2019	2020
	4.57%	5.8%	3.5%

GRI 103-3  
GRI 404-1

## SKILLS AND TRAINING

Skills development management analyzes the number of hours of training our staff receive and performance evaluation results.

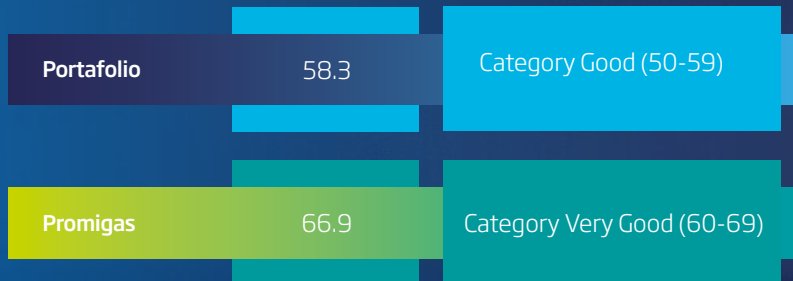
		Hours Invested	
		Investment (COP)	
Promigas		Male	Female
Executives	\$ 519,339,266,00	210	386
Non-executives		6,563	2,448
<b>TOTAL</b>			
Average hours of training: 23.10			

		Hours Invested	
		Investment (COP)	
Corporate, consolidated		Male	Female
Executives	\$ 1,777,674,302,00	2,234	1,012
Non-executives		30,896	20,604
<b>TOTAL</b>			
Average hours of training: 26.04			

## ORGANIZATIONAL CLIMATE ■ GRI 103-3 IPTH1

We periodically evaluate the impact of all our management from the perceptions our staff have of the labor climate, and we intervene on the basis of the results.



Includes information for Promigas, CEO, Enlace, GdO, Promioriente, SPEC, Transmetano, Promisol-Zonagen, Promigas Peru, and Gases del Pacífico.

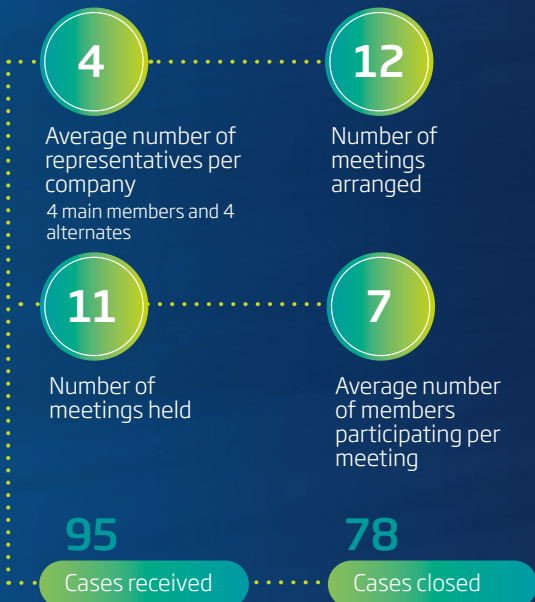
## HEALTH AT WORK ■ GRI 103-3 IPTH2

Total absenteeism rate for companies in the portfolio: 0.82

Concept	Value	Beneficiaries
<b>Investment in overall health</b>	\$ 9,713,844,573	4,458

### HEALTH AND SAFETY AT WORK PARITY COMMITTEE

■ GRI 403-4



Note: 100 per cent of workers are represented.

■ GRI 403-10

Diseases classified in companies in the portfolio: 7

Diseases under study in companies in the portfolio: 4

### CCL - LABOR HARMONY COMMITTEE



Note: 100 per cent of workers are represented.





WE WILL BE  
SUSTAINABILITY  
LEADERS



# WE ENSURE AN ENVIRONMENTALLY RESPONSIBLE OPERATION

## ENVIRONMENTAL PERFORMANCE

*We assist company operations and processes with initiatives that generate environmental and social value by promoting environmentally responsible actions, including managing and offsetting impacts.*

■ GRI 103-1  
GRI 103-2  
🌐 PACTO GLOBAL  
PRINCIPAL 7, 8 Y 9



*We aim to conserve biodiversity and we contribute to minimizing impacts caused by climate by adequately managing risks and exploiting opportunities.*

We have a sound environmental management system that covers all our operations, and our commitments and actions on the subject of climate change extend throughout our supply chain.

Our Environmental Policy, aligned with Rio's declaration on the Environment, with the principles of the Global Compact and the Sustainable Development Goals, includes explicit commitments relating to caring for biodiversity and climate change matters, promotes good practices that integrate environmental management into our risk processes, so that risks can be identified promptly and business solutions can be found.

We measure, reduce, foresee, control, offset and restore the environmental impacts of our operations.

■ GRI 103-1  
GRI 103-2

We incorporate caring for biodiversity as a criterion in the early planning and design stages of our projects, as well as during their construction, maintenance and operation, since it is relevant to conserving the natural riches of the countries where we operate, namely Colombia and Peru, and also to minimizing the impact of climate variations and improving the ability to absorb CO<sub>2</sub> emissions.

We evaluate the current and potential environmental aspects and impacts of all our activities and we implement management and offsetting measures for all possible impacts that our activities could cause.

We foster initiatives aimed at improving the overall management of resources such as water, energy and waste, and reducing these at source and in their classification.

## TARGETS

To specifically state the ambition to reduce corporate CO<sub>2</sub> emissions.

To define a plan for voluntarily offsetting carbon emissions.

To customize good environmental practices for all operations.

To ensure that the result of each company's operation is a positive environmental footprint.

To increase electricity generation from renewable sources.

To implement good environmental practices with suppliers and contractors.

## OUR MANAGEMENT



Only 61 per cent of all areas approved for new infrastructure expansion projects in the last three years were occupied, due to the fact that sections on approved rights of way were replanted, which meant that only 55 per cent of trees authorized for cutting were actually felled, and biodiversity interventions were reduced.



All areas intervened were restored and replanted: a total of 333.3 hectares.



Monitoring of endangered species such as the cotton-top marmoset in the Palmar el Tití DRMI in an area 6.58 km long in the area of influence of the Paiva-Caracolí gas pipeline project, resulting in a new group of marmosets being identified, together with six of their routes and a population density of 3.1 / km<sup>2</sup> (prior to the project it was 2.1).



Maintenance of the 2,342 vascular epiphyte species transferred from the new projects on the La Pastora, Loma Fresca and El Tamarín properties, resulting in a 95 per cent species survival figure.



Offsetting of 697.63 hectares due to loss of biodiversity, tree felling, and species intervention, together with voluntary offsetting.



Training on environmental matters for 1,590 corporate workers.



Zero fines and sanctions for environmental default.

**Our total investment in studies, controls and offsetting actions was COP 7,406 million.**

## OUR RECOGNITIONS



Global Compact Red Colombia recognized the Promigas Tropical Dry Forest program, a biodiversity conservation challenge, as a good Sustainable Development practice under SDG 15.

We were also recognized as one of the 500 best projects in Latin America at the Green Latin America awards, in the Forests and Flora and Biodiversity and Flora categories; these awards recognize sustainable socioenvironmental responsibility plans and actions by governments, organizations, companies, micro-companies, communities and individuals in ten categories, including the two above, that are aligned with the Sustainable Development Goals. We took part with two projects in 2020:



Conservation of fauna species in tropical dry forests, which came 143rd in the general ranking and tenth in the Biodiversity and Fauna category.



Methodology for managing and conserving epiphytes, which came 118th in the general ranking and 19th in the Forests and Flora category.

## ENVIRONMENTAL ECOEFFICIENCY

We reached the target set for the period from 2016 to 2020, namely a 10 per cent reduction in energy and water consumption and waste generated.



del consumo de energía, agua y de generación de residuos.

GRI 103-3  
GRI 302-1



### Energy Consumption by source (MWh)

	2017	2018	2019	2020
Non-renewable energy (MWh)	159,803.61	314,920.34	258,060.48	139,010.01
Renewable energy (MWh)	28.41	183.56	293.29	240.07
Electricity <sup>1</sup> (MWh)	7,296.42	7,574.89	7,432.10	6,304.73
Total	167,128.45	322,678.79	265,785.87	145,554.80
Total costs (millions of pesos)	4,098	3,632	3,481	3,200

<sup>1</sup> Data updated due to inclusion of energy consumption at CEO offices in towns other than where the main headquarters is which began to report; this led to an increase of up to 10 per cent.

### Electricity consumption is based on what is stated on public utility bills.

In the case of Promigas office 1.98 per cent of the consumption stated is taken, because the remainder relates to consumption at Terpel facilities that are still connected.

Non-renewable energy consumption is calculated as a function of fuel volumes used in mobile or fixed sources and the calorific value thereof.

Solar energy consumption is estimated on the basis of the energy bill produced and the capacity generated by equipment used in the Scada system.

## REDUCING CONSUMPTION

Baseline, year 2015: 7971.52 MWh

Target: 10 per cent reduction in electricity consumption

■ GRI 302-4

	2016	2017	2018	2019	2020
Expected energy consumption (MWh)	7,812.09	7,652.66	7,493.23	7,333.80	7,174.37
Real energy consumption (MWh)	7,309.30	7,296.42	7,574.89	7,432.10	4,304.73
Energy reduction with respect to base year (%)	8%	8%	5%	7%	21%*

■ GRI 103-3  
GRI 303-1

**Water Consumption**  
(total volume of water extracted,  
broken down by source) Millions of m<sup>3</sup>



	2017	2018	2019	2020
Surface water, including water from wetlands, rivers, lakes and oceans	0	0	0	19,37
Underground water	0.0017	0.0021	0.0016	0.0012
Municipal water supplies or other public or private water services	0.0622	0.0554	0.0492	0.0359
Water returned to source	-	-	-	19.3731
Total water consumption	0.0639	0.0574	0.0508	0.0371

1. 2019 data for Transmetano adjusted for real consumption data, and an adjustment was made for Promioriente relating to billing cutoff date.
2. 2018 data for CEO adjusted.
3. Includes from 2020 consumption by SPEC of seawater, which is used for heating and then returned into the sea.

## REDUCING CONSUMPTION

Baseline, year 2015: 0.0640 million m<sup>3</sup>

Target: 10 per cent reduction in water consumption

	2016	2017	2018	2019	2020
Expected water consumption (millions of m <sup>3</sup> )	0.0620	0.0606	0.0594	0.0581	0.0568
Real water consumption (millions of m <sup>3</sup> )	0.0456	0.0639	0.0574	0.0508	0.0371
Water reduction with respect to base year (%)	29%	0.15%	10%	21%	42%*

## WASTE MANAGEMENT

GRI 103-3  
GRI 306-2

The waste management vision focuses on boosting the waste hierarchy principle by promoting the idea of preventing waste from being generated, fostering reuse and recycling, and favoring trackability. We have a comprehensive waste management plan

which includes prevention and exploitation actions and selective separation for final disposal by authorized companies, and we have monthly indicators for quantifying our own waste and that generated by contractors.

### WASTE

- Chemical substance or hydrocarbon waste
- Paper, plastic
- Electronic and metal parts
- Chemical substance or hydrocarbon waste
- Paper, plastic
- Electronic and electrical waste, batteries
- Waste from pruning vegetation in administrative areas, and rubble
- Non-dangerous, non-exploitable waste

### MANAGEMENT ACTIVITIES

#### Purchase or rental of materials and equipment

- Selection of suppliers
- Selection of substances with least environmental pollution criteria
- Use of laser printers with greater efficiency
- Reduction in purchases of plastic materials

#### Service activities: gas transportation or distribution, electricity distribution, or regasification

- Separation at source for management of all waste from the operation and maintenance: our own or from contractors.
- Recycling of paper and scrap.
- Exploitation of vegetable matter and pruned material
- Disposal of non-dangerous and dangerous waste by authorized handlers
- Greater use of digital information (reports, invoices)

#### Services

- Use of digital platforms for reports, customer reports, petitions, complaints and claims, etc.
- Reports in digital formats

### Waste disposal Tonnes (t)

Solid waste by category. Tonnes (t)	2017			2018			2019			2020		
	Generated	Eliminated	Used, recovered or sold	Generated	Eliminated	Used, recovered or sold	Generated	Eliminated	Used, recovered or sold	Generated	Eliminated	Used, recovered or sold
Dangerous waste	160.75	160.1	0.65	160.75	160.1	0.65	160.75	160.1	0.65	160.75	160.1	0.65
Non-dangerous waste	604.43	557.78	46.65	604.43	557.78	46.65	604.43	557.78	46.65	604.43	557.78	46.65
<b>Total</b>	<b>765.18</b>	<b>717.88</b>	<b>47.3</b>	<b>855.68</b>	<b>831.19</b>	<b>24.49</b>	<b>1,104.64</b>	<b>1,065.38</b>	<b>39.27</b>	<b>578.36</b>	<b>546.1</b>	<b>32.25</b>

### Waste reduction Tonnes (t)

Baseline: year 2015: 795.28 t

Target: 10 per cent reduction in waste disposal

	2016	2017	2018	2019	2020
Expected waste disposal (t)	779.37	763.46	747.56	731.65	715.75
Real waste disposal (t)	791.95	717.88	831.19	1,065.38	546.10
Reduction in waste disposal with respect to base year (%)	0%	9%	-4.5 %	-34%	31.3 %*

The reduction in 2020 was influenced by the reduction in activities and the time people spent in administrative areas or offices because of the 'home office' measure implemented due to the COVID-19 pandemic.

## BIODIVERSITY

■ GRI 103-1, GRI 103-2  
PRINCIPIOS PACTO  
GLOBAL 7, 8, 9



We are committed to protecting dry tropical forest in Colombia's Caribbean region by using strategies to create new protected areas and by reinforcing existing ones and carrying out sustainable production projects that relieve the pressure on resources obtained from this important ecosystem.

■ GRI 103-3

We have achieved the following results:

Creation of protected areas in the Civil Society Reserve near to and in connection with the Los Colorados Flora and Fauna Sanctuary: 108.91 hectares.



This has included carrying out the water supply implementation project on the La Esperanza, Nuevo Méjico, Media Luna and Raicero properties in San Juan Nepomuceno, Bolívar, consisting of adapting 35 pools, thereby benefiting 39 families directly and a further 15 indirectly. 19 families also received materials for collecting rainwater and storing water in the home on their property, principally in the form of tanks or by building or adapting ponds, with zinc sheets for the roof and collection channels.



Purchase of private properties within the protected area in order to contribute to draining them and then handing them over to the Los Colorados Flora and Fauna Sanctuary: 117.63 hectares.



Restoration of areas using native species on the Tití Project Foundation premises: 11.8 hectares.

■ GRI 304-3

**We planted 9,197 trees in 2020, to offset those affected by the various gas pipeline construction and maintenance activities. 4,444 of these were planted on 4 hectares of land, to create habitats for vascular and non-vascular epiphyte species on the La Pastora property, which belongs to the San Antonio Indigenous Community in Sincelejo, Sucre.**

With a view to contributing to knowledge about diversity and based on the offsetting actions we have been taking, we highlight the following:

We contributed content to the book entitled 'Socio-ecosystemic Connectivities in the Los Colorados Flora and Fauna Sanctuary, which was published by Parques Nacionales, USAID, and the Environmental Heritage Foundation.

We added to the national open biodiversity data network (SIN-Colombia) the recording of 58,116 fauna and flora individuals, representing 964 species, that were identified in Bolívar, Sucre, Córdoba and Atlántico provinces.

### We respect biodiversity and we are committed to conserving it. We apply the mitigation hierarchy in the following way:

<p>Mitigation hierarchy <b>Prevent</b></p>	<p><b>ACTIVITY</b></p> <p>No interventions were made in World Heritage and IUCN Category I-IV protected areas.</p> <hr/> <p>Projects that were constructed had been designed and were executed outside national biodiversity conservation areas.</p>	<p>Mitigation hierarchy <b>Restore</b></p>	<p><b>ACTIVITY</b></p> <p>Reshaping and replanting 100 per cent of the area intervened.</p> <hr/> <p>Reshaping of bodies of water that were intervened.</p>
<p>Mitigation hierarchy <b>Minimize</b></p>	<p><b>ACTIVITY</b></p> <p>Only 65 per cent of areas authorized for construction work were intervened.</p> <hr/> <p>Only 55 per cent of the number of trees authorized were felled.</p> <hr/> <p>Implementation of the wildlife crossing in the DMI Palmar el Tití area continued, in order to ensure that the white-faced monkey and other species in the zone can move around.</p> <hr/> <p>Measures were introduced to scare off and transfer fauna species, to prevent them from getting harmed.</p> <hr/> <p>Maintenance was carried out on 2,342 epiphytes that had been rescued and transferred from areas where work was being done on projects, to prevent vascular epiphyte genetic variability being lost; the survival figure is 95 per cent.</p>	<p>Mitigation hierarchy <b>Offset</b></p>	<p><b>ACTIVITY</b></p> <p>697.63 hectares offset due to loss of biodiversity, felling, and intervention of prohibited species.</p> <hr/> <p>238.33 hectares offset: 108.91 as new protected areas, 117.63 as property restoration, and 11.8 on the Tití Project Foundation property replaced with native species. Our target is to offset 580 hectares between 2019 and 2026.</p> <hr/> <p>385 hectares associated with voluntary offsetting.</p> <hr/> <p>8.3 hectares associated with offsetting the felling of trees in various activities and interventions by prohibited species in land areas.</p> <hr/> <p>21 hectares associated with offsetting in water and coastal areas.</p>

**We work in conjunction with the National Entrepreneurs Association (ANDI), Environmental Heritage, the Dry Ecosystems of Colombia Foundation and the Tití Foundation to protect ecosystems in our area of influence.**

■ GRI 304-2

Temporary impacts associated with habitat transformation have occurred in the course of our activities, due to intervention in ecosystems, the felling of trees during gas pipeline construction work, maintenance activities, or the presence of infrastructure such as stations and the regasification plant. Native species are affected, and we try to reverse this by offsetting and by replanting the areas in question.

For purposes of carrying out projects in Colombia that seek to increase the number of hectares protected under the

country's national system, we have forged alliances with Parques Nacionales Naturales (PNN) and FAO, this latter an entity that we have signed a memorandum of understanding with for joining forces to protect the tropical dry forest ecosystem. We are party to the Biodiversity and Development Strategy for the Caribbean Region of Colombia, as are Parques Nacionales Naturales and the National Entrepreneurs Association (ANDI), which latter leads the initiative, and also to the Von Humboldt Institute for Biological Resources Research, USAID - Natural Riches Program and FAO - Biocaribe Program.

Our affiliated company GdO is linked to the Más Bosques BanCO2 initiative, together with the Valle del Cauca Regional Autonomous Corporation (CVC), which guarantees conservation in areas around the towns of Tuluá, Sevilla, Ginebra and Dagua in Valle del Cauca province. And SPEC planted 20 hectares of red mangrove at the mouth of the Matunilla channel, in Bolívar province.

**Area restoration and other actions in 2020**

■ GRI 304-3

Location and size in hectares of the protected or restored habitat	Cooperation with third parties	Current state of the area and principal progress made	Standards or methodologies used for the calculation
Bolívar (San Juan Nepomuceno) 108.9 hectares	FAO Colombia, Parques Nacionales Naturales and Fundación Herencia Ambiental Caribe	Formalization of 4 of the 6 civil society nature reserve areas to be registered.  The area currently has 39 conservation agreements.	Areas calculated on the basis of dense forest cover, gallery forest, and secondary vegetation.
Bolívar (San Juan Nepomuceno) 117.63 hectares	Parques Nacionales Naturales de Colombia	76 per cent of properties purchased in the Los Colorados Flora and Fauna Sanctuary.	Topographical survey.
Bolívar (San Juan Nepomuceno) 11.80 hectares	Fundación Proyecto Tití	58 per cent of area planted with native timber species on property belonging to the Tití Project Foundation.	Georeferentiation of polygons planted.
Valle del Cauca (Ginebra) 85 hectares	Más Bosques	Conservation of areas.	Annual inspection trips are made, to validate adherence to the conservation agreement.
Valle del Cauca (Dagua, Sevilla, Tuluá) 305 hectares	Más Bosques	Has been guaranteed that the protected area will be retained.	Annual inspection trips are made, to validate adherence to the conservation agreement.
Bolívar (Barú settlement) 21 hectares	N/A	92,400 species of mangrove with quarterly maintenance, mouth of Matunilla channel.	Density count in area planted.



Around 40 endangered species have been identified, and specific environmental management measures have been implemented for them, such as:

- Relocation of species of epiphyte, in order to conserve the genetic variability of vascular species on the La Pastora property (in Sucre province), and of marmosets (civil society reserve being created in Bolívar province, and Loma Fresca, in Bolívar province). Maintenance of these species that were transferred from the Paiva-Caracolí, Jobo-Majagua and Mamonal-Paiva gas pipeline projects is carried out in all these places.
- Creation of a habitat for vascular and non-vascular epiphyte species: 13,799 trees were planted in 2019 and 2020 on 10 hectares of land.
- Monitoring was carried out in 2020 of the cotton-top marmoset species in the Tití DMI and in the area of influence of the Paiva-Caracolí gas pipeline.



GRI 304-4

The most relevant species include: clover (*Platymiscium pinnatum*), guaiacum (*Bulnesia arborea*), mahogany (*Swietenia macrophylla*), ebony (*Caesalpinia ébano*), cocuelo blanco (*Lecythis tuyrana*), cedar (*Cedrela odorata*), and 22 species of epiphyte (11 in the minor concern endangered category).

Classification	Number of species
Critically endangered	6
Endangered	20
Vulnerable	7
Minor concern	7

**Owned, rented or administered operation centers located in or next to protected areas or areas of great value because of their diversity outside protected areas**

Natural gas transportation activity	Location	Area in km <sup>2</sup>	Position	Biodiversity value, based on attributes	Biodiversity value, based on protected list records
Promigas	La Guajira, Magdalena, Bolívar and Atlántico provinces	0.3275	Interior and in buffer zone	Land and marine ecosystems	National and regional parks Ramsar Convention
		0.477			
Promioriente	Santander province	1.37	Interior	Land ecosystems	Regional parks

## OUR CARBON FOOTPRINT

Our affiliated companies in Colombia have carbon footprint certification, and Quavii, in Peru, is in the inventory implementation

phase for obtaining such certification. We consolidate the companies that we control.

### Greenhouse Gas emissions, Scope 1 Metric tonnes of CO<sub>2</sub>e

■ GRI 103-3  
GRI 305-1

Direct

Biogenic

	2017	2018	2019	2020
Direct	18,8413.42	225,576.26	241,142.90	215,590.08
Biogenic	110.39	173.32	91.59	56.17

### Greenhouse gas emissions, Scope 2 Metric tonnes of CO<sub>2</sub>e

■ GRI 103-3  
GRI 305-2

Indirect greenhouse gas emissions  
from generating energy

	2017	2018	2019	2020
Indirect greenhouse gas emissions from generating energy	1,069.11	1,157.89	1,281.08	1,074.68

Note: Data for 2018 and 2019 was increased due to adjustment to emissions by CEO, which were updated to include energy consumption at offices in other towns. Similarly, GdO data for 2019 was adjusted due to the use of current emission factors in the certification process.

### Greenhouse gas emissions, Scope 3 Metric tonnes of CO<sub>2</sub>e

■ GRI 103-3  
GRI 305-3

Other indirect greenhouse  
gas emissions

By fixed and mobile sources

By air transportation

By waste disposal

Biogenic CO<sub>2</sub> emissions,  
Scope 3.

	2017	2018	2019	2020
Other indirect greenhouse gas emissions	1,083.17	1,242.96	4,562.26	2,905.99
By fixed and mobile sources	432.60	590.20	3,759.95	2,475.63
By air transportation	650.57	652.76	736.05	152.86
By waste disposal	-	0	66.25	277.50
Biogenic CO <sub>2</sub> emissions, Scope 3.	13.69	1.93	95.53	150.51

\*The source of emission factors and the Potential Global Heating (PGH) rates used, or reference to the PGH source: UPME, 2018 and IPCC 2014. For SPEC, its own factors were adjusted, due to the nature of its activity.

\*The methodological guidelines established in the "Corporate Accountancy and Reporting Standard, GHG Protocol" were used, mainly, for calculating emissions; this was produced by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). Also, Colombian Technical Standard NTC-ISO 14064-1: 2006.

The gases included in the calculation are:  
In Scope 1: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFC  
In Scope 2: CO<sub>2</sub>  
In Scope 3: CH<sub>4</sub>  
NOX not applicable

	Leakage rate in transportation, distribution and storage (%)	2018 (%)	2019 (%)	2020 (%)
■ GRI 103-3 IPDA1	Promigas	0.017	0.008	0.012
	Transmetano	0.00	0.00	0.004
	Promioriente	0.08	0.08	0.00
	Transoccidente	0.04	0.01	0.01
	SPEC	0.00048	0.0089	0.0005
	<b>TOTAL GEN TRANSPORTE</b>	<b>0.02</b>	<b>0.01</b>	<b>0.01</b>
	Surtigas	3.33	3.06	3.78
	GdO	0.61	0.94	0.14
	<b>TOTAL GEN DISTRIBUCIÓN</b>	<b>1.87</b>	<b>1.89</b>	<b>1.69</b>

# WE STRENGTHEN RELATIONSHIPS WITH COMMUNITIES

## CONTRIBUTION TO SOCIAL PROGRESS

Contributing to social progress is a commitment the organization has made to help meet social challenges and achieve major transformations. Moreover, sustainable environments facilitate company operations and foster a long-term, inclusive relationship with communities and other parties in the areas of influence of our operations.

We give special treatment to relationships with communities, especially ethnic groups, implementing the measures needed for guaranteeing that the organization's human rights policy is adhered to.

GRI 103-1  
GRI 103-2



We carry out transformative, responsible and ethical initiatives which have a purpose and make a positive impact on society because they reinforce the regional development capabilities of social actors in the communities and empower people. This is the approach we use for our social investment programs, since we are conscious of its relevance to business sustainability.

## TARGETS

To generate synergies with other organizations and better coordination with regional bodies.

To adequately identify what our communities need, in order to increase the impact of our social investment.

Corporate positioning in Colombia and Peru of social management programs that are in line with the different businesses and led by the new foundation.

To extend best regional development practices to contractor firms.

Recognition and positioning of the organization as a key actor in regional and national development.

As part of our aim of contributing to sustainable community development, we work especially with young people through innovative initiatives that favor social and productive inclusion and add value to improving their quality of life, and by forging links and establishing favorable environments with a range of actors who contribute to forging good relationships between company, foundation and community.

Each year, the companies decide which communities are to be focused on as a priority in their social management and investment efforts to promote social progress in the regions, and the projects defined with the different population groups are presented to them, so that they can become agents for change in the construction of a better society and in promoting sustainable development.

The companies have a social management policy which establishes guidelines for carrying out actions aimed at favoring social progress in the regions. There are also a donations policy and a manual for relationships with communities. These documents set out the parameters for executing the social investment and are in line with the company's Code of Ethics, its corporate governance precepts, and the policies relating to preventing asset laundering and the financing of terrorism.

***In order to compensate ethnic communities for social impacts during the different stages of infrastructure construction and expansion, priority social investment projects are designed by the communities, in response to the protocol agreements made during the prior consultation stage.***

*Due to the voluntary nature of the social investment made by the companies and their foundations, building relationships of trust with communities that contribute to regional development are favored. Contributing to social progress means having communities that are informed, prepared and organized, so that they can co-administer their development through dialogue, participation exercises and a collective commitment to development and to respecting the public and private entities present in their territory.*

The most significant impacts are associated with the construction phase of expanding existing infrastructure. These impacts are temporary and are associated with heavy vehicle traffic and the temporary blockage of roads, plus rising expectations set against a number of temporary restrictions, but all these activities have management plans and are accompanied by socio-environmental management plans and social compensation. Local fishermen are affected in waters around our affiliated company SPEC because fishing is restricted in the area corresponding to the concession held by the company for its operation.

However, the companies' infrastructure expansion projects, as well as their operation and maintenance ones, are important occasions for creating local jobs in the form of access to temporary work for which the remuneration is higher than that stipulated by law, and this is a fundamental factor in directly promoting a better quality of life for each of the beneficiary families.

Renewable energy generation projects contribute to the energy transition in Colombia by turning to sustainable development and a clear contribution to reshaping the energy breadbasket, to sustainable development, and to reducing CO<sub>2</sub> emissions.

## **RELATIONSHIPS WITH COMMUNITIES**

No new prior consultation processes with ethnic communities were carried out in 2020, but progress was made on complying with compensation agreements already made; 42 such prior consultation processes are currently being complied with, after assistance had been confirmed for 40 per cent of such agreements.

We publicly share the results of environmental and social impact studies when performing our activities. All our companies provide opportunities for participation, where social interest groups can carry out their consultations and express their concerns. Our lines for attending to complaints and reports are available all the time.

## We listen to communities

As far as our gas transportation companies are concerned, the increase was mainly due to problems caused by customary maintenance activities, all of which were dealt with promptly.



We structure our social management strategically, in order to meet their real needs and leave installed capacity in the communities rather than just provide simple philanthropic aid.

We have a presence in this way in every community in the area of influence.

## Community dissemination programs

With a view to minimizing the risk of being affected by third parties and to living in harmony with the gas transportation infrastructure, Promigas, Transmetano, Promioriente and Transoccidente carry out a Prevention Dissemination Program with communities in their respective areas of influence. This program consists of disseminating the company's Contingency Plan, the risks associated with being in the presence of a gas pipeline, and preventive actions relating to this.

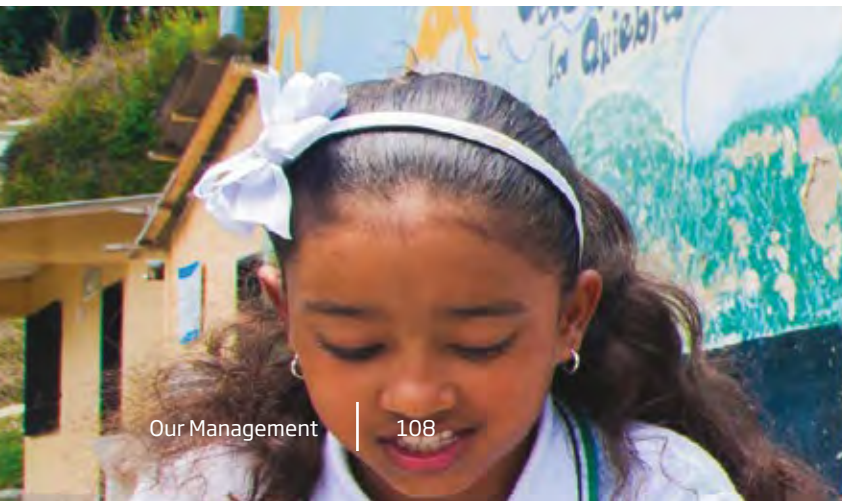
This program also enables risk management knowledge and skills to be reinforced while increasing resilience in areas and generating long-term relationships with communities, authorities, entities and aid organizations there.

### The following achievements were made in 2020:

- 9,000** Information sent to 9,000 homes
- 97** Workshops held with municipal risk management committees (CMGRD)
- 2** Virtual simulations in which aid and CMGRD entities participated
- 1** 1 in-person simulation



**Every municipality prioritized by the company was covered. Community lockdowns were respected during the pandemic and activities were performed virtually in most of them, although in person where this was permitted, with the respective biosecurity protocols being followed at all times**



## WE CONTRIBUTE TO DEVELOPMENT IN THE COMMUNITIES WHERE WE ENGAGE IN OUR ACTIVITIES

### Indirect economic impacts

■ GRI 103-3  
GRI 203-2

We promote job creation in regions where we carry out significant construction or maintenance projects. All non-qualified manpower and 30 per cent of qualified manpower was hired in local communities in 2020, which translated into over 700 local non-qualified jobs and 600 qualified ones and a big boost for the local economy.

***In Peru, Quavii managed to improve quality of life in 2020 for 2,400 families in seven towns and cities connected to the North Concession by offering them temporary formal employment.***

Forestry offsetting projects work to reinforce production initiatives with peasant families in the sectors where work is done. This strategy is carried out in conjunction with Parques Naturales Nacionales and is integrated into the organization's environmental and social targets.

Other positive, economic and indirect impacts relate to improving social infrastructure such as local roads, which benefits communities because it means they can trade their agricultural products.

### Notable social management programs

Due to the health situation resulting from COVID-19, the companies adapted their projected social management plans for 2020. Efforts were directed toward making significant contributions to improving the institutional response capability to the emergency by donating intensive care units to hospitals and personal protection equipment to health personnel, and by providing communities with humanitarian aid, with priority given to the most vulnerable.

However, social investment projects aimed at meeting needs and addressing the social reality in the country during the pandemic were also carried out.

The Promigas Foundation worked in the field of IT in education with around 80 teachers, and this had an indirect impact on approximately 2,800 students at different academic levels in Colombia's Caribbean region.

More than 12 scenarios were created for promoting participation and communication by various actors, and a bank of virtual tools was built up, with more than 30 virtual learning items.

Small businesses in Santa Marta were also given support, and this helped to reactivate, adapt and improve the economic and emotional.

Surtigas, through the Youngsters with Production Values inclusive regional development project of which it is the anchor company, designed a tourist route that will start in Mompox and continue to the villages of Barranco de Loba, Hatillo de Loba and San Martín de Loba with a view to making tourism a mechanism for reactivating the economy in the local 2020-2023 development plans for those communities.



Similarly, interest and new dynamics were generated in these areas for developing differential production schemes that would have a positive impact on improving productivity and efficiency in rural initiatives and projects, based on recognition of existing ones there.

One strategy at our affiliated company CEO, which is part of our Energy Illuminates Lives macro-project, is to improve community radio stations, the goal of which, since 2018, has been to consolidate communities' capabilities.

Transmetano has continued to support four undertakings by small producers and five production units for beans, sugarloaf, chocolate and potatoes which benefit more than 50 families, a total of 180 people.

Humanitarian aid packages reached not only the beneficiary families but also community projects supported by the company, which provided the content for these packages, thereby having a dual positive impact on their economy.

The Promigas Foundation's 'More Entrepreneurial Youngsters' project reached Antioquia in 2015 with the goal of achieving a social transformation and enriching the educational management of entrepreneurship programs at institutions in the area of influence; today all 14 of these institutions in the area have benefited. This has been achieved by implementing Ministry of Education Law 1014. 168 teachers and 799 students in 9th and 10th grades have taken part in this project, while 9,809 have benefited indirectly and 35 active undertakings that generate development alternatives for the regions have been supported.

**Promigas has carried out social programs in the context of its construction and maintenance projects that local town halls and ethnic affairs offices (in the case of indigenous communities) have taken part in. Contributions have been made to improving community infrastructure by building parks, community rooms and deep wells, and providing land for their production activities.**



## SOCIAL INVESTMENT

- Promigas and its Foundation:**  
 COP 11,419 million  
**Total beneficiaries:** 72,183  
**COVID aid:** COP 6,000 million  
**Principal projects:** Humanitarian aid, production projects, community infrastructure and access to water.
- Surtigas:** COP 5,630 million  
**Total beneficiaries:** 37,465  
**COVID aid:** COP 4,000 million  
**Principal projects:** Youths with Productive Values.
- Transmetano:** COP 2,415 million  
**Total beneficiaries:** 4,000  
**COVID aid:** COP 2,000 million  
**Principal projects:** Support for small producers, entrepreneurship training for youths.
- GdO:** COP 5,972 million  
**Total beneficiaries:** 197,159  
**COVID aid:** COP 2,554 million  
**Principal projects:** Regions in Peace.
- SPEC:** COP 579 million  
**Total beneficiaries:** 25,800  
**COVID aid:** COP 520 million  
**Principal projects:** Support for fishing associations, humanitarian aid.
- Promioriente:** COP 2,632 million  
**Total beneficiaries:** 4,443  
**COVID aid:** COP 2,000 million  
**Principal projects:** School kits, community infrastructure.
- CEO:** COP 2,605 million  
**Total beneficiaries:** 27,589  
**COVID aid:** COP 2,000 million  
**Principal projects:** Support for small businesses, Reconnecting Communities.
- Quavii:** COP 550 million  
**Total beneficiaries:** 40,894  
**COVID aid:** COP 482 million



Total social investment in Colombia and Peru:

**COP 31,803 million**

**Beneficiarios**

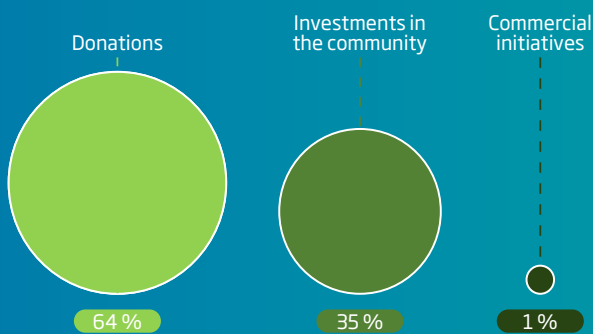
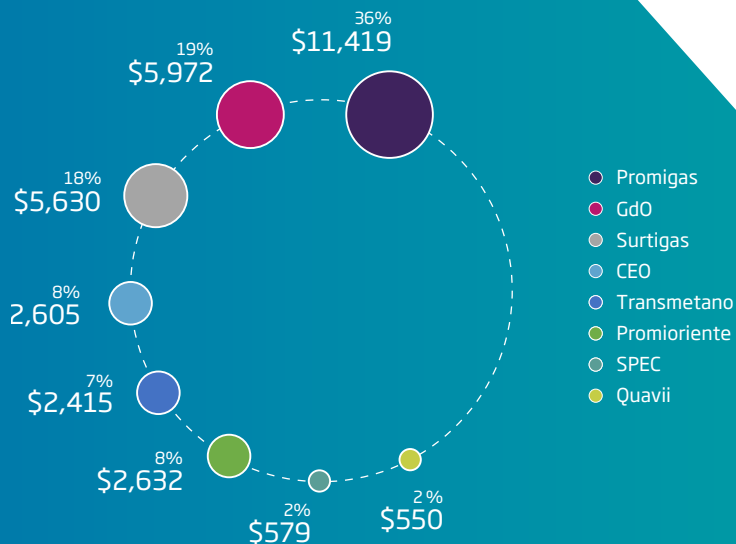
**410,000**

Total social investment

**COP 31,803 million**

■ GRI 103-3  
IPPS1





- Number of social programs .....• 134
- Number of communities impacted .....• 405
- Number of persons impacted .....• 400,000

- Time: volunteering by employees during paid working hours .....• 135 hours
- Cash contributions (millions) .....• COP 21,795
- Donations in kind: donations of products or services, projects / associations or similar (millions) .....• COP 6,478
- General management expenses (millions) .....• COP 3,935

## Promigas Foundation

The organization is currently in the process of consolidating a single foundation, in order to take advantage of synergies and boost voluntary social management results in Colombia and Peru, with the firm goal of focusing efforts on reactivating the country's economy after the severe recession and the decline in social indicators as a result of the COVID-19 pandemic.

*We consider that this integration is a valuable strategy for guiding the entire organization, by aligning its programs and activities more toward achieving the Sustainable Development Goals which, in turn, will help to make a bigger impact and to communicate that impact better to all interest audiences.*

■ GRI 413-1



*We have a presence in every community with our social participation and management programs.*

## The COVID contingency

Because of the COVID-19 emergency and the government guidelines for preventing the disease from spreading, we changed our relationship strategy, since we wanted to continue to be connected to our communities yet meetings and travel were restricted, so we continued our relationship in our areas of influence electronically (telephone, video, virtual meetings).

The social plan we had drawn up was modified, so that more resources could be directed toward dealing with the health emergency. In line with the government's goal of strengthening the health system and expanding capacity for medical care, a contribution of 22 thousand million pesos was made.

An aggressive strategy was drawn up for delivering humanitarian aid to more than 30,000 families in the provinces where we engage in our activities, with a view to helping meet the basic needs of vulnerable people.

Specific campaigns were also carried out to support families of contractor firms and their communities by delivering food packages, in order to soften the social and food crisis resulting from the pandemic.

The company set out an agenda with projects relating to such things as food security, connectivity solutions, strengthening the health sector and production activity, in order to meet the community's real needs in the 'new normal'; these are in line with national directives aimed at reinforcing social resilience in the regions and contributing to the reactivation of the country's economy.



*This, in turn, enabled alliances to be forged with various public and private entities that had similar initiatives, with a view to generating synergies and facilitating operation of the strategies.*

# ACKNOWLEDGEMENTS

*We would like to thank our shareholders for the trust they have placed in us and our customers for their support and preference, which motivate us to be better, and also to our people for their dedication, commitment and constant efforts which, in these circumstances, have enabled us to obtain the good results that we have presented.*

Our thanks also go to our suppliers for their firm support in the activities that we entrust them with, and to our communities and other interest groups because it is thanks to them that we continue to perform our activities with excellence and to generate progress and development.

## INTELLECTUAL PROPERTY, COPYRIGHT, AND OTHERS

The company has ensured that it uses duly licensed software in all its processes, and it complies with provisions currently in force relating to copyright, Law 603 of 2000.

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

.....  
**MARÍA LORENA GUTIÉRREZ**

Chair of the Board of Directors

.....  
**ERIC FLESCH**

President, Promigas

Note: This report was read and approved unanimously by all directors at a meeting of the Board of Directors held on February 22, 2021, as accredited in Minute No. 518 dated February 22, 2021.

.....  
**NATALIA ABELLO**

Secretary

# REPORT PROFILE

We hereby present our Integrated Report, the principal channel through which we provide accountability each year to our audiences, which has been drawn up in accordance with sustainability principles relating to reports and describes how we generate value and also the most notable results with respect to economic, social, environmental and corporate governance matters.

This report has been drawn up in accordance with GRI standards, Essential Option, and International Integrated Reporting Council (IIRC) guidelines; additionally, recommendations relating to the publication of information contained in the Dow Jones sustainability index have been followed. We also include our contribution to the Sustainable Development Goals (SDG).

The content published has been selected and prioritized on the basis of material issues that are relevant to Promigas and its interest groups, and it covers the businesses we participate in through the companies that make up our strategic transportation and distribution business groups. The report also includes companies in which we have a shareholding and relevant information about achievements, challenges, targets and opportunities, plus the way we identify and manage our risks.

■ GRI 102-1  
GRI 102-3  
GRI 102-5  
GRI 102-45

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

■ GRI 102-46  
GRI 102-50  
GRI 102-51  
GRI 102-52  
GRI 102-53  
GRI 102-54

It has been prepared by Promigas Corporate Communications Management in conjunction with the different business units, and was presented by the Promigas President to a meeting of the Board of Directors on February 22, 2021, where it was read carefully and approved unanimously by all directors, who confirmed that this integrated report represents the organization's performance during the period in a fair manner. The information contained in the report was subsequently verified by Ernst and Young in order to ensure its integrity, as accredited in the published memorandum.

The Management Report is published on an annual basis and includes information relating to the period from January 1 to December 31, 2020. The previous report, for 2019, was published in March, 2020. Should you have any doubts or comments, please send them to [comunicaciones@promigas.com](mailto:comunicaciones@promigas.com).

Promigas S.A. E.S.P. is a private company supervised by the Superintendency of Domestic Public Services and the Financial Superintendency of Colombia. It has its head office in Barranquilla, Colombia. The consolidated companies are Promigas, Promioriente, Transmetano, SPEC, Promisol, GdO. Surtigas, CEO and Quavii.



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## Limited and Independent Assurance Statement on the Annual Management Report 2020 - Promigas S.A. E.S.P.

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

### 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 2020" (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 2020 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

**Ernst & Young Audit S.A.S.**  
Bogotá D.C.  
Carrera 11 No 98 - 07  
Edificio Pijao Green Office  
Torre Pils  
Tel: +57 (1) 484 7000  
Fax: +57 (1) 484 7474

**Ernst & Young Audit S.A.S.**  
Medellín - Antioquia  
Carrera 43A No. 3 Sur-130  
Edificio Mila de Oro  
Torre 1 - Piso 14  
Tel: +57 (4) 368 8400  
Fax: +57 (4) 368 8484

measurement methods and estimates that are reasonable in the different circumstances.

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

### Limitations of our assurance engagement

The limitations of our assurance engagement are as follows:

- The statements made by third parties within the text of the Annual Management Report 2020 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.

**Ernst & Young Audit S.A.S.**  
Cali - Valle del Cauca  
Avenida 4 Norte No. 8N - 61  
Edificio Sinto XXI  
Oficina 502-510  
Tel: +57 (2) 485 6280  
Fax: +57 (2) 864 8007

**Ernst & Young Audit S.A.S.**  
Barranquilla - Atlántico  
Calle 77B No. 99 - 61  
Edificio Centro Empresarial II  
Las Américas Oficina 311  
Tel: +57 (5) 386 2201  
Fax: +57 (5) 386 0580

Messrs. Promigas S.A.E.S.P.

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March 31, 2021

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 Annual Management Report 2020 are duly supported by appropriate evidence in each circumstance.
- ▶ Determine that the Annual Management Report 2020 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 2020, 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 2020.

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.

Messrs. Promigas S.A.E.S.P.

Page 3  
March 31, 2021

### 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 2020, 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 A member firm of Ernst & Young Global Limited excluded from the Annual Management Report 2020, 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 2020.
- We are not aware of important errors in the assertions made by the management of Promigas in the Annual Management Report 2020.
- It was not revealed any aspect that makes us believe that the information and data published in the Annual Management Report 2020 of Promigas are not presented correctly.
- It was not revealed any aspect that makes us believe that the Annual Management Report 2020 of Promigas has not been prepared in accordance with the GRI Standards.

- It was 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,



Alessandro Ambrosio  
Lead partner FAAS and CCaSS in Colombia  
Ernst & Young Audit S.A.S.

March 31, 2021  
Bogotá D.C., Colombia.



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### Annex. Topic - Specific Standards and own indicators verified:

Material topic	Topic specific Standards or own indicators
Corporate governance	205-2. Communication and training about anti-corruption policies and procedures. 205-3. Confirmed incidents of corruption and actions taken.
Human Rights	406-1. Cases of discrimination and remedial action taken. 412-2. Employee training on human rights policies or procedures.
Risk management	IPGR1. Percentage of compliance with mitigation action plans.
To grow in a profitable and sustainable manner in accordance with the expectations of our shareholders.	201-1. Direct economic value generated and distributed. IPDE2. Gas sales. IPNN1. Percentage of investment in new projects that are directed to clean energy and/or conversion to clean energy. IPNP2. Percentage of New Revenues.
Strengthening the value proposition for our customers	IPCS2. Customer complaints and claims. IPIN 1. Percentage of I+D+i Spending and Investment. IPIN2. FTE I+D+i. IPIN3. Percentage of investment I+D in NPS. IPIN4. Percentage Financial contribution. IPIN5. Percentage of new revenues. IPDE1. Contracted capacity of the transmission system. IPCS1. Customer satisfaction index.
To optimize productivity and guide the organization towards operational excellence levels.	PCS3. Continuity. PCS4. Service interruption events. IPDA1. Leakage rate. PCS4. Leakage index. (Leaks/ Km-Year).
Strengthen supplier and contractor management	IPPS1. Percentage of progress in management systems of significant contractor. IPPS2. Percentage of significant suppliers receiving training in health and safety. IPPS3. Suppliers performance evaluation. 204-1. Proportion of spending on local suppliers. IPPS1 Social investment.
Strengthening community relations	203-2. Significant indirect economic impacts. 413-1. Operations with local community engagement, impact assessments, and development programs. 419-1. Non-compliance with laws and regulations in the social and economic area. 302-1. Energy consumption within the organization. 302-4. Reduction of energy consumption. 303-1. Water withdrawal by source.
Securing an operation environmentally responsible	304-1. Proprietary operations centers, leased or managed located within or adjacent to protected areas or areas of high biodiversity value outside protected areas. 304-2. Significant impacts of activities, products, and services on biodiversity. 304-3. Habitats protected or restored. 304-4. Species that appear on the IUCN Red List and on national conservation lists whose habitats are in areas affected by the operations. 305-1. Direct (Scope 1) GHG emissions. 305-2. Energy indirect (Scope 2) GHG emissions. 305-3. Other indirect GHG emissions (Scope 3). 306-2. Management of significant waste-related impacts. 307-1 Non-compliance with environmental laws and regulations.
Ensure a safe operation	403-1. Occupational health and safety management system. 403-2. Hazard identification, risk assessment and incident investigation. 403-3. Occupational health services. 403-4. Worker participation, consultation and communication on occupational health and safety. 403-5. Occupational health and safety training for workers. 403-6. Promotion of workers' health. 403-8. Coverage of the occupational health and safety management system. 403-9. Injuries due to occupational accidents. 403-10. Occupational diseases and illnesses.
Strengthen the integral development of our employees and the corporate culture.	IPTH1. Organizational climate. IPTH2. Investment in health. 404-1. Average hours of training per year per employee.



# GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	PAGE NUMBERS AND URLS	EXTERNAL ASSURANCE
GRI 101: FOUNDATION 2016			
<b>GENERAL DISCLOSURES</b>			
<b>Organizational profile</b>			
<b>GRI 102: GENERAL DISCLOSURES 2016</b>	GRI 102-1: Name of the organization 2016	115	✓
	GRI 102-2: Activities, brands, products, and services 2016	14	✓
	GRI 102-3: Location of headquarters 2016	115	✓
	GRI 102-4: Location of operations 2016	14	✓
	GRI 102-5: Ownership and legal form 2016	115	✓
	GRI 102-6: Markets served 2016	14	✓
	GRI 102-7: Scale of the organization 2016	14	✓
	GRI 102-8: Information on employees and other workers 2016	91	✓
	GRI 102-9: Supply chain 2016	87	✓
	GRI 102-10: Significant changes to the organization and its supply chain 2016	-	✓
	GRI 102-11: Precautionary Principle or approach 2016	47	✓
	GRI 102-12: External initiatives 2016	31	✓
	GRI 102-13: Membership of associations 2016	31	✓
<b>Strategy</b>			
<b>GRI 102: GENERAL DISCLOSURES 2016</b>	GRI 102-14: Statement from senior decision-maker 2016	6	✓
	GRI 102-15: Key impacts, risks, and opportunities 2016	6, 49	✓
<b>Ethics and integrity</b>			
<b>GRI 102: GENERAL DISCLOSURES 2016</b>	GRI 102-16: Values, principles, standards, and norms of behavior 2016	41	✓
	GRI 102-17: Mechanisms for advice and concerns about ethics 2016	41	✓
<b>Governance</b>			
<b>GRI 102: GENERAL DISCLOSURES 2016</b>	GRI 102-18: Governance structure 2016	42	✓
	GRI 102-22: Composition of the highest governance body and its committees 2016	42	✓
	GRI 102-23: Chair of the highest governance body 2016	42	✓



GRI STANDARD	DISCLOSURE	PAGE NUMBERS AND URLS	EXTERNAL ASSURANCE
<b>Stakeholder engagement</b>			
<b>GRI 102:</b> GENERAL DISCLOSURES 2016	GRI 102-40: List of stakeholder groups 2016	24, 27	✓
	GRI 102-41: Collective bargaining agreements 2016	91	✓
	GRI 102-42: Identifying and selecting stakeholders 2016	27	✓
	GRI 102-43: Approach to stakeholder engagement 2016	27	✓
	GRI 102-44: Key topics and concerns raised 2016	24	✓
<b>Reporting practice</b>			
<b>GRI 102:</b> GENERAL DISCLOSURES 2016	GRI 102-45: Entities included in the consolidated financial statements 2016	115	✓
	GRI 102-46: Defining report content and topic Boundaries 2016	24, 115	✓
	GRI 102-47: List of material topics 2016	24	✓
	GRI 102-48: Restatements of information 2016	-	✓
	GRI 102-49: Changes in reporting 2016	-	✓
	GRI 102-50: Reporting period 2016	115	✓
	GRI 102-51: Date of most recent report 2016	115	✓
	GRI 102-52: Reporting cycle 2016	115	✓
	GRI 102-53: Contact point for questions regarding the report 2016	115	✓
	GRI 102-54: Claims of reporting in accordance with the GRI Standards 2016	115	✓
	GRI 102-55: GRI content index 2016		✓
	GRI 102-56: External assurance 2016		✓

GRI STANDARD	DISCLOSURE	PAGE NUMBERS AND URLS	OMISSION
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## MATERIAL TOPICS

### Economic Performance

<b>GRI 103:</b> MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its Boundary	57	EXTERNAL ASSURANCE ✓
	103-2 The management approach and its components	57	
	103-3 Evaluation of the management approach	64, 68	
<b>GRI 201:</b> ECONOMIC PERFORMANCE 2016	201-1 Direct economic value generated and distributed	68	SDO 7,8 Y 9

### Indirect Economic Impacts (Contribution to social development)

<b>GRI 103:</b> MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its Boundary	106	EXTERNAL ASSURANCE ✓
	103-2 The management approach and its components	106	
	103-3 Evaluation of the management approach	109	
<b>GRI 203:</b> INDIRECT ECONOMIC IMPACTS 2016	203-2: Significant indirect economic impacts	109	ODS 2 Y 8

### Procurement practices

<b>GRI 103:</b> MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its Boundary	86	EXTERNAL ASSURANCE ✓
	103-2 The management approach and its components	86	
	103-3 Evaluation of the management approach	87	
<b>GRI 204:</b> PROCUREMENT PRACTICES 2016	204-1 Proportion of spending on local suppliers	87	PACTO GLOBAL PRINCIPIO 2 SDO 8 Y 9

### Anti-Corruption (ethics)

<b>GRI 103:</b> GENERAL DISCLOSURES 2016	103-1 Explanation of the material topic and its Boundary	41	EXTERNAL ASSURANCE ✓
	103-2 The management approach and its components	41	
	103-3 Evaluation of the management approach	41	
<b>GRI 205:</b> ANTI-CORRUPTION 2016	205-2 Communication and training about anti-corruption policies and procedures	41	GLOBAL COMPACT PRINCIPAL 10
	205-3 Confirmed incidents of corruption and actions taken	41	SDO 8

### Energy (Resources and waste management)

<b>GRI 103:</b> GENERAL DISCLOSURES 2016	103-1 Explanation of the material topic and its Boundary	98	EXTERNAL ASSURANCE ✓
	103-2 The management approach and its components	98	
	103-3 Evaluation of the management approach	99	
<b>GRI 302:</b> ENERGY 2016	302-1 Energy consumption within the organization	99	GLOBAL COMPACT PRINCIPAL 7 Y 9
	302-4 Reduction of energy consumption	100	SDO 13

### Water (Resources and waste management)

<b>GRI 103:</b> GENERAL DISCLOSURES 2016	103-1 Explanation of the material topic and its Boundary	98	EXTERNAL ASSURANCE ✓
	103-2 The management approach and its components	98	
	103-3 Evaluation of the management approach	100	
<b>GRI 303:</b> WATER 2016	303-1 Water withdrawal by source	100	GLOBAL COMPACT PRINCIPAL 7 Y 9 SDO 6

GRI STANDARD	DISCLOSURE	PAGE NUMBERS AND URLS	OMISSION
<b>Biodiversity</b>			
<b>GRI 103:</b> GENERAL DISCLOSURES 2016	103-1 Explanation of the material topic and its Boundary	102	EXTERNAL ASSURANCE ✓
	103-2 The management approach and its components	102	
	103-3 Evaluation of the management approach	102	
<b>GRI 304:</b> BIODIVERSITY 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	104	EXTERNAL ASSURANCE ✓
	304-2 Significant impacts of activities, products, and services on biodiversity	103	GLOBAL COMPACT PRINCIPAL 7 Y 9
	304-3 Habitats protected or restored	102, 103	SDO 15
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	104	
<b>Emissions (Adapting to climate change)</b>			
<b>GRI 103:</b> GENERAL DISCLOSURES 2016	103-1 Explanation of the material topic and its Boundary	97,98	EXTERNAL ASSURANCE ✓
	103-2 The management approach and its components	97,98	
	103-3 Evaluation of the management approach	105	
<b>GRI 305:</b> EMISSIONS 2016	305-1 Direct (Scope 1) GHG emissions	105	GLOBAL COMPACT PRINCIPAL 7 Y 9
	305-2 Energy indirect (Scope 2) GHG emissions	105	SDO 13
	305-3 Other indirect (Scope 3) GHG emissions	105	
<b>Effluents and waste (Resources and waste management)</b>			
<b>GRI 103:</b> GENERAL DISCLOSURES 2016	103-1 Explanation of the material topic and its Boundary	98	EXTERNAL ASSURANCE ✓
	103-2 The management approach and its components	98	
	103-3 Evaluation of the management approach	101	
<b>GRI 306:</b> EFFLUENTS AND WASTE 2016	306-2 Waste by type and disposal method	101	GLOBAL COMPACT PRINCIPAL 7 Y 9
			SDO 12
<b>Environmental Compliance (Legal and Regulatory Management)</b>			
<b>GRI 103:</b> GENERAL DISCLOSURES 2016	103-1 Explanation of the material topic and its Boundary	41	EXTERNAL ASSURANCE ✓
	103-2 The management approach and its components	41	
	103-3 Evaluation of the management approach	41	
<b>GRI 307:</b> ENVIRONMENTAL COMPLIANCE 2016	307-1 Non-compliance with environmental laws and regulations	41	GLOBAL COMPACT PRINCIPAL 10
			SDO 8

GRI STANDARD	DISCLOSURE	PAGE NUMBERS AND URLS	OMISSION
<b>Occupational health and safety (Safety in all processes.)</b>			
<b>GRI 103:</b> GENERAL DISCLOSURES 2016	103-1 Explanation of the material topic and its Boundary	82	<b>EXTERNAL ASSURANCE</b> ✓ <b>GLOBAL COMPACT PRINCIPAL 1,2,3,4,5,6</b> <b>SDO 8</b>
	103-2 The management approach and its components	82	
	103-3 Evaluation of the management approach	83, 85	
<b>GRI 403:</b> OCCUPATIONAL HEALTH AND SAFETY 2016	403-1 Occupational health and safety management system	83	<b>EXTERNAL ASSURANCE</b> ✓ <b>GLOBAL COMPACT PRINCIPAL 1,2,3,4,5,6</b> <b>SDO 8</b>
	403-2 Hazard identification, risk assessment, and incident investigation	83	
	403-3 Occupational health services	83	
	403-4 Worker participation, consultation, and communication on occupational health and safety	83, 84, 95	
	403-5 Worker training on occupational health and safety	84	
	403-6 Promotion of worker health	93	
	403-8 Workers covered by an occupational health and safety management system	84	
	403-9 Work-related injuries	85	
	413-10 Work-related ill health	95	
	<b>Training and education (Knowledge management)</b>		
<b>GRI 103:</b> GENERAL DISCLOSURES 2016	103-1 Explanation of the material topic and its Boundary	90	<b>EXTERNAL ASSURANCE</b> ✓ <b>GLOBAL COMPACT PRINCIPAL 1,2,3,4,5,6</b> <b>SDO 8</b>
	103-2 The management approach and its components	90	
	103-3 Evaluation of the management approach	94	
<b>GRI 404:</b> TRAINING AND EDUCATION 2016	404-1 Average hours of training per year per employee	94	
<b>Non-discrimination (Human Rights)</b>			
<b>GRI 103:</b> GENERAL DISCLOSURES 2016	103-1 Explanation of the material topic and its Boundary	44	<b>EXTERNAL ASSURANCE</b> ✓ <b>GLOBAL COMPACT PRINCIPAL 1,2,3,4,5,6</b> <b>SDO 8</b>
	103-2 The management approach and its components	44	
	103-3 Evaluation of the management approach	45	
<b>GRI 406:</b> NON- DISCRIMINATION 2016	406-1 Incidents of discrimination and corrective actions taken	45	
<b>Human Rights Assessment (Human Rights)</b>			
<b>GRI 103:</b> GENERAL DISCLOSURES 2016		44	<b>EXTERNAL ASSURANCE</b> <b>GLOBAL COMPACT PRINCIPAL 1,2,3,4,5,6</b> <b>SDO 8</b>
	103-2 The management approach and its components	44	
	103-3 Evaluation of the management approach	44	
<b>GRI 412:</b> HUMAN RIGHTS ASSESSMENT 2016	412-2 Employee training on human rights policie or procedures	41	

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### Local communities (Contribution to social development)

<b>GRI 103:</b> GENERAL DISCLOSURES 2016	103-1 Explanation of the material topic and its Boundary	106	EXTERNAL ASSURANCE ✓ SDO 2 y 8
	103-2 The management approach and its components	106	
	103-3 Evaluation of the management approach	109	
<b>GRI 413:</b> LOCAL COMMUNITIES 2016	413-1 Operations with local community engagement, impact assessments, and development programs	112	

### Socioeconomic compliance (Legal and Regulatory Management)

<b>GRI 103:</b> GENERAL DISCLOSURES 2016	103-1 Explanation of the material topic and its Boundary	41	EXTERNAL ASSURANCE ✓ GLOBAL COMPACT PRINCIPAL 10 SDO 8
	103-2 The management approach and its components	41	
	103-3 Evaluation of the management approach	41	
<b>GRI 419:</b> SOCIOECONOMIC COMPLIANCE 2016	419-1 Non-compliance with laws and regulations in the social and economic are	41	

## OWN INDICATORS

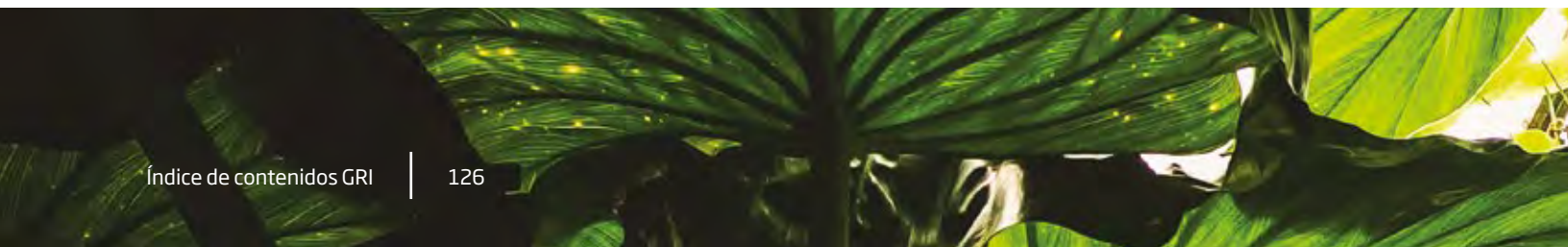
### Risk management

<b>GRI 103:</b> GENERAL DISCLOSURES 2016	103-1 Explanation of the material topic and its Boundary	47	EXTERNAL ASSURANCE ✓
	103-2 The management approach and its components	47	
	103-3 Evaluation of the management approach	48	
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### Innovation

<b>GRI 103:</b> GENERAL DISCLOSURES 2016	103-1 Explanation of the material topic and its Boundary	51	EXTERNAL ASSURANCE ✓ SDO 9
	103-2 The management approach and its components	51	
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	IPIN 2 - Full-time equivalent (FTE) personnel dedicated to innovation	53	
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<b>Economic Performance</b>			
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	103-2 The management approach and its components	57	
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	103-2 The management approach and its components	69	
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<b>PROMIGAS NEW BUSINESS IPNN</b>	IPNN1- Percentage investment in new projects relating to clean energies or conversion to clean energies	71	
<b>New products and services</b>			
<b>GRI 103:</b> GENERAL DISCLOSURES 2016	103-1 Explanation of the material topic and its Boundary	73	<b>EXTERNAL ASSURANCE</b> <b>SDO 9</b>
	103-2 The management approach and its components	73	
	103-3 Evaluation of the management approach	75	
<b>PROMIGAS NEW PRODUCTS AND SERVICES IPNP</b>	IPNN1- % Investment in R&D in NPS (report as percentage)	75	
	IPNP2- % New revenue (report as percentage)	75	
<b>Customer Service Quality</b>			
<b>GRI 103:</b> GENERAL DISCLOSURES 2016	103-1 Explanation of the material topic and its Boundary	76	<b>EXTERNAL ASSURANCE</b> ✓ <b>SDO 7, 8, 9 Y 11</b>
	103-2 The management approach and its components	76	
	103-3 Evaluation of the management approach	80,81	
<b>PROMIGAS CUSTOMER SERVICE QUALITY IPCS</b>	IPCS1- Customer satisfaction	80	
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	IPCS4- Gas leaks (leaks/km-year)	81	



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### Sustainable Supplier Management

<b>GRI 103:</b> GENERAL DISCLOSURES 2016	103-1 Explanation of the material topic and its Boundary	86	EXTERNAL ASSURANCE ✓ GLOBAL COMPACT PRINCIPAL 2 SDO 8
	103-2 The management approach and its components	86	
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### Human Talent Development and Wellbeing

<b>GRI 103:</b> GENERAL DISCLOSURES 2016	103-1 Explanation of the material topic and its Boundary	90	EXTERNAL ASSURANCE ✓ GLOBAL COMPACT PRINCIPAL 3 Y 6 SDO 8
	103-2 The management approach and its components	90	
	103-3 Evaluation of the management approach	95	
<b>PROMIGAS HUMAN TALENT DEVELOPMENT AND WELLBEING IPTH</b>	IPTH1- Organizational climate	95	
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### Environmental Performance

<b>GRI 103:</b> GENERAL DISCLOSURES 2016	103-1 Explanation of the material topic and its Boundary	97	EXTERNAL ASSURANCE ✓ GLOBAL COMPACT PRINCIPAL 7, 8 Y 9 SDO12 Y 15
	103-2 The management approach and its components	97	
	103-3 Evaluation of the management approach	105	
<b>PROMIGAS ENVIROMENTAL PERFORMANCE IPDA</b>	IPDA1- Leakage rate	105	

### Contribution to Social Development

<b>GRI 103:</b> GENERAL DISCLOSURES 2016	103-1 Explanation of the material topic and its Boundary	106	EXTERNAL ASSURANCE ✓ SDO 2 Y 8
	103-2 The management approach and its components	106	
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