



SUSTAINABLE MANAGEMENT REPORT

2016



GRUPO ENERGÍA
DE BOGOTÁ



ENERGÍA
de Bogotá

WE THANK THE TEAMS THAT SUPPORTED ELABORATION OF THIS MANAGEMENT REPORT



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- Legal and Regulation Vice-president's Office
- Investment Vice-president's Office
- Human Management and Services Vice-president's Office Finance Vice-president's Office
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- Internal Audit Department
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- Legal Department of the Business
- Sustainable Development Department
- Fundación Grupo Energía de Bogotá

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PHOTOBANK OF EEB

Bogotá, March 2017

www.grupoenergiadebogota.com

www.grupoenergiadebogota.com/eeb/index.php

CONTENTS

01 page 6

MESSAGE TO GROUPS OF INTEREST

02 page 8

ABOUT OUR REPORT

03 page 16

KNOW GRUPO ENERGÍA DE BOGOTÁ

- 3.1. Profile of Grupo Energía de Bogotá
- 3.2. Empresa de Energía de Bogotá EEB

04 page 54

CREATING VALUE FOR SHAREHOLDERS AND INVESTORS

- 4.1. Why is it important?
- 4.2. How is it managed?
- 4.3. How is it assessed?
- 4.4. Activities and Initiatives 2016
- 4.5. Investor Relation
- 4.6. Main Risks, Impacts and Opportunities of EEB
- 4.7. Achievements 2016
- 4.8. Challenges 2017
- 4.9. Economic Indicators

05 page 70

SERVICE QUALITY AND RELIABILITY

- 5.2. How is it managed?
- 5.3. How is it assessed?
- 5.4. Activities and Initiatives 2016

06 page 90

PROTECTION WELL-BEING AND LIFE QUALITY

- 6.1. Social Management with Local Communities
 - 6.1.1. Why is it important?
 - 6.1.2. How is it managed?
 - 6.1.3. How is it assessed?
 - 6.1.4. Activities and Initiatives 2016
 - 6.1.5. Achievements 2016
 - 6.1.6. Challenges 2017
- 6.2. Management of Human Talent of EEB
 - 6.2.1. Why is it important?
 - 6.2.2. How is it managed?
 - 6.2.3. How is it assessed?
 - 6.2.4. Activities and Initiatives 2016
 - 6.2.5. Contribution to Human Rights
- 6.3. Health and Safety at Work
 - 6.3.1. Why is it important?
 - 6.3.2. How is it managed?
 - 6.3.3. How is it assessed?
 - 6.3.4. Activities and Initiatives 2016
 - 6.3.5. Challenges 2017
- 6.4. Management of the Supply and Distribution Chain
 - 6.4.1. Why is it important?
 - 6.4.2. How is it managed?
 - 6.4.3. How is it assessed?

07 page 150

ETHICS AND FIGHT AGAINST CORRUPTION

- 7.1. Why is it important?
- 7.2. How is it managed?
- 7.3. How is it assessed?
- 7.4. Activities and Initiatives 2016
- 7.5. Achievements 2016
- 7.6. Challenges 2017

08 page 162

ENVIRONMENTAL MANAGEMENT

- 8.1. Biodiversity
 - 8.1.1. Why is it important?
 - 8.1.2. How is it managed?
 - 8.1.3. How is it assessed?
 - 8.1.4. Activities and Initiatives 2016
- 8.2. Atmospheric Emissions and Climate Change
 - 8.2.1. How is it important?
 - 8.2.2. How is it managed?
 - 8.2.3. How is it assessed?
 - 8.2.4. Activities and Initiatives 2016
- 8.3. Fundación Grupo Energía de Bogotá

09 page 198

CORPORATE GOVERNANCE REPORT

10 page 260

ANNEX
Table of GRI Indicators

01

MESSAGE TO GROUPS
OF INTEREST

*In 2016 Empresa de
Energía de Bogotá S.A.
E.S.P celebrated
120 years providing
energy and well-being to
thousands of households
in Colombia*

GRI
102-14*Shareholders and Groups of Interests:*

In 1896 two young entrepreneurs started a company to create the miracle of electric light in Bogotá. It was a hard time. The country had just ended a civil war and was only one step away from another one. Nonetheless, in spite of adversities, the man-aged to make the first click: 6,000 light bulbs were turned on and at the time 100,000 inhabitants of the capital applauded arrival of electric light which put an end to more than four centuries of struggling to fight darkness in the frozen nights of Bogotá.

Ever since, we have not stopped growing. And today, 121 years later, Grupo Energía de Bogotá (GEB) keeps obtaining good results. It has consolidated as one of the most important energy and gas multilatinas in the region and a success case of public-private sector management. In 2016, we offered energy and well-being to thousands of households not only in Colombia, but also Guatemala, Peru and Brazil.

1) It was a year in which we kept our financial performance with near 1.3 trillion pesos in profits, which represented a growth of 302% compared to the profits of 2015. The Company paid dividends in 2016 for \$224,350 million pesos to its over 3 thousand shareholders and during 2017 it has a proposal to pay dividends for about \$909 billion with a growth, with respect to the previous year, of 303%, which show soundness and profitability of the company.

Our stock had a solid behavior with a positive trend during the entire year, having an average price of \$1825. The stock of Empresa de Energía de Bogotá S.A. E.S.P (EEB) ranked 11 among top gainer stocks of COLCAP, with a participation of 4.271% which makes it an attractive and long-term stable investment opportunity.

Good Performance of Empresa de Energía de Bogotá S.A. E.S.P was recognized by the main credit rating agencies.

2) Good performance of Empresa de Energía de Bogotá S.A. E.S.P was recognized by the main credit agencies. Fitch Ratings reaffirmed its BBB rating with stable perspective for corporate debt. Standard and Poor's (S&P) reaffirmed the (BBB-) credit rating of corporate debt of EEB, Transportadora de Gas Internacional S.A. ESP (TGI) and Gas Natural de Lima and Calidda), which corresponds to the investment grade; and Moody's, in its Credit Opinion, kept the Baa2 investment

grade of Empresa de Energía de Bogotá S.A. E.S.P and the stable perspective of the company thanks to good management of the debt and a reasonable and sustainable dividend policy, among other aspects.

3) In 2016, we strengthened our electric energy transmission and natural gas transport businesses. As a result, EEB obtained income for \$232 billion with a growth of 31% against 2015. EEB consolidated as the second transmission company of the country with a

share of 12.46% of the income of the National Transmission System (STN). Additionally, it is executing 8 out of 21 projects of the STN that are currently being developed in the country and is also in charge of execution of 2 out of 11 expansion projects of the Regional Transmission Systems (STR) awarded by public call.

4) In Guatemala, GEB led development of the energy sector in 2016 through company TREC-SA. There, we made significant progress in development of the

PET-1 project for building of 850 kilometers of new 230-kilovolt transmission lines and 24 works of extension and building of new substations that shall serve to double the transmission capacity in the National Interconnected System (SNI). An important milestone was the start of operations of Santa Ana substation, which is part of the Anillo Pacífico Sur (APS) project, a key work to strengthen the SNI of Guatemala and that contributes significantly to energy security in Central America.

5) As for our natural gas activities, TGI consolidated as the main gas transport company of Colombia with networks going through 14 departments and 157 municipalities, transporting 70% of the natural gas consumed in the country with about 4,000 kilometers of networks. Financial results show operating income for 1.3 trillion pesos and an EBITDA of 1.1 trillion pesos.

6) In urban energy solutions, we take pride in saying that we play leading roles in development of

natural gas in Peru. In 2016, our company Calidda exceeded 431,500 gas connections in households and industries of Lima and Callao achieving a penetration of 57.41% and more than 2 million persons benefited. Grupo Energía de Bogotá is currently a key partner of the Peruvian Government in widespread the use of natural gas.

We also had important results with our company Contugas which signed an agreement

with the Energy Social Inclusion Fund (FISE) of Peru to foster use of natural gas. 10 thousand connections shall be made, with which Contugas shall be complying, in advance, with the commitment acquired with the Peruvian government of providing natural gas to 50 thousand households by 2020. These figures shall make Ica the first region of the country enjoying in a massive manner this energy thanks to the management of GEB.

In addition to all these positive figures, one of the most significant results of 2016 for Grupo Energía de Bogotá was the design of a strategic, powerful and challenging plan. Thanks to this plan, today we look into the future with a Group perspective. We set an ambitious goal: becoming a leading non-mining multilateral in the region in 2025.

Our new Corporate Strategic Plan (PEC) shall guide us to grow from three business groups: Urban Energy Solutions, Interconnecting for Market Development and Low-Emission Generation. This involves big organizational

challenges and important transformations for Grupo Energía Bogotá.

We start by the basis of what we do, to wit, our people. We implement a skill assessment model in line with the profiles of our contributors with respect to the actual needs of the business in order to make our group the best place to work.

As a second step, we implemented a new Strategic Sourcing Model which privileges transparent and efficient models of prequalification and selection of suppliers, as well as implementation of tools as E-commerce. This allowed us to reduce 60% of the recruitment times and we obtained savings higher than 3 million dollars.

We also reinforced our audit model through development of the Comprehensive Anti-Fraud and Anti-Corruption Compliance Program, in accordance with the best practices

■ *As a result, Empresa de Energía de Bogotá S.A. ESP registered income for \$232,000 million with a growth of 31% compared to 2015*



at a world level. We work to strengthen within GEB a culture based on transparency, ethics and accountability.

Developing good practices of Corporate Governance has been one of the commitments of the Board of Directors and the Executive Management. A stable, solid and independent Corporate Governance allows us to mitigate potential political influence on management of the company as

to protect the interests of all the shareholders.

And we redesigned and implemented a new sustainability policy. We did it based on three pillars: a genuine and timely relation with the groups of interest in the territories; strategic partnerships with public and private actors and the civil society to seek development, competitiveness and equality; and execution of projects that trans-

form positively life quality in the territories.

That is how in 2016, we started the Tominé Project which consists in fitting a superb natural space so that all inhabitants of Bogotá are able to enjoy and be in contact with nature. This is a dream that includes a big environmental circuit for Bogotá.

We also started procedures for the "Energy for Peace" program, an initiative that shall be developed around Tesalia – Alférez transmission line, which we are building in Huila, Tolima and Valle del Cauca. In this territory, which was affected by the conflict, we are supporting a demining program that shall give back calm to the families of the area.

In Peru, through our companies Cálidda and Contugas, we develop free natural gas connections for school and community restaurants from Lima, Ica and Callao, which benefits more than 55 thousand people.

In Bogotá, our volunteer program "United with Energy" supported the Institute for

Children and Youth Protection (Instituto para la Protección de la Niñez y la Juventud – IDIPRON) in playing and recreational activities for vulnerable children and young people.

In December, GEB and IDIPRON signed an agreement that started with the inauguration of the new administrative headquarters of IDIPRON.

As part of our operation, we have developed maintenance of country roads, we delivered teaching materials to more than 2,800 children from rural schools, we distributed ecoefficient stoves that shall improve health of dozens of families and we are developing teaching activities so that communities understand importance of a combination of electric energy and natural gas.

This strategic plan allows me to say that since the transformation of 1997, in which we divide our businesses and we started to work with big private

partners. Such a significant and challenging change had not occurred before for Grupo Energía Bogotá.

Our priority, as established in our Corporate Sustainability Policy, is “we undertake to ensure that all the operations of our business are framed within a sustainability environment, seeking balance between value generation for our shareholders, wellbeing of the communities, minimization of environmental impact and generation of shared value in the territories where we are present.”

Lastly, we express a deep gratitude to all the human team of GEB, to all the groups of interest for joining us in this process which shall benefit all of us.

We submit these results for your consideration and reaffirm our commitment of making Grupo Energía de Bogotá the main electric energy and natural gas multilateral of the region.

■ *During 2016 our volunteer program, “United with Energy”, supported the Institute for Protection of Children and Youth (IDIPRON)*



Beatriz Arbeláez Martínez
President of the Board of Directors



■ Astrid Álvarez Hernández
President of Grupo de Energía Bogotá

ABOUT OUR REPORT

02

ABOUT OUR REPORT

GRI 102-50

In furtherance of the goals of relation with its groups of interest, Empresa de Energía de Bogotá ESP, as the head of Grupo Energía de Bogotá, presents the Sustainability Report corresponding to year 2016 in the period comprised between January 1 and December 31. This document reflects the main activities of the companies of the Group, highlighting their main milestones achievements and improvement opportunities while emphasizing performance and indicators of Empresa de Energía de Bogotá S.A. ESP.

GRI 102-46

This report contains the operations of Empresa de Energía de Bogotá S.A. ESP, executed through its strategic business groups, including within its geographic extent all the activities in the Colombian territory, save for specific information about financial performance, strategic framework and sustainability management of the companies of Grupo Energía de Bogotá.

GRI 102-54

In this report the Word Company and the acronym EEB shall be used to make reference to Empresa Energía de Bogotá S.A. ESP. Terms Group and Organization shall also be used in contents related to Grupo Energía de Bogotá.

GRI 102-52

This eighth annual report has been prepared in accordance with the Global Reporting Initiative Standard GRI, in its essential option, with the purpose of starting the transition of the Company

GRI 102-56

to application of this new format of GRI indicators. This methodology shall allow generating a clearer and more precise accountability exercise about the activities of the Organization in compliance with the most important standards at international level in matters of sustainability management.

Additionally, this document answers to some issues of assessment of the Dow Jones Sustainability Index, presents the activities carried out by the Company with respect to its commitment with the Ten Principles of the United Nations Global Compact, through its Progress Communication (CoP), and complies with the requirements set forth in the Code of Commerce of Colombia to be considered in the management report for the Shareholders' Meeting.

GRI 102-53

EEB conducts an independent external audit of the annual financial information (Statutory Audit) with firm Deloitte and shall make an assurance of its sustainability report in 2017 under the ISAE 3000.

Any consultation or request of additional information about this report must be sent to email sos-tenibilidad@eeb.com.co. The contact person within the Company is Juan Daniel Ávila Gómez and the report is available for general public on Web page:

<http://www.grupoenergiadebogota.com/>

PROFILE OF GRUPO ENERGÍA DE BOGOTÁ

GRI
102-1

GRI
102-3

GRI
102-4

GRI
102-6

GRI
102-2

Grupo Energía de Bogotá (GEB), led by Empresa de Energía de Bogotá S.A. ESP, (EEB), is a leading multilatin that provides services in the electric energy and natural gas sectors with presence in Colombia, Peru, Guatemala and Brazil. The Group –with its main domicile in Bogota, Colombia – is focused on growth and development of big companies in operation territories, through a solid and transparent structure of corporate governance, before its shareholders.

With more than 120 years of track record, GEB has significant knowledge, experience and reputation with which it generates added value to its groups of interest by a sustainable and profitable management of businesses. This involves participation in companies of the energy chain from generation, transmission, distribution and commercialization of electricity, as well as transport and distribution of natural gas.

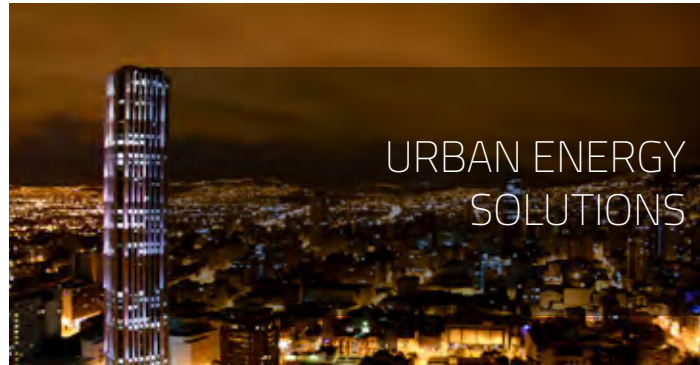
03

KNOWING GRUPO
ENERGÍA DE BOGOTÁ

During 2016, Grupo Energía de Bogotá reformulated its corporate strategy¹, which meant a new organization of its portfolio and the companies of GEB, under three Strategic Business Groups:

STRATEGIC BUSINESS GROUP

GRI 102-7



URBAN ENERGY SOLUTIONS

CODENSA
CALIDDA
GAS NATURAL FENOSA
CONTUGAS

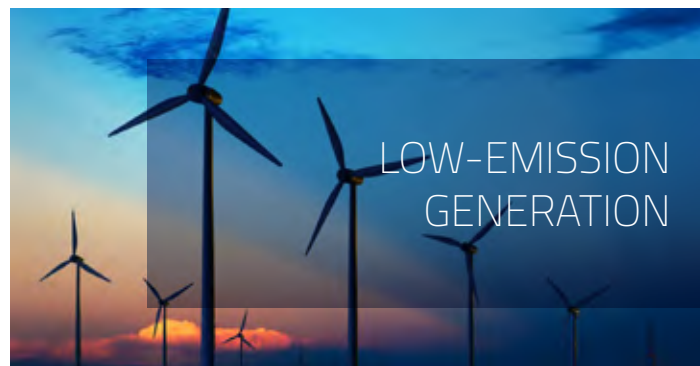
COLOMBIA, PERÚ



INTERCONNECTING FOR MARKET DEVELOPMENT

Empresa de Energía de Bogotá
TGI
GEBBRAS
CONTUGAS
TRECSA

COLOMBIA, BRASIL, GUATEMALA, PERÚ



LOW-EMISSION GENERATION

EMGESA

COLOMBIA

¹ Under the title "Corporate Strategy of GEB" in this chapter, challenges and implications of this new navigation chart that involves all the groups of interest of the companies of the Group.

GRI 102-7, EU1, EU2, EU4, EU30

Upon closing of 2016 Grupo Energía de Bogotá provided service for more than 6 million customers, through a network of more than 12 thousand kilometers of energy and gas transmission and a generation higher than 14,000 Gigawatts hour (GWH).

GAS DISTRIBUTION
2.1
Million Customers in Colombia

ENERGY DISTRIBUTION
3.5
Million Customers in Colombia

ENERGY GENERATION
23%
Of generation in Colombia
14951 GWh

CONSOLIDATED INCOME
USD 1026
Million in 2016

NET PROFIT 2
USD 422
Million in 2016

CONSOLIDATED EBITDA
USD 855
Million in 2016

ENERGY TRANSMISSION
12.6%
Of transmission in Colombia

1.1%
Of transmission in Brazil

20.8%
Of transmission in Guatemala

GAS DISTRIBUTION IN PERU
480K
Customers

1158
Billed MMSCFD¹

GAS TRANSPORT IN COLOMBIA
3957
KM of gas pipeline

730
MMSCFD available transport capacity

60%
Market share



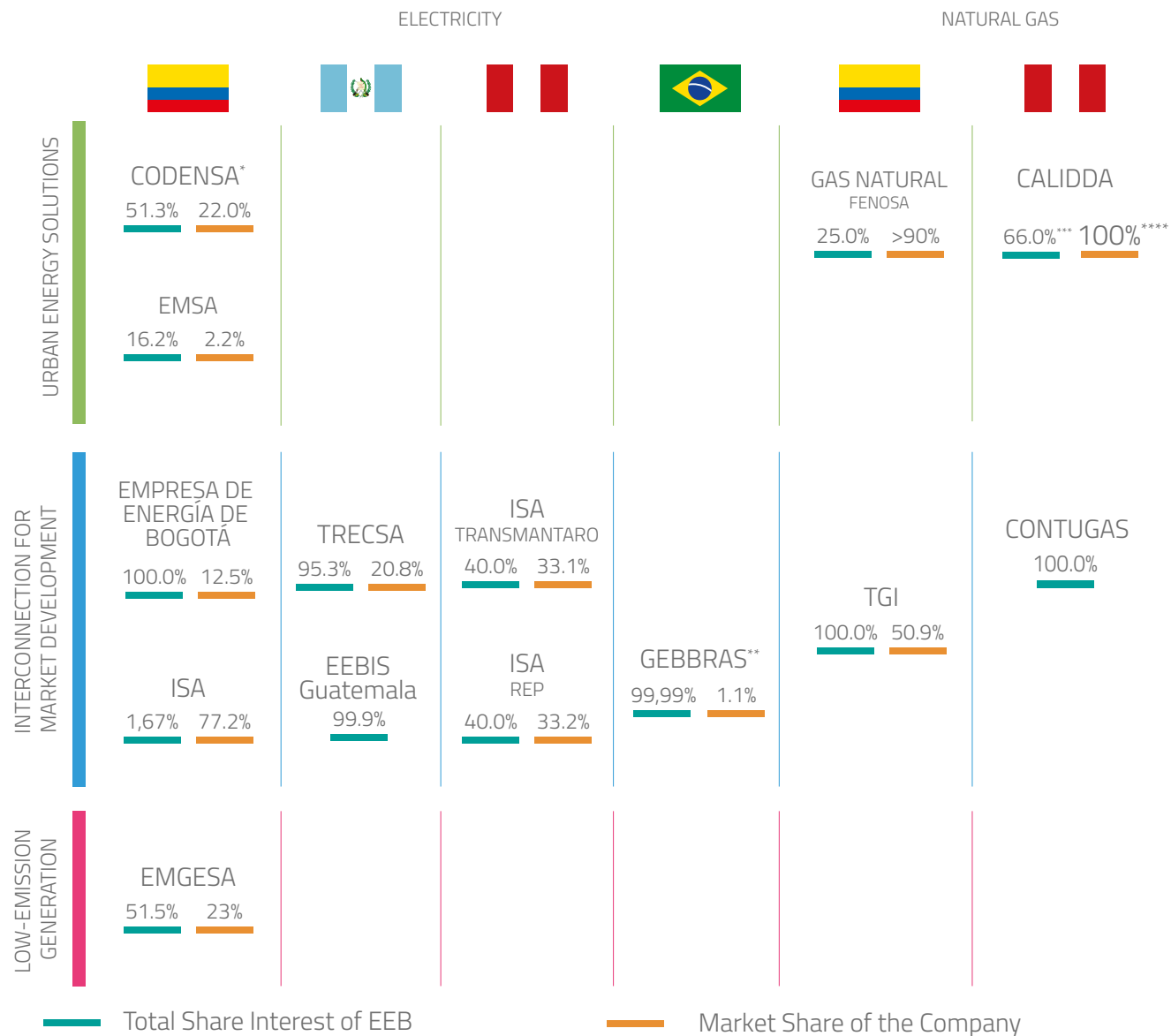
PRESENCE IN 4 COUNTRIES OF LATIN AMERICA

(1) Million Square Feet per Day
(2) Net controlling profit

COMPANIES OF GRUPO ENERGÍA DE BOGOTÁ

GRI 102-6

The corporate strategy configures companies and strategic operators, in which EEB has share interest as follows:



*In October 2016, the merger Codensa – EEC was completed.

**GEBBRAS has share interest of four electric transmission concessions in Brazil: Transenergia Renovável S.A., Transenergia São Paulo S.A., Goiás Transmissão S.A. and MGE Transmissão S.A., in the states of Mato Grosso, Mato Grosso do Sul, Goiás, Sao Paulo, Minas Gerais and Espirito Santo.

***The interest in Calidda of 66% corresponds to: 60% direct interest + 6% indirect interest through Promigas.

****The interest of CALIDDA and CONTUGAS in the market through urban energy solutions is 100%.



Empresa de Energía de Bogotá S.A. ESP

GRI EU4

It is the second company in electricity transmission in Colombia, with a market share of 12.5%. It has 1,503 km of circuits at 230 kV active in 17 substations availability of the transmission system as of December 31, 2016 was 99.79%



Transportadora de Gas Internacional S. A. ESP (TGI)

Biggest natural gas transporting company of Colombia with a network of gas pipelines covering the Atlantic Coast, the Andean Region, Barrancabermeja, Apiay, Yopal and Savannah of Bogotá.

Relevant Facts 2016

- Merger of TGI with IELAH notarized in May.
- Corrective repair works for change of sections of gas pipeline Cusiana – Apiay of 12" were successfully completed.
- Investment Grade with stable perspective by rating agency Moody's.



Transportadora de Energía de Centroamérica S. A. (TRECSA)

A Company that provides services of transmission of electric energy and associated activities in 18 departments, 82 municipalities and 347 communities in Guatemala.

Relevant Facts 2016

- USD 1.1 MM/year added to the rate of TRECSA for Huehuetenango II energization.
- Loan Agreement signed with Citibank and Export Development Canada EDC per USD 87 MM.



EEBIS Guatemala (EEB Ingeniería y Servicios Guatemala S.A.)

It is a company of services of engineering, electric studies, and electricity management and transmission, currently with projects in the south area of Guatemala.

Relevant Facts 2016

- Santa Ana Substation of the Anillo Pacífico Sur (APS) project energized, enabling connection of the Santa Ana Sugar Mill, which generates 91 MVA⁴, to the 230kV transmission network. This improves reliability and reduces service interruptions in the electric system of Guatemala.
- Loan agreement signed for USD 48 MM with Citibank and Banco de Sabadell with a term for 2021.

Relevant Facts 2016

- Increase in pressure in the Nasca line from 10 to 50 Bar⁵.
- Big customers enabled which represent a consumption of 5.6 MMSCFD, boosting the market of GNV and GNC in Peru.
- Launch of the first home billing system of a public service in Peru. This involves reduction of the cost in the billing process and decrease in 7 days of the income cycle.
- Compliance with 98.5% (39,435 enabled customers) of the enabling goal set for April 2017 (40,025).
- Increase in the capital of the company in USD 10 MM. The share composition reached 68.80% of EEB and 31.20% of TGI.
- Different commercial proceedings and court judgments have managed to protect the right of the Company to sign private contracts in the Peruvian market.



Contugas S.A.C

A Company that has the concession natural gas transport and distribution in the Ica Department, Peru. Specifically, in Ica, Nazca, Chincha, Pisco and Marcona. It services residential, commercial, vehicle and big (industrial and generating companies) customers.

(4) MVA: Mega-volt ampere

(5) One Bar is a pressure measurement very used in compressed air. Its most immediate equivalence is the atmosphere or kg/cm².



Cálidda (Gas Natural de Lima y Callao S. A.)

Cálidda is the company in charge of distribution of natural gas in the Lima Department and Constitutional Province of Callao, in Peru. It provides services for residential, commercial, vehicle and big (industrial and generating plants) customers.

Relevant Facts 2016

- Start of commercial management for service provision in the district of Carabayllo, having presence in 19 districts of Lima and Callao.
- Thermal Plant Chilca Plus that started operations, which allowed reaching 601 MMSCFD of transported gas.
- Network penetration (connections/users) of 58.7%. That is, an increase of 2.1% with respect to year 2015.
- Accumulated connections reached 442,400 customers and building of networks of 1,397 km in polyethylene and 39 km in steel.



GEBBRAS Participações Ltda.

GEBBRAS has share interest in four electric transmission concessions in Brazil: Transenergia Renovável S.A., Transenergia São Paulo S.A., Goiás Transmissão S.A. and MGE Transmissão S.A., in the states of Mato Grosso, Mato Grosso do Sul, Goiás, Sao Paulo, Minas Gerais and Espirito Santo.

Relevant Facts 2016

- Refunding of intercompany loan with EEB Perú Holding, with a term extension of up to one (1) year and Libor interest rate + 1.4%.
- Opening of administrative office in Río de Janeiro.

REFERENCE MANAGEMENT REPORT TRECSA – CONTUGAS

As it is known, the Statutory Auditor in its opinion to the 2015 financial statements, by an emphasis paragraph, drew attention to variations in the original Business Plans of CONTUGAS and TRECSA. Therefore, the Board of Directors and the President, in the management report, committed to make a special follow-up of these Business Plans and the required adjustments.

In case of CONTUGAS, the variation was derived from the substantial reduction of the demand, since the project proposed by the Peruvian Government was initially conceived so that it built a network for the natural gas distribution service for the ICA Department which required building of a tube with a diameter of a range between 7" and 18", which was later extended by a decision substantially of the administration, a diameter of 20" throughout the entire tube without

being certain about the demand that justified the higher investment incurred for increase of the capacity of the in-frastructure since no firm gas supply and transport contracts had been signed.

In line with this situation, the efforts of the Board of Directors and the President's office of EEB during 2016 oriented towards defining the adjustments to the Business Plan and the increase of the demand by other projects. Accordingly, it must be indicated that, as for income, in the course of 2016, important natural gas supply and distribution were signed and they allow reaching a volume of 85,000,000 cubic feet per day. Thus, in a conservative scenario – which only considers contracts effectively signed-, it improves the cash flow for recovery of the asset at a long term since it allows reaching the expected income in the initial case of business, that is, before extension of the aforementioned infrastructure.

■ *The Board of Directors reiterates its commitment of continuing with the detailed follow-up of the negotiation of the extension of the contract with the Government of Guatemala*

Additionally, the contractual commitment of enabling 40,025 residential customers by April 30, 2017 was virtually achieved on December 31, 2016 since 39,435 customers were enabled, and in the natural gas vehicle market there has been a growth of 14% compared to 2015 and an increase of the billed volume of 153% in the same year.

The deficit generated by the gas transport and supply contracts, which in 2015 as USD 4.3 million, decreased to USD 1.9 million and in 2017, it is expected to balance such amount with the income for new customers.

Based on such adjustments, within the Financial Committee and the Board of Directors financial supports of the matrix were analyzed and established to achieve present and future implementation of such Business Plan. Such financial support was realized by capitalization of USD 10 million in 2016 and another one for USD 21 million was approved to be made this year.

It is worth noting that following the decisions of the Board of Directors and the President and pursuant to the applicable regulations an impairment test was made, which, given the new income expected, did not result in

the need of registering any impairment of the investment.

In any case, and in spite of the better perspectives of Contugas, the Board of Directors and the President shall continue to follow up evolution of the project with special emphasis on obtaining income in the short term.

As for TRECSA, variations of the Business Plan were mainly due to difficulties related to institutional weakness and cultural factors. In addition, there are other elements outside the control of the Company related to the socioeconomic environment of the business that affect execution of the project, especially in matters

related to obtainment of rights of way and governmental permits for execution, especially the impossibility of building some sections of the layout originally established since they involve ancestral rights of indigenous communities.

Two aspects had an influence on the actions of the Board of Directors and the President.

On the one hand, in legal matters, efforts were oriented towards the analysis and identification of the existing contractual problems for a proper documenta-

tion of collections in matters of rights of way and overruns for force majeure situations, which would allow filing of the total claims for this reason.

On the other hand, in the technical operating front, tasks were oriented towards analysis and identification of priorities in matters of activities for a more efficient allocation of resources, which has allowed focusing efforts on sections where it can build and energize as soon as possible in order to receive higher income in the short term and show progress in the project.

In case of TRECSA, the impairment test was also made. Given the contractual situation of the project indicated above, a value of USD 8.2 million to disclose appropriately this situation in the financial statements.

In any case, the Board of Directors reiterates its commitment of continuing with the detailed followup of the extension of the contract with the Government of Guatemala, development of the strategy of collections related to force majeure and higher costs of right of way and evolution of obtainment of rights of way and governmental permits to make possible execution of the Project in the sections pending for construction and energization.

■ *The efforts of the Board of Directors and the President's office of EEB during 2016 were oriented towards defining the Business Plan and the increase of the demand by other projects*

ELECTRICITY VALUE CHAIN

01 GENERATION

Electricity at big scale is traditionally obtained from hydroelectric and thermoelectric plants which are in charge of converting the potential energy of water and fuels into electric energy. The energy obtained generally has a voltage of 3 kV to 20 kV. Later, these energy levels are transformed increasing its voltage level between 220 kV and 500 kV (in case of Colombia)

- EMGESA

02 TRANSMISSION

It is made through a network of high voltage cables that transport blocks of electric energy. They are interconnected by a substation in the generation centers as in sites where the voltage is reduced, which allows energy distribution for users.

- Empresa de Energía de Bogotá S.A. ESP
- ISA
- ISA REP
- ISA TRANSMANTARO
- TRECSA
- EEBIS GUATEMALA
- GEBBRAS

03 DISTRIBUTION

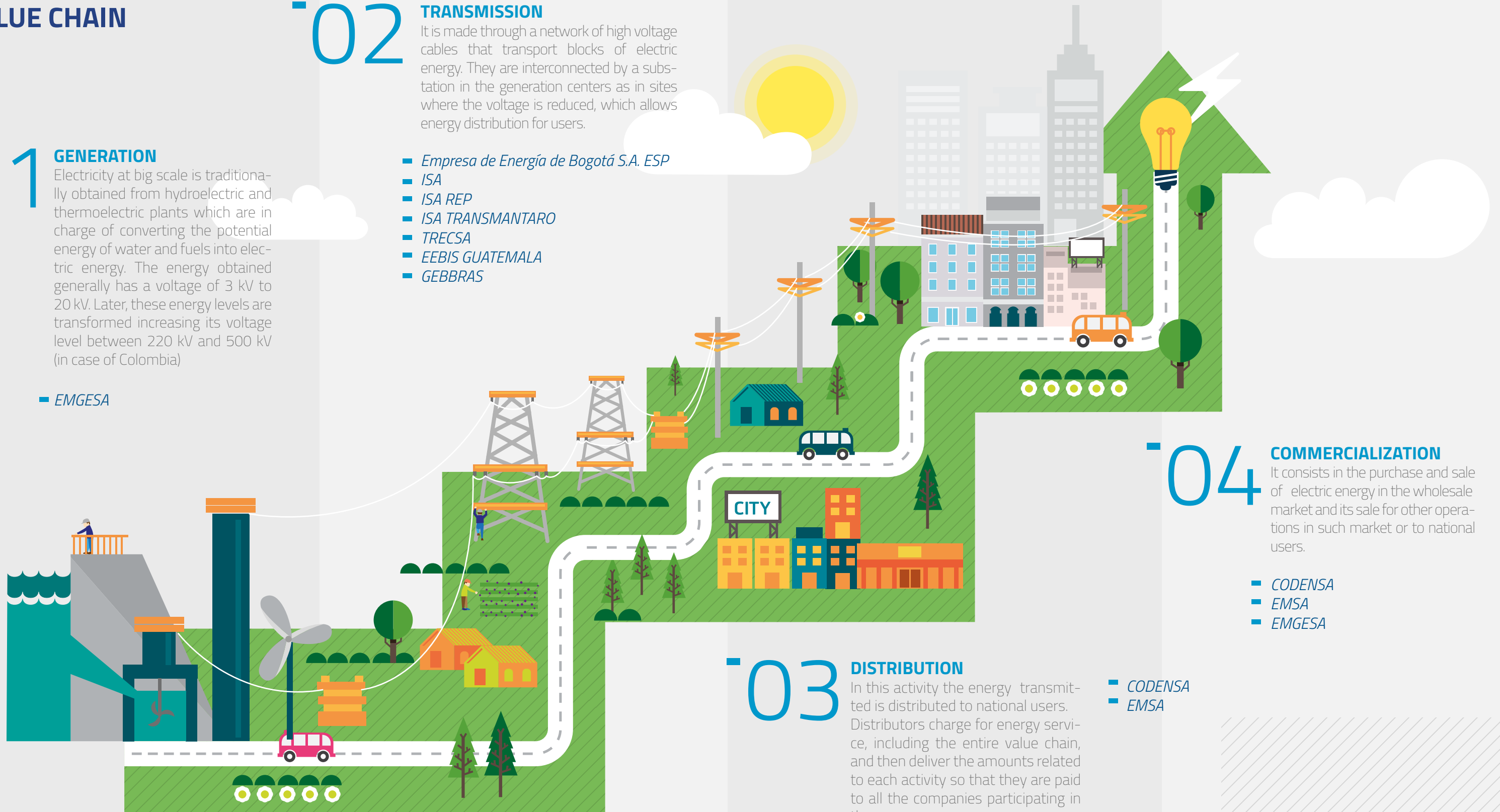
In this activity the energy transmitted is distributed to national users. Distributors charge for energy service, including the entire value chain, and then deliver the amounts related to each activity so that they are paid to all the companies participating in the process.

- CODENSA
- EMSA

04 COMMERCIALIZATION

It consists in the purchase and sale of electric energy in the wholesale market and its sale for other operations in such market or to national users.

- CODENSA
- EMSA
- EMGESA



GAS TRANSPORT SERVICE CHAIN VALUE

01 COMMERCIAL AND NEW BUSINESS MANAGEMENT

It corresponds to the activities required for management with customers, subscription and administration of commercial contracts, as well as management before growth of the Company through identification, analysis and development of new investment projects that are framed within the Corporate Strategic Plan.

02 OPERATION

It corresponds to operation of the Gas Pipeline networks in compliance with daily transport programs pursuant to contracts and regulations for gas transport, which allows service provision in a safe and continuous manner.

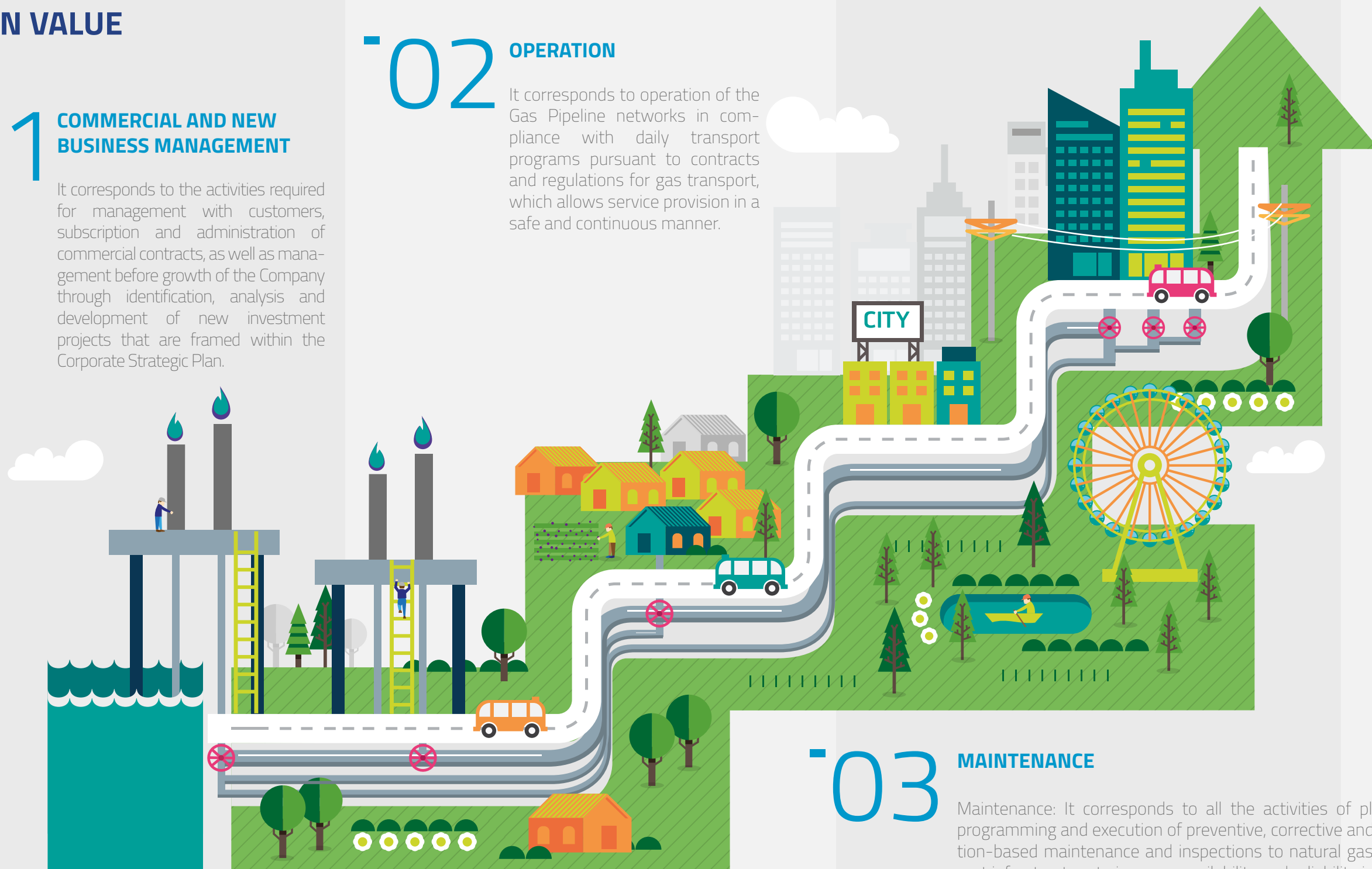
04

DESIGN AND BUILDING

It corresponds to development of expansion projects and improvement to the natural gas transport infrastructure. Such projects include design, building and commissioning of gas pipelines and their facilities, gas compression stations and loops.

03 MAINTENANCE

Maintenance: It corresponds to all the activities of planning, programming and execution of preventive, corrective and condition-based maintenance and inspections to natural gas transport infrastructure to increase availability and reliability in transport service provision.





CORPORATE STRATEGY OF GEB

With the purpose of consolidating as one of the leading groups of the energy chain in the region and one of the few that combine energy and natural gas in an articulated manner, Grupo Energía de Bogotá (GEB) worked in the redefinition of its corporate strategy.

This reformulation also answers to key challenges that GEB is facing to keep a profitable growth trend and, especially, to keep deepening the successful model of public-private sector corporate governance for which it is a regional reference. The central challenges that were evidenced in the context and that have served to define the strategy are as follows:

1. Strengthening of corporate governance and decision-making and accountability process.
2. The explicit design of a corporate intervention model of the companies of the Group.
3. Internal administrative effectiveness of the Group in its corporate responsibility cores.
4. Building of long-term strategic development framework that deepens businesses and markets of greater potential and focuses all the organizational efforts in long-term value creation.

For GEB to overcome successfully these challenges, it designed a strong and long-term corporate strategy that allows acting as a Modern Corporate Group and that, based on understanding of its competitive advantage; it focuses its activities on growth and development of its companies and places a greater emphasis on daily execution. The strategy is explained by the dominant theme:

■ **Dominant Theme: Greater Value Creation**

Grupo Energía de Bogotá creates greater value developing leading companies throughout the low-emission energy chain in regional high-consumption axes which connect operators and a wide regulatory knowledge from the highest corporate governance standards.

CORPORATE VALUES

GRI
102-16

Transparency

We develop our management in an ethical, clear and verifiable manner.

Respect

We interact recognizing collective interests, individual diversity, sustainability of natural resources and institutions.

Equity

We act with justice, equality and impartiality, seeking a positive and inclusive environmental and social impact.

Integrity

We act with firmness, integrity, honesty, coherence and sincerity.

■ *Corporate Intervention Model*

The next step in the redesign of the corporate policy was definition of the corporate intervention model, an essential element to be able to reach the purpose of a bold growth and a regional leadership. Grupo Energía de Bogotá chose the Strategic Connector Model, able to lead growth agendas along with world-class operating partners and make an assertive "reconfiguration" about its companies and its strategic partners. Among other characteristics, being a Strategic Connector allows GEB to:

- Transcend the vision of portfolio and affiliate manager.
- Attract strategic world-class operating partners in each company of the strategic business groups.
- Intervene actively in the strategic conversation of the companies through growth agendas and coordination with GEB.
- Emphasize key learning and knowledge transfer: corporate governance, regulatory management and stakeholder relations.
- Acquire the skill of acting as guarantor of profitable growth of its companies becoming an essential vehicle for shareholders.
- Strengthen its affinity with the risk profile of shareholders.
- Create value and mitigating risks through defined business focuses and expert operating partners.

GEB EMERGING CONFIGURATION

The configuration is the manner of coordinating the essential activities and capacities to create value in multiple businesses. The manner in which organizations answer the question: how to fulfill the promises of my essential purpose? and the manner of integrating these components and implementing them constitute (according to Montgomery, 2012) a configuration based on value creation.

The configuration that better expresses the dominant theme of GEB, that better reflects the market needs and opportunities and that, also invited to treat differently what is different (go beyond the average strategic manner) from demand is a configuration per Strategic Business Groups, GENs.

Each GEN shall act as an independent but coordinated responsibility core, different in activities and forms of interaction with its companies since the design recognizes common characteristics which make them be part of Grupo Energía de Bogotá and the different characteristics that invite them to execute projects in a specialized and focused manner from technical knowledge of each business.

The GEN strategy is focused on big consumption axes (Central America, South West of Brazil and South Pacific), in which three strategic business groups are developed: Urban Energy Solutions, Interconnecting for Market Development and Low-Emission Generation with EEB as strategic connector.

SUSTAINABILITY MANAGEMENT OF GRUPO ENERGÍA DE BOGOTÁ

In the effort to redefine a corporate strategy, build a Group identity and make progress in the objective of leading the regional energy sector, EEB as head of GEB, has reformulated its sustainability policy, which extends to all the companies that make up the Group, emphasizes relations with its groups of interest and indicates the fundamental behavior principles, oriented towards contributing to improvement of life quality through development.

GRI 102-43

Principles for relation with groups of interest:

1. Permanent presence in the territory, which makes possible genuine, timely and permanent relations and consolidates trust with groups of interest during the activity of GEB in the territory.
2. Establish strategic partnerships with public and private sector and civil society stakeholders, committed with development, competitiveness and equality in the territory.
3. Execute projects for socio-economic development that transform positively and permanently the territories and that are in line with the instruments of territorial and environmental instruments.

By the new orientation of its sustainability policy that it deploys with a model in line with the Sustainable Development Goals (SDGs) established by the United Nations by 2015 – 2030, EEB defines the strategic framework which allows managing properly the needs and expectations of the groups of interest, as well as the main impact of relevant activities defined on the cover page of this report in order to reach its business objectives from the economic, social and environmental perspective with emphasis on the promotion and respect of human rights.

The sustainability management in GEB contributes directly to reach 9 out of 17 of the SDGs, focusing the actions, promoting strategic partnerships and involving the prioritized objectives in planning of its activities.

3 VALUE DRIVERS

- Maximization of long-term dividends for shareholders.
- Strategic continuity and permanent operational strengthening.
- Increase of growth of each asset.

Specialized Skills and Capacities to Guarantee an Active Intervention

	URBAN ENERGY SOLUTIONS	INTERCONNECTING FOR MARKET DEVELOPMENT	LOW-EMISSION GENERATION
FOCO ESTRATÉGICO	Comprehensive energy infrastructure demand of big smart cities.	Gas market creator in Colombia, and consolidation of a transmission multilateral.	Capacity to incorporate leading operations in each type of low-emission energy achieving high profitability.
CAPACIDAD ESENCIAL	Understanding the different markets and expansion needs of cities. Deep regulatory knowledge.	Interconnecting markets between energy sources and big users.	Deep regulatory knowledge and knowledge of the energy demand and inclusion of alternative energies.
ALCANCE REGIONAL	Bogotá, Lima and cities of more than 4MM with high energy consumption, demography and institutions.	Central America and South East of Brazil in electric transmission and north pacific axis of South America in gas.	Colombia and markets where opportunities are identified in the transition of the energy matrix to renewable energies.

CONTRIBUTION OF GEB TO THE SUSTAINABLE DEVELOPMENT GOALS



When applied to the management, the sustainability model of GEB answers to independent assessments which measure its performance in building of shared value and its responsibility as corporate citizen. An example of this is the Dow Jones Sustainability Index or the Carbon Disclosure Project

GRI 102-47

Under this framework, GEB has boosted companies of the Group to make progress in identification of their impacts and, therefore, the Companies have developed initiatives and programs for attention thereof; additionally, they have generated and incorporated indicators to measure and document lessons and experiences of sustainable management and they are currently preparing reports about their performance presented simultaneously with this report.

Such impacts and orientation issues constitute an essential piece in the configuration of the corporate identity of GEB and allow an approximation to the particular contexts of each organization and each Strategic Business Group; the analysis of these relevant issues also allows defining the main challenges that GEB must overcome, as Corporate Group, in matters of sustainable management and on which it focuses its actions as Strategic Connector:

Environment

Protection of biodiversity and water, as well as management of emissions and actions to contribute to adaptation to climate change, constitute the main relevant issues in concerning environmental matters for the companies the Group, directly associated with the impact of operations and essential basis of the configuration of its management systems, which are framed within its Sustainability Policy.

Relation with Communities and Social Groups in the Territory

Interaction with local stakeholders of the area of influence is a key issue in the operation of the companies of the Group since it allows identification of common objectives and establishment of mutual benefit relations. The companies that make up GEB seek strengthening of trust and transparency of communication with these stakeholders through contribution to sustainable development of the territories and promotion of the active participation of communities through dialogue scenarios.

GRI 102-44

Economic Performance

Generation of higher value is the *raison-d'être* of the Group and the companies thereof. The dominant theme of the new corporate strategic plan and the higher purpose emphasize the role of GEB as a booster of the economic development of its territories and shareholders, consistent with the leadership and experience shown by the companies of the energy sector and in its operation lines. In the same spirit, transparent communication of the Group with capital markets has been essential in the constant growth of economic profits and investor reliability levels.

Service Quality and Reliability

In addition to the regulatory framework of each operation territory, which provides the regulatory parameters for free competition in the energy sector and the service quality standards, the companies of Grupo Energía de Bogotá have undertaken to guarantee efficiency, timeliness and reliability of operation, observing the highest standards and excellence levels in order to generate value offering services that answer to the needs of the concerned societies and generating innovative ideas that improve conditions of the cities and the life quality of people.

Human Management

Contributors and contractors make contributions to the collective building of the companies and fulfillment of their business goals; constitute the essential capital of GEB and the purpose of policies and actions of the Strategic Human Talent Management Model which has the priority of protecting life and well-being and developing their human capital. Respect for people, their rights and integrity guide the dialogue and communication established by the Group with its contributors through which it seeks boosting their professional and personal growth.



Health and Safety in the Workplace

Considering people's importance for GEB, protection of their health and ensuring a safe development for the development of their activities represent one of the most relevant issues in the organizational management of the companies of GEB. By the sustainability policy and Safety and Health Management System in the workplace, the companies of the Group fulfill their commitment with life protection and integrity of people, while they manage one of the main risks for business continuity and comply with the regulatory framework corresponding to each operation area.

EMPRESA DE ENERGÍA DE BOGOTÁ EEB

GRI 102-1

Empresa de Energía de Bogotá S.A ESP, head of Grupo Energía de Bogotá. EEB, is a stock corporation, listed in the Stock Exchange of Colombia, the majority shareholder of which is the city of Bogotá. In matters of electric energy transmission, EEB is currently the second company in Colombia with a market share of 12.6%.

GRI 102-2

Incorporated as joint venture of public services having as main purpose generation, transmission, distribution and commercialization of energy, the Company also develops and participates, directly or indirectly, in engineering and infrastructure projects, and makes investments in this field, including provision of services and related activities. EEB has its main domicile in Bogotá, Colombia.

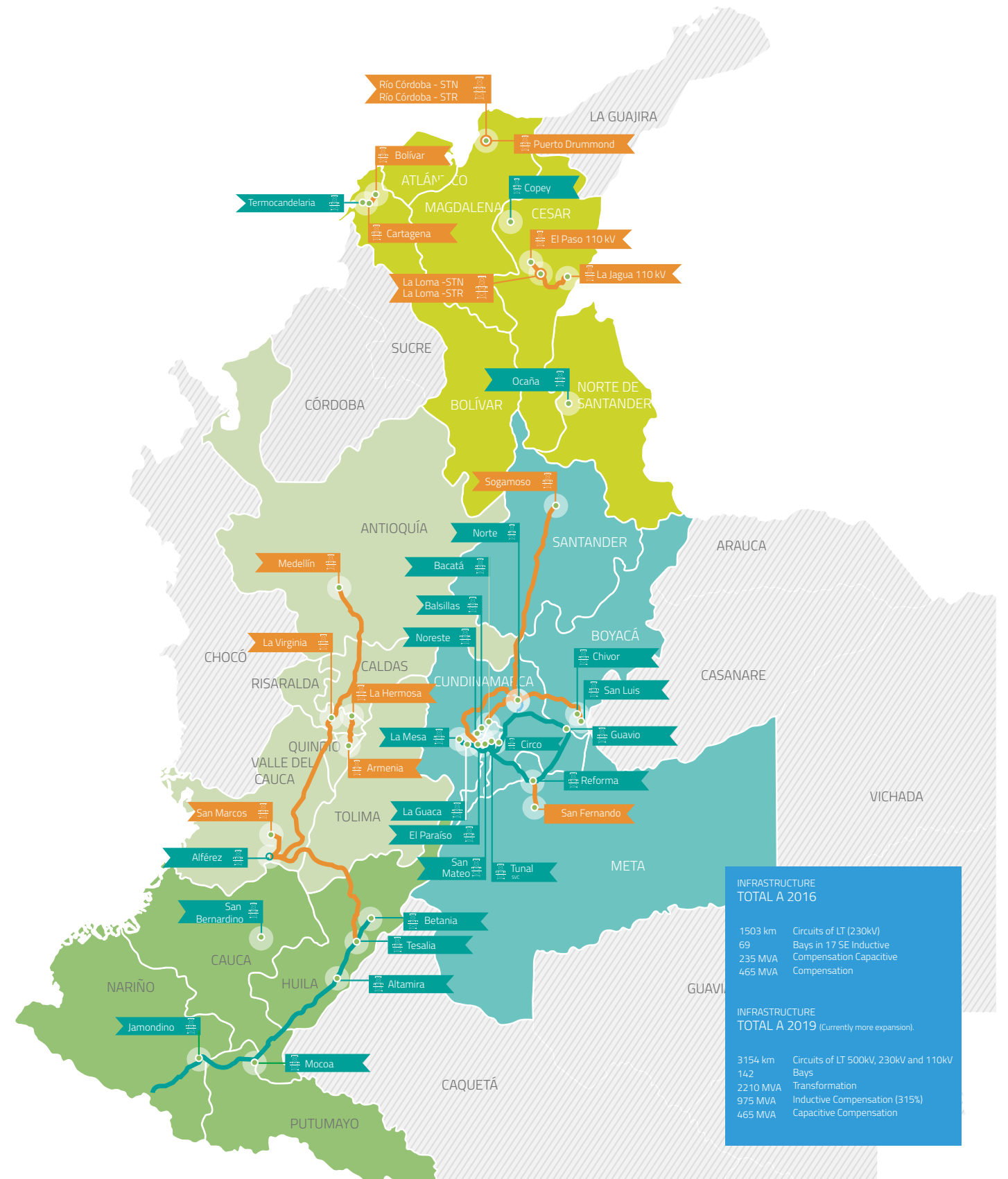
GRI 102-3

GRI 102-6

Territories where EEB is present

EEB develops projects for expansion of the National Transmission System – STN and the Regional Transmission System – STR which constitute a wide area of influence of the Company and along with operation of assets, they allow presence in the Departments of Cundinamarca, Bolívar, Meta, Valle del Cauca, Cauca, Huila, Putumayo, Nariño, Antioquia, Boyacá, Caldas, Cesar, Magdalena, Quindío, Risaralda, Santander y Tolima.

Within the framework of the new corporate strategy and redefinition of the sustainability model, EEB has extended the geographical definition of the projects, considering that the extent of its operation goes beyond the transmission line and embraces a second segment that includes municipalities and districts located around the company's infrastructure; thus, the operation presence map displays the territories and municipalities of influence, divided in areas for management.



INFRASTRUCTURE TOTAL A 2016	
1503 km	Circuits of LT (230kV)
69	Bays in 17 SE Inductive Compensation
235 MVA	Capacitive Compensation
465 MVA	

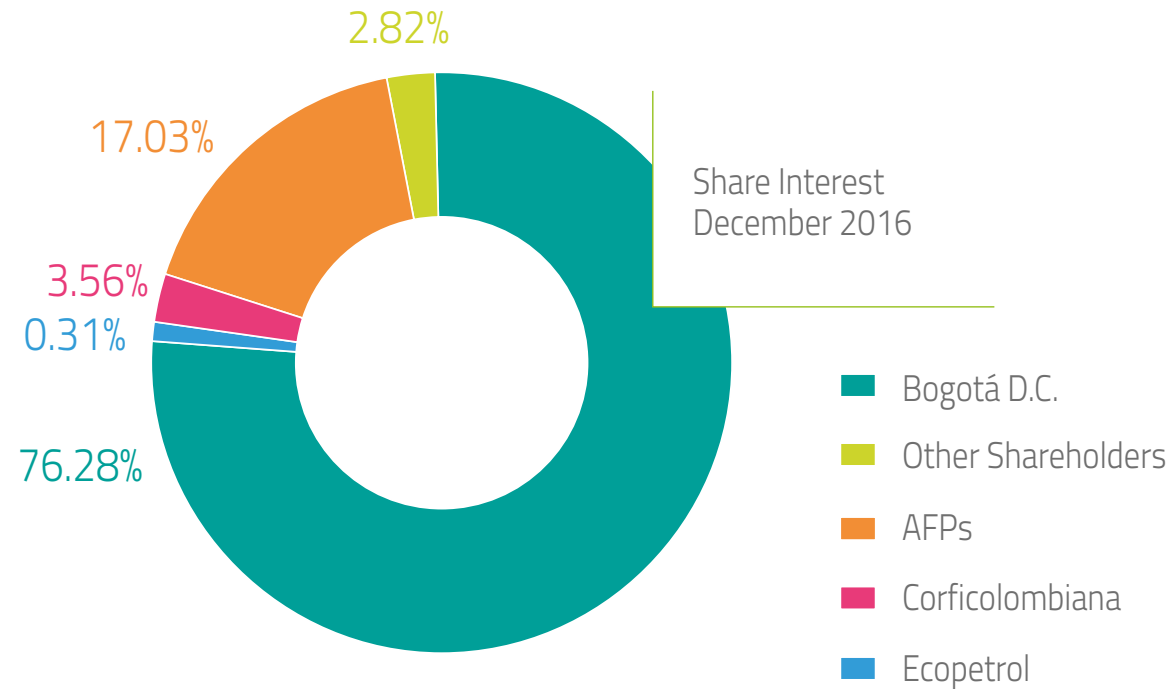
INFRASTRUCTURE TOTAL A 2019 (Currently more expansion)	
3154 km	Circuits of LT 500kV, 230kV and 110kV
142	Bays
2210 MVA	Transformation
975 MVA	Inductive Compensation (315%)
465 MVA	Capacitive Compensation

GRI 102-5

EEB Share Composition

The predominant ownership structure of EEB is public, that is, being a company listed in the stock exchange, its shareholders are mainly the city of Bogotá, followed by Colombian pension funds, a financial corporation and individual shareholders representing about 3% of the Company's ownership.

The share composition of EEB as of December 31, 2016, is broken down as follows according to the data provided by the Central Securities Depository - Deceval:



Empresa de Energía de Bogotá S.A ESP

is the head of Grupo Energía de Bogotá. EEB is a stock corporation listed in the Stock Exchange of Colombia, the majority shareholder of which is the city of Bogotá.

SUSTAINABLE MANAGEMENT IN EMPRESA DE ENERGÍA DE BOGOTÁ

GRI 102-46

Material Aspects and their Coverage for EEB

In conformity with the GRI standard adopted voluntarily to define the coverage of the report, relevant activities for sustainability purposes are considered the ones mainly developed in the Strategic Business Group of interconnecting for market development in the Colombian territory.

The annex to the report contains the financial statements corresponding the year closing as of December 31 2016. In compliance with different external conditions established by the Code of Commerce in Colombia, the public information contained herein complies with the obligations of the Company. Additionally, it constitutes the management and result report for consultation of different Control Entities operating in Bogotá and Colombia.

Therefore, the report reflects in a balanced manner the economic, social and environmental performance of the Company and it is not considered that the aforementioned external conditions affect the general assessment of the specific groups of interest about performance of the Company and its management in sustainability matters.



The identification of material aspects is made by EEB indirectly and is guided by external references of organizations that involve different stakeholders and entities at a world level, including entrepreneurs of different sectors, representatives of the civil society, specialists, labor unions, regulators, governmental agencies and financial markets to generate useful information in decision making in different instances and levels, concerned with sustainable development.

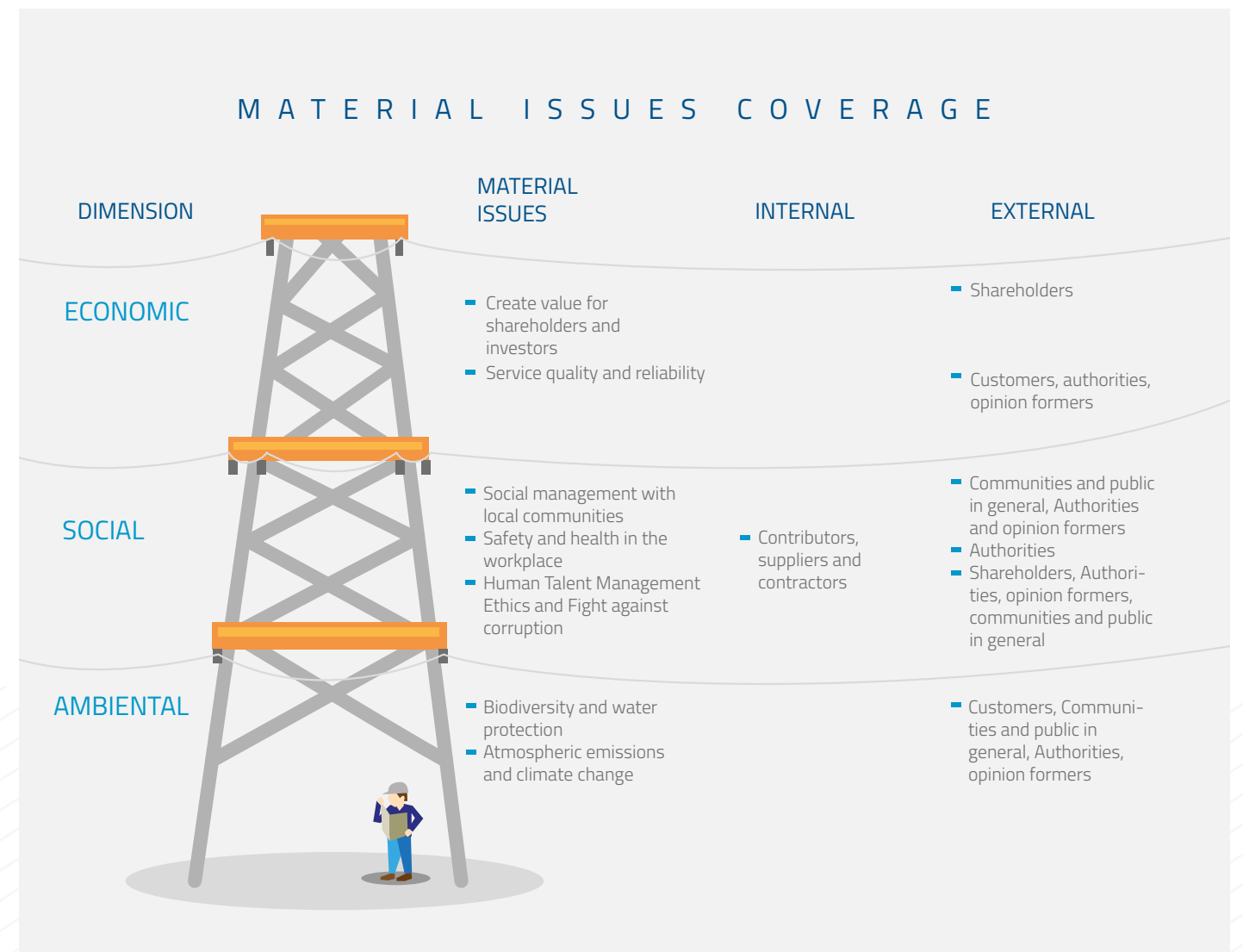
Based on the foregoing, EEB has implemented systems that are fed by internal and external input and allow obtaining the necessary information to identify the issues of interest that are significant in the context where the Company operates, fulfill, in general, the expectations of the groups of interest and answer the challenges that sustainable develop-

ment involves in development of businesses.

The issues of interest are thus prioritized from a perspective of relevance both for the Company and its groups of interest. These issues are referred to as "material" and are listed below:

GRI 102-46

GRI 103-1



The concrete answer of EEB before each material issue listed herein, as well as the description of their impact, is presented in the contents of the chapters of this annual sustainability report.

GRI 102-44

Dimension	Material Issues	GRI Aspect	SDGs	Answer of EEB
Economic	Create value for shareholders and investors	Economic performance	8 Decent Work and economic growth 17 Partnerships to achieve the goals 16 Peace justice and solid institutions	General management approach to create value for shareholders and investors
	Service quality and reliability	Characteristic of EEB	7 Accesible and clean energy	General management approach for service quality and reliability
Social	Social management with local communities	Society Local communities Human rights	17 Partnerships to achieve the goals 11 Sustainable cities and communities	General management approach for Protection, well being and life quality
	Seguridad y salud en el Safety and health in the workplace			
	Human Talent Management	Work and decent work practices	12 Responsible pro-duction and consumption 8 Decent work and economic growth	General management approach of ethics and fight against corruption
	Ethics and fight against corruption	Fight against corruption	16 Peace, justice and solid institutions	
Environmental	Biodiversity and water protection	Biodiversity	15. Life of terrestrial ecosystems	General management approach for Management about the environment
	Atmospheric emissions and climate change	Emissions	13 Action for climate	

In addition to the answer of the Company to material issues, in this report the Company sought to keep previously reported indicators in order to ensure continuity and comparability.

GRI 102-48

In 2016 there was no need to reformulate information of previous reports.

GRI 102-49

During the next years the strengthening and consolidation Purposes of the Group shall represent deep changes; nonetheless, in 2016 no significant modifications about the scope of the report have been considered and only in some exceptions, in which there have been differences in the assessment methodology, the same amounts of previous year reports have been kept.

Participation of Groups of Interest

EEB understands that the activities of its business are affected or can be influenced by groups or stakeholders which are present in the territories and in the institutions where it participated. For this reason, relation mechanisms are established to answer the needs and expectations, manage reputation, and assume commitments for building of shared value and social responsibility, in general, to manage the perception about the acts of the Company and Group, as well as third parties acting in the name of the Company.

The strategic approach of EEB to manage sustainability uses relation as an essential pillar for execution of actions for development. In order to guide relations, it keeps its communications policy and has defined strategic maps of internal and external communications with additional deployments in the expansion

projects in line with the sustainability model and policy of the Company. Additionally, it has established conditions for relations described in the corporate guidelines of ethical practices and fight against corruption.

STRATEGY

GENUINE COMMUNICATION

TRANSPARENT COMMUNICATION

Generate trust relations



PERMANENT COMMUNICATION

Channels of INFORMATION, SERVICE AND RESPONSE

GRI 102-43

The main activities carried out in this project during 2016 were as follows:

Opening of dialogue spaces with communities and their authorities.

Installation of points of contact and information in visible places visited by the communities to allow exchange of doubts and questions about the projects, their impacts and the responsibility of the Company.

Appearance in mass media by information radio capsules, television programs and press announcements mainly.

Design of media plans and hand delivery of information and home visits in the territories.

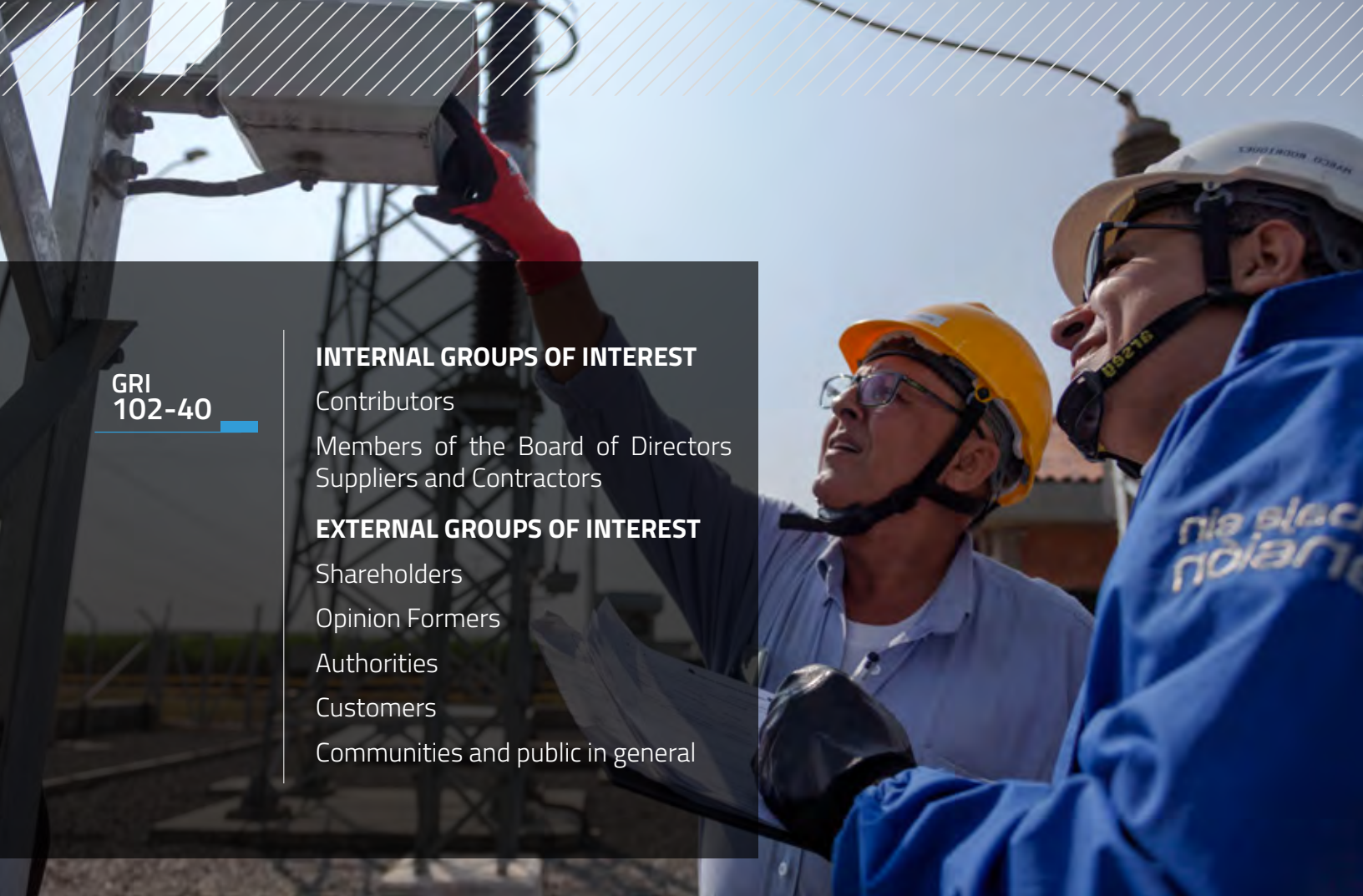
Meetings with contributors and contractors in direct contact with the communities, referred to as "Energy is you". These meetings have the purpose of preventing social impact and strengthening capacities for relations.

The above diagram shows the strategy of external communications in the territories where expansion projects are executed by EEB. Its purpose is building trust, using different tactics for relations. This approach allows strengthening positioning and reputation of the Company and preventing the crisis originated for disinformation or illegitimate opinion formers, unifying the response of EEB in all of its projects in expansion and, finally, having an influence in efficient use of the resources assigned to each project in expansion.

Additionally, 2016 was a year in which institutional presence was strengthened on the web site and social networks, reaching 4,311,999 visits and views of corporate videos. Moreover, after launching of the protocol of social networks, the corporate profile in Twitter reached 1020 visits in 4 months.

Identification and prioritization of groups of interest of EEB are summarized below considering their relation with activities of the Company.





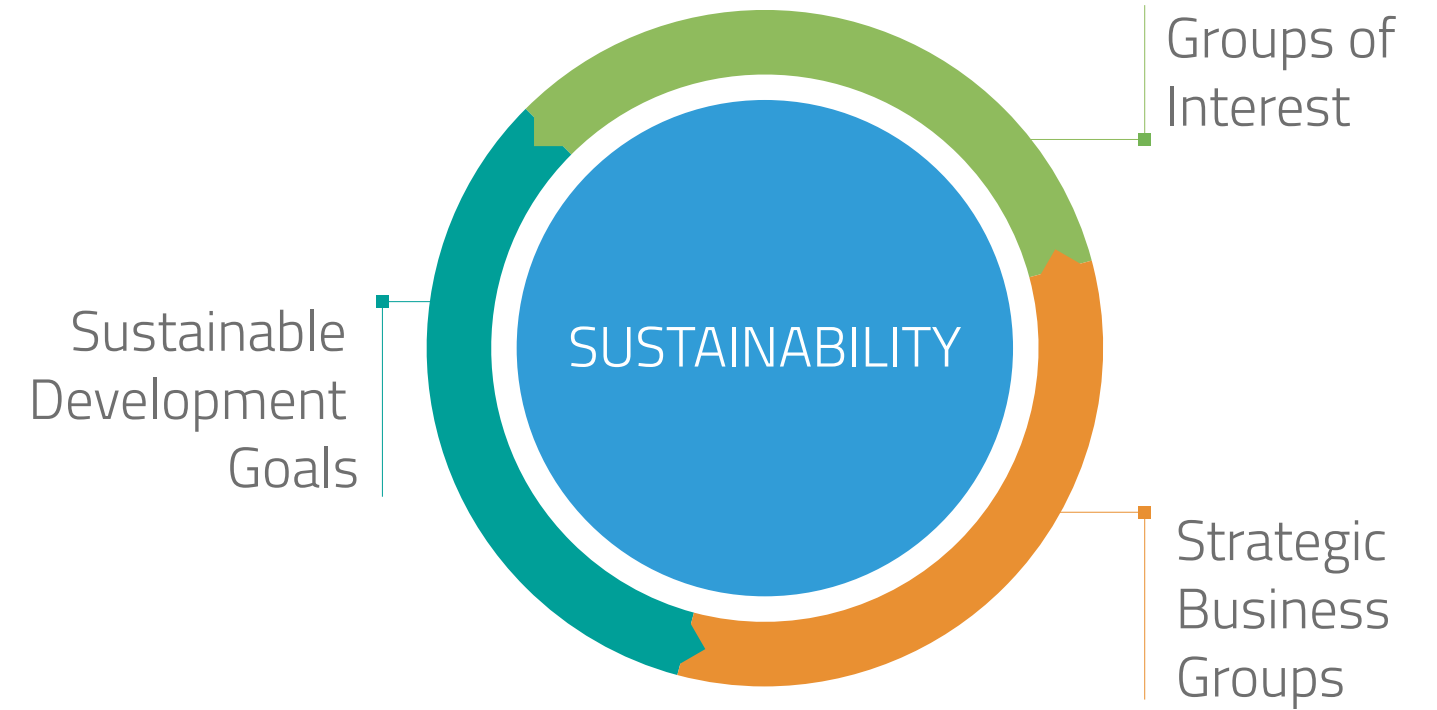
GRI 102-40

INTERNAL GROUPS OF INTEREST

- Contributors
- Members of the Board of Directors
- Suppliers and Contractors

EXTERNAL GROUPS OF INTEREST

- Shareholders
- Opinion Formers
- Authorities
- Customers
- Communities and public in general



GRI 102-42

The identification of the groups of interest was initially oriented by the Communications Department and later it involved the Sustainable Development Department and other areas managing channels of communication with the different groups of interest. Based on the characteristics of each group, its interest and influence, the priority and timeliness were considered to fulfill its expectations. This answer to the groups of interest of EEB is configured in the sustainability policy and in relevant actions for creation of shared value.

In 2017 the Company shall seek to consolidate relation plans every time more appropriate with each one of the prioritized groups that shall have necessary input for a permanent dialogue, subject to follow-up by the Sustainable Development Department of EEB.

GRI 102-43

In 2016 the input of the dialogues held during 2015 with the groups of interest were considered for materiality analysis.

ASSESSMENTS AND EXTERNAL INITIATIVES OF EMPRESA ENERGÍA DE BOGOTÁ S.A. ESP

GRI
102-12,
102-13

Index, initiative or assessment
Position of EEB

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

EEB included in the Dow Jones Sustainability Index (emerging market category) with a total assessment of 73 points ranking in 63rd percentile.

CDP
DRIVING SUSTAINABLE ECONOMIES

EEB's second year in a row communicating its answer before climate change. A C rating was obtained for the "awareness" level.

Listed
BVC **IR** COMMITTED

EEB's third year in a row with the recognition granted by the Stock Market of Colombia for adoption of best practices in information disclosure and investor relation.

RECONCILIACIÓN COLOMBIA
MÁS DIÁLOGO, MÁS REGIÓN, MÁS ACCIÓN

EEB, founding member of Corporación Reconciliación Colombia. The Company seeks through these instances articulation with other stakeholders for promotion of partnerships strengthening of civil capacities that facilitate collective actions towards peace building in Colombia.

mte medición de transparencia empresarial

TRANSPARENCIA POR COLOMBIA
CAPÍTULO TRANSPARENCIA INTERNACIONAL

EB ranks at a Moderate level of corruption risk with a final global rating of 76.9 points. This assessment is conducted by Transparencia Internacional (Colombia chapter)*.

Red Pacto Global Colombia
BUSINESS FOR PEACE
Centro Regional de Apoyo para América Latina y el Caribe

EEB is signatory of the United Nations Global Compact since 2005 and is an active member of the Global Compact Network Colombia.

The Company supports, as a founding member, the Regional Center for Support to the United Nations Global Compact for Latin America and the Caribbean and is signatory of the platform of Business for Peace.

GRI
102-12, 102,13

EEB was accepted as supporting organization of the National Network of Regional Development and Peace Programs (Redprodepaz).

EEB is a member of the initiative Guides Colombia in Businesses and Human Rights, of which the Technical Secretariat is exercised by the Foundation Ideas for Peace.

Integrated Management System pursuant to the following standards: ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 with certifications No. CO239875, CO2399876 and CO 239877 respectively. Certification reiterated since May 23 2014 and valid until June 3 2017.

Energy management system pursuant to ISO 50001:2011, with certification No. CO16.01903 dated November 12 de 2016 and valid until December 8 2019.

EEB is part of:

- Asociación de Empresas de Servicios Públicos (ANDESCO)
- Comisión de Integración de Energía Regional (CIER)
- Comité Colombiano de la CIER (COCIER)
- Corporación Centro de Investigación y Desarrollo Tecnológico del Sector Eléctrico (CIDET)
- Clúster de Energía Eléctrica Bogotá – Sabana
- World Energy Council (WEC)

*For more information about assessment and risk level scale applied, please visit <http://www.transparenciaempresarial.org/noticias/?p=3993>

04

CREATE VALUE FOR
SHAREHOLDERS AND
INVESTORS



Material Issue: *Economic Performance*

Empresa de Energía de Bogotá S.A. ESP, head of Grupo Energía de Bogotá, boosts economic development of the territories where it operates, well-being of its users and value generation for its shareholders through administrative and economic practices of the territories where it operates, its investment and consolidate it as a leader in the energy sector of Latin America.

4.1 WHY IS

IT IMPORTANT?

GRI
103-1

In order to reinforce and increase reliability levels in the company, guarantee constant growth of profits and make more dynamic the exchange trading of its securities in the local and international capital market, EEB manages its economic results, while it keeps a timely and transparent communication with current and potential investors about commercial, financial and operating achievements of the companies that make up the Group.

The good course of economic development of the Company is essential to guarantee stability and feasibility of operations and fulfillment of the contractual and corporate obligations with the provision of the services of EEB in the territories where it is present.

The activities developed by the Company require an important financial support and high levels of investments, resources that must be available without compromising liquidity, soundness and risk management. Similarly, efficient and effective management of corporate resources, identification of scenarios of mitigation and control of operating vulnerabilities and cover before events through insurances are essential to seek the best technical and economic conditions for operation.

Since the city of Bogotá is the majority shareholder, the Company keeps a permanent and direct relation with the District Administration and with different public entities of the city. Accordingly, EEB boosts development for the city using the dividends that it provides and are important for achievement of the goals of different instruments for local and regional development.

4.2 HOW IS IT MANAGED?

GRI 103-1

The economic performance of EEB is managed through a stable generation of operating income thanks to activities regulated in the business sectors of natural monopolies (electricity, natural gas) in which the companies of Grupo Energía de Bogotá, led by EEB, operate.

The Financial Vice-president's Office through its accounting, treasury and financial planning managements, works to keep controlled the operating costs and expenses, which results in growing profits for shareholders. EEB growth is also boosted by generation of resources that finance activities, through which

high capitals are timely guaranteed at optimal costs in order to carry out expansion projects in regional energy infrastructure.

Another essential aspect of the economic performance management is the appropriate debt terms, an integral part of a balance between cost the optimal risk; through such terms, it seeks to improve and maximize the profits and value to shareholders by the debt cost. Additionally, there are favorable conditions and a balanced debt composition in Colombian pesos and in dollars.

In 2016 the Company created Risk and Insurance Management, consolidating thus the Comprehensive Risk Management System, which establishes structure of responsibilities of all the necessary actors, including the President's Committee and the Audit and Risk Committee; the Internal Audit area, the directors, the risk managers and contributors in general.

4.3 HOW IS IT ASSESSED?

GRI 103-3

The Company is public securities issuer, is listed in the Stock Exchange of Colombia and its liquidity and marketability reflect its growing participation in the share index COLCAP, which since 2013 until this date has allowed to have a stable participation. Upon closing of this report, the stock of EEB ranked 11 among 25 stocks, with a participation of 4.271%, which makes it an attractive and stable long-term investment opportunity.

Soundness of the Company is confirmed by the ratings granted by the risk rating agencies: Moody's, Fitch and Standard & Poor's. Such ratings have an impact on the current low-cost indebtedness of the Company, which makes it more competitive in its management and investment projects.

THE MOST PRESTIGIOUS CREDIT RATING AGENCIES REAFFIRMED OUR RATING

FITCH RATINGS	STANDARD & POOR'S	MOODY'S	HOLDERS
Credit Rating	Credit Rating	Investment Rating	
BBB	BBB-	Baa2	50 QIB⁶
Stable	Stable	Stable	

(6) QIB: En inglés: Qualified Institutional Buyers. En español: Inversionistas Institucionales Calificados. Término definido en la Regla 144 A de la Ley de Valores de 1933 de los Estados Unidos.

The risk rating agencies in 2016 maintained their opinions about Empresa de Energía de Bogotá and other companies of Grupo Energía de Bogotá. Fitch Ratings announced on October 10 that it reaffirmed the credit rating (BBB), with stable perspective of the corporate debt of EEB S.A.ESP and Transportadora de Gas Internacional S.A. ESP (TGI), which corresponds to the investment grade. Fitch Ratings' report indicated that the financial performance of EEB has been solid in connection with the stability of its cash flow generation, its strong business position, its solid liquidity position and the financing expectation in line with the rating category.



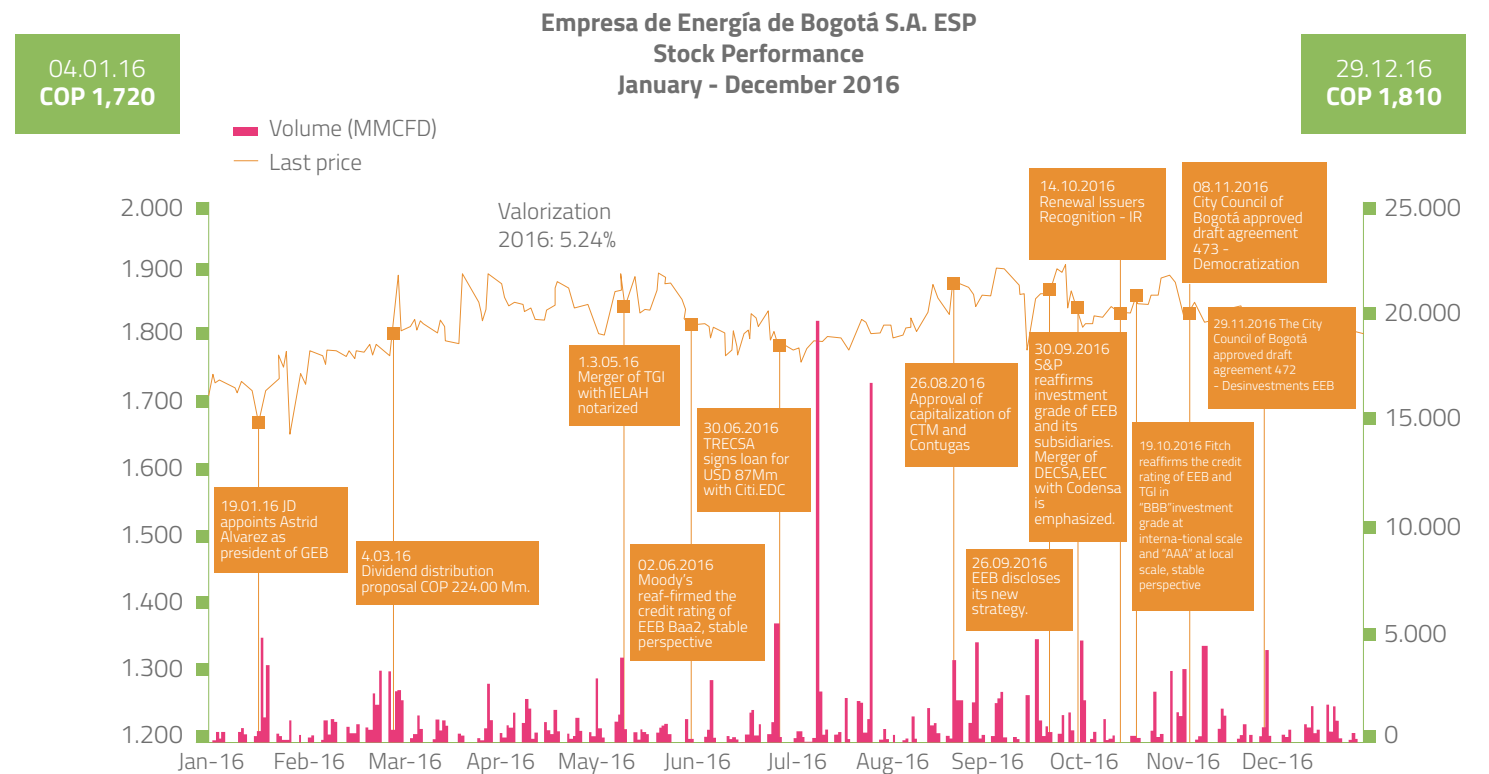
On September 29 2016, Standard and Poor's (S&P) reaffirmed the credit rating (BBB-) of the corporate debt of Empresa de Energía de Bogotá ESP S.A., Transportadora de Gas Internacional S.A. ESP (TGI) and Gas Natural de Lima y Callao S.A. (Calidda),

nal S.A. ESP (TGI) y Gas Natural de Lima y Callao S.A. (Calidda), which corresponds to the investment grade. Additionally, it improved their perspectives from negative to stable. The financial performance of EEB has been solid in relation with the expectations co-

responding to a normalized flow of dividends, debt reduction and a stronger Colombian peso.

On December 15 2016 Moody's in its Credit Opinion kept the investment grade Baa2 of Empresa de Energía de Bogotá and the stable perspective of the company. According to the report, EEB keeps its rating thanks to the good debt management and a reasonable and sustainable dividend policy, among other aspects.

The economic performance of EEB and the proper financial communication strategy implemented contributed to the positive behavior of the stock price during 2016, reflected on an increase of 5.24% upon closing of the year with a final price of \$1,810 per stock. The stock behavior had the following trend throughout 2016.



As for matters of risks, assessment and follow-up are under the responsibility of process leaders and, in higher instances, of the Risk and Insurance Management and the Internal Audit Department, who monitor regularly risks and controls as to ensure proper management thereof, as well as suggest and/or timely apply the necessary adjustments and corrections.

The Risk and Insurance Management monitors biannually implementation of controls and actions of risk mitigation. Such action is executed in collaboration with managers and responsible persons for risks at strategic and process level. As a result of such follow-up control implementation and maturity of the system are established. The follow-up results are submitted befo-

re the Audit and Risk Committee which recommends the actions to be followed according to the results obtained. The measures adopted include the needs of strengthening controls, automation thereof, definition of corrective and preventive controls, as well as detection of abnormal situations and control of materialization of risks.

Likewise, the Internal Audit Department conducts, through execution of the Annual Audit Plan, assessment of the operating efficiency of the controls implemented, generating the applicable recommendations as per findings. As a result of the assessment made by the Internal Audit Department there is a plan of action of improvement which shall be executed during 2017.

4.4 ACTIVIDADES E INICIATIVAS 2016

In 2016, several initiatives of good management practices were developed, including:

Program Liquidity Creators which has been reported since 2015 and was consolidated in 2016. This program managed to reduce the purchase and sale spread in trading of the Stock Market of Colombia. Likewise, the traded volume increased thanks to transactions as the sale of share interest of Ecopetrol in EEB.

Cost Management Program that throughout the year 2016 trained contributors of Grupo Energía de Bogotá giving them tools for management and administration of budget both for formulation and proper execution thereof.

Further, the most important facts for the company during the year that elapsed stand. For example, assignment of shares of the package of Ecopetrol on its interest in the company and allocation of new UPME projects, among others.

During 2016, from the Financial Vice-president's Office, through the new Risk and Insurance Department, identification and approval of the strategic risk matrixes of EEB and TGI, Transmission, Contugas, Cálida and Trecca were coordinated. This activity included identification, assessment and definition of risk controls and the executive management risk responsible persons of subsidiaries as well as members of the executive management of the Company participated. As a result of this active and participating process, six risk ma-

trixes and 64 Strategic risks were approved by the Strategic Committee of the President's Office and the Audit and Risk Committee.

During The last quarter of the year, follow-up of control implementation was made and results thereof were submitted to the Audit and Risk Committed.

In 2016, in EEB the project of strengthening of the Internal Control System for financial information reports was carried out, in compliance with the requirements of section 404 of the Sarbanes-Oxley Act. As a result of the project, the SOX control matrix was prepared and includes 171 controls. This information was consolidated in ERA, a tool used by EEB for risk and control management.

4.5 Investor Relation

For third year in a row, the Stock Exchange of Colombia (BVC) granted the Investors Recognition IR to Empresa de Energía de Bogotá, head of Grupo de Energía de Bogotá for its commitment with the adoption of best practices in information disclosure and investor relation. The IR Recognition is granted to companies listed in the stock exchange that embrace voluntarily the communication channels that allow positioning the companies, strengthening reliability and credibility of investors. The Stock Exchange of Colombia grants the IR recognition to listed companies complying with the requirements of having a representative to answer consultations of investors, both in Spanish and English, disclose information other than the information required ordinarily in both languages, keep information for investors on the web site permanently updated, publish financial statements (balance sheet and income statement) with figures consolidated quarterly and hold quarterly events for delivery of financial results.

During 2016 24 reports for investors have been prepared and disclosed, eight of EEB, eight of TGI and eight of Cálidda. These reports are a valuable source of information for current and potential investors, given that they contain a detailed and concise analysis of financial, operating and commercial results of the companies of the Group and their uncontrolled investments. In order to complete the information disclosed in the report, eight teleconferences for delivery of quarterly and annual results were held with the participation of more than 110 stakeholders of the market.

4.6 MAIN RISKS, IMPACTS AND OPPORTUNITIES OF EEB

GRI
102-5,
102-15

The Company has identified its strategic risks through the analysis of the internal and external context in which it develops its activities and condition positively or negatively achievement of its goals, defining thus its opportunities and threats, weaknesses and strengths.

Prioritization of risks has been given by the level of impact and probability of risk occurrence. The Company, in accordance with the nature of its business and processes, defines and details criteria of probability and impact to assess its risks, keeping the levels (very low, low, medium, high and very high) and the scales (1 to 5) defined at the corporate level.

As a result of this prioritization, more important risks for EEB, as head of GEB, arise:

- **Lack of Continuity in the Strategy and Corporate Government:** It has an impact on its groups of interest and is related to, among other factors, the changes of administration and instability in strategic guidelines. This leads to a lack of continuity in implementation of the strategy and corporate government, which affects negatively capitalization of the Company, trust in securities market, work environment and, possibly, assessment of the credit agencies.

In this regard, in 2016 the new structure and organizational strategy were defined and approved by the meeting of the Board of Directors on September 26 and disclosed to the groups of interest.

- **Regulatory Changes:** They constitute another relevant risk. Regulatory changes not planned or anticipated untimely or undue acts before issue of rules that have an impact of the Strategic Business Groups, lack of long-term legal stability, among other causes, and can lead possible decrease of income or reduction of growth, additional tax charges or a possible decrease in credit rating.

Strengthening of the regulatory management, creation of teams for legislative and regulatory analysis and follow-up, the active participation in guilds and management of EEB with the high government are some of the activities implemented during 2016 to tackle and mitigate this strategic and transversal risk for the companies of GEB.

- Environmental and Social Risks:** They are an essential element at the operating level and in project management, since they can compromise the strategy and activities related to the transmission and gas business, which could potentially lead to imposition of preventive measures or suspension of Works and sanctions or defaults, having a negative impact on the reputation of the Company and causing difficulties due to the opposition, for the regular development of operations in the environment and areas of influence.

This risk is managed by establishing a relation with the community, which involves it in a participatory manner in the communications and decisions about development of the projects and through accompaniment of the Company in the operation assets. Additionally, in 2016 social investment were made through projects called by the Company Volunteer Projects of Community Benefit, PVBC. Such projects are derived from mutual understanding of a specific need in the territory where different stakeholders coexist. Moreover, anticipated socialization of all the interventions of the Company in the territories also involves a preventive risk management.

In a complementary manner, the Sustainable Development Department has been working on implementation of sustainability model that tackles the social and environmental management to allow genuine, permanent and transparent relations with the communities and, along with the Communications Department, on the definition of general and detailed Communications Plan for projects.

- Financial Risk:** In a continuous manner, EEB monitors exposure and size of financial risks as to manage them in a timely manner. As part of the risk management system, it assesses the different mitigation strategies that contain both natural covers coming from regulation and financial covers.

In the use of financial covers, the risk management focuses on application of instruments characteristic of finances which are subject to approval by the Board of Directors of the company. Likewise, the Company mitigates exposure to the interest rate risk, keeping a big proportion of its debt at fixed rate and a lower debt indexation at variable rate, in addition to making permanent monitoring of market variables with the purpose of implementing timely risk mitigation strategies.

GRI 205-1

- Fraud and Corruption:**

Not preventing, detecting, investigating and remedying fraud or corruption in and against the Company causes trust loss of groups of interest, loss of value of stocks and damage to reputation.

The Company manages this risk by strengthening the culture of ethics, transparency and compliance; segregation of duties, declaration of conflicts of interests, ethic line, supply model and plurality in recruitment processes, among other actions that embrace most of EEB processes.

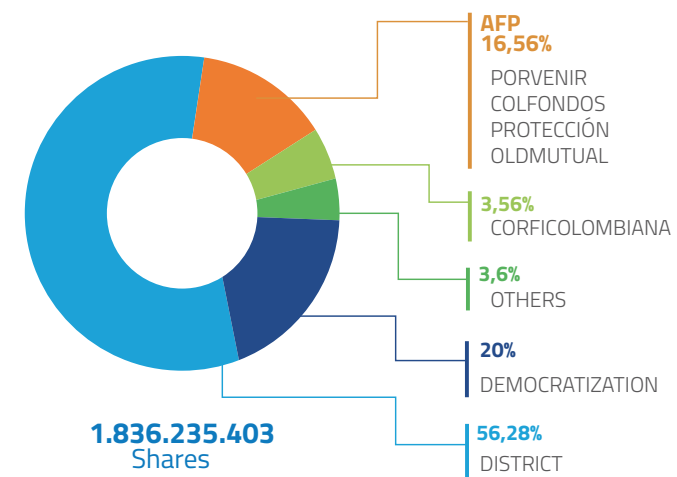
4.7 2016 ACHIEVEMENTS

- The second and third round of placement of shares of Ecopetrol in EEB S.A. ESP during 2016 generated positive movements on the prices of the local share based on the placement expectations. After these transactions, Ecopetrol still keeps 0.31% of share interest. The pension funds increased their interest and currently keep 17.03%.
- Negotiation of Policies. By such negotiations savings for about USD 2 million were generated.
- Implementation of the process of consolidation of Financial Statements under the tool of BPC integrated in SAP. Additionally, accounting policies were updated under the International Financial Reporting Standards, applicable to Grupo Energía de Bogotá.
- SOX control matrixes were defined for the accounting and Financial Statement consolidation process.
- Financial planning models were built under the accounting methodology of the International Financial Reporting Standards. Additionally, budget activities were automated through BPC (Business Planning Consolidation).
- Definition of the Strategic Risk Map, integrating the SOX risks and processes of Empresa de Energía de Bogotá.

4.8 2017 CHALLENGES

- Execute the Agreement of Management for Democratization

Democratization Proposal



CAPITAL DISTRICT
KEEPS CONTROL OVER

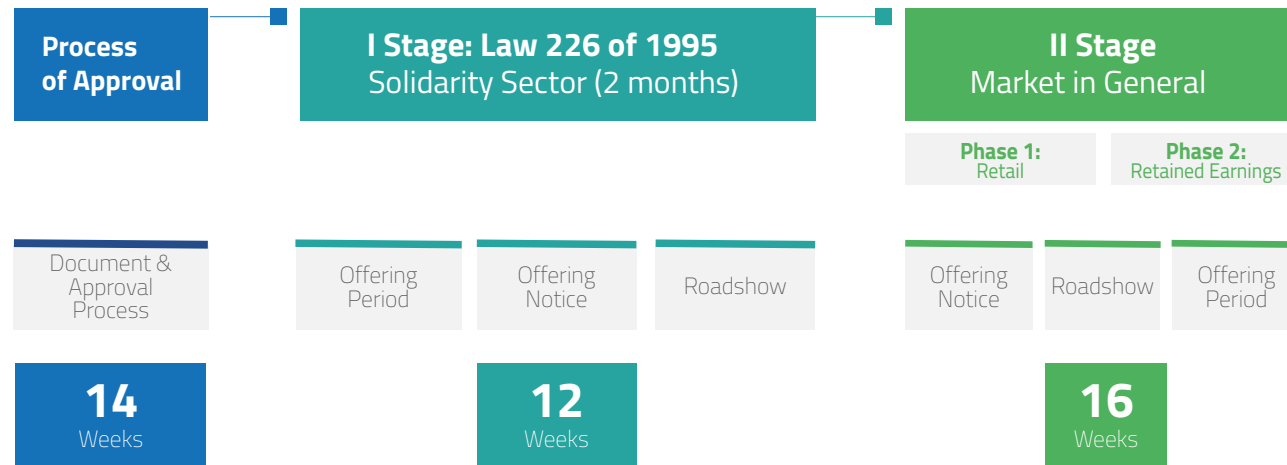
COMMON SHARES

56,20% Shares with full political and economic rights

Democratization Schedule

Law 226 of 1995

In conformity with Law 226 of 1995, the democratization shall be conducted at the following stages:



Note: In conformity with Agreement 656 of 2016 of the District Council of Bogotá, the District shall execute a Democratization process. The information contained herein only serves information and illustration purposes. It is not intended to be an accurate calculation and does not constitute a legal source of information, investment or financial advising on any issue.

- Banking Contracting, issuance process and debt management operation
- Effective dividend management in line with the financial forecasts of GEB, with the tax management, with the required indebtedness level and the cash flow needs of the Company.
- Comprehensive Risk Management System
- Strategic Risk Identification by GEN



4.9 ECONOMIC INDICATORS

GRI 201-1

Grupo Energía de Bogotá reached during 2016 an Adjusted Consolidated EBIT-DA of COP \$2,611,932 million which represents a growth of 44% versus 2015, thanks to a better operating performance of subsidiaries of the Group and a normalization of dividends declared by the companies of the Group during the year.

In terms of individual figures of EEB S.A. ESP the following table shows a comparison:

Item*	Year 2015	Year 2016
Direct Economic Value Generated	834.538	1.804.837
Transmission income (collections)	177.258	241.609
Share portfolio income (Dividends received)	490.659	1.384.699**
Financial income (interest collection)	134.244	151.650
Other income (collection leasing - Fees)	32.377	26.878
Distributed Direct Economic Value	1.433.512	1.061.473
Operating Expenses	93.802	107.983
Wage and social benefits	40.201	52.856
Payment of dividends	1.100.853	683.202
Payment of financial interests	139.962	165.439
Payment of taxes	55.401	51.993

* Figures in Million pesos

**Adoption of the IAS 27 "Consolidated and Separate Financial Statements", which includes the Equity Method of Investments in Associates.

The information about the social investment made by the Company in 2016 is evidenced in chapter Protection, well-being and life quality in the contents of social management with local communities.

The audited Financial Statements are contained in the annex hereto and disclose in a detailed manner the financial position of the Company upon closing of year 2016.

05

SERVICE QUALITY
AND RELIABILITYGRI
EU4

5.1 WHY IS IT IMPORTANT?

Material Issue:
Service Quality and Reliability

EEB operates 1,503 km of circuits at 230 kV, and has assets in 17 substations of the National Transmission Service (STN), capacitive reactive power compensations with a total capacity of 225 MVar, inductive reactive power compensations with a total capacity of 175 MVar and a Static Compensator of Reactive Power of 300 MVar installed in Tunal substation 230 kV.

As a result of implementation of strategies of operation and maintenance, in 2016 99.79% of the assets of the Company were available, which ensured proper energy transport service provision in the STN, in spite of the difficulties of the operation of the National Interconnected System –SIN– because of the climate phenomenon El Niño and the contingencies of the generation park of the country.

The coordination, control and supervision of the operation of transmission assets are carried out from the Transmission Con-

trol Center (CCT) located in the facilities of the Group.

The quality and reliability of the electric energy supply service is an issue established in the current regulations, specifically in the resolutions of the Energy and Gas Regulation Commission, CREG 011 of 2009 and CREG 093 of 2012, based on Law 143 of 1994 in which CREG is entrusted with the duties of defining and making operational the technical criteria of quality, reliability and safety of the energy service.

Resolution CREG 011 of 2009 establishes for National Transmitters and particularly EEB, the responsibility of keeping the quality of the wave form and balance of phase voltage, as well as the responsibility for service quality in the National Transmission System (STN), concerning continuity of electric energy transmission in the system, within the quality levels established by the regulations.

GRI
103-1

In conformity with the rules established in section 7 of the annex referred to as "Connection Code" which is part of the "Network Code", contained in Resolution CREG 0125 of 1995.

In this manner, the service quality is directly related to the regulated income of EEB, specifically with the following system operation aspects:

- Duration of unavailability of the assets used in the transmission service provision in the STN, and not exceeding the maximum adjusted annual unavailability hours.
- Maximum unavailability hours allowed of an asset caused by natural disasters, such as erosion (volcanic, fluvial or glacial), earthquakes, tsunamis, hurricanes, cyclones and/or tornadoes, as well as the ones caused by terrorist acts, which must not exceed six months beginning on the date of occurrence of the disaster.
- The non-supplied energy (ENS) for unavailability of an asset, which must not exceed 2% of the time prediction of demand for the Economic Dispatch estimated by the National Dispatch Center.
- The responsibility for not letting non-operating other assets.

5.2 HOW IS IT MANAGED?

GRI
103-2

EEB has defined processes and procedures subject to current regulations to manage the service quality and reliability, which are under the responsibility of the Operation and Maintenance Managements with the support and active participation of the Administrative and Financial Management, the Planning and New Business Management, the Engineering Management and, recently, the Sustainable Development Department.

Maintenance of transmission assets which are operating has a direct impact on the service quality and to reach high standards of availability, reliability and safety in the operation there are five essential pillars on which the maintenance management is based:

01 Use of maintenance management practices that allow reaching efficiency of operating costs throughout the entire life cycle of the physical assets, complying with the requirements and obligations of the current rules and regulations to contribute to generation of economic value for the Company.

02 Plan, execute, analyze and assess maintenance Works oriented towards preserving the main and secondary functions of the physical assets in operation.

03 Answer to emergencies of physical assets reestablishing operation to the failing equipments, ensuring thus their availability for operation in a safe and reliable manner.

04 Identify and provide information for improvement in the design and specification of equipments required to reach the reliability and availability level according to the established standards.

05 Identify refurbishment needs of the transmission infrastructure through assessment of equipment performance, their operating context and remaining useful life.

For maintenance of the infrastructure, the Company considers a scheme of maintenance engineering (planning, scheduling, assessment and analysis) conducted directly by the staff of EEB and execution of field activities is under the responsibility of specialized contractors who carry out their work in coordination and with the supervision of officers of the Company.

Maintenance is planned by applying the principle of reliability-centered maintenance – RCM6, with which it establishes the type of strategy that must be followed for each piece of equipment, the type of maintenance activity to be conducted, as well as frequency and resources required for each one of them. The strategy considers in

its development identification of failure modes validating the corresponding risks for establishment of maintenance tasks.

As for maintenance processes, the Company has as general inputs the quality indicators (availability), inspection reports, event reports, alarms and recommendations of the operator of the system. These inputs are treated within maintenance cycles obtaining the corresponding work orders that are executed by the contractors and service order or additional contracts with other suppliers.

Moreover, EEB develops the operation of its transmission assets in the entire country, mainly in a remote manner through a Transmission Con-

trol Center –CCT- located in its main domicile in Bogotá. The

CCT operates remotely the assets through the SCADA system, and is composed of a group of specialist engineers in operation of electric power systems that work 24/7 365 days of the year, and are in charge of coordinating and executing operating control of the assets of the National Dispatch Center- CND (Operated by Company XM Expertos en Mercados, located in Medellín-Colombia). All of its operations comply with the Network Code (Resolution CREG 025/1995) and other current regulations applicable to the process.

(6) RCM, Reliability-centered Maintenance.

5.3 HOW IS IT ASSESSED?

GRI
103-3

In order to assess management reports in aspects of quality and reliability there are technical indicators such as the availability index, time for service restoration after failure, indicator of forced outages and compliance with the maintenance plan.

These indicators have annual goals followed up monthly, and their deviations are analyzed establishing plans of action to reach the target values for each one of them.

During 2016, no demands were filed against EEB for causes related to unfair competition, for infringements of the legislation concerning monopolistic practices contrary to free competition.

GRI
206-1



5.4 ACTIVITIES AND INITIATIVES 2016

DEVELOPMENT OF PROJECTS

- *Pilot project for implementation of DLR (Dynamic Line Rating) technologies*

With the execution of this project the Company seeks application of smart networks to assess feasibility of increasing the transport capacities of transmission lines in service without significant investments. The project is based on measurement in real time of operating and climate factor parameters which have an influence on the behavior of the line, with which the necessary data to determine increases of capacity of electric energy transport are collected.

The pilot project is being executed on the transmission line La Guaca – La Mesa, with a capacity of 230 kV, by an agreement signed between the Company and the International Physics Center. In this manner, during 2016 the pre-feasibility phase of the project was completed, which identified as result feasibility of implementing the monitoring equipment on the line.

GRI
103-3

For the year 2017, it is scheduled to install equipment and monitor the transmission lines for a period of six months. Subsequently and in accordance with the information collected during the monitoring stage, a model that reflects the real behavior of the line and allows establishing operating values thereof under different operating conditions shall be built enabling establishment more accurately the operating limits of the transmission lines.

In this project, the International Physics Center, which is a research center attached to Universidad Nacional de Colombia, was involved with the purpose of contributing indirectly to progress of science and technology in Colombia.

Project for Modernization of Protection and Control Systems of Substations

The project consists in changing the control and protection equipment of nine high-voltage electric substations located in the center of the country surrounding the city of Bogotá. With the project, state-of-the-art equipment shall be installed in the substations that shall allow having in each of them smart networks using architectures, technologies, communication protocols and applications that facilitated and enable interoperability of the substation with the National Interconnected System.

The objectives of the project include:

- Improve reliability of the system of protection of the area of influence where there are substations, ensuring a more selective failure clearing.
- Increase effectiveness of reclosing, contributing to stability of the Power System.
- Facilitate local operation in the electric substations thanks to implementation of the new control system.
- Increase the amount of information available for operators of the Control Center (CCT) in order to conduct a more detailed analysis of the failures occurring in the National Transmission System (STN).
- Have smart substations able to send phasor⁷ information, and cybersafe and redundant networks and control architectures.

Project for Modernization of Protection and Control Systems of Substations

The project consists in changing the control and protection equipment of nine high voltage electric substations located in the center of the country, which surround the city of Bogotá. With the project state-of-the-art equipment shall be installed in the substations, which shall allow each of them to be fitted with smart networks using architectures, technologies, communication protocols and applications that facilitate and allow interoperability of the substation with the National Interconnected System.

(7) The Phasor Measurement Units, known by the acronym PMU, are born as a new electric signal monitoring tool and become every time more the optimal manner to detect dynamic phenomena in electric networks and establish the state of the network in a fast and precise manner.



Refurbishment of Trans-mission Line of Guavio System

The project consists in total repositioning of the damping system and conductor separators of corridors Guavio – Tunal – Reforma 230 kV and Guavio – Circo 230 kV which add up to about 250 km. The damping system of these corridors started to evidence an accelerated end of their useful lives presenting a failure mode that eroded the layers of the conductor putting at risk the normal transport of energy by the corridors.

For execution of the project in EEB the maintenance technique in live line was used for the first time, in which replacement of the spacerdamper was made with specialized maintenance crews that carry out the work with the transmission line in service at 230 kV level.

With the application of this technique, it is possible to decrease to a minimum the unavailability hours of the corridors where works must be conducted given that they are of vital importance for reliable and safe supply of energy for the city of Bogotá and the eastern area of the National Interconnected System – SIN.

Research Projects with Universidad de los Andes

During 2016, three research projects associated with monitoring of power equipment conditions and transient analysis and the impact thereof on power equipment were formulated and implemented:

PROJECT	DESCRIPTION
Methodology for assessment of the condition of power measurement equipment (power transformers and current transformers)	Within the theoretical framework of fuzzy logic, some linguistic functions of belonging and acceptance of condition were established and allowed building an algorithm to assess an asset (whether a power or current transformer), determining its state and establishing a renewal of equipment having a poor operation condition.
Methodology for assessment of the condition of surge arresters.	Within the theoretical framework of fuzzy logic, some linguistic functions of belonging and acceptance of condition were established and allowed building an algorithm to assess surge arresters, determining their state and establishing a renewal plan of equipment with a poor operation condition.
Analysis of the Very Fast Transient phenomenon and its impact on the encapsulated substations in SF ₆ – Study Case, failure in transition bushings.	In the encapsulated substations in SF ₆ of EEB, since 2010 a series of phenomena have been occurring with fatal consequences for equipment. Accordingly, some power equipment of GIS substations has been modernized. Simultaneously and with the purpose of investigating the source that may be causing failures on this equipment, with Universidad de los Andes, the Company developed electric models to simulate transient phenomena about the System, especially the Very Fast Transient, and determine if this phenomenon is a possible cause of failures in the power equipment of GIS substations. It should be noted; however, that during the project activities a special attention is given to management of SF ₆ since it is controlled within the framework of climate change mitigation measures given its high potential of global warming.

The foregoing studies allow introducing the maintenance management model, a research component that represents benefits for EEB not only in the technical aspect, but in publication of academic articles, improving processes and contributing to formation of better professionals in the field of Electric Engineering in Bogotá. This type of projects represents contributions for progress of science and technology in Colombia and constitutes a first step for innovations to keep better quality levels in provision of the service.

SYSTEM EXPANSION PROJECTS

EEB has been working in development of 12 projects for expansion of the National Transmission System (STN) and the Regional Transmission System (STR), as described below:

NAME OF THE PROJECT	PROGRESS PERCENTAGE*	RELEVANT ASPECTS / MILESTONES ACCOMPLISHED
UPME 02-2009: S/E Armenia and associated transmission lines 230 kV	96%	By Resolution 1223 dated October 19 2016, the ANLA partially lifted the preventive measure on 5 towers of the project, and started the administrative procedure for modification of the environmental license for movement of tower 64. EEB processed the request of extension of commissioning date of the project before the Ministry of mines and Energy, which was approved by resolution 41246 dated December 23, 2016. State: in construction
UPME 05-2009: S/E Tesalia (Quimbo) and associated transmission lines 230 kV	85%	For building of the towers the operating demining has to be conducted. For this purpose, an agreement was signed with the National Army and activities shall start at the beginning of 2017. These activities correspond to the project "Energy for Peace" which shall be described in the chapter social performance. EEB is coordinating with the contractors construction of the remaining sections. State: in construction
UPME 03-2010: S/Es Chivor II, Norte, Bacatá and associated transmission lines 230 kV	55%	EEB continues with the environmental licensing process by ANLA and the relation activities with the authorities and persons of the direct area of influence of the project. EEB processed the request of extension of Commissioning Date of the project before the Ministry, which was approved by resolution 41248 dated December 23, 2016. State: In course of environmental licensing
UPME 05-2012: Second circuit Cartagena – Bolívar 220 kV	58%	On November 22, EEB was notified about Order No. 01357, whereby the environmental license is granted to the project. On December 2, the District Planning Secretariat issued Resolution No. 9385, whereby the license for occupation and intervention of the public space necessary for building of the underground section is granted.
UPME 01-2013: S/E Norte 500kV and associated transmission lines Sogamoso – Norte – Nueva Esperanza	41%	On December 12 2016, the ANLA granted the public environmental hearing requested by the Mayor of San Antonio de Tequendama and states that since the licensing process is suspended, it shall resolve upon the date of the hearing before final licensing decision. State: In course of environmental licensing
UPME 01-2014; S/E La Loma 500 kV	62%	EEB processed the request of extension of the date for start of operations of the project before the Ministry, which was approved by resolution 41153 dated November 29, 2016. State: Partially in construction with section in process of environ-mental licensing.
UPME 13 de 2015 STR – Trafo S/E La Loma 110 kV	9%	The routes of the transmission lines towards substation El Paso and substation La Jagua were chosen preliminarily. State: In route selection
UPME 04-2014: Southwestern Reinforcement 500 kV	18%	EEB filed administrative appeals for the three sections of the Project in the Environmental Diagnosis of Alternatives (DAA). A positive answer was obtained from the ANLA. State: In phase of studies and designs / DAA Assessment
Project San Fernando Ecopetrol 230 kV	49%	A preliminary social activity in field in the districts that had not been visited by the contractor of environmental studies to facilitate their access to the area and completion of the management of right of way permits, completion of the Environmental Impact Study and the detailed design of the line. State: in course of line licensing / In construction of the substation San Fernando
UPME 06-2014: S/E Córdoba River 220 kV	53%	EEB processed the Environmental License for the project before the ANLA, which was granted by resolution 00969 dated September 2, 2016. Start of construction of the transformer area was ordered. EEB processed the request of extension of the date of start of operations of the project before the Ministry, which was approved by resolution 41130 dated November 23, 2016. State: In construction and in process of modification of the environmental license
UPME STR 07-2014: Transformers Río Córdoba 220/110 kV	79%	Activities of civil works advance in the yard of substation 110 kV. State: Under construction
Connection Port Drummond Ltd. S/E Río Córdoba 220 kV	24%	All the main equipment of the substation is stored in substation Río Córdoba, pending issuance of modification to the environmental license requested for project UPME-06- 2014 Río Córdoba for its assembly. State: In course of environmental licensing.

* The progress percentage corresponds to physical execution since the stage of design and studies, purchase of goods and services, execution of Works and assembly of equipment and commissioning of assets.

PROJECTS OF MODERNIZATION AND REFURBISHMENT OF INFRASTRUCTURE

In 2016, 26 projects of modernization and refurbishment of infrastructure were developed and are focused on improving availability and reliability of the transmission assets.

■ Refurbishment of metallic poles of line Reforma-Tunal:

Treatment and application of galvanized paint of poles of line Reforma – Tunal 1 and 2 located in Avenue Boyacá in the south of the city, with which it shall increase useful life of the poles.

■ Geotechnical Stabilization of Transmission Lines:

Develop the studies, designs and works necessary to prevent the fall of towers for geotechnical instability. In the central area six stabilization works were executed, studies and diagnosis of the towers damaged by the alluvial fans that affected Piri river in the eastern cordillera were prepared, and the geotechnical characterization studies of corridors of the Bogotá System were conducted.

In the Southwestern Area three stabilization works were executed and a geotechnical characterization and anaglyphs for the corridors from Betania to the border with Ecuador were made.

■ Transpositions for lines Guavio - Reforma and Reforma-Tunal:

Carry out transpositions to improve residual currents in these transmission lines for start of operations of project UPME 02 2014, which consists in connection of substation Reforma to circuits Guavio – Tunal. With the transpositions, selectivity is improved in the acts of the protection schemes of this corridor.

■ Diagnosis and Design of Compacting of CITU “Alfonso Lopez”:

Diagnosis and study for the technical and social solution for the easement approaches and invasion

that exist in the sector of Alfonso Lopez in the city of Bogotá.

Substations

■ Replacement of Bus Tie Switch of Substation Tunal 230 kV:

Change of switch of small volume of oil which was installed in the bus bay of bars of substation for a switch of SF₆ technology which shall seek a more reliable operation and shall represent less maintenance costs. Replacement of air-gas transition bushings of the encapsulated sub-station in SF₆ Guavio 230 kV: Gradual replacement of 24 air-gas transition bushings of the bays of the line of the encapsulated substation of Guavio 230 kV, which are at the end of their useful life, according to analysis.



■ Refurbishment of Operation Mechanisms of Power Switches of the Encapsulated Substation in SF6 Guavio 230 kV:

Major maintenance of actuating mechanisms of the nine bays owned by EEB in the substation, which shall guarantee timely and reliable actuation of switches in case of failures in the power system.

■ Modernization of the compressed air system for actuation of power switches of the encapsulated substation in SF6 Circo at 230 kV and refurbishment of actuating mechanisms:

Full replacement of the compressed air system that allows closure and opening operations of the five switches of 230 kV of EEB in the substation. Additionally, major maintenance of each drive system of each bay was conducted in a parallel manner.

TRANSMISSION CONTROL CENTER CCT

In 2016, the transmission control center (CCT) was modernized. State-of-the-art technology was implemented to improve the performance, reliability and extension capacity thereof for future projects. In this manner, the new system has a solid architecture designed in compliance with the cyber-safety standards and allows use of last-generation protocols for exchange of information with the Company's substations and the operators of the national interconnected system - SIN. Additionally, the SCADA system has backup stations and servers which in the event of a disaster event affecting the main control center shall allow that supervision and operation of the assets of the Company are not affected or interrupted, complying thus the provisions of the Business Continuity Plan.

Simultaneously, the reinforcement of the realtime operation equipment of the CCT was made having currently a total of nine specialist engineers who, in a shift scheme of 365 days a year, supervise the system, answer contingencies or events in the system along with the maintenance equipment and conduct the operation in general of assets of EEB in coordination with the National Dispatch Center.

As for inventory matters, the work of establishment of minimum stock of each spare part began in the warehouse as to allow guaranteeing a speedy reestablishment of the assets in service considering storage costs, as well as risks for not having the spare part in the warehouses of the Company.

SYSTEM MAINTENANCE ACTIVITIES

During the year, a regular revision of effectiveness of the reliability-centered maintenance (RCM) was made with adjustments identified in the maintenance tasks of certain equipment for the next periods. Likewise, adjustments were made to the PM module of the SAP for maintenance management, which improved and increased the quality of the information of the assets registered therein and there were improvements that increased functionality of the maintenance equipment.

Nonetheless, several events that prevented full compliance with the maintenance plan anticipated for the year occurred, including:

- El Niño phenomenon occurred during the first quarter of the year.
- The fire in the generation plant Guatapé during the second quarter of 2016.
- The major maintenance activities of the plant Guavio in September.
- Occurrence of attacks to six circuits of the STN ring of Bogotá during October.
- Start of commercial operations of expansion projects of other agents (EPM-Nueva Esperanza y Betania – Mirolindo de ISA).



All these events caused restrictions by the system operator (XM) for the maintenance interventions scheduled in the biannual maintenance plans established by all the SIN agents.

Further, in the year there were situations in which the different communities have prevented access to sites of tower to conduct the maintenance activities requesting the Company improvement of access roads, bridges or development of social investment projects, for which the Sustainable Development Department shall continue contributing to the implementation of the sustainability model, approaching, local, regional and national authorities that allow ensuring in a joint manner wellbeing of communities in the areas where there is infrastructure of the Company.

ELECTROMAGNETIC FIELD MANAGEMENT

The concept of electromagnetic field refers to two different types: i) the electric field and ii) the magnetic field. The electric field is present when there are electric loads and the magnetic field when there is a flow of such loads, represented in electric current. The transmission lines generate both types of fields which depend directly upon voltage of the line and the current it transports.

For the transmission lines in Colombia admissible limits have been established for each one of the fields, which are contained in the Technical Regulations of Electric Facilities (RETIE) as follows:

LIMIT VALUES OF EXPOSURE TO ELECTROMAGNETIC FIELDS

Exposure Type	Electric Field Strength (kV/m)	Magnetic Flow Density (μT)
Occupational exposure in a work day of eight hours	8,3	1000
Public exposure in general up to eight continuous hours	4,16	200

These values must be observed on the border of the service route at any point of the transmission line. These limits are based on studies made by the International Institution for Protection of Population and the Environment, in case of non-ionizing radiations, ICNIRP (2009 revision) and endorsed by the WHO (World Health Organization).

DESIGN CRITERIA FOR MITIGATION OF HIGH VALUES OF ELECTROMAGNETIC FIELDS

Even though the electromagnetic fields generated by the transmission lines of EEB, being of low frequency not harmful for health, different criteria are considered for observance of the values indicated in the RETIE, including:

■ Conductor:

For conductor selection, its composition in materials, thread number, thread diameter and total conductor diameter are considered.

■ Geometry of the Structure and Arrangement of Conductors:

The geometry and arrangement of conductors play an important role in the distribution of electromagnetic fields throughout a transmission line since they determine strength for a vector addition or subtraction, depending on the circuit phasing.

■ Height of Conductor with respect to Floor:

The electromagnetic field strength is measured on the border of the service route in order to comply with the values established according to RETIE. Height of conductors has a direct influence on the field strength with respect to the measurement point, since it is the own source of field generation.

EEB, aware of the lack of information of the community in general concerning the issue, has created two videos about electromagnetic fields and their influence on the environment of the community, which are available at:

https://www.youtube.com/watch?v=KO_RELTu4rc

<https://www.youtube.com/watch?v=5HOWzGOblw4>

06

PROTECTION, WELL-BEING AND LIFE QUALITY

The new orientation of the sustainability policy of EEB indicates as one of the purposes of the operating activities contribution to improvement of the life quality through social and environmental development, and proposes two concrete actions to reach such goal: transform positively the territories where the Organization operates and establish agreements among the participating stakeholders.

Contributors, contractors, suppliers and the members of the communities of the territories of influence are part of the targeted public of the initiatives and programs developed by the Company to fulfill this central purpose, including management of human talent, safety and health, supply chain and relations with local communities, within a strategic framework that promotes wellbeing, personal protection and the contribution to reach better life conditions.

SOCIAL POLICY

The new sustainability model that shall be implemented in 2017 was designed from the existing social policy, which oriented relations of the Company during 2016, recognizing territorial, social, cultural and regulatory diversity of the areas where the Company operates, as well as identification of its socioeconomic, environmental policy seeking thus committing with development of effective plans of action for

definition, prevention, mitigation, control and compensation of the social impacts caused by the activities of EEB.

EEB in its social policy undertakes to:

- Develop its operations within the framework of respect to social, cultural, political, religious and ethnic diversity of the areas where it is present.

6.1 SOCIAL MANAGEMENT WITH LOCAL COMMUNITIES

- Act in accordance with corporate values which establish relations with its environment, intended to be integrated to be perceived as a company close to the community, a good neighbor. The phrase is: close to the community, a good neighbor that contributes to social and economic development of the country.
- Implement actions and mechanisms that contribute to identify, prevent, mitigate and control social impacts caused by its operating activities, including due diligence processes in the territory that allow identification of the corresponding risks.
- Design and implement communication and information strategies towards the community and authorities that allow generating base development and an understanding and trust relation.
- Facilitate and consolidate the relation with the communities and their authorities through dialogue and active and positive participation that contributes to their empowerment, strengthening of their institutions and development of capacities of local management control.
- Accompany execution of programs and projects of sustainable social development in the area of influence of its infrastructure based on the knowledge of the most relevant characteristics of the environment where they operated, in addition to the consultation and assessment of needs and proposals of the communities of the area of influence.
- Develop compensation strategies that answer proportionally to the nature of the impacts caused by the project that they are implementing and consider the needs and characteristics of communities.
- Guarantee management of its rights of ways, assuming principles of justice and equality.
- Promote social and environmental co-responsibility for strengthening of local governance, regional integration and improvement of life quality of the population of its areas of influence.
- Guarantee that for compliance with the commitments taken all the resources allowing development of a responsible social management are available.
- Commit in management and adoption of the guidelines defined in this policy its contractors and the representative before the communities.
- Ensure that in the investment decisions the social management is assessed and considered so that the share portfolio is line with the social commitment of the company.
- Make donations to community organizations, public or private non-profit entities, provided that they are incorporated as political parties or movements with legal person or not.
- Ensure development of the management systems, processes, procedures, protocols and other tools that guarantee implementation of this policy, in accordance with particularities thereof.
- Foster respect for human rights pursuant to the Principles of the United Nations Global Compact.

GRI 413-1



Material Issue: Local Communities

The Company has established long-term commitments with the communities and social groups that live in the territories where EEB is present with the purpose of continuing building trust relations, assuming its responsibility for being a good neighbor.

¿WHY IS IT IMPORTANT?

GRI 103-1

The genuine, permanent and timely relations seek shared value creation leading to a positive transformation of the territories where the Company carries out its operations. For this purpose, it acts respecting and promoting human rights, diversity, traditions, knowledge and practices of social group and communities in their areas of influence.

The Company aims at positioning as a relevant stakeholder for its contributions to sustainable development, interacting through partnerships with other social and corporate organizations, as well as with the State institutions as to reduce dependence and work for lasting peace, and exercise of public values such as democracy and participation.

Based on compliance with the national and international regulations protecting the rights of communities, the Company has identified and assessed impacts jointly with different related actors (communities, land owners, national, regional, local and district authorities) revising the measures of management and generating reflection spaces that allow having an influence on prevention, correction, mitigation, compensation or reinforcement thereof.

This seeks to establish dialog processes based on respect, where information exchange occurs in a timely, continuous, progressive manner and guaranteeing that it remains accessible for consultation or verification in favor of transparency. In this manner, the Company shall reach its maximum capacity of response to the expectations and interests of the populations.



GRI
102-15

IMPACTS OF OPERATION

Presence of operations of the Company generates modifications to the usual context of communities, which are shared in the different phases of the projects:

They start with disclosure of the projects before construction, followed by a process of building of the electric and operation infrastructure of the assets installed for service provision.

For the nature of the service of electricity transmission that EEB provides to the Nation, in which quality and reliability are measured by availability of the infrastructure according to the National Interconnected System of Colombia, the projects do not consider a dismantling phase and thus the Company does not delve into the impacts that could be caused in that case.

Impact management allows that they can be prevented and mitigated and, when necessary, compensating the population that could be affected by the operation. The extent of the social management of EEB is the direct area of influence of its projects, which is defined in accordance with the political and administrative division of the country and the district is considered the local unit.

IMPACT

IMPACT DESCRIPTION

0.1 GENERATION OF EXPECTATIONS

The expectations generated in the community originate in different phases of the projects and are expressed both in a positive and negative manner. On the one hand, there is the expectation social investment projects are implemented, and in general, that the benefits to the development of the direct area of influence are evidenced. On the other hand, the expectation predisposes stakeholders who can potentially express a political or social position with respect to projects and interventions of the Company in the territory.

In any case, followup of the commitments acquired by the Company, presence in the territory and participation and involvement of the groups of interest in the decisionmaking processes facilitate that the expectations is understood through the legitimate needs and concerns of the communities, creating opportunities for genuine relations and contributions for sustainable development.

0.2 ALTERATION OF ROUTE CONDITIONS

There is the possibility the local population suffers accidents due to the increase in the vehicle traffic and building of the works associated with the project.

Increase of traffic of vehicles and pack animals in remote areas, mainly during the stage of construction can change the characteristics of the route network of the roads of traffic of the population, disturbing the regular development of daily activities.

The Company operates under a safety and health system in the workplace and an essential respect for life of all the people in the territory, within the system, a road safety plan is implemented for impact mitigation. Additionally, in accordance with the provisions of the management plans and according to the specific needs of communities, punctual maintenance or adaptations are made to maintain integrity of the transit routes intervened.

0.3 LIMITATION TO OWNERSHIP OF REAL ESTATE AND RIGHTS OF WAY

It is a social and economic impact on the use of premises. When legal rights of way are consolidated for electric energy transmission in the construction phase of the projects, this leads to an ownership limitation with respect to the use of real estate, a situation that causes a fair economic compensation, carefully analyzed in each negotiation process, which is not always accepted by owners, holders and occupants of the real estate subject to intervention. The ownership limitation is, sometimes, perceived as a negative impact given that, according to the current law, the compensation received for the impact is paid only one time and restricts permanently the use of the property.

For management of this impact, the Company created a specialized agency for land management and strengthened different followup and control instances in the Integrated Management System so that acts are verifiable and keep their orientation towards continuous improvement. In this context, negotiation processes that favored parties and explored alternatives to determine the fair compensation values, attention to affected houses and payment for acquisition of rights of way so that they are transparent and legal. Additionally, the negotiations processes are governed by the guidelines of the Sustainable Development Department with respect to relations and the Internal Audit Department in case of ethical principles and fight against crimes such as corruption, money laundering and terrorism financing.

0.4 CONFLICT MITIGATION

The territories and the social groups are not exempted from conflicts and their background. EEB as a stakeholder in the territory and for its intervention with projects operates in especially sensitive environments under the risk of accentuating real or potential conflicts.

In order to manage this impact, the Company acts in a preventive manner about the lessons learned and implements with special attention physical safety protocols and its Sustainability Policy that establish the acting principles. These principles are binding for any contributor of EEB and third parties acting in its name in the areas of influence of the projects.

0.5 TEMPORARY JOB CREATION

The temporary requirement of human resources during the phases of construction mainly, constitutes the need of relating members of the local community to the work teams requiring the projects. This condition is not only a requirement of authorities, but it also allows making more dynamic the local economy and favors creation of competences for work among the populations. In an indirect manner, some goods and services that can be supplied locally are also required by the project that takes them preferably.

BENEFITS OF THE OPERATION

The presence of EEB in the territory, in addition to generating certain impacts, has contributed to development of new dynamics with its neighbors, which contribute to the positive transformation of the territories and improvement of the life quality of the population. Beyond the transmission lines and their associated infrastructure, the projects of EEB create value in the areas of influence and reliability in service provision to satisfy the growing energy demand in different regions of the country. Such benefits are the following:



PROJECTS

■ Corridor South and Bogotá system Line "Guavio-Circo"
■ Interconnection Ecuador
■ Line Mocoa-Jamondino
■ Line Tesalia-Altamira
■ Substation Alférez
■ Project UPME 02-2009 Armenia
■ Tesalia 230 kV and associated lines
■ Sogamoso 500 kV
■ Norte-Chivor II 230 kV
■ Cartagena, Bolívar 220 kV
■ Río Córdoba (STN-STR and Drummond)
■ Southwestern Reinforcement at 500 kV
■ San Fernando
■ La Loma 500 kV

BENEFITS

■ It ensures electric supply for growth of the demand both in the Meta Department and in Bogotá.
■ It materializes the integration agreements of the electric market with the neighbor country and increases reliability of attention of the demand in Huila, Cauca, Putumayo and Nariño Departments.
■ It extends the national interconnected system strengthening the regional interconnection of the areas of medium and low Putumayo.
■ It seeks to increase energy security, stability of the electric system and energy self-efficiency of the country.
■ It ensures energy supply in the south of the city of Cali to address the demand of the region.
■ It shall improve service provision and shall increase reliability of the energy supply in the Quindío and Risaralda Departments.
■ It shall allow connection between substation Alférez and Plant Quimbo, which shall contribute to improve the electric service in southwest of the country, especially in the Tolima and Valle del Cauca Departments.
■ It shall reduce the risk of shortage and increase reliability of the electric energy system in the departments of Cundinamarca, Tolima and Meta.
■ It shall improve reliability of the electric energy supply in Bogotá and the departments of Cundinamarca, Meta and part of Tolima.
■ It shall increase the electric energy transport capacity towards the region of the Caribbean, mainly in the department of Bolívar and shall allow taking energy to the consumption centers.
■ It shall strengthen the electric system of the Atlantic Coast to improve quality of the service and shall allow solving the energy problems of the department of Magdalena.
■ It shall allow strengthening energy transmission in the country and improve the life quality of many households of the departments of Antioquia, Caldas, Risaralda and Valle del Cauca.
■ It shall improve energy supply in the department of Meta and shall allow connection of oil fields Castilla and Chichimene.
■ It shall allow improving the quality and reliability in provision of the electric energy service in the department of Cesar.

GRI 103-2

HOW IS IT MANAGED?

Presence of EEB in the territories demarcated by its area of direct influence is governed by three principles of action which guide the social management of Grupo Energía de Bogotá towards establishment of closer and more lasting relations with the communities, but especially towards building of strategic partnerships and development of the population.

PERMANENT PRESENCE AND REGIONALIZATION

Permanent presence allowing genuine and timely relations that consolidate trust with the groups of interest. Accordingly, The Company proposed regionalization for positioning and coordination of relations.

Regionalization represents the main challenge with local communities and it shall have three 3 offices in Neiva, Pereira and Valledupar with professional staff specialized in the environment, social management and health in the workplace, land management and communications, as well as the staff particularly required by the projects.



Territories of Influence

As part of the commitment acquired by EEB with the communities of its area of operation, it has identified the areas of influence both for infrastructure in operation and infrastructure in expansion. Given that the Company has operations at national level, this identification involves the departments that are affected directly by the operation. Chapter Empresa de Energía de Bogotá contains the map of territories where the Company is present, which embrace a total of 794 districts, 173 municipalities and 17 departments of the country.

WESTERN AREA			
Project	Department	Municipalities	Districts
Eje Tesalia	Valle	4	22
	Tolima	2	21
	Huila	5	35
La Hermosa - Armenia	Quindío	2	9
	Risaralda	3	14
Occidente	Antioquia	8	43
	Caldas	9	29
	Risaralda	2	5
Suroccidente	Valle	17	66
	Cauca	1	11
	Huila	11	11
	Nariño	9	53
	Putumayo	3	44
TOTAL	10	76	375

CENTRAL AREA			
Project	Department	Municipalities	Districts
Central Corridor Guavio - Circo	Cundinamarca	7	34
	Bogotá D.C.	1	1
South Corridor Guavio - Reforma - Tunal	Meta	4	20
	Cundinamarca	8	57
	Bogotá D.C.	3	3
Bogotá System	Bogotá D.C.	1	7
	Cundinamarca	6	30
Balsillas	Cundinamarca	2	2
Northeast	Cundinamarca	1	1
Chivor I-Norte	Cundinamarca / Boyacá	20	76
TOTAL	3	53	231

NORTH AREA			
Project	Department	Municipalities	Districts
La Loma	Cesar	3	6
Termocandelaria, Cartagena	Bolívar	3	4
Rio Córdoba	Magdalena	1	1
TOTAL	3	7	10

EASTERN AREA			
Project	Department	Municipalities	Jurisdictions
Reforma - San Fernando	Meta	3	16
Sogamoso	Boyacá	8	29
	Cundinamarca	36	149
	Santander	10	60
TOTAL	4	57	254



STRATEGIC PARTNERSHIPS

Establish strategic partnerships with public, private and civil society stakeholders committed to development, competitiveness, equality and public values such as democracy and building of long and lasting peace. These partnerships shall be mainly intended for social investment projects and programs with impacts for poverty reduction.

SOCIOECONOMIC DEVELOPMENT

Execute projects for socioeconomic development that transform positively and permanently the territories; which are in line with the territorial and environmental planning instruments.

SOCIAL TEAM

In order to guarantee fulfillment of the objectives and goals established for social management of the Company, there is a team of comprehensive work, committed to the communities and aware of its roles in social and cultural practices in the territory where the Company is present. This team is also in charge of the management, follow-up and monitoring of the activities defined in the sustainability policy.

The social management team is part of the Sustainable Development Department, which coordinates a team of coordinators, responsible for a team of social managers who are present in the territories where the expansion projects are developed. Additionally, there is a team appointed for land management.

The Sustainable Development Department also has a team of professionals with whom social management of EEB in the territories with infrastructure in operation and coordination of initiatives having a positive impact on the city of Bogotá are addressed.

GRI 103-3

HOW IS IT ASSESSED?

EEB aligns its management, activities and initiatives with the requirements, guidelines and regulatory principles that protect and ensure rights of the communities that are in the areas of operation of the Company. Therefore, the social activities are monitored and followed up, the requirements, established processes and assessment led by the National Agency of Environmental Licenses and provisions of the Political Constitution of Colombia about relations with communities and social control that they can exercise in the operations of the company are observed. Likewise, all the social projects have an audit process through bi-weekly and monthly meetings.

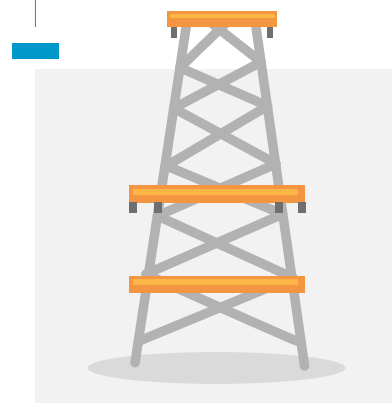
SYSTEM OF CLAIMS AND COMPLAINTS

With the purpose of establishing trust relations, the Company has generated a user service system that allows building equal agreements, formalizing due diligence processes and having a timely response capacity in the face of needs and expectations expressed by the population. During 2016, the process of receipt of claims and complaints was as follows:

OPERATING INFRASTRUCTURE: **74** communications, out of which 73 were solved in 2016

INFRASTRUCTURE IN EXPANSION: **258** claims received and answered

2 Popular actions* received and in course of attention



*Execution of the expansion projects by EEB in 2016 has caused that in some cases lawful representatives and members of the communities in the area of direct influence used the legal mechanisms of Popular Action after declaring opposition to the projects.

In its due diligence, the Company has completed all the stages and activities of diagnosis, studies, designs and building in the framework of environmental and procedural regulations governing the matter, and as the Environmental Authority has recognized it granting the corresponding environmental licenses in the procedures of assessment of the studies that EEB has presented. In this manner, the Company acts respecting the collective rights required by the popular actors and Works pursuant to the current applicable legislation in accordance with its activities in the territory.

The class actions filed during the period of this report are listed below. Both cases, upon closing, remained opened.

1. In the Arbitration Court of Cundinamarca a class action has been filed by Lina Paola Robles, in her capacity as Sopkesperson of the Municipality of Gachancipá against ANLA, UPME, CAR and EEB with the purpose of preventing building of a substation of project Chivor Norte BACATÁ, arguing a violation of the collective right to enjoy a healthy environment along with life (File 2016-103).
2. In the Arbitration Court of Cundinamarca a class action has been filed by José Arturo Torres Conde against ANLA, UPME, CAR and EEB in order to prevent execution of project UPME 01-2013 Sogamoso Norte, arguing a violation of the collective right to enjoy a healthy environment along with life (File 2016-1489)

GRI
201-1

ACTIVITIES AND INITIATIVES 2016

Social Initiatives

In 2016, the Company generated social investment actions in the territories of influence of the projects of the Company. These investments correspond to noncommercial sponsoring activities, social actions and private social investment that added up to a total of \$ 4,669,928,640. These initiatives are developed within the framework of the sustainability model and have the purpose of generating value in association with the communities, considering their contributions, expectations and interests.



Operating Infrastructure

- Maintenance of district roads: By an agreement established with the members of the communities of districts San Roque and Campo Hermoso, of the municipality of Ubalá, department of Cundinamarca, maintenance of about 3 kilometers of rural road was made allowing access to towers 7 and 8 of the Central Corridor. This activity benefits populations of these districts, which have better conditions to move in the area and the staff of EEB and its contractors have better transport and safety conditions in the area.
- Delivery of teaching material: In order to support students of rural schools, teaching material, such as robotics kits, crayon kits, notebooks, energy textbooks and puzzles, was delivered. The material was delivered in schools of Cauca, Cundinamarca, Nariño, Valle del Cauca, Putumayo, Huila and Meta.
- Installation of children parks: With the purpose of improving recreation conditions of children, 10 children parks were installed in the departments of Cundinamarca, Huila and Nariño.
- Socializations coexisting with the electric infrastructure: During the year there were socializations with communities, in which the Company emphasized the general characteristics of the energy transmission infrastructure and basic aspects for a safe coexistence in Cauca, Cundinamarca, Nariño, Valle del Cauca and Huila.
- Socializations: During the year, a total of 22 meetings were held. Out of such meetings 5 were with indigenous communities in the departments of Nariño, Putumayo and Cauca. The first meeting was with communities Pastos – Quillasingas. In the case of Putumayo, 3 meetings were held with the communities of Inga and Kametsa, while in Cauca a socialization event was held with the indigenous community of Yanacona.
- Installation of eco-efficient stoves: In order to improve life conditions of the most vulnerable families in the B area of Ubalá, department of Cundinamarca and decrease the pressure on the forests of the region, a project with a social and environmental approach was started. Such project shall develop installation of 50 eco-efficient stoves with the corresponding firewood gardens, actions completed by a cycle of environmental training sessions. This project develops identification of beneficiaries and shall be implemented in 2017.

Infrastructure in Expansion

Proyect UPME 05-2012:

Second Circuit Cartagena – Bolívar 220 kV

- 50 Meetings before construction of the project: 18 meetings with Local and Regional Authorities, 27 with communities of the area of influence, 3 with other groups of influence and 2 with contractor companies. The spaces were framed within the environmental licensing process (Environmental Impact Study - EIA), the volunteer project of community benefit – PVBC, and implementation of good relation strategies with groups of interest.
- 2 Initiatives of communities presented to the Company: As a result of the open spaces with the communities of the area of influence, two communities submitted proposals within the framework of the Volunteer Program of Community Benefit – PVBC.
- 690 teaching elements delivered: Through the Foundation of Grupo Energía de Bogotá - FGEB, notebooks, solar and wind energy-driven robot kits, puzzles and t-shirts were distributed.

Proyecto UPME 03-2010:

S/Es Chivor II, Norte, Bacatá y líneas de transmisión asociadas 230 kV

- Rapprochement and presentation with the new authorities elected for the period 2016-2019
- Workshops on rights of way with the outgoing and new representatives. 10 communication strategies implemented in the area of influence of the project that included permanent relation spaces.
- Articulation of actions with the Land Management to answer the requests of owners, authorities and communities.
- 17 information points in the municipalities and districts where the project operates with available information.
- Delivery of materials associated with the needs of the community such as tents and teaching material, among others.
- 20 live radio programs to answer the most recurrent questions of the community.
- 2 publications about the project in newspapers "Elector" from Cundinamarca and "Boyacá 7 Días" from Boyacá.
- Owners of 1106 premises received textbooks and brochures with information of the project.

Proyecto UPME 06-2014:

*S/E River Córdoba
220 kV*

- 33 meetings in the environmental licensing process: 14 meetings with local and regional authorities, 12 with communities, 3 with contractors and 4 with other groups of interest.
- 250 teaching elements such as Notebooks and sundriven robot kits, delivered through the Foundation of Grupo Energía de Bogotá.

Proyecto UPME STR 07-2014:

*Transformers Córdoba
River 220/110kV*

- 30 meetings in the environmental licensing process: 7 meetings with local and regional authorities, 15 with communities, 4 with contractors and 4 with other groups of interest.
- Foundation of Grupo Energía de Bogotá gave its support in delivery of 250 teaching elements (notebooks and kits of sun-driven robots).

Proyecto UPME 05-2009:

*S/E Tesalia (Quimbo)
and associated
transmission lines
230 kV*

Project UPME 05-2009: S/E Tesalia (Quimbo) and associated transmission lines 230 kV

- In addition to the initiative "Energy for Peace" which shall be described at the end of this chapter, the following events were held:
- Environmental workshops and talks addressed to workers participating in the project, within the framework of the Environmental Education Program, which allow them to be aware of the need of avoiding, reducing and controlling the actions that may affect the natural environment where the construction works are developed.
- Information meetings of beginning and end of the project addressed to authorities and communities of the area of influence, within the framework of the Community Information and Participation program.
- Communication strategies that answer to the needs identified in the Community Information and Participation program.
- Program of acquisition of rights of way which includes economic compensation of the estimated value of the right of way, sites of towers, damages to vegetation, among other aspects.

Proyecto

*Transmission Line at
500 kV Southwestern
Reinforcement*

- 52 Information Meetings with local authorities and governments 27 information processes about progress of the project
- 75 information processes with citizen participation
- 66 workshops of focal groups with 624 people from the districts of the area of influence
- 88 meetings of identification of impacts
- 3 visits of assessment of the National Authority of Environmental Licenses, ANLA.

Proyecto UPME 02-2009:

*S/E Armenia and associated
transmission
lines 230 kV*

- Until October 12, 2016, the project was suspended for preventive measures imposed by the National Authority of Environmental Licenses, ANLA.

Proyecto UPME 01-2013:

*S/Es Sogamoso
– North – Nueva
Esperanza and associated
transmission lines 500 kV*

- Meetings with each one of the relevant stakeholders in Cachipay, Zipacón, La Mesa, Tena and Nemocón.
- Participatory tours and working groups with the participation of environmental organizations, actors defending archeological areas and representatives of mayor's office. As a result, variables and adjustments to the layouts of Nemocón, Zipacón and Cachipay were planned considering environmental and archeological aspects identified in the participating exercise.
- Proactive communication committee, along with the Mayor's office, the Spokesperson, the presidents of the board and the representatives of the Council.

VOLUNTEER PROJECTS OF COMMUNITY BENEFIT PVBC

Social Investment Mechanisms of EEB

In the framework of this line of action, activities developed during 2016 include:

ACTIONS

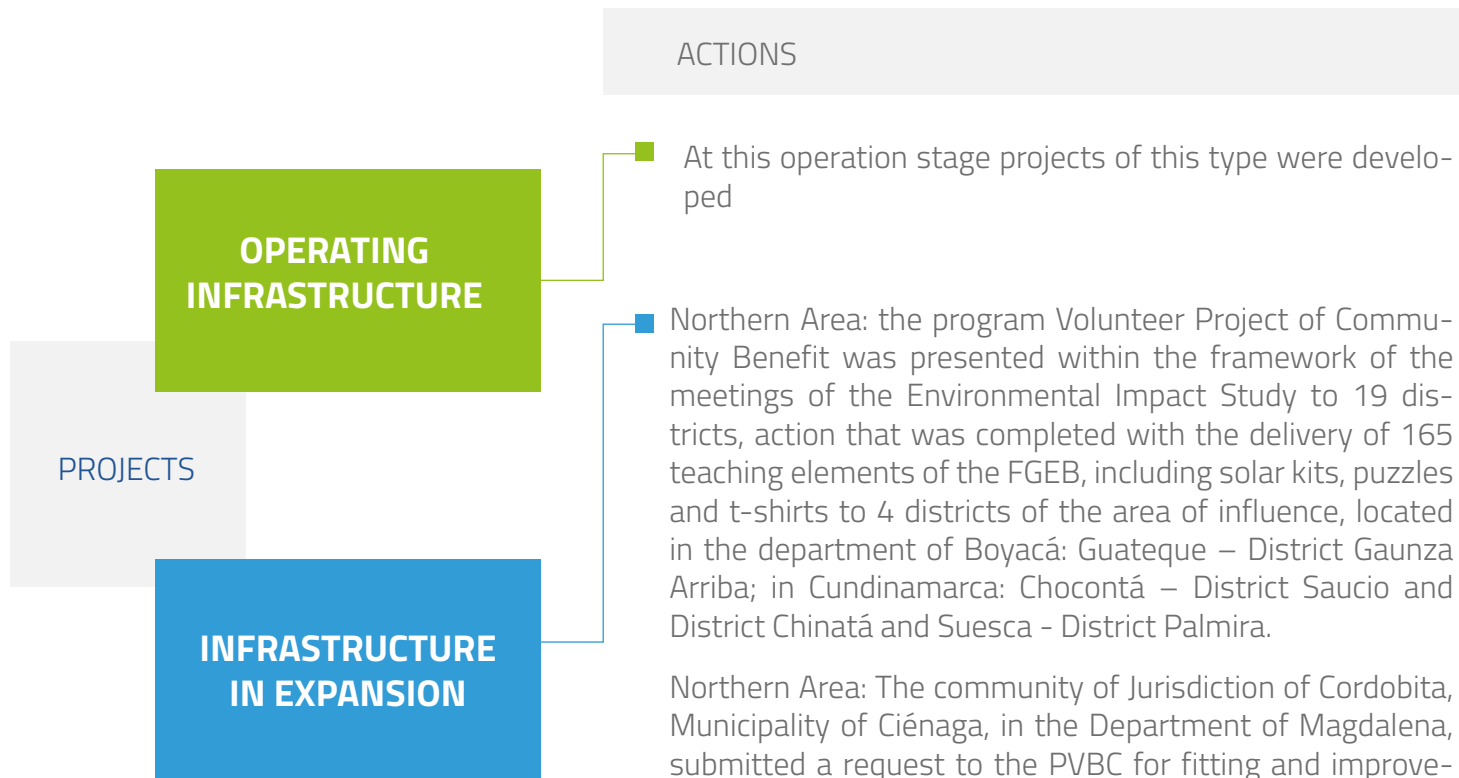
■ At this operation stage projects of this type were developed

■ Northern Area: the program Volunteer Project of Community Benefit was presented within the framework of the meetings of the Environmental Impact Study to 19 districts, action that was completed with the delivery of 165 teaching elements of the FGEB, including solar kits, puzzles and t-shirts to 4 districts of the area of influence, located in the department of Boyacá: Guateque – District Gaunza Arriba; in Cundinamarca: Chocontá – District Saucio and District Chinatá and Suesca - District Palmira.

Northern Area: The community of Jurisdiction of Cordobita, Municipality of Ciénaga, in the Department of Magdalena, submitted a request to the PVBC for fitting and improvement of the electric system of the Rural Education Institution Carlos Garcia Mayorca, in the framework of the initiative: Safe electric System – Improvement.

SUPPORT TO DEVELOPMENT OF BOGOTÁ - VOLUNTEER PROGRAM – UNITED WITH ENERGY

In order to consolidate the social responsibility and the co-responsibility links between citizens, district institutions and contributors of EEB and participate actively in recovery of the city of Bogotá in aspects that include recovery of public space and due attention to the population living or likely to live in the street, the Company implemented a Corporate Volunteer Program – United with Energy which includes four actions:



- Experience IDIPRON
- Participation in the process of attention to IDIPRON
- Training about the problem of living in the street
- Recovery of public space

The first actions listed raise awareness about lack of affection of the population, mainly children and young people living in the streets and who need support of the society to recover their human dignity and restore their rights. With this purpose, through a teaching process led by the Capital District of Bogotá, IDIPRON exists as an appropriate public entity in the city to take care of this vulnerable population and act as a change agent.

Along with IDIPRON, children and young people have been visited in different headquarters, sharing affection with teaching, play-based and recreational activities and brightening Christmas for them with a special activity in which clothes were donated to 93 children. Additionally, by an interinstitutional agreement signed between IDIPRON and EEB in 2016, one of the registered offices of EEB was fitted and delivered in street 61 to guarantee better conditions for IDIPRON in fulfillment of its mission.

Moreover, the public space recovery activities are focused on transforming spaces that had been lost for use and enjoyment of the population of Bogotá because of different social phenomena and deterioration. Up to this date, the group of volunteers participated in recovery of the acoustic shell of the small square station Ricaurte embellishing and recovering the space for people.

Activity	Participants	Activity Duration	Man hours of volunteer work
5 Experiences Idipron – GEB	30 volunteers	10 hours	300 hours
1 Visit in GEB Idipron Psychologist	20 volunteers	30 minutes	10 hours
1 Embellishment – Los Mártires	14 volunteers	8 hours	112 hours
1 Embellishment – activities Park la Florida	16 volunteers	10 hours	160 hours
1 Christmas Celebration – San Francisco	18 volunteers	11 hours	198 hours
		Total	780 hours

Achievements 2016

- Good management in implementation of practices of relations with the community, institutions and each group of interest.
- Strengthening of Credibility of EEB, as a result of its institutional image and application of corporate values and policies.
- Positioning at the level of the Caribbean coast. Consolidation of the sustainability management at corporate level before all the groups of interest.
- Previous knowledge of social environments where projects shall be executed.
- Updated sustainability policy and model. HSE Annex HSE for contractors, with assessment of Performance.
- Corporate Volunteers of strategic partnership with IDI-PRON and recovery of public spaces.
- Creation of Land Management Department.
- Articulation and Standardization of criteria for Management of Premises.
- Service Agreement for mutual cooperation between the land department and the Transmission Vice-president's Office.
- Support to the campaign of Reconquest of North Project. Relations with groups of interest in the territory.

Challenges 2017

- Reinforce the socialization strategy about safe coexistence with the electric infrastructure, which shall allow disseminating key messages, intended for, among others, clarifying the responsibilities of EEB in the energy chain (generation, transmission, distribution and commercialization) and the scope of its social and environmental management which is framed within the current regulations.
- Implement controls and corrective actions; intensifying communication with respect to schedules and social articulation to announce to communities the activities to be developed.
- Design and implement medium and long term communication strategies that not only arise within the framework of environmental licensing.
- Strategic partnerships that generate shared value with different groups of interest.
- Sustainability strategy implemented with the regionalization model to strengthen presence of GEB by GEN.
- Corporate liaison office for building of projects contributing to development.
- Develop at least one project registered with the volunteer program.
- Articulated, transversal and efficient management.
- Articulation of the information and submission to the Group. Cost optimization.
- Prioritization and progress in release of premises for current projects.
- 1814 Premises to be released, 2367 released premises. Clear procedures and quality assurance. Administration: 1452 own premises

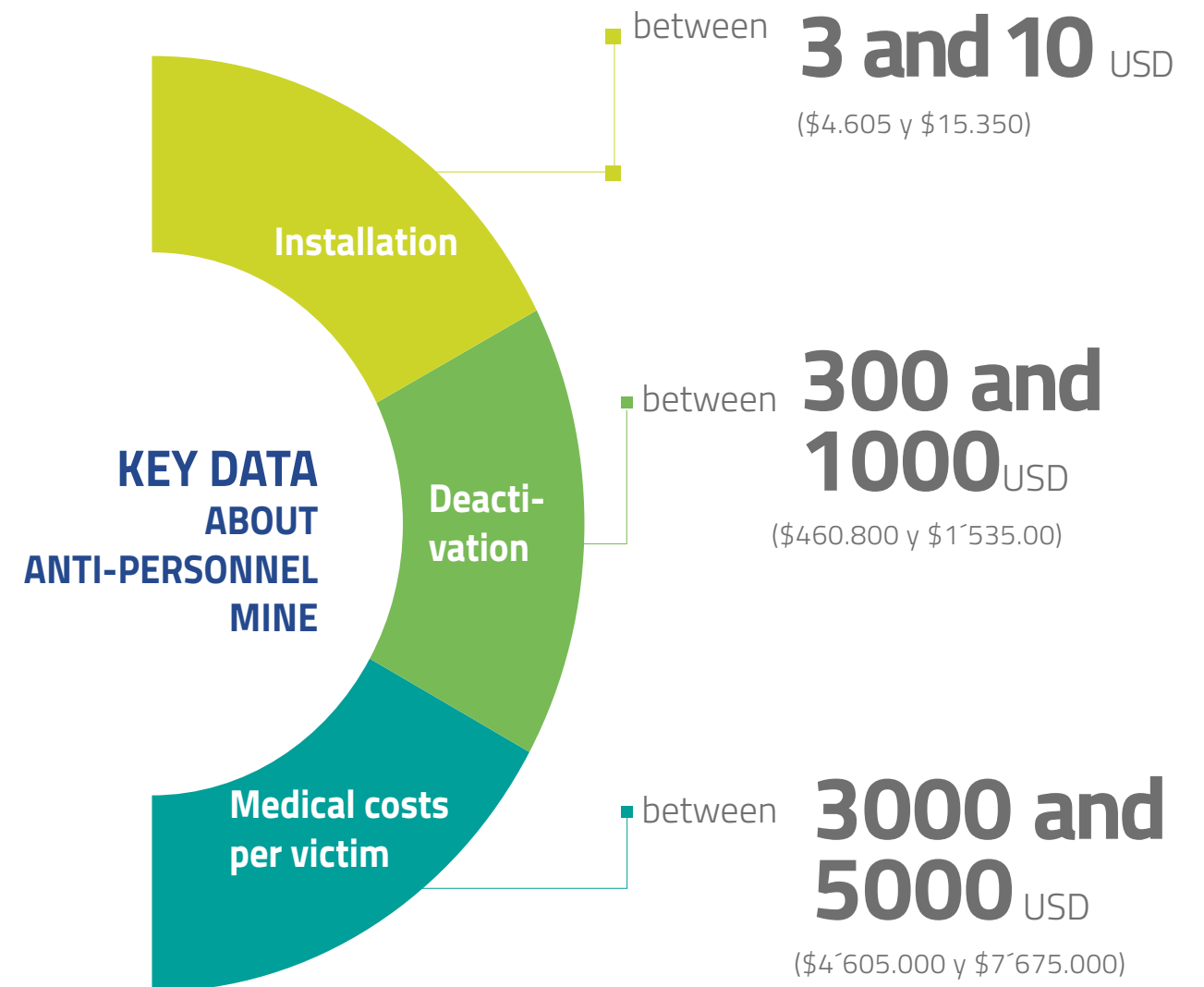


CONTRIBUTION TO DEVELOPMENT AND PEACE—
PROJECT “ENERGY FOR PEACE”

Empresa Energía de Bogotá recognizes its active role as corporate citizen in the places where it operates and part of that conviction to generate initiatives that contribute to development of the communities of its areas of operation and contribute to consolidation of territories of peace. Accordingly, in 2016 two main initiatives were developed:

Energy for Peace

It is believed that fear of antipersonnel mines has caused a forced displacement of at least 500,000 people in different regions of Colombia. Currently, the most conservative calculations estimate that in Colombia there could be about 50,000 of these artifacts in several regions of the country.



Execution of Project Tesalia – Alférez is developed in an area that was occupied by insurgent militants who defended that locations for multiple illegal purposes and resorted to installation of antipersonnel mines throughout several years infringing the International Humanitarian Law. This area, with the peace agreements recently signed in Colombia, is a territory that must be recovered for the country and corresponds to a direct area of influence of EEB, where two essential scenarios coincide: i) territories for peace building in Colombia which involve delimitation of the agricultural border and protection of areas of special interest, and ii) the need to consolidate an inclusive development dynamic that generates social capital in Colombia.

Background

THE PROJECT

JUN 11 2009

Upme develops the reference expansion plan Generation - Transmission 2009 - 2023 Resolution No. 1800946

MAR 6 2012

EEB was awarded with a contract in a public bid of UPME-05 - 2009

DEC 30 2015

By Resolution 1729 ANLA granted an Environmental License and made other determinations.

LEGAL FRAMEWORK FOR COMPENSATION OF LOSS OF BIODIVERSITY

JUN 5 1992

The biodiversity agreement is signed.

1994

By Law 165, Colombia embraces the CDB* and turns it into a constitutional rule

2012

Colombia launched the National Policy for Comprehensive Management of Biodiversity and Ecosystem Services (PNGBSE)

2012

By Resolution 1517 of 2012 MADS adopts the Manual of compensation for biodiversity loss and establishes its mandatory nature for infrastructure project developers.

* CDB answers to three objectives: 1) Conservation of biodiversity, 2) Sustainable use of biodiversity, and 3) Fair and equal participation of benefits derived from use of biodiversity

Stakeholders Involved:

Based on building and operation of an energy transmission project of national interest, EEB shall execute three activities along with different stakeholders. They are the following:

- Ministry of Post-Conflict and Ministry of Defense of Colombia
- Military Forces of Colombia
- Rural population living still in the area of influence and the population returning to its territory within the project's term.
- Colombian environmental authorities
- Other public and private partners

Tasks to be undertaken:

- Operating demining of the corridor for passing of the energy transmission line.
- Environmental service provision by the duly-trained community of the area of influence.
- Humanitarian demining of the areas next to the corridor for passing of the energy transmission line.

"Energy for Peace" gives the chance to work on four important aspects that shall contribute to development of this territory:

- Develop projects that contribute to building of peace territories.
- Growing interest of the country on biodiversity conservation.
- The need of creating opportunities for Young people

who live in rural areas where the project shall be executed.

In order to develop these tasks and fulfill the purposes proposed in 2016 a collaboration agreement (No. 16 085 was signed, pursuant to the provisions of Judgment T-651 of 1996 of the Colombian Constitutional Court) between EEB and the

military forces of Colombia, which in the exercise of their Constitutional mandate and to restore the rights of the population, shall carry out the demining tasks. Such agreement gives special attention to acting with due diligence before the risks of human rights and International Humanitarian Law and undertakes the parties thereto to act following the "Voluntary Principles on Security and Human Rights."

In Colombia, the infrastructure built by the Company is of social interest and public benefit pursuant to Law 685 of 2001, Decree 1056 of 1953 and Law 143 of 1999, which reinforces the link and responsibility of protection and execution of the project by the parties to the aforementioned agreement. The ultimate purpose of the Company in this case is to

protect life and the necessary resources shall be provided so that members of the public force and its contributors and contractors returned sound and safe to their homes.

The areas recovered and the environmental compensations that the project may require become peace territories that allow contributing to sustainable development and consolidation of national agreements.

This aims at strengthening the communities of the area of influence, based on genuine relations and generation of shared value that creates opportunities of environmental service provision.

Development of "Energy for Peace" estimates investments of between \$ 23,000 and \$28,000 MM for a term of 25 year in order to have positive impacts.



6.2 HUMAN TALENT

MANAGEMENT OF EEB



Material Issue: Human Talent Management

Empresa de Energía de Bogotá (EEB) acknowledges the importance of its contributors for growth and strategic development of the Company. For this reason, it has defined a process of relation, management and development of the human talent in order to build an inclusive workplace promoting respect for difference and contributing to growth.

WHY IS IT IMPORTANT?

GRI 103-1

EEB has established a relation with its contributors based on respect for people, in which it seeks to lead actions contributing to individual and collective growth. For this reason, workers are the most important group of interest of the Company and the ones who give sense to the Strategic Model of Human Talent Management which has as priority their wellbeing and development.

As a strategy of work promotion, the Company offers its workers and families the opportunity of growing personally and professionally, assuming jointly the commitment of creating value in the activities that it develops within the organization. That is why the Corporate Strategy is based on a committed, innovative and efficient human team that attracts to the Company the best work team which contributes to collective building of the Company and compliance with its strategic objectives, within the framework of its model of human talent and pillars of Leadership and Loyalty.

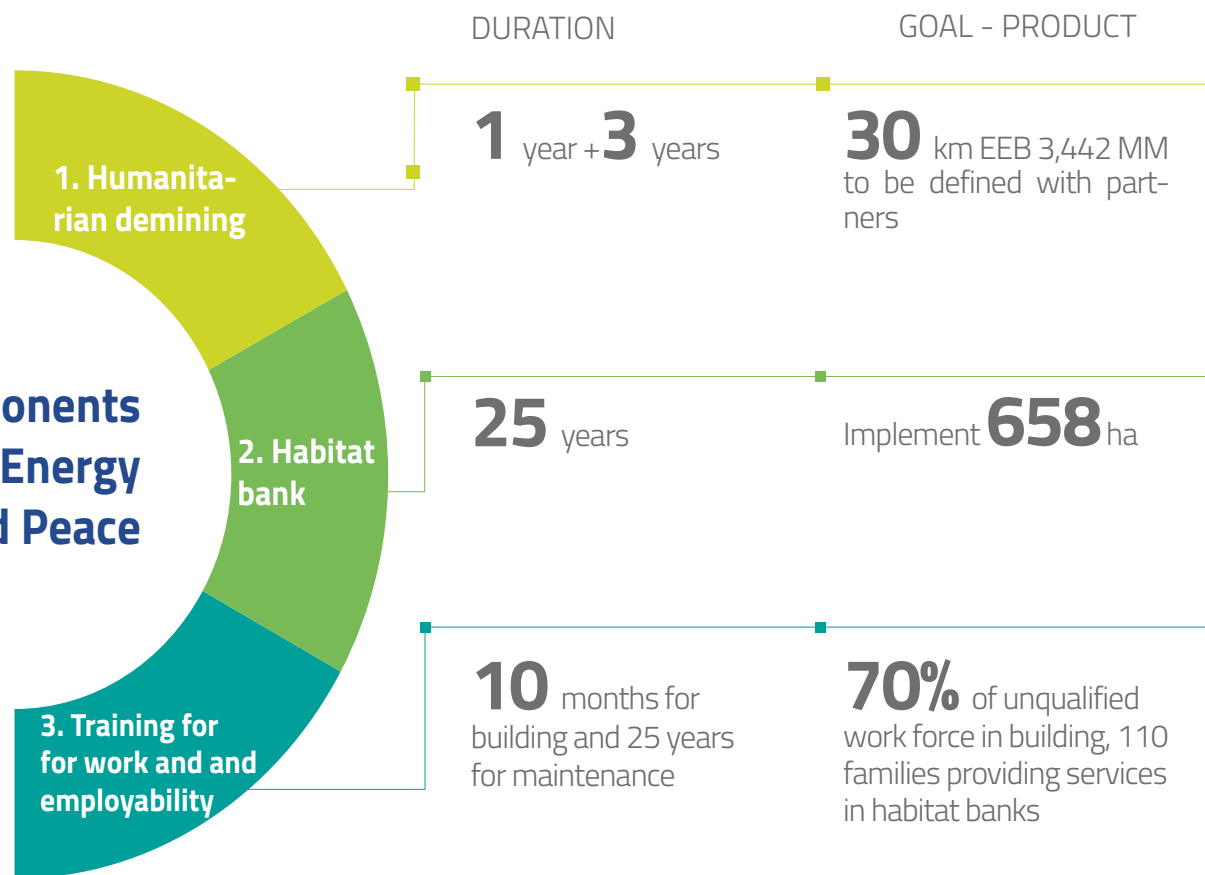
LEADERSHIP MODEL

The achievements obtained by the Company are firmly based on the behavior and leadership of its contributors. Therefore, EEB establishes a leadership model in line with the corporate strategy that promotes the organizational cultural identity by its values.

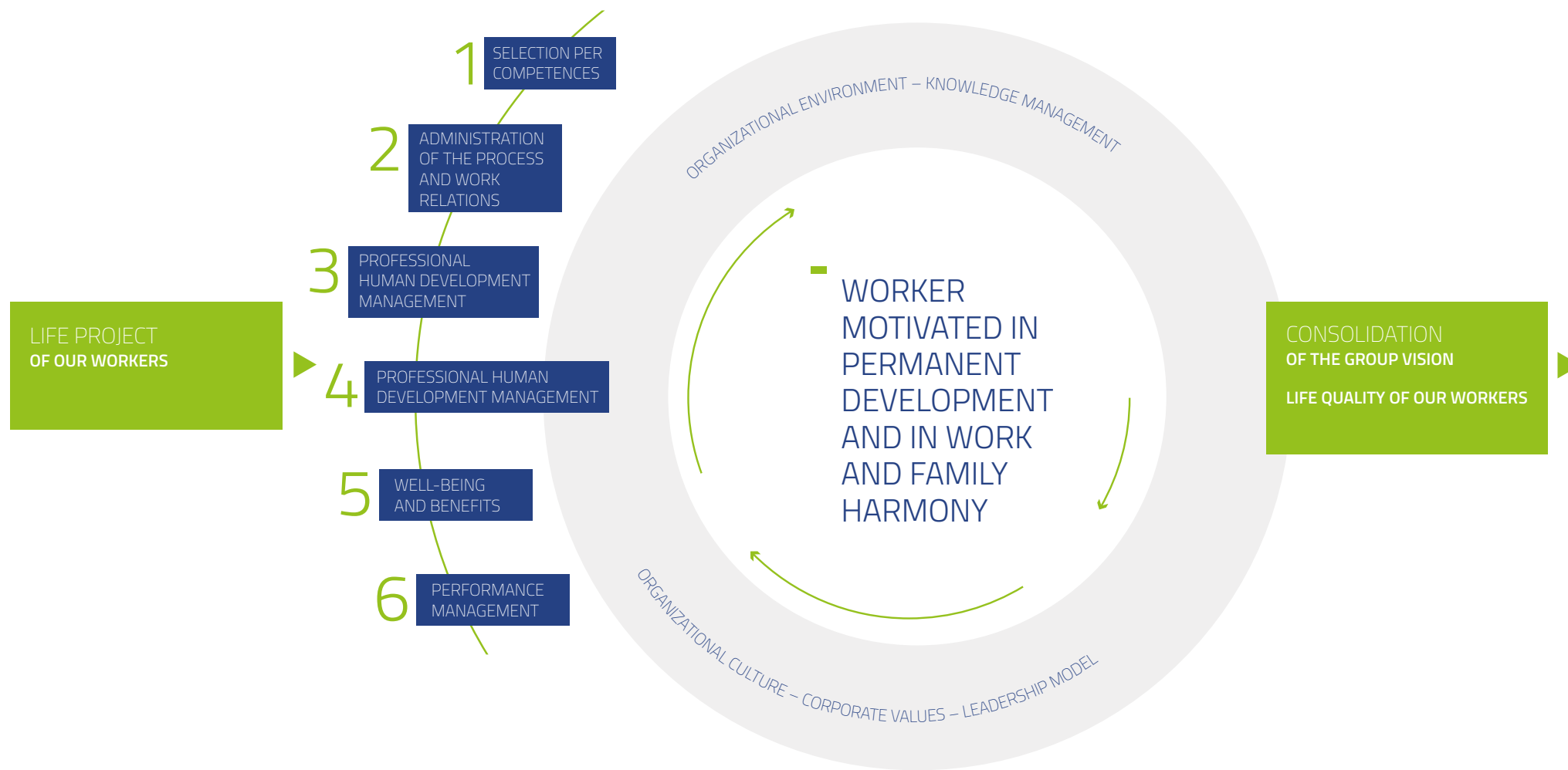
LOYALTY

Empresa de Energía de Bogotá has a program in line with its corporate strategy which allows attracting, motivating and retaining its contributors. This program integrates all the efforts of internal loyalty through effective communication strategies and a dynamic plan of benefits and recognitions.

Components Project Energy and Peace



HUMAN MANAGEMENT MODEL PER COMPETENCES



EEB fosters and promotes development of its contributors by establishment and management of policies and guidelines with the purpose of improving and reinforcing the organizational culture and the sense of belonging of people towards the Company. From this perspective, mechanisms have been generated that allow the Company to identify possible impacts that can be generated positively or negatively towards this group of interest through which each contributor

is informed about the parameters that allow implementation of best practices by participation in capacitybuilding and training activities to close the gap of their competences. The Company has managed to align these duties with contribution in the Company and compliance with the strategic objectives that are defined in the Strategic Corporate Plan Likewise, contributors are encouraged

to plan and define individual objectives of Performance that reach to all organizational levels applying the SMART methodology, within the framework of excellence of the Company. By these procedures, EEB ensures and facilitates successful execution of the different projects that

- *Por medio de estos procedimientos, EEB asegura y facilita la ejecución exitosa de diferentes proyectos*

include knowledge, skills, abilities and competences. Finally, three transversal strategies have been generated that provide elements to consolidation of a work culture that promotes closer relations between contributors and the Company. These mechanisms are as follows:



Grupo Energía de Bogotá declares its Commitment to stimulate satisfaction of its contributors by a healthy work environment

Internal Communications

Communicate all the actions, benefits, recognitions, training and development, news about health issues, social Business responsibility, general developments and social and corporate events.

Benefits

Recognize its different priorities and needs and maximize balance between work, family and free time, making its contributors feel valued and appreciated for their efforts and fairly rewarded.

Recognitions

Through its policy of recognitions, EEB offers a flexible solution that allows compliance with the business objectives by development of programs oriented towards improving the performance and generating commitment with strategic initiatives.

POLICY OF CONTRIBUTORS

Achievement of the objectives of the organization is based on the behavior and dedication of each one of its contributors. To this extent, management and communication of EEB must be in line with its expectations and its continuous progress, where development of their group of interest is promoted in an individual and group manner, reinforcing their technical and behavioral competences in order to improve continuously their performance and contribute positively to their professional growth. All of which is within the framework of our strategic corporate plan and the human management policy, which guide actions that contribute to growth, respect and work balance of people.

In line with the Macro Corporate Responsibility Policy, the Policy of Contributors offers a framework of reference that orient compliance with the commitment with human and organizational development of the people who work for the Company, acting in accordance with the corporate values wherever Grupo Energía de Bogotá is present or has an impact.

From this perspective, Grupo Energía de Bogotá declares its commitment to stimulate satisfaction of its contributors by a healthy work environment, where respect, trust and leadership facilitate building of participating scenarios. The guideline involves the following commitments:

Legal



Comply with the regulatory provisions in individual, collective and work matters applicable where the Company operates and has influence. Likewise, EEB complies with the principles established by the International Work Organization and the United Nations Global Compact in matters of human rights.

Human



Stimulate contributors to reach The maximum potential of their talent since success of each worker depends upon his or her skills and improvement thereof by the organization. Further, the Company seeks to create a balance of their personal, family and professional development, while guaranteeing protection of their life and personal integrity.

Organizational



Foster diversity and equal opportunities, where all the decisions about talent are based on a corporate leadership model, as well as on personal performance and the potential shown by the person at work.

GRI 103-2

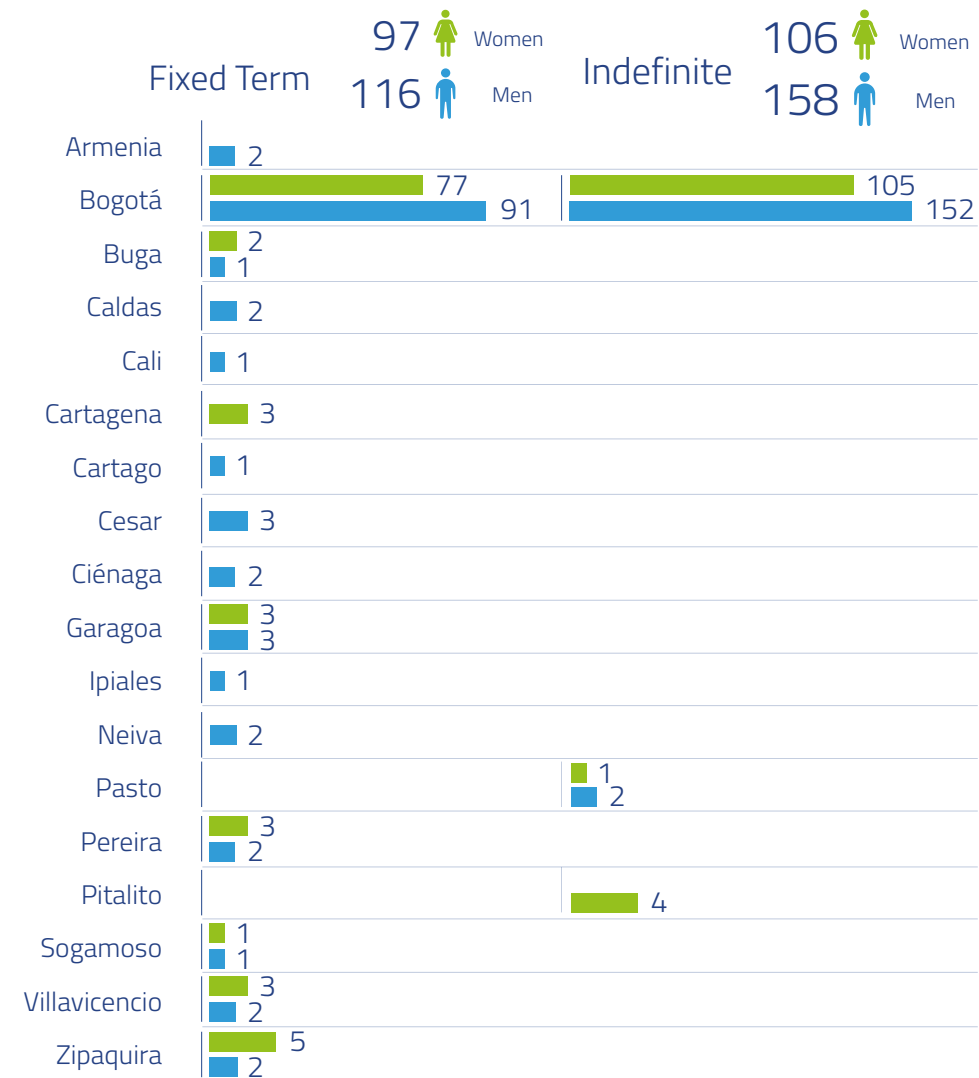
CONTRIBUTORS IN REGIONS

GRI
103-1

The strategic model of the Company promotes a responsible behavior with all the contributors, promoting integrity and respect for difference.

Likewise, the wage distribution is equal for all contributors without any type of difference seeking equality and promoting learning and development at all organization levels.

The Company also has a recruitment system pursuant to the law for social security, which guarantees legal benefits of formal work and in addition to different benefits granted by the Company, they ensure wellbeing and life quality of all the human talent of EEB.



CONTRIBUTORS PER CONTRACT TYPE

Gender	Contract Type	2013	2014	2015	2016
Men	Fixed Term	38	63	97	116
	Indefinite Term	132	138	138	158
Women	Fixed Term	18	46	66	97
	Indefinite Term	82	79	82	106
Total		270	326	383	477

GRI
102-8

CONTRIBUTORS PER GENDER



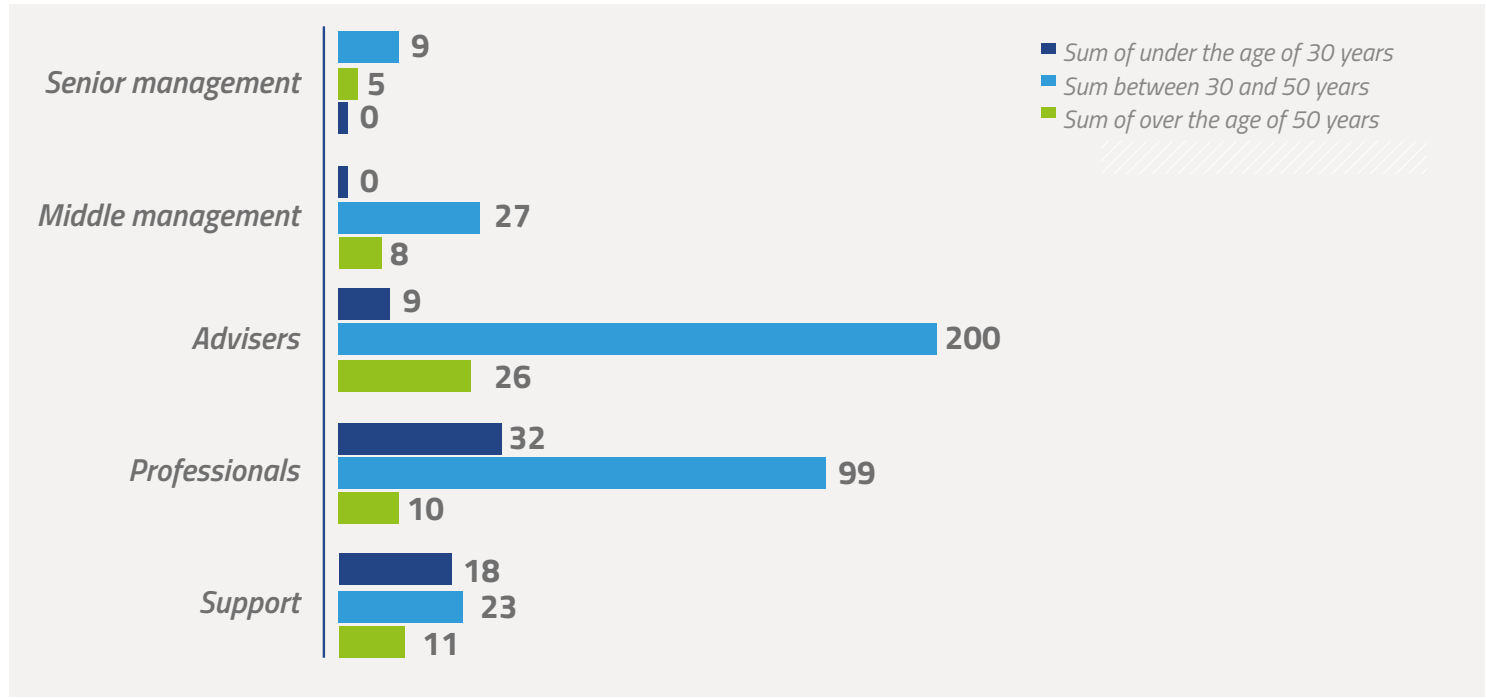
CONTRIBUTORS

GRI 103-2, 405-2, 401-2

The strategic model of the Company promotes a responsible behavior with all contributors promoting integrity and respect for differences. Likewise, wage distribution is equal for all contributors without any type of difference seeking equality and promoting learning and development at all organization levels.

The Company also has a recruitment system pursuant to the law for social security, which guarantees legal benefits of formal work and in addition to different benefits granted by the Company, they ensure well-being and life quality of all the human talent of EEB.

N ° OF CONTRIBUTORS PER AGE

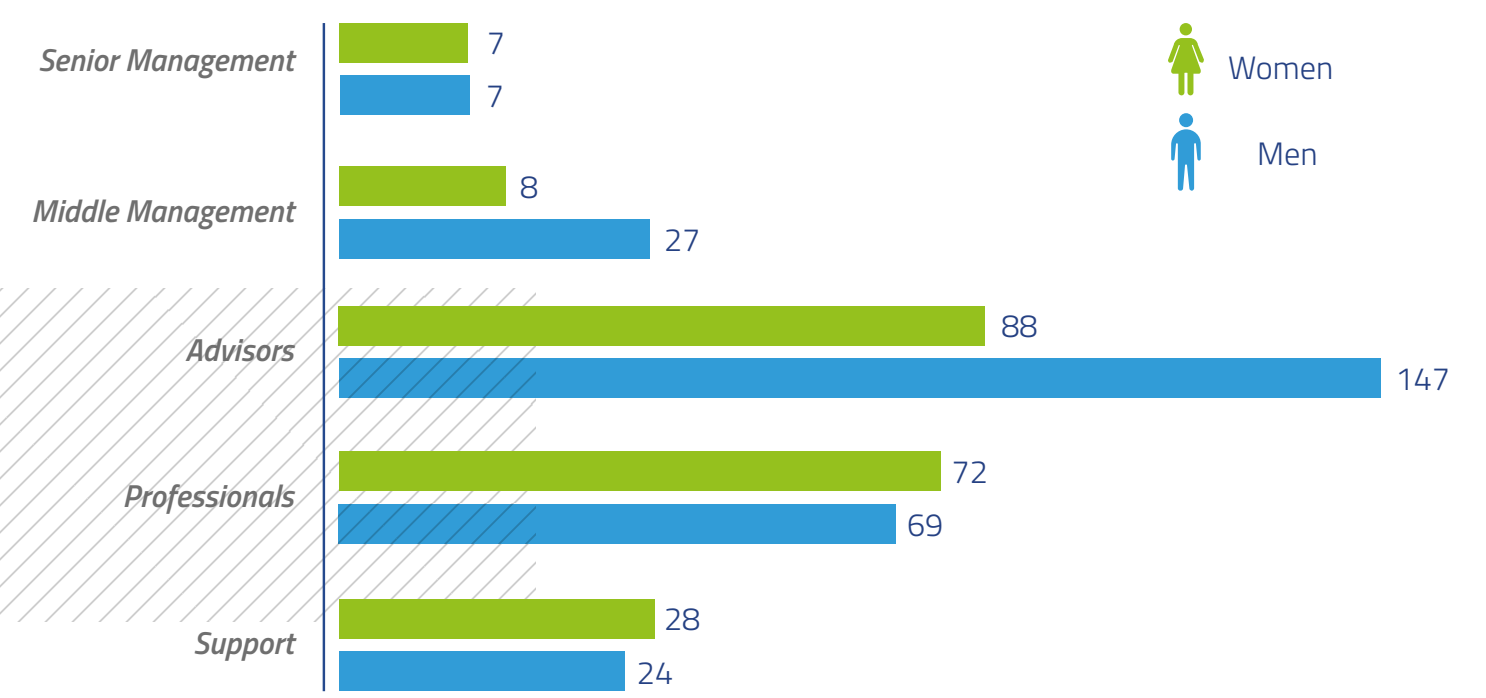


GRI EU15

Position	PERCENTAGE OF STAFF TO RETIRE		
	In 5 Years	In 10 Years	Total
Executive Management	0,62	0	0,62
Middle Management	0,82	0,41	1,23
Advisers	2,05	2,05	4,1
Professionals	0,82	1,64	2,46
Support	0,41	1,03	1,44
Operating Technicians	0,21	0,21	0,42
Total	5,34	4,93	10,27%

Nº OF CONTRIBUTORS PER GENDER

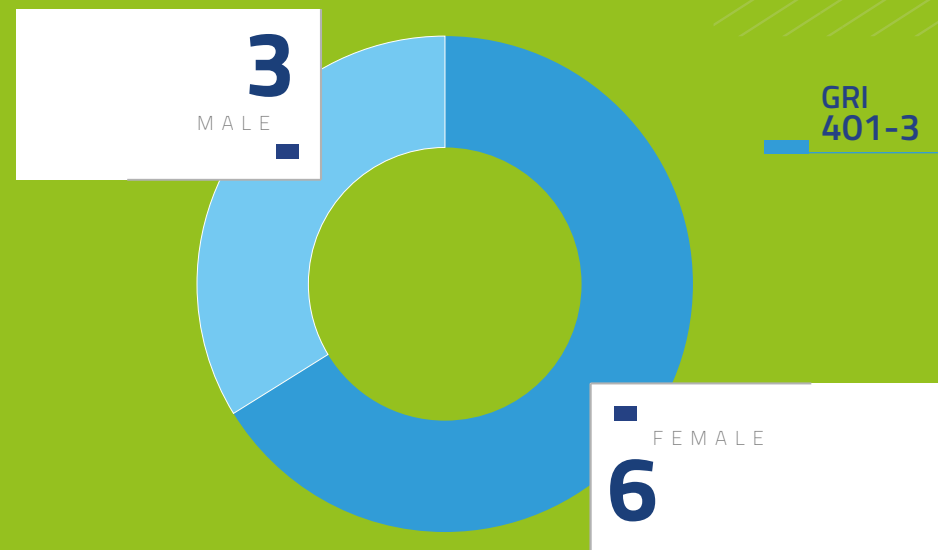
GRI 405-1



LEAVES AND REINCORPORATIONS

As part of the responsibility and commitment of the Company with the rights of its contributors, we generate strategies allowing them to take maternity and paternity leaves after this experience to reincorporate again to the Company. In 2016, 9 maternity and paternity leaves were granted, all of which were reincorporated.

PATERNITY/MATERNITY LEAVES



NUEVAS CONTRATACIONES

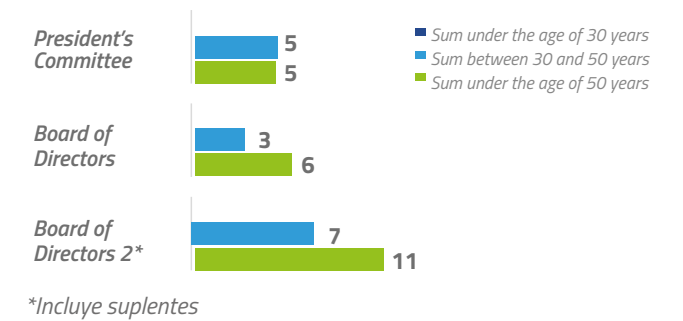
Human talent management has allowed the Company to position as job booster, giving opportunities to new people who have the skills and knowledge to contribute and strengthen organizational performance and create value for the activities carried out by the organization.

CORPORATE BODIES

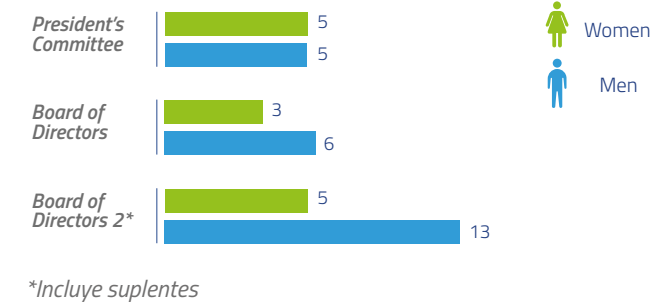
As the hired staff is an essential group of inter With the rights of its contributors, we generate strategies allowing them to take maternity and paternity leaves after this experience to reincorporate again to the Company. In 2016, the distribution of the corporate body was as follows:

GRI 405-1

CORPORATE BODIES PER AGE



NO. COLABORADORES ÓRGANOS DE GOBIERNO POR GÉNERO



HOW IS IT ASSESSED?

GRI 103-3

EEB guides its management, activities and initiatives by requirements, guidelines and regulatory principles that promote protection and care of people, as well as respect for the rights of contributors. Therefore, the activities generated through the policies of contributors are monitored and followed the work environment is assessed and the requirements and processes established by the United Nations, the ILO and the Global Compact are fulfilled.

Likewise, on the one hand, the Company seeks to define and Develop safe work standards for execution of critical tasks that contribute to prevention of professional accidents and illnesses and, on the other hand, it seeks to generate processes of planning, organization and development of spaces of instruction and training that serve as comprehensive training elements in the workplace and promote active participation of workers in general.

GRI 404-3

Performance Assessment:

2016 was a transition year for EEB, considering that there was a change of administration and that the Company was at the stage of construction and definition of the Corporate Strategic Plan, during the year an Individual Performance Plan was not defined, achievements at Company level were considered as an input of performance of the year.

ACTIVITIES AND INITIATIVES 2016

The Company recognizes the importance of boosting development and professional growth of its contributors. For this reason, it has generated initiatives to contribute to the strengthening of skills and competences of people within and without the organization.

GRI 404-2

Types and Scope of Programs:

1. Capacity Building:

Activity with the purpose of preparing, developing and Integrating workers in the strengthening of technical competences by generation of knowledge and development of skills. It is applicable for all the contributors of the Company for more than 3 months.

2. Training:

Activity with the main goal of developing and strengthening the contractual competences in workers oriented to personal growth. It is applicable for all the contributors of the Company for more than 3 months.

3. Education:

Activity characterized by programming in some discipline allowing the person who obtains it to reach every time higher levels of education in a specific matter.

It is applicable for contributors of the Company that have an indefinite employment contract for a term of 12 months.



GRI 404-1

Contributors	Average education hours per employee	Total Capacity Building Hours of employee	No. of employees
Male	18	8731	477
Female	17	3395,5	200

Position	Average education hours per employee	Total Capacity Building Hours Employees	No. of employees
Senior management	2	31	14
Middle management	2	75	35
Advisors	3	782	235
Professionals	2	240	141
Supporting Staff	2	104	52



2016 ACHIEVEMENTS

- Assessment of competences of **100% of contributors of the Company**.
- **Phase 1** of the new organizational Structure.
- Close accompaniment to the Transmission Vice-president's office aligning the profiles of contributors with respect of the real needs of the transmission business.
- Implementation of the Recruitment and Technical Selection Process.

2017 CHALLENGES

- Implementation of the organizational structure, wage study of Mercer to cause a direct impact on recruitment and retention of key talent.
- Definition and structure of Talent Management Processes framed within the continuous improvement and implementation of world class practices.
- Implementation of the new performance assessment scheme.

CONTRIBUTION TO HUMAN RIGHTS

EEB recognizes and promotes respect for human rights and proposes from its corporate strategy development of strategies that support free association and discourage child and forced labor within the international framework proposed by the United Nations and the ILO.

GRI
103-2

FREEDOM OF ASSOCIATION

EEB works to guarantee respect of the legitimate rights of contributors promoting respect for freedom of association or collective bargaining right of workers.

As of December 31 2016, 156 workers are beneficiaries of the Collective Bargaining Agreement signed between SINTRAELECOL and EEB, out of which 59 are affiliated to SINTRAELECOL, which corresponds to a percentage of 37.82%.

Pursuant to the Collective Bargaining Agreement (CCT) 2015- 2018, signed with the Labor Union of Energy of Colombia SIN-TRAELECOL, for 2016: La Empresa contribuye a la abolición del trabajo infantil a través del cumplimiento

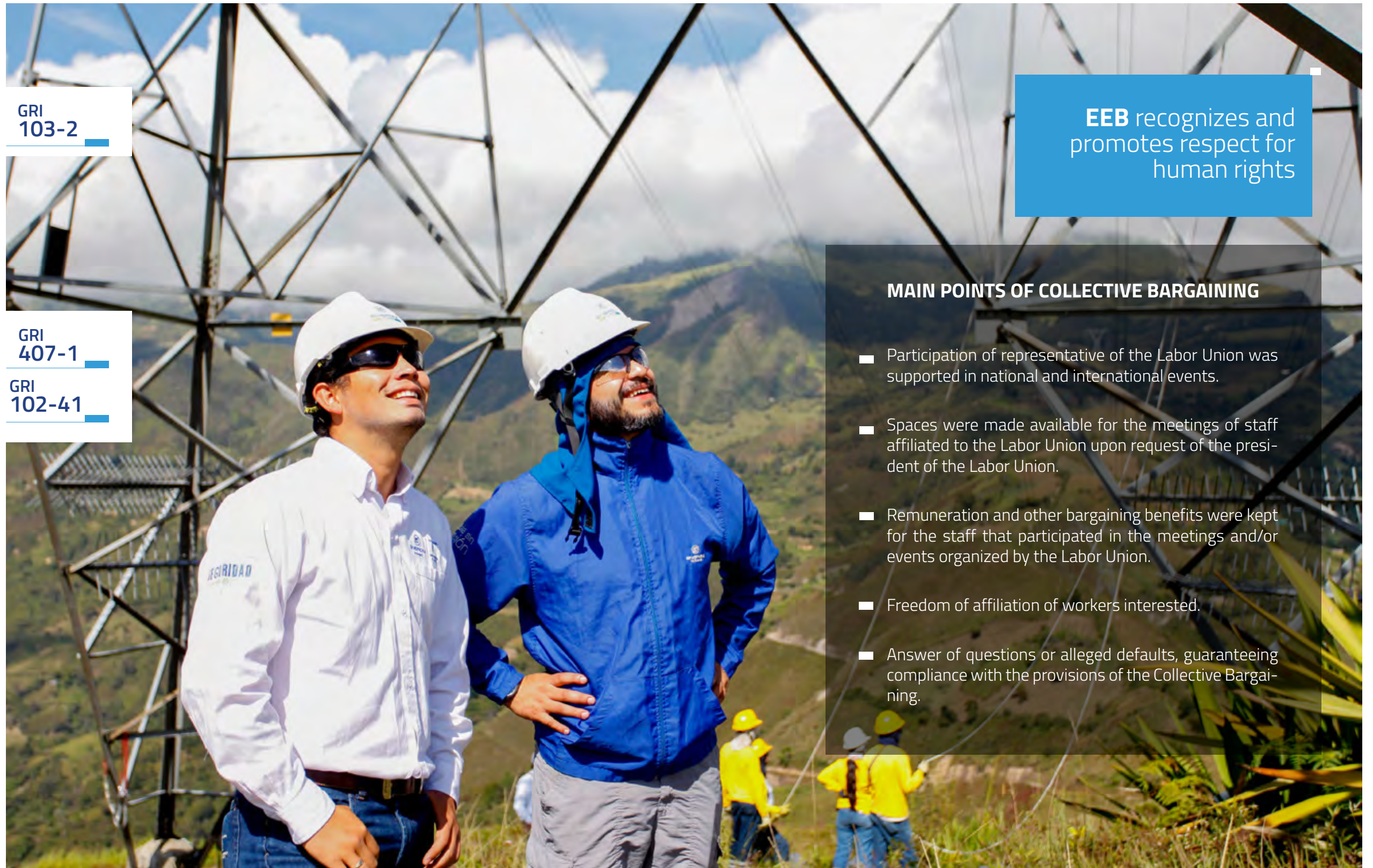
GRI
407-1

GRI
102-41

EEB recognizes and promotes respect for human rights

MAIN POINTS OF COLLECTIVE BARGAINING

- Participation of representative of the Labor Union was supported in national and international events.
- Spaces were made available for the meetings of staff affiliated to the Labor Union upon request of the president of the Labor Union.
- Remuneration and other bargaining benefits were kept for the staff that participated in the meetings and/or events organized by the Labor Union.
- Freedom of affiliation of workers interested.
- Answer of questions or alleged defaults, guaranteeing compliance with the provisions of the Collective Bargaining.



MEASURES AGAINST CHILD LABOR AND FORCED LABOR

to The Company contributes to abolition of child labor through compliance with its Internal Work Regulations which stipulate that whoever aspires to occupy an office in the Company must be a person of legal age.

For the same purpose, the Company eliminated from the Internal Work Regulations possible employment of minors by written authorization of the Social Protection Ministry or, in lack thereof, the first local authority, upon request of parents, and in lack of the latter, the family ombudsman. Similarly, EEB belongs to the Global Compact Network and ensures compliance with principle 5 of chapter "Labor Standards" which establishes that "the Companies must support effective abolition of child labor".

Additionally, the Company implements the provisions of the Global Compact in Principle 4 which sets forth that "the Companies must support elimination of any form of forced labor or work made under compulsion". With this, the policies and guidelines of the Company, within the Internal Work Regulations, the Company has determined weekly work hours of 42 hours. These work hours were agreed upon with the labor union.

GRI
408-1

GRI
409-1



The Company contributes to abolition of children work, by eliminating from its Internal Work Regulations possible employment of minors.

6.3 SAFETY AND HEALTH

HEALTH AT WORK



GRI 103-1

Material Issue: Safety and Health

Safety and health in the workplace is one of the essential pillars of the Company, understanding that life of contributors is a priority for EEB and that the strategies, plans, programs and policies for this group of interest must include care and comprehensive safety of life. Likewise, the Company makes its best efforts to observe the Colombian regulations in the matters and adopts the guidelines established by international standards such as the Global Compact, the International Labor Organization, ILO and the World Health Organization, WHO.

WHY IS IT IMPORTANT?

For Empresa Energía de Bogotá, safety and health in the workplace are part of the

corporate strategies, in which it seeks mainly to protect life, integrity and health of contributors, developing actions oriented towards guaranteeing work balance, health in the workplace, control of work risks, and promotion of a selfcare culture under the highest safety standards.

IMPACT MANAGEMENT

The Company has defined, as part of the strategies with its contributors, measurement of its impacts in order to improve the work conditions of this group of interest, contribute to improvement of their health and safety and promote a culture of care at all levels of the organization.

Social

Empresa de Energía de Bogotá feels a great commitment for ensuring that its contributors and contractors have safe and healthy working conditions so that they can return every day to be with their families.

Economic

Keeping optimal working conditions and investing in wellbeing of the worker not only decrease the economic costs caused by absenteeism, medical care and care benefits, but they also promote more productivity and sense of belonging

HOW IS IT MANAGED?

GRI 103-2

Prevention of injuries and illnesses

Participation of contributors

Compliance with legal requirements

Culture of self-care

Continuous Improvement

Management of safety and health in the workplace aims at comprehensive risk assurance and well-being of contributors and contractors at all levels of the organization. From this perspective, the occupational safety and health policy is based on five big principles:

The organization has three framework objectives for life protection and respect of rights to a decent work of direct and indirect contributors. They account for implementation of measures to improve protection and safety of its working environment and application of the highest safe work standards for execution of critical tasks that contribute to prevention of work accidents and work diseases.

Additionally, the processes of planning, organization and development of spaces of instruction and capacity building contribute to comprehensive training at work and foster active participation of contributors in general.

HEALTH AND SAFETY COMMITTEE

Empresa de Energía de Bogotá has three strategic committees, oriented to management and/or regulation of the safety and health issues at work of the organization.

GRI 403-1

- The Joint Committee on Safety and Health at Work (CO-PASST) operates at middle management level and advising and/or coordination levels.

- The committee of work coexistence at middle management level and advising and/or coordination levels promotes a good work coexistence, fosters positive relations among contributors and supports integrity of people in the work environment.

- The committee on road safety operates at middle management level and advising and/or professional coordination or execution and support level. Its main duty is contributing to design and implementation of the road safety strategic plan.

All the aforementioned committees allow 100% of contributors to be represented through persons chosen democratically by a free voting mechanism.

HOW IS IT ASSESSED?

The Company assesses management in safety and health at work through indicators that allow identifying the strengths and weaknesses and be able thus to establish best practices in safety that lead to a continuous improvement and adapt the objective to the organization vision. Accordingly, some tools used to assess effectiveness of the guidelines on safety and health at work are as follows:

GRI 103-3

Group	Occupational Accident Frequency Rate	Occupational Accident Severity Rate	Mortality Rate and Occupational Illness
Contributors of EEB	1,9	3,26	0
Contractor	2,72	56,35	0

GRI 403-2

There were

2130 days of absences distributed as follows:

1523 days for common disease, which equals to 73% of days of absences.

12 days for Occupational accidents, which represent 2%

36 days for Paternity leave, equivalent to 1%

529 days for Maternity leave, equivalent to 24%

The statistics correspond only to contributors of EEB

488*
Direct Staff
(2016)

7
Accumulated
Accidents
(2016)

12
Accumulated
Inability Days
(2016)

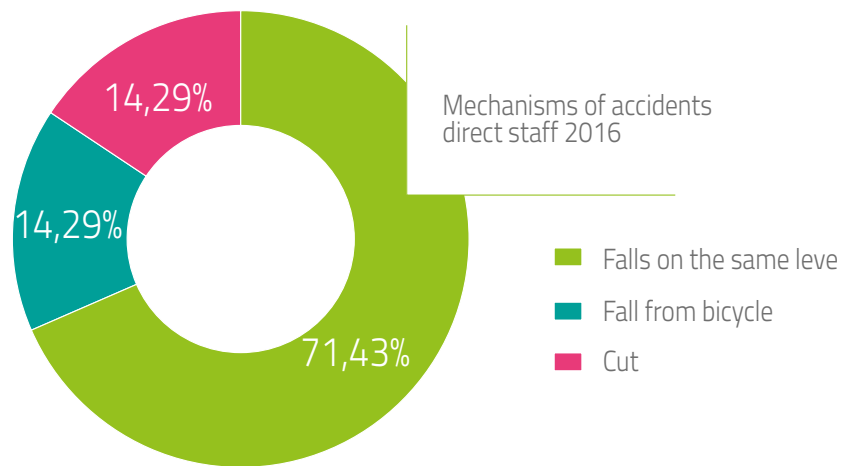
(* Including staff with learning contract)

Contractor Type	Accumulated Accidents (2016)	Accumulated inability Days (2016)
Contractors of operation and maintenance	2	5
Contractor of Expansion Projects	9	223
Other contractors	0	0
Consolidated	11	228

Follow-up of frequency and severity rates of occupational accidents, worker absenteeism rate and occupational illnesses diagnosed.

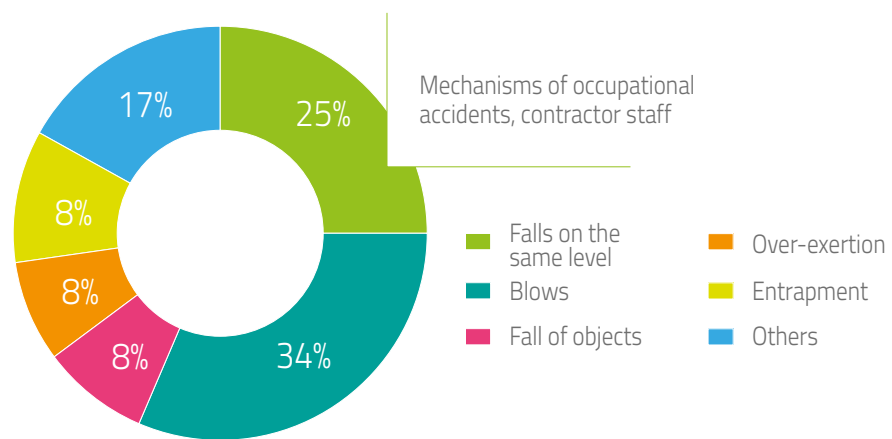
During 2016 the results evidence that the highest percentages of severe occupational accidents correspond to project construction contractors due to the risks associated with the civil works and tower mounting. For this reason, the management of contractors has been reinforced through the standardization of the HSE annex for contractors and the inspection program for field activities. Likewise, surveys about cardiovascular, biomechanical and psychosocial risk surveys were applied, the results of which have served as basis for the plans of action that are being developed.

Among the contributors of EEB, during 2016, 7 occupational accidents occurred, falls on the same level being the mechanism of higher accident rate (71.43%). Accidents in bicycles occur because the Company has made available for use by contributors a park of electric bicycles as a mobility alternative and as a mechanism to raise awareness about environmental responsibility and healthy life habits.



Additionally, among contractors of EEB there were 11 occupational accidents from which 9 occurred in expansion projects and the rest in operating projects. The most frequent incident mechanism is blows followed by falls on the same level.

GRI EU25



For 2017, it is planned to work on a training plan addressed to contributors and contractors, which allow full understanding of risks and management thereof making safety and health a corporate value.

Additionally, from the lessons learnt in 2017, an initiative of learning about analysis of lessons learnt shall be implemented, which shall be named "Safety Moment".

Epidemiologic surveillance program for biomechanical risk prevention. As measure of followup to effectiveness of the actions implemented, in May 2016 the survey of biomechanical risk was applied, evidencing an increase of 31.9% of the coverage of the biomechanical risk survey going from 210 to 277 contributors. As a result of the interventions of the period of 2015, for year 2016 an increase of 8% of the working population without relevant musculoskeletal symptoms. It was also possible to reduce cases of contributors with musculoskeletal symptoms with high risk in 3% and 2% for medium and low risk. The results of the survey show effectiveness of interventions applied to reduce musculoskeletal disorders.



Prevention of Musculoskeletal Disorders. The intervention measures that are being implemented for prevention of workrelated musculoskeletal disorders and improvement of physical conditions include inspections of work stations to verify ergonomic conditions and practices of posture hygiene of the contributors, reports about health conditions associated with musculoskeletal symptoms, assessments by specialized staff and physical conditioning schools.

Program of prevention and promotion of the musculoskeletal risk. In 2016, the survey of cardiovascular risk was applied to all contributors at national level. The result was that 88% of participating contributors were classified at the low cardiovascular risk level and the remaining 12% at moderate risk level. No contributor was classified at high risk level. The intervention activities for 2016 include

Program of epidemiologic surveillance for prevention of psychosocial risk. During 2016 training, capacity building and dissemination actions were conducted to develop social skills and stress management among contributors.



ACTIVITIES AND INITIATIVES 2016

GRI
103-2

The strategies proposed for health and safety management of the Company are implemented by initiatives, including epidemiologic surveillance programs, prevention and promotion of cardiovascular risk and epidemiologic surveillance of psychosocial risk. They aim at preventing, guiding and reducing risk factors of illnesses of this nature that can arise in the work environment.

In 2016, management of safety and health at work includes activities of promotion and prevention of the cardiovascular, psychosocial and musculoskeletal risks, which aim at preventing, guiding about and reducing risk factors of illnesses of this nature that may arise in the work environment.

Further, some important initiatives were implemented, such as:

WEEK OF SAFETY AND HEALTH AT WORK

It is a space with the purpose of strengthening the self-care culture. The most outstanding activities carried out in 2016 include the following:

- Stress management
- Dissemination of risks and controls for critical tasks (high risk level) of the electric energy transmission process.
- Socialization of best practices for safe work at heights
- Information about advantages of good posture hygiene and

healthy life habits, controls for prevention of falls on the same level, protocols for response in case of emergencies, prevention of smoking, collision simulator in the context of road safety, report of substandard conditions and acts and the benefits of using the bicycle as an alternative transport means.

HIGH RISK WORKS

High risk works in EEB are planned, managed and controlled in a comprehensive manner, ensuring legal compliance and improving execution practices as to be able to guarantee integrity and safety of contributors and contractors.

SAFE COEXISTENCE WITH THE ELECTRIC INFRASTRUCTURE

The Company recognizes the importance of informing regularly about aspects of risk and safe coexistence with electric infrastructure the communities of our areas of influence, especially when the assets of EEB are elements around which longterm relations are developed. Having trust and permanent communication allows any risk factor to be identified, announced and timely addressed. During 2016, along with the members of the social management team, socialization events of safe practices to coexist with the transmission infrastructure were held in the departments of Cundinamarca, Nariño, Putumayo, Huila and Cauca. From these events, the ones held in some indigenous communities, which were carried out in their native language are a highlight.

GRI
EU17,
EU18

WORK AT HEIGHTS AND WITH ELECTRIC RISK

All contributors and contractors who executed works at heights were trained and certified at an advanced level or received retraining in this aspect, adjusting the operating parameters and emphasizing the safest execution modes. The work permit and presence in site of a coordinator at heights were also guaranteed in each operation that includes works at heights.

In case of workers with electric risk, the Company guarantees permanently a revision and approval scheme of technical and safety criteria with participation of qualified professionals and qualified staff. For works on highvoltage apparatus or "hot work" as called in the electric sector, special attention was given to training and skills of contributors, as well as specifications and certifications of the equipment used so that it is the most appropriate.

For all works with electric risk in our infrastructure, a review and approval scheme of technical and safety criteria was approved with the participation of qualified professional and qualified staff. For works on highvoltage apparatus or "hot work" as called in the electric sector, special attention was given to training and skills of contributors, and appropriateness and certification of the equipment used.

Therefore, no accident occurred in the high risk activities executed by contributors and contractors.

The total man hours worked by staff of the contractors in operating activities was 938,539, from which 52.5% corresponds to operation and maintenance activities and the remaining 47.5% to building of projects.

PROFESSIONAL RISKS

GRI
403-3, 403-4

In compliance with the principles defined in the safety and occupational health policy, the Company has established measures that contribute to decrease of workrelated injuries, illnesses and absenteeism.

In 2016, there is no record of contributors or contractors with medical diagnosis of an occupational illness. As for the sustainability report of 2015, in which an assessment made by the Regional Board of Handicap Qualification because of a case of suspicion of an occupational illness, its opinion ratified in 2016 that the case analyzed was not work related.

Likewise, the Company has a procedure for investigation about incidents and accidents, which are in lined with the current regulations in matters of safety and health at work in the areas where the Company operates. As a result of this procedure, reports of investigation data collection were prepared, causes are identified and corrective and preventive actions are established, risks are as-

sessed, effectiveness of actions is reviewed and accident rate statistics are prepared; additionally, in accordance with the studies made by EEB there are no workers developing activities with incidence or high risk of occupational illness.

Finally, in the collective bargaining contract of workers signed between EEB and the labor union of the workers of Energía de Colombia "Sintraelecól",

agreements related to safety and health at work were included such as aid for occupational illness or accident at work, agreements about work items and clothes, benefits for the procedure and payment of handicaps and implementation of the system for management of safety and health at work in all operations.

2017 CHALLENGES

As part of the strategic plan of the Company, continuous improvement of the organization is one of the pillars that allow implementing the best practices for management of health and safety at work. For this purpose, for 2017 the Company has budgeted working on a training plan addressed to contributors and contractors, which allows full understanding of the risks and management thereof, making safety and health at work a value.

With this initiative, it seeks to form a structured learning experience that allows increasing safety of the operation, in addition to increasing productivity, cost efficiency and quality.

Moreover, the campaigns for prevention of work accidents due to falls on the same level and blows, which represent as of the closing date hereof, the most frequent cause of accidents at work, shall be reinforced.

The initiative Moment of Safety shall be implemented. It has the purpose of strengthening the commitment of contributors with selfcare through a space for dissemination of safety protocols, lessons learnt, healthy habits, etc.

It is worth noting that in 2017, life protection and prevention of accidents at work shall be considered a factor for contributors to have access to the variable compensation schemes offered by the Company. This shall promote even more the implementation of high safety standards, controls and selfcare culture.

6.4 MANAGEMENT OF THE SUPPLY AND PROCUREMENT CHAIN

WHY IS IT IMPORTANT?

GRI
103-1

In EEB managing the supply chain is the part of the purpose of being a company much more competitive in the electric energy transmission market through relation of respect and mutual cooperation with the persons and companies that are part of its team of suppliers. Likewise, it created the Procurement Department with the purpose of optimizing the procurement processes of EEB.

Thanks to implementation of the new model, and through application of market studies and prequalification for procurement processes, relations with communities and possible suppliers have been strengthened.

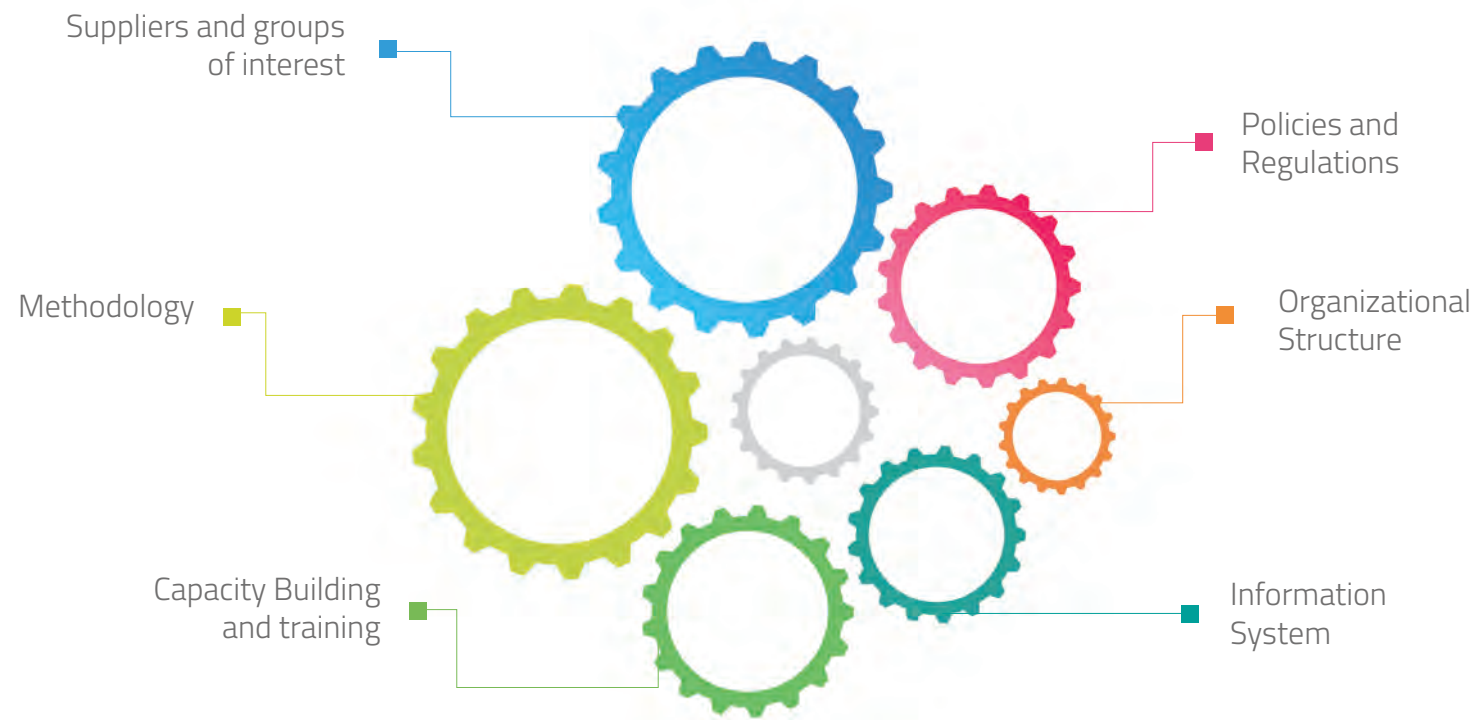
in 2016 the supply model were redesigned focusing on improving efficiency and effectiveness of the purchase procedure

HOW IS IT MANAGED?

GRI
103-2

Based on the model change, a new Procurement Policy as defined, the New Procurement Handbook was implemented and the Procurement Process Map was redesigned. They serve as a framework for management of all the procurement processes as of May 2016.

FRONTS OF THE STRATEGIC SUPPLY MODEL OF GEB :



With the supply model, the Company seeks to guarantee efficiency and effectiveness of the procurement processes of EEB. In consideration of the foregoing, the Company established a series of mechanisms:

SERVICE LEVELS: maximum times established with the areas of management of the procurement processes, according to modality.

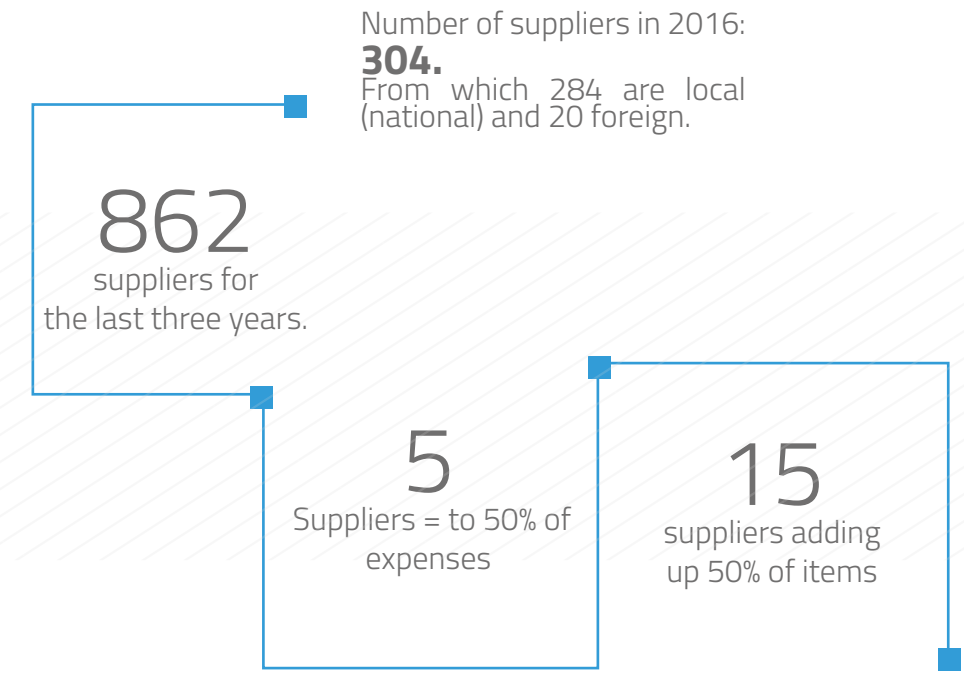
SYSTEM OF INDICATORS: (i) times of process seeking to monitor compliance with the established service levels; (ii) savings, the purpose of which is measuring savings obtained in the process against the market value good or service hired; and (iii) level of satisfaction of suppliers with respect to procurement processes developed by EEB.

Likewise, measurements are made quarterly with the purpose of monitoring compliance and implementing plans of action that answer to the findings obtained.

EXPENSE ANALYSIS

In 2016, with the support of a consulting company the “expense analysis” was conducted, from which it is possible to quantify, classify and make visible expenses of EEB for the last 3 years. As a result of this analysis, the following aspects were identified:

- Definition of tree of categories of expenses of EEB
- Amount of expenses for different categories, patterns and trends per category, supplier, requesting area y and value ranges.



IDENTIFICATION OF SUPPLIERS

The company is focused on the process of identification of suppliers through the matrix of supply position, which also allows identifying critical assets directly related to the suppliers providing these services.

The matrix of supply provision is made according to the following comparisons:

- Impact vs. risks: The impact that can be caused by not providing the good or services is compared with materialization of the supply risk.
- Impact-Risk vs. Cost: Based on assessment of the impact vs. risk, by combining them with an equal weighting, and making an assessment according to the purchase cost, the Matrix of Supply Position is obtained.

Likewise, EEB has a group of suppliers that has been classified as critical in accordance with the special characteristics they have.

- They supply specialized goods and services.
- They have few competitors.
- They represent a high risk for the Company.
- Annually, the expense of the Company in purchase of the good or service is high.

PROCUREMENT PROCESSES

With the implementation of the new procurement model, EEB generated commercial instruments to speed processes, such as prequalification and Price agreements.

Additionally, to take advantage of the economy of scale the demand of affiliates was aggregated.

The double instance of approval was eliminated optimizing management of committees and the approval scheme per values.

E-Commerce Tools: Electronic procurement processes

Through the E-commerce tool the following results were obtained.

<i>First downward auction in 120 years with savings of USD 1,134,740</i>	<i>Visualization of all the purchase and procurement processes of the group</i>	<i>Implementation of Virtual Box 364 offers received</i>
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RELATIONS WITH SUPPLIERS

GRI 102-43

For EEB, relations with its suppliers are very important. For this reason, with the application of the new procurement model, different channels of communication have been created mainly focused on creating, maintaining and expanding transparent processes, value relations and synergy generation. Additionally, through the communication channels, the Sustainability Policy and the Procurement Policy, which are aligned, have been disseminated.

As part of the communication strategy, in 2016 the first annual meeting of suppliers was held with the participation of 190 attendees. In the event the new approach was shared and the first prequalification processes and price agreements opened to all suppliers were presented.

In order to identify the level of management of the supply area, the Company has established indicators that allow: (i) monitoring receipt of suppliers, (ii) assessing processes and procedures in order to generate plans for improvement and involve suppliers in the supply process. As a result of such measurement, no conflicts or problems related with the groups of interests have been evidenced.

EEB INDICATORS

Effectiveness = efficiency + efficacy

Aspect to be assessed	cost	Time	Process quality
Indicator	Savings Vs Market	Timely compliance with the process	Survey of satisfaction with the process
2016 Goal	10%	90%	70%
Results obtained 2016	19%	97%	90%

GRI 103-3, 308-1, 414-1

HOW IS IT ASSESSED?

By the end of 2016, the company implemented a new tool for assessment of suppliers, with which 100% of suppliers shall be assessed according to the type of services and pursuant to the corresponding criteria.

Likewise, it shall allow generation of plans by the contract auditor in real time.

The criteria assessed by this system are as follows:

- Technical Compliance
- Administrative Compliance
- Industrial Safety, Occupational Health and Risk Prevention Compliance
- Environmental Management Compliance
- Corporate Social Responsibility Compliance
- Quality Compliance

This new system of assessment of suppliers establishes the actions to be applied in case the supplier obtains a poor rating, that is, lower than 70/100 points:

By implementing an improvement plan EEB shall be able to:

- Terminate early the contract.
- Not to authorize modifications to the contract.
- No to invite to future processes
- Not to request a direct offer
- If the HSE score is less than 14 pts. the contractor shall not be invited to high risk industrial safety processes

GRI
414-1, 414-2,
308-2

ASSESSMENT UNDER ENVIRONMENTAL CRITERIA AND WORK PRACTICES

For selection of suppliers the Company considers an information system in which legal, financial and technical aspects are assessed, depending on the categorization of suppliers.

100% of contracts and service orders, within their obligations, stipulate compliance with national standards and aspects established in the HSE Annex of the company with respect to safety, health and environment requirements.



Environmental and Labor Criteria	Environmental Certifications	Accident Rates	Policies and guidelines in terms of safety and health at work
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In 2016 no suppliers with negative rating in environmental management were identified. Therefore, no contract as terminated for causes related to environmental risks.

HUMAN RIGHTS

Pursuant to provisions of the supply policy of EEB, the Company has committed with promotion of best practices in competitiveness management, complian-

ce with standards in matters of industrial safety and health at work and environmental and social matters of the supply chain, as well as due diligence of human rights according to suppliers and contractors essential for the business. This aims at promoting procurement processes that are efficient and sustainable according to cost, impact and market opportunity.

2016 ACHIEVEMENTS

The supply area obtained savings in 2016 in procurement processes for more than 12 million USD

- E-commerce **1.711.775 USD**
- Negotiation **1.1761.08 USD**
- Competitive Processes **8.526.332 USD**
- Agregación de demanda **375.684 USD**

TOTAL SAVINGS 2016

12.345.243 USD

2017 CHALLENGES

- Savings for at least **5%** of the value of purchase and contracting processes
- Service Level Agreements (ANS) Management time in **90%**
- Increase use of E-commerce Tool

07

ETHICS AND
FIGHT AGAINST
CORRUPTION**Material Issue:**
Ethics and Fight against Corruption

Empresa de Energía de Bogotá (EEB), as head of Grupo Energía de Bogotá (GEB), develops coordinated actions against fraud and corruption, promotes transparency in its administrative management and encourages commitment of the Companies of the Group, their administrators and contributors to avoid behaviors contrary to ethics, for which it considered current applicable regulations in each country where it is present.

GRI
103-1**7.1 WHY IS IT IMPORTANT?**

Transparency is one of the main principles that have characterized operation of Empresa de Energía de Bogotá (EEB) and the different companies of the Group. For this reason, it has been emphasized as one of the four values of the new corporate strategy, which ratifies objectivity, clarity and truthfulness as unequivocal features of management of the companies of the Group, as well as integrity, a value that promotes among all members of the companies acting with firmness, integrity, honesty, coherence and honesty.

Accordingly, the practices for strengthening ethics and fight against corruption are part of the organizational culture of EEB and are an essential pillar in relations with its groups of interest, as well as actions in the markets where they develop their businesses.

As a proof of its commitment, EEB has different mechanisms that boost development of coordinated actions against such behaviors, promote corporate values and transparency in management of the administration and encourage res-

ponsibilities of the Companies of the Group, their contributors and groups of interest against fraud and corruption.

EEB and the companies of GEB are committed with a zero tolerance policy concerning fraud or corruption in any of their modalities, while they promote a culture of struggles against such behaviors and keep the highest level of professional and ethical standards in their manner of making business.

7.2 HOW IS IT MANAGED?

GRI
102-15, 102-16,
103-2, 205-2

EEB, as head of GEB, has an Anti-Fraud and Anti-Corruption program that includes activities for prevention, detection and investigation of events of fraud and corruption in all companies that are part of the Group, through the following tools:



01. Prevention:

- **Anti-Fraud and Anti-Corruption Policy:** It promotes an ethical culture within the companies that make up GEB to prevent related events and establish mechanisms to detect, investigate and remedy effectively and timely associated events in the companies of the Group.
- **Code of Ethics:** It establishes and develops guidelines of behavior and rules of action with respect to relations companies of GEB with its groups of interest and actions in the markets where their businesses develop so that they are consistent with the corporate values and obligations assumed in the work relation.
- **SIPLA Manual** (Anti-Money Laundering and Counter-Terrorism Financing), which contains the policies, controls and procedures adopted by the Company to prevent the associated risks.
- **Anticorruption Plan and People Service:** the Company, pursuant to provisions of article 73 of Law 1474 of 2011, has prepared the Anticorruption Plan with the following components:



- *Identification of Corruption Risks and Actions for management thereof. In this section, among others, risks related to fraud and corruption, and controls for mitigation thereof are defined.*
- *Anti-Procedure Strategy Accountability*
- *People Service Strategy*
- *Mechanisms for transparency and access to information*
- *Additional initiatives: Code of Ethics, Ethical Channel, Anti-Fraud and Anti-Corruption Strategy, Anti-Money Laundering and Counter-Terrorism Financing System (SIPLA), Policies and Procedures of Communications and Capacity Building about Fight against Corruption.*

- **The System of Management of Risks of fraud and corruption** for critical processes of the Company, with which follow-up and monitoring are made to controls by Risk Managers of such processes and in internal audits effectiveness of the controls defined for prevention thereof are reviewed.
- **Training** for all contributors of the Company and Executive Management in matters related to fraud and corruption prevention, Ethical Channel, Ethical Channel, Code of Ethics, Conflicts of Interests and AML/CTF.
- **Validation in Restrictive Lists** of natural and legal persons before formalizing a commercial relation with the Company.

GRI
102-17

02. Detection:

The Company has defined detection activities as follows:

- **Ethical Channel:** It is the single valid and official means allowing groups of interest (Administrators, Employees, Suppliers and Contractors, Customers, Shareholders, etc.) to report events of fraud, corruption, undue or illegal behavior, work aspects, consultations, conflicts of interest and ethical dilemmas. The channel is managed by an independent third party who guarantees full confidentiality of the information. The communication channels that are part of the Ethical Channel are as follows:



- **Check list:** The Company has a Check List of fraud and corruption alerts in different processes of the Company, which is part of the Annual Internal Audit Plan.
- **Internal and External Audits:** considering the Annual Audit Plan prioritized, audits to the processes of the business are conducted.

03. Investigation:

- **Protocol for reports received through the Ethical Channel:** The Company has a Protocol essentially intended for providing guidelines for receipt and analysis of reports made through the Ethical Channel and serving as a tool in the phases for answer to reports received through the Ethical Channel, in accordance with the procedures defined by the Company.

GRI
103-3

7.3 HOW IS IT ASSESSED?

GRI
205-1

In order to develop a detailed followup of implementation of corporate instruments for prevention, detection and investigation of situations associated with fraud and corruption, EEB has an Internal Control System that has been structured under the same COSO (Committee of Sponsoring Organizations of the Treadway Commission) standard and is subject to annual independent assessment. The structure of the system and results of the assessment are described in detail in the report of Corporate Governance included in this report.

- Assessment of design and implementation
- Assessment of operating efficacy.

The Audit and Risk Committee approves annually the strategies and general policies related to the Internal Control System, including the Annual Audit Plan, which is defined considering

exposure of processes to fraud and corruption events, a factor that determines prioritization of processes to be assessed during the year.

In 2016, 27 audits were conducted and identified improvement opportunities to keep strengthening the Internal Control System of the processes audited by the process owners, who are committed to implementation of plans of action for gap closing.

Before each audit, the audit risks, including, but not limited to, fraud and corruption risks, were identified and an assessment was made to verify appropriateness of the risk and if controls suffice for mitigation thereof; if controls are sufficient, the following is made:

Accordingly, inclusion of fraud risks in the risk matrixes of the different process of EEB was reviewed.

Additionally and as indicated in this chapter, the Ethical Channel is the main mechanism whereby EEB receives and processes the reports related to events of fraud, corruption, undue or illegal behaviors and ethical dilemmas, under the responsibility of an independent third party.

During 2016, by the Ethical Channel of EEB 12 reports and 5 consultations of ethical dilemmas and status thereof were made as of December 31, 2016, as shown in the table below:

GRI 205-3		Status	
Report Type	Amount	Open in Verification Processes	Closed
Undue alteration of a contractual process	3	2	1
Conflict of interest	3	0	3
Inappropriate use of assets	3	2	1
Alteration of accounting records and/or supporting evidence	1	1	0
Inappropriate disclosure of information	1	0	1
Work situation	1	0	1
Total reports received	12	5	7

Status			
Report Type	Amount	Open in verification process	Closed
Undue alteration of a contractual process	5	0	5
Conflict of interest	5	0	5

In accordance with the reviews made as of this date, no corruption events have been confirmed.

7.4 ACTIVITIES AND INITIATIVES 2016

GRI 103-3

During 2016, the following activities were made to strengthen an ethical culture in all contributors of GEB:

01. CAPACITY BUILDING: GRI 205-2

The Internal Audit Department, within the framework of its annual training program associated with control and prevention instruments, developed a campaign named "Ethics and Transparency, the energy that drives us" that had, among others, the following objectives: Strengthen the culture of ethics and transparency in GEB; raise awareness at all levels about the importance of being "The first control filter" in the processes of the Company and reinforce knowledge of the internal mechanisms for prevention, detection and reporting of events of fraud, corruption and ML/TF. Results obtained include:

- 32 sessions
- 396 employees
- 79% of the staff
- 96 suppliers and contractors
- 4,6 average of knowledge

02. Campaigns of Internal Communication:

By internal medias (Intranet, internal Blog, TV Screens in hallways, emails), the contents related to the following were shared:

Campaign	Contenido	Destinatario
Internal Control System	<ul style="list-style-type: none"> Persons responsible for the Internal Control System Habits of self-control to reinforce the Internal Control System Commitments concerning the Internal Control System 	All in-house contributors and contractors
Ethical Dilemmas	Cases related to daily tasks	All in-house contributors and contractors
It is time to Share Values	Christmas cards reminding compliance with the Code of Ethics. Contributors and suppliers shall abstain from sending and/or receiving gifts, safe for promotional items intended for image positioning and brand awareness	2 All contributors and suppliers of the database of the Strategic Supply Department
Ethical Channel	Reinforcement of its features and uses	5 All in-house contributors and contractors

7.5 2016 ACHIEVEMENTS

1. COLLECTIVE ETHICAL ACTION OF ELECTRIC SECTOR COMPANIES IN COLOMBIA:

As part of its commitment with transparency and corruption zero tolerance, the Company ratified its adherence to this self-regulation initiative that promotes adoption of ethics standards by all the participating companies, led by XM and the CNO – National Council of Operations.

Transparencia por Colombia, the Transparency Secretariat of the Office of the President of the Republic, the United Nations Office on Drugs and Crime and the Global Compact act as monitors of this initiative in which Empresa de Energía de Bogotá participates since June 2015.

Ratification of this commitment for transparency was made in framework of the fourth Ethical Forum of the Electric Sector, in which there were presentations about issues intended for promoting implementation and strengthening of anti-corruption practices, transparency, ethics and compliance by the different entities.

2. ANTI-FRAUD AND ANTI-CORRUPTION INITIATIVES

The protocol of verification of reports received was approved and implemented through the Ethical Channel in EEB and was extended to subsidiaries.

Under the umbrella campaign named "Ethics and Transparency – The Energy that drives us", the culture of ethics and transparency shall continue to be strengthened through the following mechanisms:

A. Face-to-face training:

- For EEB, 80% of the contributors including registered offices and 100 contractors.
- For Trecca, 76% of contributors and 30 contractors.

B. Internal communications by pieces communicated in Entérate TV (Screens) and Internal Blog.

C. External communications by pieces sent to suppliers (Time to Share Values - Christmas Gifts)

From the Internal Audit Department an Anti-Fraud and Anti-Corruption Plan was designed, a set of Guidelines to establish responsibilities and actions in case of fraud and corruption risks, including, but not limited to, chapters about Environment Control, prohibitions, commitments for the Anti-Fraud and Anti-Corruption Program, risks and associated controls, information and communication, Ethical Channel and monitoring.

Likewise, the Anti-Fraud and Anti-Corruption Risk and Control Matrix was consolidated and contains the recommendations of controls, risks and activities of strengthening to be implemented in the processes, which was sent to the Risk and Insurance Management for validation with the process owners and implementation of the recommendations suggested by the Internal Audit Department, when applicable.

<http://www.grupoenergiadebogota.com/eeb/index.php/empresa/transparencia-y-acceso-a-la-informacion-publica>

3. FOLLOW-UP TO ANTI-CORRUPTION AND PEOPLE SERVICE PLAN

Pursuant to the provisions of section V. – FOLLOW-UP TO THE ANTI-CORRUPTION PLAN AND

PEOPEL SERVICES of document "Strategies for Construction of the Anti-Corruption and People Service Plan" of the Office of the President of the

Republic, the Internal Audit Department conducted followup and control to implementation and progress of the activities contained in the Anti-Corruption and People Service Plan, the result of which is published in the following link:



4. ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM FINANCING (AML/CTF)

In EEB, in order to consolidate good practices to mitigate the Money Laundering and Terrorism Financing risk and with the continuous support of the Compliance Official, during 2016 the following activities and controls were applied:

- SIPLA Manual, (Comprehensive Anti-Money Laundering and Counter-Terrorism Financing System): The Manual was updated pursuant to Circular Letter 029 of 2014 of the Financial Superintendence of Colombia, which indicates that it gives anti-money laundering and counterterrorism financing instructions to issuers not subject to inspection and surveillance of the Financial Superintendence.
- Deceval (Central Securities Depository) sent monthly certification of the Anti-Money Laundering and Counter-Terrorism Program about outstanding shares of the Company. Up to date, no suspected or unusual operations of shareholders have been reported.
- A report of the Compliance Official was submitted bi-annually to the Board of Directors. It contained all the activities conducted to prevent such crimes.
- Within the framework of the campaign "Ethics and Transparency, the energy that drives us", an AML/CTF-related chapter was included with the purpose of informing about the risks and controls that must be considered to prevent such crimes.
- About 15,000 validations in the restrictive lists for natural and legal persons that keep commercial relations with the Company were made: suppliers, contributors, rights of way, leasing, among others, by software that allows making individual consultations of natural and legal persons of restrictive lists and other lists or wider databases of consultation, including terrorists and criminals related to financial crimes.

5. ASSESSMENT OF FINANCIAL INFORMATION CONTROLS

The Internal Audit Department tested the risk and control matrixes of project "Reinforcement of the financial information internal control system", assessing a total of 31 controls. The result of the review presented opportunities to continue consolidation of the internal control system, which were shared with the process owners and with the risk area.

7.6 2017 CHALLENGES

1. Continuar con el refuerzo de los estándares de ética y transparencia del Grupo Energía de Bogotá, mediante actividades y capacitaciones a los colaboradores y demás grupos de interés, en temas relacionados con el Código de Ética, Canal Ético, Política Antifraude y Anticorrupción, Prevención del Lavado de Activos y Financiación del Terrorismo y fortalecimiento de la cultura de autocontrol, como mecanismos para continuar con el fortalecimiento de Sistema de Control Interno, y del Sistema Antifraude de Lavado de Activos y Financiación del Terrorismo de la Empresa y del Grupo.
2. La Dirección de Auditoría Interna evaluará la efectividad de los controles definidos para mitigar los riesgos de fraude y corrupción, a través de las auditorías internas, que serán realizadas en el Plan Anual de Auditoría de 2017, y del seguimiento de la matriz antifraude y anticorrupción.
3. Conforme con lo establecido en el artículo 73 de la ley 1474 de 2011, Decreto 1981 de 2015, la Empresa se encuentra elaborando el Plan Anticorrupción y Atención al Ciudadano correspondiente al 2017, cual será objeto de seguimiento y verificación por parte de la Dirección de Auditoría Interna.
4. Continuar con el fortalecimiento de la cultura de Ética y Transparencia en el Grupo a través de nuevas herramientas como e-learning y formando como entrenadores a los líderes de la organización.
5. Continuar con el aseguramiento de los riesgos estratégicos y operativos y sus controles y automatizar algunas pruebas de auditoría.
6. Definir el programa integral de cumplimiento antifraude y anticorrupción, de acuerdo con las mejores prácticas a nivel mundial.

08

ENVIRONMENTAL MANAGEMENT

Environmental management of Empresa de Energía de Bogotá is an essential piece within its corporate strategy.

As a leading company of the energy sector in Colombia and Latin America, Empresa de Energía de Bogotá assumes the commitment and responsibility of promoting sustainable development in all its activities, articulating compliance with its corporate, economic and financial goals, with actions oriented towards care and respect for the environment and communities located in the area of influence of its operations.

In this manner, the environmental management of Empresa de Energía de Bogotá is an essential piece within its corporate strategy since it allows orienting activities towards sustainable, efficient and rational use of natural resources, support to conservation of biodiversity and minimization of impacts on the environment, which results in more trust of groups of interest towards the Company and its operations.

This commitment is materialized from the Corporate Sustainability Policy, compliance with the current environmental regulations, as well as the voluntary principles that EEB has integrated to its management, including contribution to achievement of the Sustainable Development Goals SDGs and the approach of due diligence with respect to Human Rights. These elements affirm an articulated performance that seeks to generate more positive impacts on the territories where it is present.

CORPORATE ENVIRONMENTAL MANAGEMENT

Considering the environmental risks and impacts generated by its operation and in accordance with its Sustainability Policy of Grupo de Energía de Bogotá, the Corporate Environmental Policy defines the group commitments with respect to its environmental management based on energy efficient objectives, wastes management, water consumption, biodiversity protection and climate change management.

Accordingly, the companies of the Group undertake to:

- Establish mechanisms to identify and assess environmental impacts derived from the processes of building, operation and dismantling of infrastructure by strategies of prevention, mitigation, control and compensation thereof.
- Analyze the ecological footprint of its activities and generate strategies oriented towards operating eco-efficiency.
- Plan management systems under a continuous improvement approach that allows achieving objectives related to energy performance, wastes management, water consumption, biodiversity protection and climate change.
- Ensure that the corporate strategies and investment decisions assess and consider significant environmental aspect in development of its activities.
- Develop its operations respecting territorial, social, regulatory and biologic diversity, as well as the archeological, historical and cultural patrimony of each country where it is present.
- Promote integration of the environmental policy and commitments in its chain value and groups of interest.
- Generate plans of action to identify, analyze, follow up, reduce, mitigate, compensate and adapt its activities with respect to changes in the environment caused by development of its activities⁵.

⁵ Full text of the Policy can be consulted in the following link:
<http://www.grupoenergíadebogota.com/eeb/index.php/empresa/politicas-corporativas>

BIODIVERSITY

Material Issue: Biodiversity and Water Protection

Why Is It Important?

Biodiversity respect and protection is an important matter for Empresa de Energía de Bogotá, included in a comprehensive manner in its Sustainability model and in the principles of the Global Compact, of which the Organization is a signatory, as well as recognized by its groups of interest, customers and representatives of the environmental sector, which have considered biodiversity as a priority issue for management of the Organization due to the impacts they have on its activities and the importance of environmental services that biodiversity entails in the geographic context of the Colombian territory.



GRI
103-1

GRI
304-2

DIRECT
IMPACTS

Conversion of Habitats (sites of towers)

Duration: Permanent (during operation) Nature: Mitigable and reversible (in dismantling phase)

Felling of forbidden species in easement strips

Duration: Permanent Nature: Reversible (in dismantling phase)

INDIRECT
IMPACTS

Possible introduction of invasive species, plagues or pathogens

Reduction of population of fauna and flora species

Timely management of these impacts has contributed positively to the relation between the organization and environmental authorities. It is worth noting that community monitoring activity conducted by inhabitants of the area of influence has promoted a proper interaction between the operations of the Company and use, promotion and conservation of biodiversity.

GRI 304-1

Affected Ecosystems

Support in conservation of biodiversity is very important for development of the operations of EEB since its activities are located in representative ecosystems for Colombia.

Sub-Andean Forests

- Location:** Jurisdiction of departments of Cundinamarca, Meta, Huila and Cauca, and in the reserve of the upper basin of the Mocoa rives of department of Putumayo.
- Description:** it embraces cloud forests both in of the central and eastern cordillera which are part of the district of eastern cloud forests of Caquetá, Cauca, Putumayo, Nariño and the district of Alto Putumayo.
- Intervened Hectares:** 49,31

Andean Forest

- Location:** Departments of Huila, Cundinamarca, Meta, Cauca, Putumayo and Nariño.
- Description:** the Andean forests present in the area of influence are part of a big habitat forest named Orobioma Andino Oriental, which is between slightly and moderately intervened; therefore, it has representative samples of populations vulnerable to extinction.
- Intervened Hectares:** 35,21

Basal forest

- Location:** Department of Putumayo and warm area of departments of Huila, Meta and Valle del Cauca
- Description:** It has a flower composition very heterogeneous and is characterized by presence of numerous species of palms and giant (mega leaves) and big (macro leaf) leaf plants. Further, for its function as climate regulator, its complexity and diversity, it is a rich source of biodiversity, germplasm and genetic resources.
- Intervened Hectares:** 31,08

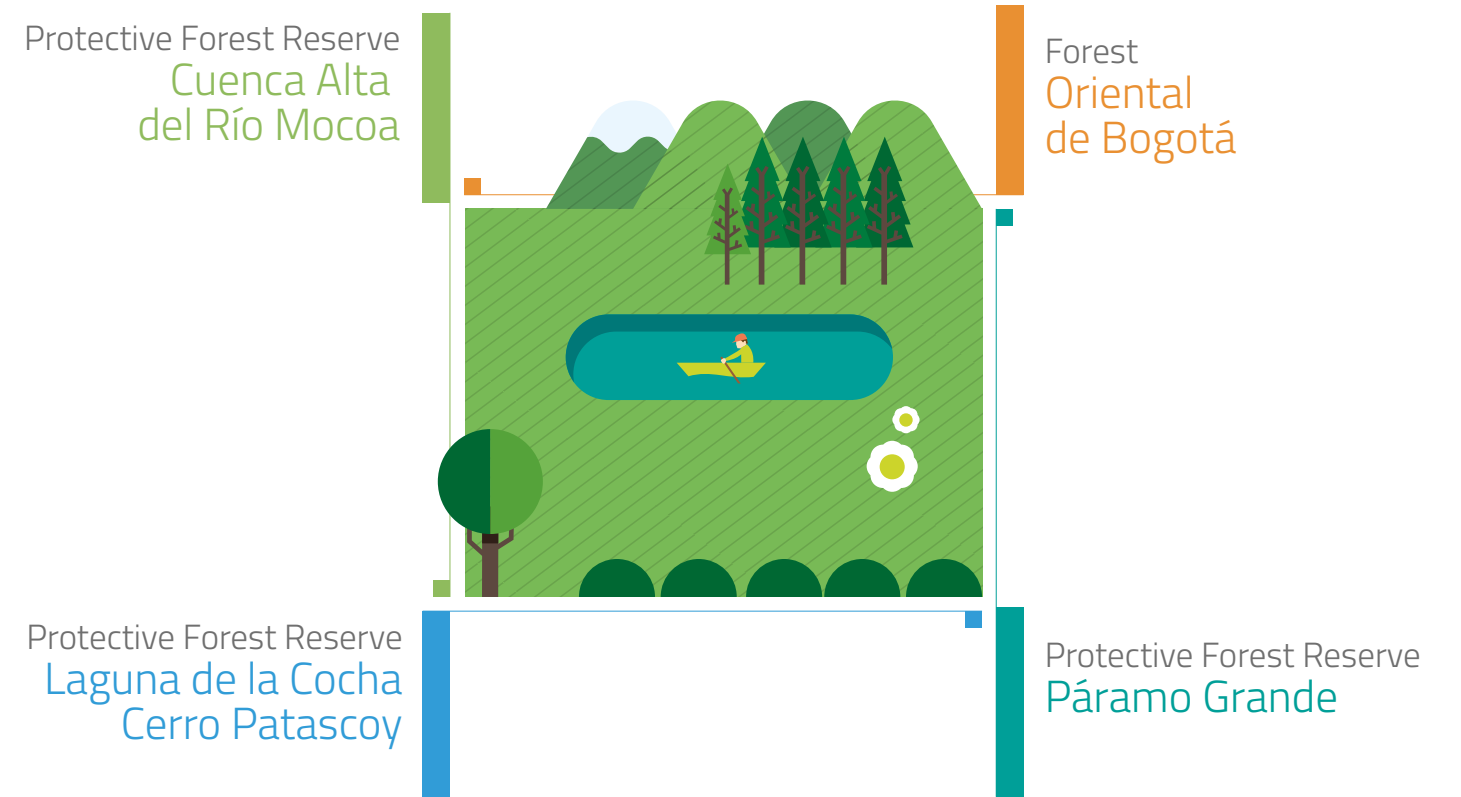
Moorland

- Location:** Limits between departments of Putumayo and Nariño
- Description:** Endemic ecosystem of the northern Andes with a great variety of biotic components where about 60% of vascular plants are endemic and this makes it one of the most vulnerable ecosystems of the country. It has a high level of endemism in amphibians, reptiles, birds, terrestrial vertebrate mammals and vascular plants, much higher than other places of the planet.
- Intervened Hectares:** 1,17

GRI 304-1

High Value Areas for Diversity

Considering the foregoing, the Company manages the impacts of its activities located in important ecosystems for the country, since its electric energy transmission lines are located in four areas that have been classified of high value for biodiversity:



FOREST RESERVE OF THE UPPER BASIN OF THE MOCOJA RIVER

- **Geographic Localization:** Jurisdiction of municipalities of San Francisco and Mocoa, in the department of Putumayo, Andean region.
- **Type of operation:** Electric energy transmission at 230 kV.
- **Area of the site:** 300,34 km².
- **Value for Biodiversity:** Thanks to the extent and conservation degree of biodiversity, the fauna and flora rates of the place are high. Currently in the area there are vulnerable and threatened species such as Niceforo's poison frog (*Epidobates ingeri*), and vegetable species such as Wyra Caspi (*Cedrelinga catanaeformis*) and aniba (*Aniba* sp), which increases the strategic nature of the reserve; nonetheless, within the reserve there are human settlements that put pressure on resources.
- **State of Protection:** Forest Reserve⁶

LAGUNA DE LA COCHA - CERRO PATASCO Y PROTECTIVE FOREST RESERVE

- **Geographic Location:** Department of Nariño, in jurisdiction of municipality of Pasto, in the Andean Region.
- **Type of Operation:** Electric Energy Transmission at 230 kV.
- **Area of the site:** 499,15 km².
- **Value for Biodiversity:** One of the most extensive and well conserved lagoons of the northern Andes, considered as the biggest fresh water reserve of the department of Nariño. La Cocha Lagoon receives several rivers and creeks, origin of Guamués river affluent of Putumayo River, Amazon basin. Within it the fauna and flora sanctuary Isla de la Corota is located, an orobiome of Andean forest with predominant species such as encenillos, pino colombiano, siete cueros, palma de cera and the ecosystems of the moorland with presence of frailejones as *Espeletia hartwegiana*, *Blechno loxensis*, *Calamagrostis* spp., *Hypericum* spp. and *Festuca* spp.
- **State of Protection:** Protective forest reserve.

⁶ Según el Decreto 2811 de 1974, se entiende por área forestal protectora la zona que debe ser conservada permanentemente con bosques naturales o artificiales, para proteger estos mismos recursos u otros naturales renovables. En el área forestal protectora debe prevalecer el efecto protector y solo se permitirá la obtención de frutos secundarios del bosque.

BOSQUE ORIENTAL DE BOGOTÁ

- **Geographical Location:** Department of Cundinamarca in the Andean region, bordering by the east the city of Bogotá.
- **Type of Operation:** Electric energy transmission at 230 kV
- **Area of the site:** 131,43 km².
- **Value for Biodiversity:** The Bosque Oriental de Bogotá protective forest reserve constitutes a strategic area for the city of Bogotá and its surroundings due to environmental services which that it provides, including groundwater recharge and regulation, soil protection, scenic value, oxygen contribution to the city, weather regulation and water provision to different communities. It is estimated that about 64% of the area with forest cover is in good conservation state and keeps within important ecologic values and high biodiversity levels both in flora and fauna.
- **State of Protection UICN:** IV – Protective Forest Reserve

PARAMO GRANDE PROTECTIVE FOREST RESERVE

- **Geographic Location:** Jurisdiction of municipality of Guasca, in the department of Cundinamarca, Andean region.
- **Type of Operation:** Electric Energy Transmission at 230 kV.
- **Area of the site:** 39,95 km².
- **Value for Biodiversity:** Even when it keeps within a scenic value and important biodiversity represented in its units of moorland and submoorland cover, it is also evident that there are alterations in its cold rain forests due to development of productive activities, including potato harvesting and dairy cattle breeding. It is possible to find vegetation in good state of conservation in areas of rugged relief and hard access, as well as in the margins of water courses.
- **State of Protection UICN:** VI – Protective Forest Reserve.

GRI
304-4**POTENTIALLY AFFECTED SPECIES**

In addition to identification of the high value areas for biodiversity of the country, EEB has identified the flora and fauna species present in the ecosystems and habitats in which it develops its activities and that can be affected for such activities.

Ecosystem Habitat	Identified Species	Level of Extinction Risk
TROPICAL RAIN FOREST	Military macaw (<i>Ara militaris</i>)	Vulnerable (VU)
	Blossomcrown (<i>Anthocephala floriceps</i>)	Vulnerable (VU)
	Wattled guan (<i>Aburria aburri</i>)	Near Threatened (NT)
	Ecuadorian piedtail (<i>Phlogophilus hemileucurus</i>)	Vulnerable (VU)
	Pink-throated brilliant (<i>Heliodoxa gularis</i>)	Vulnerable (VU)
	Lanceolated monklet (<i>Micromonacha lanceolata</i>)	Vulnerable (VU)
	Bush dog (<i>Speothos venaticus</i>)	Near Threatened (NT)
	Margay (<i>Leopardus wiedii</i>)	Near Threatened (NT)
	Jaguar (<i>Panthera onca</i>)	Near Threatened (NT)
	Long-tailed otter (<i>Lontra longicaudis</i>)	Data Deficient (DD)
	Giant anteater (<i>Myrmecophaga tridactyla</i>)	Vulnerable (VU)
	South American Tapir (<i>Tapirus terrestris</i>)	Vulnerable (VU)
	White-lipped peccary (<i>Tayassu pecari</i>)	Vulnerable (VU)
	White-bellied spider monkey (<i>Ateles belzebuth</i>)	Endangered (EN)
	Brown woolly monkey (<i>Lagothrix lagothricha</i>)	Vulnerable (VU)
	Red brocket (<i>Mazama americana</i>)	Data Deficient (DD)

Ecosystem Habitat	Identified Species	Level of Extinction Risk
Wattled guan (Aburria aburri)	Yellow-eared parrot (<i>Ognorhynchus icterotis</i>)	Endangered (EN)
	Andean condor (<i>Vultur gryphus</i>)	Near Threatened (NT)
	Black tinamou (<i>Tinamus osgoodi</i>)	Vulnerable (VU)
	Tolima Dove (<i>Leptotila conoveri</i>)	Endangered (EN)
	Moustached Antpitta (<i>Grallaria alleni</i>)	Vulnerable (VU)
	Yellow-headed brush finch (<i>Atlapetes flaviceps</i>)	Endangered (EN)
	Golden-plumed parakeet (<i>Leptosittaca branickii</i>)	Vulnerable (VU)
	Military macaw (<i>Ara militaris</i>)	Vulnerable (VU)
	Rusty-faced parrot (<i>Hapalopsittaca amazonina</i>)	Vulnerable (VU)
	Blossomcrown (<i>Anthocephala floriceps</i>)	Vulnerable (VU)
	Turquoise dacnis (<i>Dacnis hartlaubi</i>)	Vulnerable (VU)
	Dusky-headed brush finch (<i>Atlapetes fuscolivaceus</i>)	Near Threatened (NT)
	Black-and-chestnut eagle (<i>Spizaetus isidori</i>)	Vulnerable (VU)
	Wattled guan (<i>Aburria aburri</i>)	Near Threatened (NT)
	Chestnut wood quail (<i>Odontophorus hyperythrus</i>)	Near Threatened (NT)
	Ecuadorian piedtail (<i>Phlogophilus hemileucurus</i>)	Vulnerable (VU)
	Lanceolated monklet (<i>Micromonacha lanceolata</i>)	Vulnerable (VU)
	Mountain Tapir (<i>Tapirus pinchaque</i>)	Endangered (EN)
	Oncilla (<i>Leopardus tigrinus</i>)	Vulnerable (VU)
	Spectacled bear (<i>Tremarctos ornatus</i>)	Vulnerable (VU)

Ecosystem Habitat	Identified Species	Level of Extinction Risk
ANDEAN FOREST	Yellow-eared parakeet (<i>Ognorhynchus icterotis</i>)	Endangered (EN)
	Black Tinamou (<i>Tinamus osgoodi</i>)	Vulnerable (VU)
	Tolima dove (<i>Leptotila conoveri</i>)	Endangered (EN)
	Golden-plumed parakeet (<i>Leptosittaca branickii</i>)	Vulnerable (VU)
	Crescent-face antpitta (<i>Grallaricula lineifrons</i>)	Near Threatened (NT)
	Bicolored antpitta (<i>Grallaria rufocinerea</i>)	Vulnerable (VU)
	Grey-Breasted Mountain Toucan (<i>Andigena hypoglauca</i>)	Near Threatened (NT)
	Rusty-faced parrot (<i>Hapalopsittaca amazonina</i>)	Vulnerable (VU)
	Dusky-headed brush finch (<i>Atlapetes fuscolivaceus</i>)	Near Threatened (NT)
	Black-thighed puffleg (<i>Eriocnemis derbyi</i>)	Near Threatened (NT)
	Black-and-chestnut eagle (<i>Spizaetus isidori</i>)	Vulnerable (VU)
	Chestnut wood quail (<i>Odontophorus hyperythrus</i>)	Near Threatened (NT)
	Mountain Tapir (<i>Tapirus pinchaque</i>)	Endangered (EN)
	Spectacled bear (<i>Tremarctos ornatus</i>)	Vulnerable (VU)
	Northern pudú (<i>Pudu mephistopheles</i>)	Vulnerable (VU)
	Oncilla (<i>Leopardus tigrinus</i>)	Vulnerable (VU)
Jambato toad (<i>Atelopus ignescens</i>)	Extinct (EX)	

How is it managed?

GRI 103-2

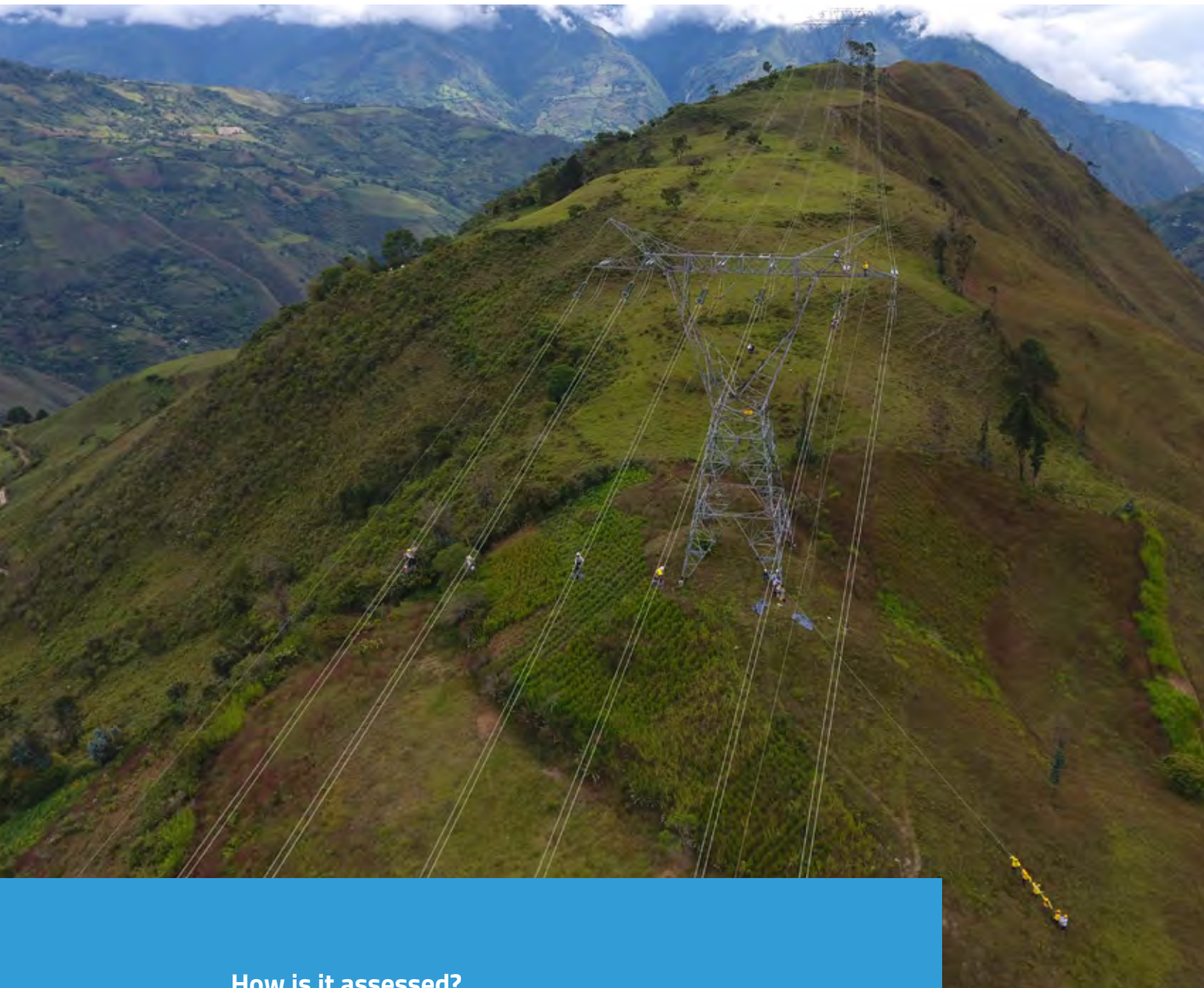
In accordance with the impacts identified and the high value for biodiversity of the places where it is located, EEB designs, builds and operates its assets with respect for biologic diversity, following the guidelines established in the Sustainability Policy updated in 2016 and complying with the following regulatory instruments:

- Single Regulatory Decree on the Environment and Sustainable Development.
- Terms of reference for elaboration of the environmental impact study for laying of transmission lines of the national electric interconnection system, composed of a set of lines with their corresponding connection modules (substations) and operating on voltages equal to or higher than 220 KV.
- Terms of reference of elaboration of the environmental diagnosis of alternatives for linear projects.
- General Methodology for presentation of Environmental Studies.
- National Policy for Comprehensive Management of Biodiversity and its Eco-system Services.
- Manual for assignment of compensation for loss of biodiversity

GRI 102-11

Thus, EEB manages in an early and proactive manner and under the precaution principle the risks and impacts of its activities that it may generate in the ecosystems where it conducts its operations and develops management plans related to such impacts by implementing strategic tools for elaboration of impact studies of its projects, such as the General Methodology for presentation of its Environmental Studies and the Manual for Assignment of Compensation complying with the National Policy for Comprehensive Biodiversity Management and its Ecosystem Services.

The environmental coordination offices in each region are in charge within the Sustainable Management Department of execution and follow-up of the programs composing the Physical-Biotic Management Plan by the appropriate staff in biodiversity management and execution of the different activities involved in operation of the infrastructure.



How is it assessed?

GRI 103-3

EEB has a tool for management and follow-up of the environmental requirements that consider the biotic component by matrixes of compliance with legal requirements and compliance with the environmental management plans for the infrastructure.

Additionally, EEB prepares and submits environmental compliance reports per project to the National Authority of Environmental Licenses – ANLA, which makes a regular follow-up to compliance with the measures of manage the biotic component of the projects under the responsibility of EEB. The supervision department appointed by EEB monitors the environmental obligations of contractors, verifying compliance with the HSE Annex which is an integral part of contracts.

Activities and Initiatives 2016

GRI 103-2

During 2016, the following activities were carried out for management of impacts on biodiversity that were identified in development of the operations of the Company:

Activities	Description
Vegetation in easement strips	Vegetation in easement strips was managed under an ecosystem approach, applying inspection and supervision manuals for vegetable coverage, in addition to implementation of specific management measures (PMA) in areas with high biodiversity rates (adjacent to protected areas and hotspots).
Conservation of species	The Company continued to support conservation of the Spectacled Bear (<i>Tremarctos ornatus</i>) and the Mountain Tapir (<i>Tapirus pinchaque</i>), two of the most threatened mammals in the Colombian territory, by coordination and support to local organizations. Likewise, in the department of Putumayo and with the accompaniment of COR-POA-MAZO- NIA and WWF, it continued to support activities of monitoring and follow-up by using trap cameras, managing to record mammals and birds of the ground vegetation in danger of extinction.

Activities	Description
Relocation of species	Continuation of maintenance activities for relocation of species epiphytic species saved during building of line Tesalia-Altamira at 230 kV.
Maintenance of compensatory reforestation	Four quarterly maintenances to compensatory reforestation were applied for the forest use made in the jurisdiction of Corporación Autónoma Regional de Risaralda (CARD-ER), in premises owned by the Corporation for forest conservation. In total, 1,100 individuals of native species (<i>Trichanthera gigantea</i> , <i>Quercus humboldtii</i> , <i>Montanoa ovalifolia</i> , <i>Inga vera</i> , <i>Inga edulis</i> and <i>Cedrela montana</i>) and 2,000 guadua seedlings (<i>Guadua angustifolia</i>) were subject to this reforestation process.
Cooperation Agreements	<p>Agreement 100695 of 2016 was signed with Corporación Autónoma Regional del Quindío in order to support implementation of the Environmental Management Plan for the District of Conservations of Barbas Bremen Soils (DCSBB) in the jurisdiction of Department of Quindío, focused on complying with the following programs:</p> <ol style="list-style-type: none"> 1. Gestión integrada del recurso hídrico: implementación de acciones de conservación y restauración de humedales, 2. Integrated Biodiversity Management: knowledge and conservation of bird diversity. 3. Knowing the biological diversity present in DCSBB: strengthening connectivity of fragmented forest of DCSBB and its area of influence. Upon closing of the year search of premises of restoration projects was undertaking and a series of informative meetings were held with communities and authorities of DCSBB to disclose activities of the project.

Additionally, as for protection of water bodies present in the areas of operation of the Company, during 2016 EEB made progress in the following activities:

- Signaling and demarcation of water upwelling for protection in section one corresponding to project Tesalia-Alfárez.

In compliance with the Environmental Management Plan of Tominé Reservoir, activities corresponding to the following projects were executed to protect water bodies:

1. Water support of the reservoir.
2. Removal of water vegetation: up to date a total of 1,335.17 hectares of water hyacinth (invasive species) has been removed from the Reservoir.
3. Removal of acacias in flooding area: up to date 387.79 hectares of acacias and 155.6 hectares of spiny broom were re-moved with resprouting control in 309.7 hectares.
4. Wastes management in operation and maintenance of the Reservoir.
5. Promotion of regulations on fishing in the Reservoir.
6. Management to forest fire control in premises of the area of influence of the Reservoir.
7. Environmental management with clubs peripheral to the Reservoir.
8. Assessment of quality of the water of the Reservoir.

ATMOSPHERIC EMISSIONS AND CLIMATE CHANGE



Material Issue:

Atmospheric Emissions and Climate Change

Why is it important?

GRI
103-1

Management of atmospheric emissions and climate change is an important issue of EEB, due to recognition by the Company of the global reality concerning the issue and the commitment it has adopted to analyze, prevent, reduce, mitigate and compensate its emissions, as well as adapt its operations in the face of changes in the environment on which it can have an influence with its activities.

The operations of the Company generate Greenhouse Gas (GHG) emissions, including CO₂, CH₄, NO₂ y SF₆, which are mostly generated by operating assets (use of SF₆ as electric insulator) and mobile sources (mobility of its contributors).

The SF₆ emissions are the ones of higher incidence in the carbon footprint of the Company due to its high power of global warming, reason for which the strategy adopted for management is oriented towards avoiding generation of fugitive emissions by mechanisms that allow optimizing useful life of this gas, effective contention in the assets and comprehensive management at the end of its life cycle.

For EEB management of climate change and its risks represents opportunities. On the one hand, regulatory and operating risks, related to possible tax conditions, as well as availability of its assets and timely attention of incidents that may arise and that may potentially compromise service provision, have been identified. On the other hand, incidence of climate change in the supply and demand of energy in Colombia is recognized. This leads to possible price volatility in energy prices.

Finally, it is worth mentioning that the strategy of business groups of EEB is based on lowemission generation, anticipating development of renewable and alternative source energy projects with which it expects to enhance contribution of EEB in the face of climate change in the next years.

Among these emissions, SF₆ emissions have the greatest incidence on the carbon footprint of the Company, due to its physical properties related to a high power of

global warming, reason for which the strategy adopted for management is oriented towards preventing generation of fugitive emissions by processes that allow optimizing the useful life of this gas and proper elimination thereof.

Additionally, the commitment adopted by EEB is integrated with fulfillment of the national goals associated with greenhouse gas reduction in 20% by 2030, which was adopted by the Colombian government in the Conference of Parties (COP 21), held in Paris at the end of 2015.

GRI
103-2

How is it managed?

EEB has prioritized the action of climate in its sustainability model, in accordance with one of the 17 Sustainable Development Goals that orient the global development agenda for the next years. In its sustainability policy, it also addresses commitments and principles to answer the challenges that involve management of climate change in its operation and supply chain.

In compliance with international agreements on the need of not allowing increase of the global temperature to reach the limits defined by the general consensus of nations in the COP 21, added to national commitments of reduction of GHG emissions and to address the growing demand of efficient and clean energy to reduce the greenhouse gas emissions, the Company considers the following aspects:

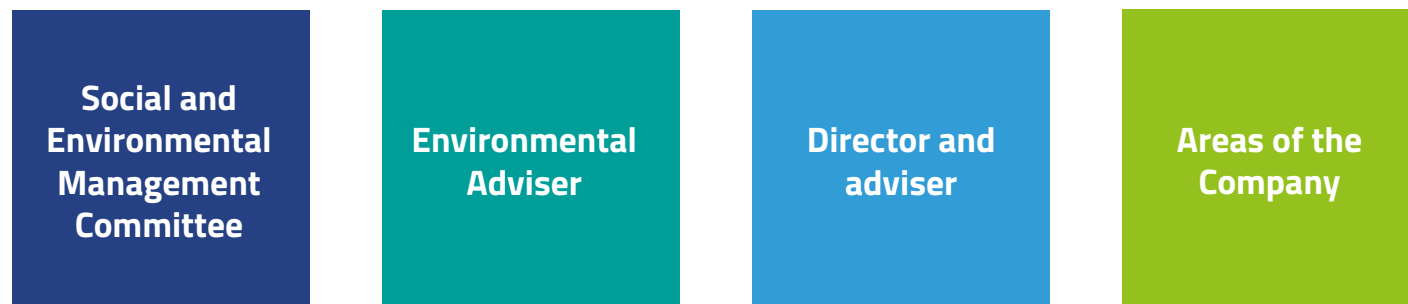
GEB makes a regular analysis of its ecologic footprint (energy performance, water consumption, wastes generation, Inventory of greenhouse (GHG) gases and generates actions for eco-efficiency.

Management systems are planned under a continuous improvement approach to achieve the eco-efficiency goals in its energy performance, wastes management, water consumption, biodiversity protection and climate change.

From 2014, the Company began implementation of a Climate Change Management Program, which took as point of departure calculation of the organization carbon footprint, measured since 2011 for application of the GHG protocol (considering direct and indirect GHG emissions) to define actions that lead to reduction, mitigation, compensation and adaptation to climate change.

Persons Responsible for the Climate Change Management Program

In order to comply with the objectives established in the Climate Change Management Program, EEB has a work team with responsibilities defined with respect to the Corporate Environmental Management.



The Social and Environmental Management committee created by President's Decision No. 71 of 2016, has this purpose:

- coordination, direction and advising for building and implementation of a sustainable model for social and environmental management applied by the Company and companies of the Group, in accordance with the corporate policies.

The Sustainable Development Management is responsible for defining and coordinating development of the program, as well as the communication strategy along with the Communications Management of the Company. That same Management reports directly to the President of the Company, and leads environmental and energy management in general. In 2016, climate change management started operations through the environmental management system, plans of maintenance of assets and energy management system.

The Director and advisers in charge of the environmental and energy management are responsible for monitoring the environmental and energy indicators of the company and submitting them to the Sustainable Environmental Management Committee.

The areas of the Company that generate information required for the inventory of greenhouse gases are responsible for sending it to the Sustainable Development Management monthly.

How is it assessed?

GRI
103-3

Under the guidance of the Sustainable Development Management, EEB coordinates development and implementation of its environmental management system and its energy management system, which include environmental aspects related to management of emissions and the corporate strategy for climate change. These systems are subject to internal and external audits in conformity with the applicable ISOs.

Likewise, calculation of the carbon footprint is made considering the guidelines of the GHG Protocol as to have verifiable and auditable information about the direct and indirect emissions generated by the activities of the Company.

At operating level, the use of SF₆ gas is essential in the electric substations that work with specific technologies. The assets with higher amount of this gas are substations Guavio, Circo, Paraíso and Alférez, which have their equipment immerse in this gas for operation and have an automated alarm system that reports pressure loss, which is activated if any component of the system loses gas at levels that endanger operation of the equipment or safety of people.

Additionally, in substations Circo, Paraíso and Alférez visual checks of gas pressure are made by the readings of the existing gauges at least once a week.

If low gas pressures are identified in any component of the substations, programmed maintenance activities are carried out for reinjection of the SF₆ gas until it reaches the regular operation pressure (ideal), but if it is determined that in a there is pressure loss in a recurrent manner in any compartment, financial resources shall be planned and found to apply a major maintenance that allows correcting the leak, as well as replacement of the equipment that for its operation time represents a greater risk of fugitive emissions.

This process of taking the SF₆ to nominal pressure in the substations, some with about 20 years of operation, is the control and followup mechanism established by EEB. The gas losses measured have been counted in the carbon footprint and are the main reason for the increase of direct emissions of EEB and, even though they did not occur during the period of this report, they are under the responsibility of the Company and are being compensated as first mitigation measure. As a result, it is planned to update the base line of the carbon footprint in the next years, as well as definition of the longterm reduction goals, pursuant to international agreements.

As for adaptation to climate change, the Company conducts, with a frequency of 6 years, geotechnical characterization studies and geomorphodynamic stability diagnosis of the transmission lines, which use hydrometeorological information, among other, with the purpose of defining civil maintenance measures that offer guarantees for reliability of the service in case of extreme climate events.

Activities and Initiatives 2016

Inventory of Greenhouse Gases

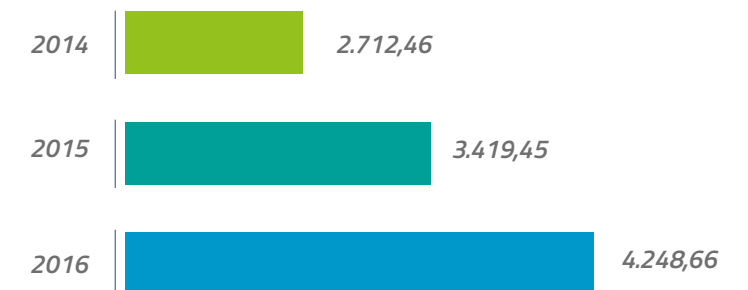
Within the framework of the Climate Change Management program, EEB measured the Greenhouse Gas emissions generated in its activities.

For development of the GHG inventory of the Company, it took as reference the provisions of the greenhouse gas protocol of WRI (World Resources Institute) and WBCSD (World Business Council for Sustainable Development) and the NTC-ISO 14064-1 Guidelines, specifying the principles and requirements for design, development and management of GHG inventories for companies and organization, as well as presentation of reports about these inventories.

During 2016, EEB generated 4248.66 tons of CO₂ equivalent to 24.25% more than the previous year, from which 85.553% corresponds to direct emissions (scope 1), 2.64% to indirect emissions for electric energy consumption (scope 2), and 11.81% to other indirect emissions (scope 3).

During 2016 EEB generate 4,294.76 tons of CO₂ equivalent to 25% more than the previous year, from which 84.63% corresponds to direct emissions (extent 1), 2.58% to indirect emissions for electric energy consumption (extent 2), and 12.78% to other indirect emissions (extent 3).

TOTAL GHG EMISSIONS (Ton CO₂ EQ)

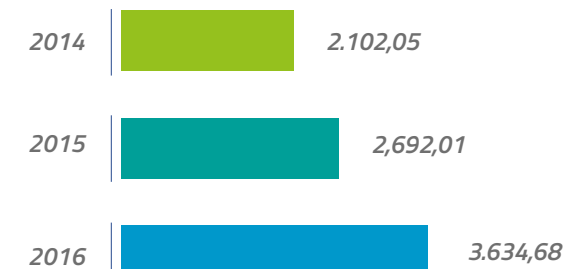


GRI 305-1

Direct Emissions (Extent 1)

They correspond to emissions generated directly by the activities of the Company, related to fugitive emissions of SF₆ and use of liquid fuels mainly.

DIRECT GHG EMISSION (Ton CO₂ EQ)



GRI 305-1

GRI 305-2

GRI 305-3



The factors of emissions of fuels are considered based on the Colombian Mining and Energy Information System (SIMEC), in which there is the module of the Environmental Mining and Energy Information System (SIAME) which calculates emission factors for fuels in Colombia.

It is worth noting that even though there are controls that allow acting in case of fugitive SF₆ emissions, in the next years it is expected that new assets of EEB in projects in expansion start operations and the technology available for the infrastructure still uses SF₆. This situation represents a potential risk for increase of the intensity of emissions in the scope 1 during the next years. It is also expected that the process of pressure normalization in substations is stabilized during the next years and allows estimating theoretically carbon intensity indicators and allows making decisions to improve efficacy of the climate change program of the Company.

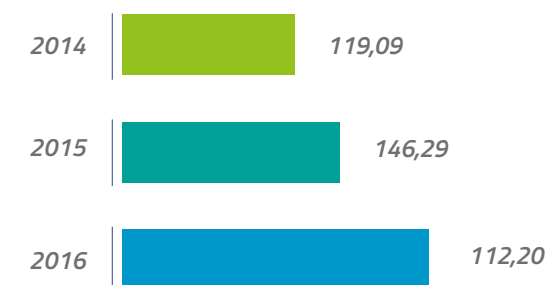
Direct Emissions Generated Annually (Tn CO2 eq)						
Activity	2011	2012	2013	2014	2015	2016
SF ₆ emissions in substations	1.482	604	979	2.045,1	2.659,26	3.588,45
CO ₂ , CH ₄ and NO ₂ emissions in mobile combustion	18	9	18	33,79	32,35	42,2
CO ₂ , CH ₄ and NO ₂ emissions in stationary combustion	3	2	0,1	1,73	0,4	4,04
Other fugitive emissions and/or extinguishers (R134A, R422D, HFC and CO ₂)	10,5	10,2	14,02	21,43	0	0
Total	1.513,5	625,2	1.011,1	2.102,05	2.692,01	3.634,68

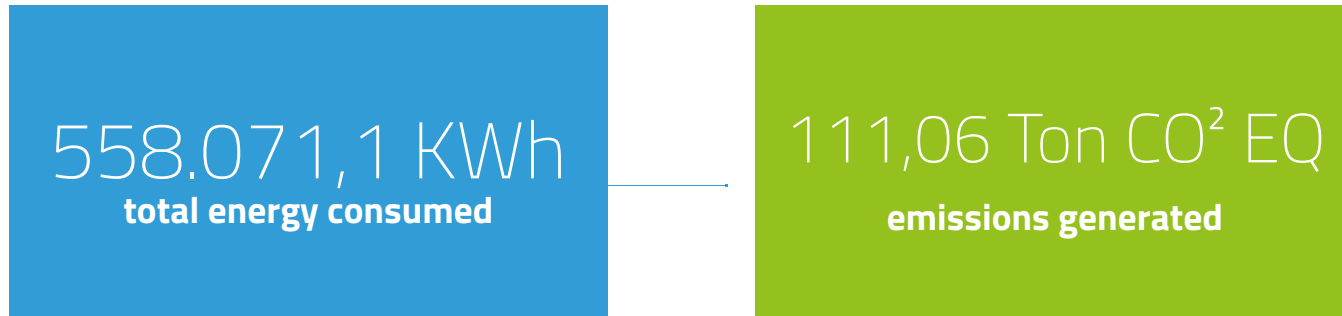
GRI 305-2

Indirect Emissions (Extent 2)

They correspond to emissions generated by consumption of electric energy purchased to public utilities in the administrative offices of the Company. They are management within the scope of the electric energy management system.

INDIRECT GHG EMISSIONS (Tn CO₂ EQ)



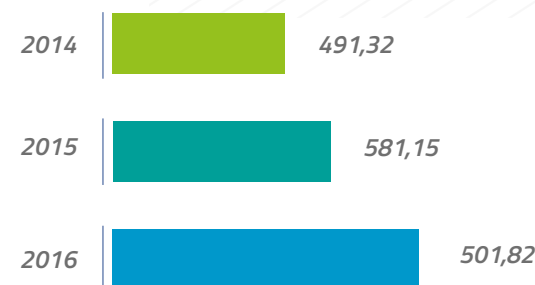


For GHG emissions associated with the electric energy consumption, the emission factor used was 0.1990 Kg CO₂/KWh, data published in 2015.

GRI 305-3 **Other Indirect Emissions (Scope 3)**

They correspond to indirect emissions generated throughout the supply chain and include, but are not limited to: consumption of liquid fuels in the car park hired, final wastes disposal, business trips, daily movement of contributors from their residence to the Company and some office consumables such as paper and printing ink.

OTHER INDIRECT GHG EMISSIONS (Tn CO₂ EQ)



Emission factor for air transport: data from the carbon calculator of the ICAO (International Civil Aviation Organization) are used, where with the journey the emission in KgCO₂ can be obtained for each one of them.

Compensation of Emissions

As first mitigation measure, EEB has compensated its emissions calculated through the purchase of VERs (Verified Emission Reducers), certified for a forest compensation scheme by ICONTEC, an organization that verifies plantations and the forest project of CO2CERO®.

The forest project chosen by the Company is characterized by creation of shared value in the east of Colombia and the VERs, acquired as a Compensation measure by EEB, are commercialized in the Colombian Volunteer Carbon Market in the Commercial Exchange of Colombia (BMC).

The compensations made by EEB during the period of this report correspond to 3,419.45 Tn CO₂ eq issued during 2015 and 4248,66 Tn CO₂ eq issued during 2016 according to certificates No. CDC-cmc-0096 Consecutive 54.661 to 58.040 and CDC-cvs-021-Consecutive from 3326 to 7574.

Honoring the commitment of EEB with sustainability, in 2016 a total of 7668,11 Tn CO eq generated between January 1 2015 and December 31 2016 was compensated through VERs.

Emission factors for other activities: For calculation of the emissions associated with other activities the emission factors of the database of Ecoinvent 2.2 contained in the software for carbon footprint modeling, were used.

2016 ACHIEVEMENTS

Control of Emissions of SF₆

EEB began the project of control and management of SF₆ in GIS – AIS substations in order to control and follow up gas emissions that may be dangerous for safety and health of people, the environment and operation of the Company. The main achievements were the following:

- Definition of measurement points of SF₆ per compartments in substations.
- One-line diagrams of GIS ducts of substations Alférez, Guavio, Circo and Paraíso and measurements of GIS ducts installed.
- Recovery and replacement of SF₆ continues in a controlled manner, preventing accidental release of gas to the atmosphere and guaranteeing proper storage and final disposal of the gas.

2017 Challenges

- Formulate updates about the base year of the organizational carbon footprint of EEB.
- Define indicators that allow improving carbon management and implementing appropriate strategies for the activities of the Company.
- Develop the Strategic Business Group of low-emission generation.
- Formalize commitments to define the reduction goals consistent with the scenarios and agreements defined in the COP 21.
- Continue with the normalization program of pressures of SF₆ in the operating assets.

FUNDACIÓN GRUPO

E N E R G Í A D E B O G O T Á

The Foundation was created with the Purpose of having an instrument to cooperate with sustainable development of the national and international territories where the companies of the Group are present and, in this manner, coordinate and develop programs and projects that contribute to progress and improvement of the social, economic, cultural and educational conditions of the communities located therein.

Within the framework of the Sustainability policy of Grupo Energía de Bogotá, the plans and initiatives promoted by the Foundation seek to support fulfillment of the obligations in environmental and social matters of the companies of the Group, as well as ensure wellbeing of the communities living in the areas of influence.

In accordance with these purposes, EEB, TGI and the Foundation signed a Comprehensive Cooperation Agreement on June 20 2016 to execute projects led and structure by Fundación Grupo Energía de Bogotá, FGEB, in the framework of Specific Agreements. The first project implemented under such agreement, signed on September 14, 2016, is the Tominé Project which aims at managing that the premises that compose the reservoir of the same name are opened to public use for activities of outdoor recreation, environmental education, conservation of the natural and cultural heritage, tourism and sustainable use of natural resources. Additionally, it is expected that this project contributes to improvement of the life quality and social and economic and tourist development of the region.

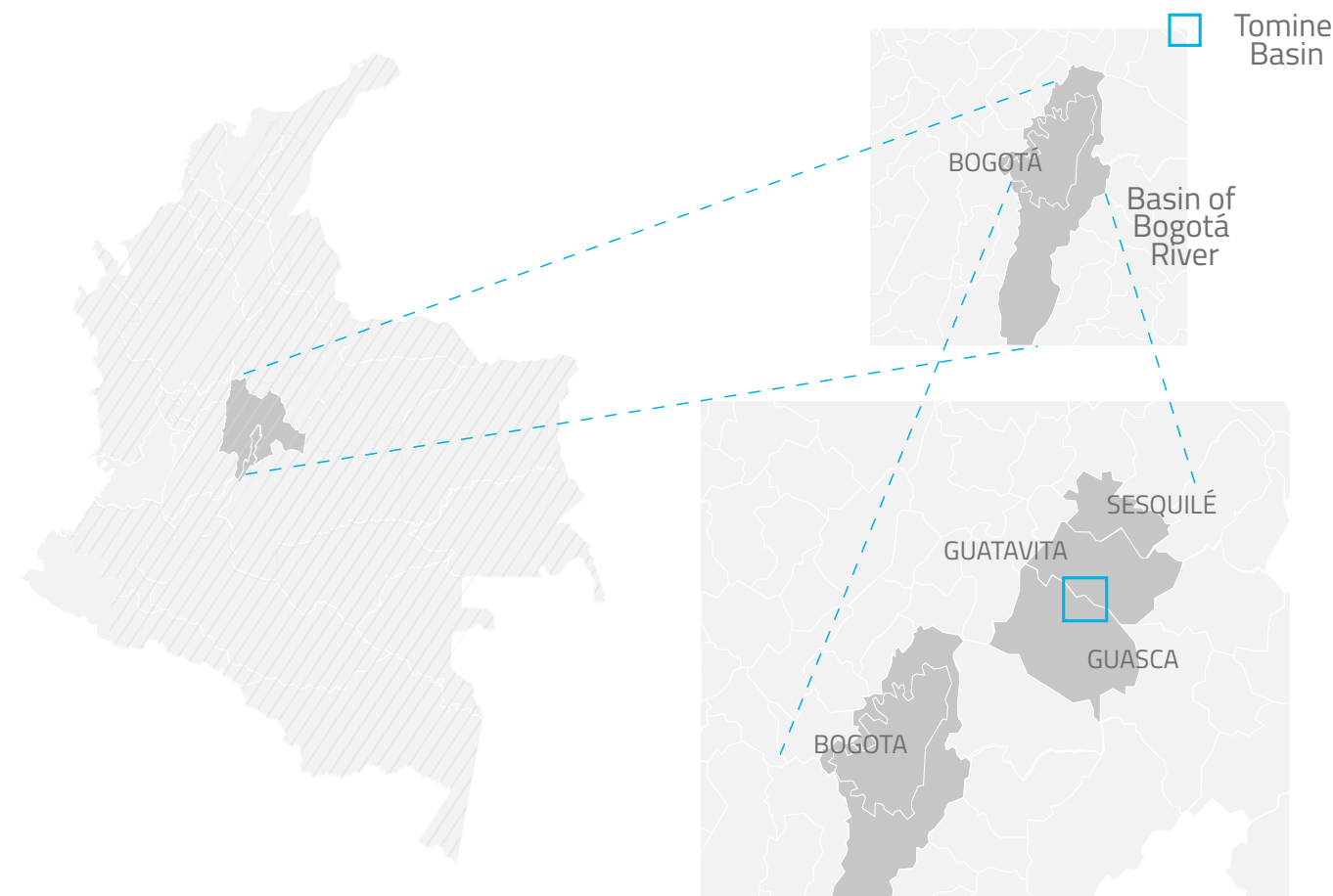
CONTEXT

Within the assets of Empresa de Energía de Bogotá, EEB, the Tominé Reservoir, located in municipalities of Guasca, Guatavita and Sesquilé in the department of Cundinamarca in the central area of Colombia. The Reservoir is a water body that is part of the links of the chain of water projects of regulations of Bogota River. It is 19 km long and

4 km wide approximately with an average depth of 50 meters. These dimensions make it the most important water reservoir of the savannah of Bogota, with a great local and regional impact for having the greatest available capacity (690 million cubic meters).

In addition to its water regulation function, the Reservoir facilitates resilience of the territory to climate change, being 4,900 hectares of water, soil, flora and fauna, which balance the social, economic and environmental conditions of the territory. These characteristics make the Reservoir

a potential space for promotion of nature tourism with an offer of services that can include activities of ecotourism, nautical sports, recreation, watching, family activities, cultural tourism and archeology. Currently, the access to the Reservoir is only private.



Location of the Tominé reservoir in the basin of the Bogotá River.

Tomine Project

The Tomine Project is one of the elements of the Environmental Circuit of Bogotá and Regional Parks in the region that is composed of the Capital District and municipalities of the Savannah of Bogota in the Central Area of the country. Building, operation and implementation of the project seek to generate a very important element for recreation and enjoyment of all the inhabitants of the area.



Environmental Circuit of Bogotá

Phase I of the Project, which is part of a long-term implementation, embraces building of: the multi-use perimeter trail for pedestrians and bicycles; a football field; visitor center; a public port con sailing school for children and young people and ecologic restoration of 24 hectares of the Park.

Why Tomine Project?

Some of the benefits identified with the development of this project include:

- It materializes the possibility of use and appropriation of natural space of the Reservoir as a mechanism of protection, assessment and conservation of the asset in the long term.
- It is a seed in the investment in the region to position nature tourism and eco-tourist services with high opportunities of participation of local, regional and national suppliers.
- It ensures stay and functional stability of the Reservoir so that it continues to comply with its water regulation purpose in the Basin of Bogota River, mitigating water risks (flooding, offer and availability).
- It deepens in the offer of environmental services for the population of the region, promoting order and control of the territory (load capacity), equity in the access and diversity of recreation, education and tourism activities.
- It incorporates non-conventional renewable energies and energy efficiency criteria to mitigate the carbon footprint of tourist and recreational activities.
- It positions GEB as a sustainable company generating shared value, 50 years after starting operation of the Reservoir as part of the new genuine, permanent and transparent relations with the groups of interest.

2016 Management

1. Project Planning and Structuring

At the planning and structuring stage of Tomine Project, the Foundation, in coordination with the Project Management PMO of EEB, established the vision, justification and phases to be developed for implementation thereof. During the formulation and planning stage the necessary studies for building of the business case were defined and, in coordination with the Strategic Supply Management of EEB, the Foundation conducted the corresponding closed competitive process for elaboration of the (i) Update of the Master Plan,

(ii) Urbanism Project, (iii) Architectonic Project of Constructions of Phase I and (iv) Comprehensive Management of Technical Designs of the Tomine Project, resulting in the corresponding contract to develop the purpose proposed during 2017.



Additionally, the Foundation, based on the structure of EEB, established other necessary studies for elaboration of the business case, developed by different departments of EEB:

Sustainable Development Management (DDS)	Physical resource management
Update of Environmental Management Plan and Load Study**	Conceptualization of the Project (connection with the Group strategy, relevant and distinctive focus, model of action)
Social Economic Assessment**	
Legal cadastral diagnosis**, (legal and cadastral diagnosis of the premises of the Reservoir Tominé)	
Archeological management	Fitting of the headquarters of the project for socialization of the Project in the region
Opportunities of implementation of Renewable Energies	

**Estudios en curso (2017)

2. Socialization **GRI 102-44**

The strategy of communications and socialization that began during 2016 and that keeps in development seeks to generate a participatory, wide and diverse dialogue between all the stakeholders of the area of influence in order to implement the initiative according to its needs, expectations and dreams, as future users and Participants of the Project.

The relations with the different stakeholders and parties involved were established by a direct and transparent communication in meetings that generated word-of-mouth publicity and a positive expectation about the Project. In this manner, the message that was disseminated was an inclusive and participatory message during the planning stage.

Socialization Results

Management of socialization and relations with associated groups of interest is a management that shall accompany the following Project development stages, as a measure of assurance of appropriation and participation of the communities which shall benefit from implementation thereof.

The goals of Tomine Project for 2017 include:

- Update of the Master Plan
- Intelligence of goods and services in the Area
- Market Study of construction firms
- Urbanism Project
- License and permit management
- Start of Trail Building
- Diagnosis and guidelines of negotiation of contracts of premises of de EEB
- Design, Constructions and Management of Licenses and Permits for Constructions
- Start of Constructions
- Relations with Groups of Interest
- Funding Management



Bogotá D.C., February 2017

Sirs,
Shareholders

Empresa de Energía de Bogotá S.A. ESP.

Reference: Annual Report of Corporate Governance
of Empresa de Energía de Bogotá

Year 2016.

“Res-institutionalization of the Corporate Government, a key piece of social, environmental and economic profitability for Grupo Energía de Bogotá”

Dear Shareholders:

Establishing good practices of corporate governance in Grupo Energía de Bogotá (GEB) is one of the commitments of the Board of Directors and Executive Management of EEB since they recognize that implementation of culture based on transparency, ethics and business accountability contributes to:

- I. An effective and transparent management of decision-making process at the highest level;
- II. The decision-making processes being guided by technical and business sustainability criteria; and
- III. Mitigate potential political influences in management of the company as to protect the interests of minority shareholders.

ANNUAL REPORT

OF CORPORATE GOVERNANCE

In EEB the corporate governance system establishes mechanisms to build decisions that generate profitability, competitiveness and sustainability for all companies of GEB; as well as to strengthen trust of groups of interest in the corporate management. The Code of Corporate Governance of EEB is the main articulator in matters of corporate governance and transparency.

For this reason, in 2016, a process restructuring and update of the Code was conducted using as reference the recommendations of the Code of Best Corporate Practices of the Financial Superintendence of Colombia – Country Code, a corporate governance standard for securities issuers in Colombia, and the recommendations of the Organization for Economic Cooperation and Development (OECD). This exercise also aligned the corporate governance of the Group with the new “Strategic Corporate Plan” – PEC 2016, which establishes the strategic direction for the next years.

During 2016, and in line with the purpose of **“Reinstitutionalization of Corporate Governance”** the Corporate Bylaws of EEB were established, and a series of policies and corporate regulations were updated, including the Regulations of the Board of Directors, its Committees and the Shareholders’ Meeting.

All this with the purpose of adapting the organization to new and best practices that protect the interest of minority shareholders, and articulate social, environmental and economic commitments.

In the new Code of Corporate Governance of EEB, as head of GEB, reaffirmed its commitments in these matters as follows:

- 1.** Respect of Minority Shareholders of EEB: give an equal and respectful treatment to all the shareholders, regardless of the value of their investments or the number of shares they represent, in conformity with the legal and regulatory provisions, as well as provisions of the different corporate instruments.
- 2.** Respect of the Capital District as majority shareholder: EEB respects its relation with its majority shareholder and orients its acts by the Corporate Governance Guidelines for Companies of the State Capital of the OCDE. In exchange, it expects a relation based on corporate and technical criteria, respectful of the corporate channels and aware of the importance of observance of these channels, respect for protection of the interests of the Company and creation of value for all shareholders.
- 3.** Respect of other shareholders in the companies of GEB: EEB in all its investments guides its action criteria by respectful and transparent relations and in accordance with the premises contained in the Corporate Governance Code so that the agreements that it formalizes are honored for management of these investments.

For the role played by EEB as parent company and “strategic connector” of its 3 Strategic Business Groups, the good corporate practices allow an active intervention that contributes to creation of value in the different companies of GEB.

With this orientation during 2016, among others, different practices of corporate governance of the companies of the Group were harmonized, through update of the corporate bylaws of TGI, TRECSA, EBBIS and CONTUGAS so that there is a harmonic system of corporate governance and comparable standards in the main companies of the Group.

Accordingly, the work plans of the board of directors of these companies were aligned (with different names according to the incorporation country: Boards of Directors and Administration Councils) as well as their corresponding committees in TGI, TRECSA, EBBIS, CONTUGAS and CALIDDA.

These allows that these instances of directors of the Group answer in a consolidated manner to the re-Institutionalization of the corporate governance.

EEB supports its corporate governance model, some of them exclusively oriented to regulate the acts in its capacity as operating company, and some others with nature and scope of Group. The main instruments are as follows:

- Corporate Bylaws.
- Code of Corporate Governance.
- Regulations of the Shareholders' Meeting.
- Regulations of the Board of Directors and the committees of the board: Compensations; Finance and Investments; Audit and Risks; and Corporate Governance.
- Code of Ethics.
- Corporate Financial, Internal Control, Anticorruption, Good Governance, Sustainability and Risk Management Policy.



Members of the Board of Directors of EEB. From left to right: Gustavo Ramírez, Antonio J. Núñez, Rafael Herz, Margarita Rehbein, Beatriz E. Arbeláez, Giselle Manrique, Jaime E. Ruiz, Alberto Gutiérrez and Carlos A. Sandoval

In addition to the corporate governance regulations, the Group has corporate policies guided by international sustainability standards such as participation in the Dow Jones Sustainability Index, which serve as reference to orient the corporate policies.

The Board of Directors is responsible for ensuring compliance with the commitments acquired by the Company and developed in these corporate instruments. To fulfill this task, it has support of the Corporate Governance Committee. This committee held meetings on six occasions during 2016, and reports systematically the Board of Directors to propose updates and supervise compliance

The Board of Directors is responsible for ensuring compliance with the commitments acquired by the Company and developed in these corporate instruments.

Available for the public on the corporate web page
www.grupoenergíadebogotá.com/informacion-corporativa/gobierno-corporativo.

with the corporate governance measures adopted in the Company, emphasizing protection of value of all the shareholders and investors in GEB. For this purpose, the Committee certifies at internal level in the Legal and Regulation Vice-president's Office that it has team devoted to institutional development in EEB and its subsidiaries, and when applicable, the Internal Audit area, the Statutory Auditor and the External Auditor ensure compliance with the governance policies.

EEB, in its capacity as securities issuers, at local and international level, complies with high transparency and information disclosure standards, in conformity with the regulations established by the Financial Superintendence of Colombia, supervisor of the stock exchange; and has been recognized within the program of the Stock Exchange of Colombia – Investor Relations 2016, for its information disclosure standards.

In the next chapter, you may find the main governance elements for an investor (local or international, current or potential). The purpose of this report is to narrate, in a concrete manner, the main aspects of corporate governance of EEB, and in some sections aspects related to GEB. In this manner, You shall find information about the situation of ownership, management and control in EEB; the manner in which certain corporate practices work in Colombia, derived from regulations; some other aspects about how they operated specifically in the company and in some sections, and in some sections we shall refer you to the web page, as the link that can complete and develop the information contained herein.

ASTRID ÁLVAREZ HERNÁNDEZ
PRESIDENT
Empresa de Energía de Bogotá



ANTONIO JOSÉ NÚÑEZ
PRESIDENT
Comité de Gobierno Corporativo



INTRODUCTION

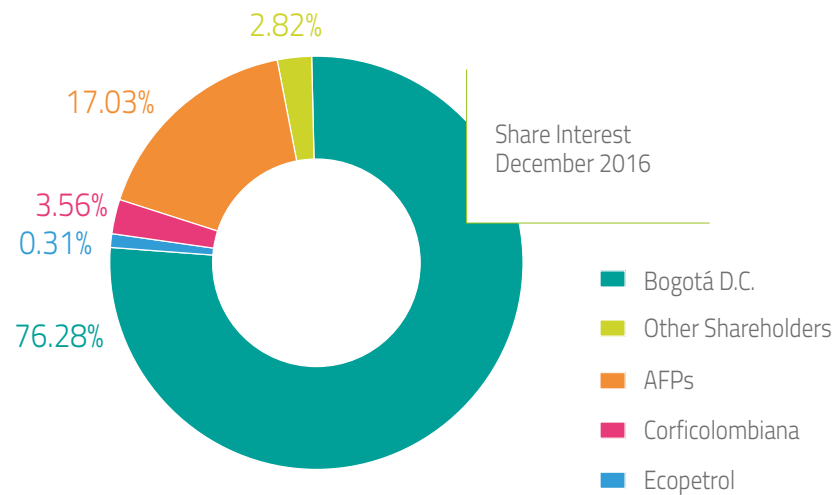
ABOUT OWNERSHIP

The ownership structure of EEB is predominantly of institutional nature, that is, being a company listed in the stock exchange, its shareholders are mainly the Capital District of Bogotá, with more than 75% of the shares, Colombian pension funds, with more than 17% and a financial corporation, with more than 3%. In general, individual shareholders represent almost 3% of the ownership of EEB.

The share composition of EEB as of December 31, 2016 is the following, based on data provided by the Central Securities Depository - Deceval:

INTEREST SHARE OF EEB, DECEMBER 2016

Shareholder	As of December 30, 2016	%
Bogotá D.C.	7,003,161,430	76.28%
ECOPETROL	28,465,035	0.31%
CORFICOLOMBIANA	327,150,500	3.56%
AFPs	1,563,783,450	17.03%
<i>PORVENIR</i>	723,991,863	7.89%
<i>COLFONDOS</i>	213,358,911	2.32%
<i>PROTECCIÓN</i>	553,178,305	6.03%
<i>OLD MUTUAL</i>	73,254,371	0.80%
RETAIL INVESTORS	258,616,602	2.82%
TOTAL	9,181,177,017	100.00%



On the web page the list of the 20 main shareholders of EEB is published

(<http://www.grupoenergiadebogota.com/inversionistas/informacion-para-accionistas/composicion-accionaria/20-principales-accionistas-de-la-eeb>)

Capital Social EEB, 2016

AUTHORIZED CAPITAL

\$2.370.000.000.000 represented in 44,216,417,910 registered shares for a nominal value of (\$53.60) each, represented in negotiable securities.

SUSCRIBED CAPITAL

\$492.111.088.111

PAID CAPITAL

\$492.111.088.111 represented in 9,181,177,017 shares.

The share in which the capital of EEB is divided are registered and circulate in a dematerialized manner. Share classes are common and shares with preferred dividend without voting right.

Since it an ownership structure predominantly institutional, there are no family relations between holders of significant interests. Nonetheless, note that the third significant shareholder (Corficolombiana) is part of AVAL Group, one of the most important financial conglomerates of Colombia, and also controls the company of administration of pension funds PORVENIR. The voting scheme between these two entities is governed

by the provisions of the Financial Superintendence of Colombia, and internal

Additionally, and as customary in Colombia, the members of the Board of Directors do not have shares of EEB. At executive management level, only two directors have non-material interests (less than 0.002% of ownership) of outstanding shares of EEB.

Lastly, it is important to mention that EEB has not been notified about valid shareholders' agreements currently, in conformity with the Colombian corporate regulations, and if they existed, they would only be valid and enforceable if they were deposited in the company and at the disposal of the rest of shareholders.

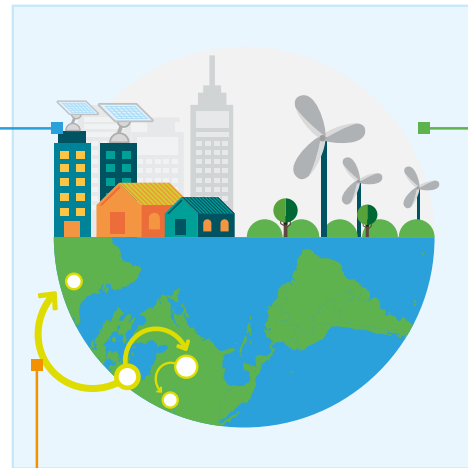
Ownership Structure of GEB:

GEB is composed of 9 affiliates and 6 subsidiaries. It also participates in other companies present in Colombia and abroad that develop mainly businesses of generation, transport, distribution and commercialization of electric energy, natural gas, among other services and investments.

URBAN ENERGY SOLUTIONS

Electric energy and natural gas for big cities

CODENSA
CÁLIDDA
GAS NATURAL FENOSA
CONTUGAS



LOW-EMISSION GENERATION

Search of new opportunities of renewable and sustainable energies

EMGESA

INTERCONNECTING FOR MARKET DEVELOPMENT

We strengthen our business of electric energy transmission and natural gas transport

Empresa de Energía de Bogotá
TGI
TRECSA
GEBBRAS
CONTUGAS



Investment Portfolio, GEB 2016

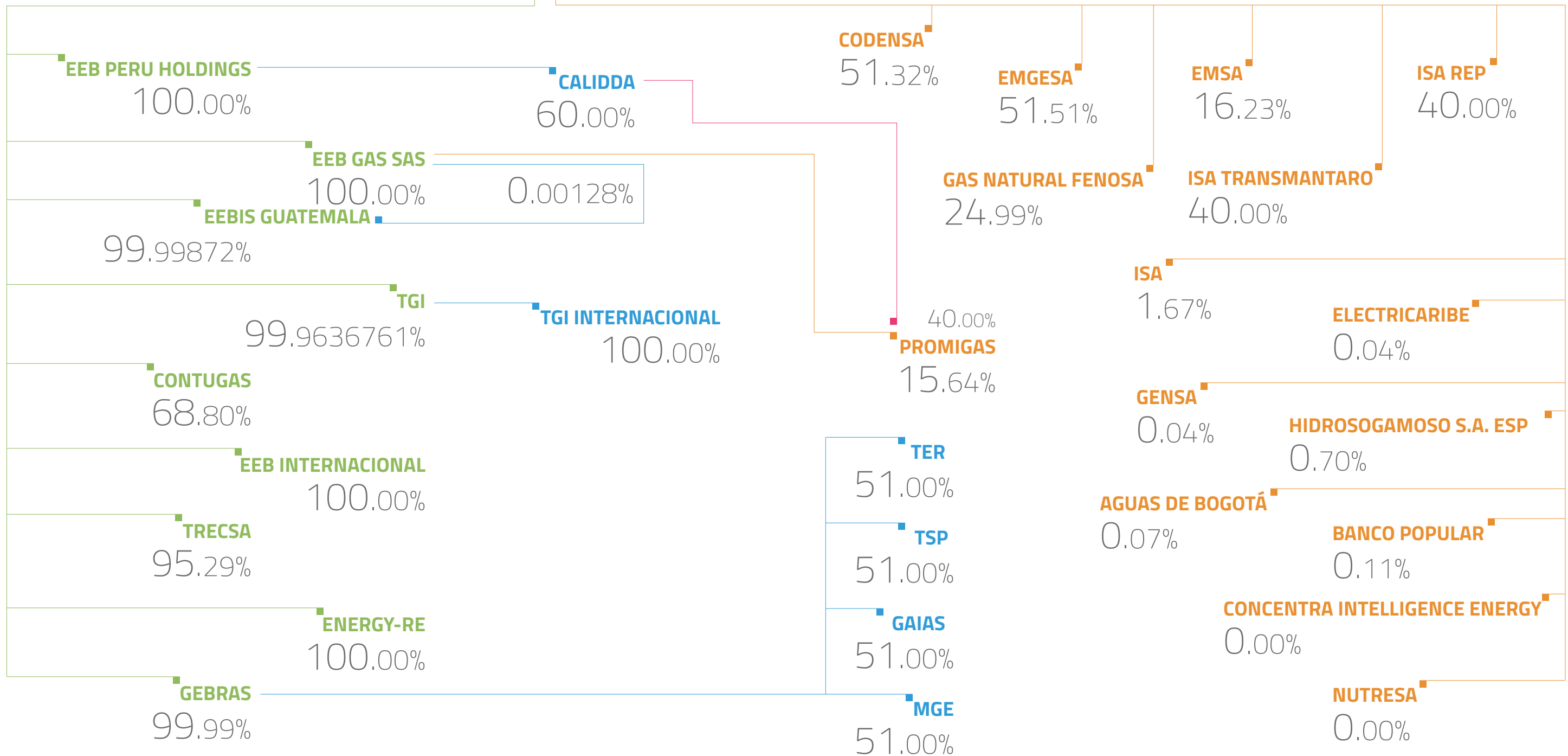
	GENERATION	TRANSPORT	DISTRIBUTION AND COMMERCIALIZATION	OTHER SERVICES	
ELECTRICITY	COMPANIES WITH CO-CONTROL	TER GOIAS TSP MGE 51.00%			
	CONTROLLED COMPANIES		Empresa de Energía de Bogotá 100.00% TRECSA 95.29%	EEBS 99.99%	
	NON-CONTROLLED COMPANIES	EMGESA 51.51%	ISA 1.67% ISA-REP 40.00% ISA-TRANSMANTARO 40.00%	CODENSA 51.32% EMSA 16.23% ELECTRICARIBE 0.04% GENSA 0.04%	
NATURAL GAS	CONTROLLED COMPANIES		TGI 99.97%	CONTUGAS 100% CALIDDA 60.00%	
	NON-CONTROLLED COMPANIES		PROMIGAS 15.64%	GAS NATURAL FENOSA 24.99%	
OTHER SERVICES	CONTROLLED COMPANIES			ENERGY-RE 100.00%	
	NON-CONTROLLED COMPANIES	HIDROSOGAMOSO 0.70%		AGUAS DE BOGOTÁ 0.07% BANCO POPULAR 0.11% NUTRESA 0.00% CONCENTRA INTELLIGENCE ENERGY 0.00%	
INVESTMENT VEHICLES				FOUNDATION	
EEB GAS SAS GRUPO DE ENERGÍA DE BOGOTÁ 100.00%		EEB PERÚ HOLDINGS GRUPO DE ENERGÍA DE BOGOTÁ 100.00%	EEB INTERNACIONAL GRUPO DE ENERGÍA DE BOGOTÁ 100.00%	GEBBRAS GRUPO DE ENERGÍA DE BOGOTÁ 99.99%	FUNDACIÓN GRUPO DE ENERGÍA DE BOGOTÁ

SHARE PORTFOLIO

ENERGÍA DE BOGOTÁ

GROUP COMPOSITION

- Affiliates
- Investee companies (non controlled)
- Subsidiaries
- Participation of other companies (non controlled)



As it can be seen and in line with strategic planning, EEB operates as a strategic connector in three business lines "Urban Energy Solutions"; "Interconnecting for Market Development"; and "Low-Emission Generation".

For this reason, the elements of relations and rules of interaction with partners (private and public, minority and controlling) are essential. Thus, they have signed the following shareholders agreements:

Shareholders Agreements in Companies of GEB: GRI 102-44

The following section summarizes, only for illustration purposes for investors of EEB, the main elements for relations with other shareholder affiliates or controlled companies of the Group. Therefore, in order to interpret or enforce any of the shareholders agreements you must refer to the signed documents.

Company	Description of the Agreement
TRECSA	It has signed a shareholders agreement with EDEMTEC S.A. DE C.V., which regulates the methodology for subscription and payment of up to 479,147 shares through the corresponding capital contributions and the ensuing share issuances by TRECSA.
	<p>It has signed an agreement between EEB Perú Holdings, a company in which EEB owns 100% of the capital stock, and PROMIGAS, which regulates the decisions in company Calidda, in which EEB Perú Holdings owns 60% and Promigas 40%:</p> <ol style="list-style-type: none"> In the Shareholders' Meetings affirmative vote of 66% of outstanding shares is required to decide over these matters: <ul style="list-style-type: none"> Modification to incorporation documents and governance agreements of Calidda. Approval of guarantees of third-party obligations by Calidda, for amounts over USD\$1,000,000. Appointment of independent auditors by Calidda. Mergers, consolidations, or similar corporate unions of Calidda. Entry in a business line outside the ordinary course of business.

CALIDDA	<ul style="list-style-type: none"> Decision to dissolve or terminate Calidda. Decision to transfer totally or a substantial part of the assets of Calidda. Sale, leasing, exchange, mortgage, promise or other provisions of 20% or more of the total assets of Calidda. Participation in businesses other than gas distribution. Presentation of any petition seeking to reorganize Calidda to obtain relief under any federal or state insolvency or bankruptcy law, unless such presentation is required under the Peruvian law. Adoption of plans dissolution or liquidation of the businesses of Calidda. Approval of offer to sell "Funding Deficit Amount" to third parties. <p>2. In the decisions of the Board of Directors, affirmative vote of 5 directors shall be required for the following issues:</p> <ul style="list-style-type: none"> Decisions related to entering into an agreement between Calidda and a Shareholder, or an affiliate of the shareholder. Decisions of Calidda of incurring in indebtedness over USD\$15,000,000. Approvals for acquisition of another company. Decisions that involve or are related to any of the issues requiring a "Special Decision" by the Shareholders' Meeting. <p>3. The Board of Directors of Calidda is composed of seven (7) main members. Four (4) directors appointed by EEB and three (3) directors appointed by PROMIGAS. EEB appoints the General Manager and Chief Financial Officer of Calidda, while PROMIGAS appoints the Technical Manager and the Commercial Manager of Calidda.</p>
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CALIDDA		<p>4. If at any time shareholders could not reach an agreement in any matter that effectively requires their mutual consent, including any issue to be solved by the Shareholders of the Board of Directors, and such situation remained unresolved for a period of 90 days, EEB may, at its own discretion, send a notice to all shareholders or its appointed directors, who voted against EEB, to offer the option of selling or purchasing all of their shares of disagreeing Shareholders.</p> <p>5. EEB, in its capacity as strategic "Qualified Operator", is responsible for all the corresponding obligations under the Concession Agreement. PROMIGAS shall make reasonable efforts to assist EEB in all the material technical requirements of the Strategic Qualified Operator under the Concession Agreement.</p>
GEBBRAS	TER	<p>It has signed a shareholders' agreement with FURNAS CENTRAIS ELETRICAS S.A., which regulates:</p> <ul style="list-style-type: none"> Majorities of 80% to make relevant decisions of the company. Majority of 75% to make decisions in the Board of Directors; with autonomy of up to 100,000 actual value for operating aspects and up to 1,000,000 actual value for investment aspects. Administration under the responsibility of two directors: a Technical Director indicated by FURNAS and an Administrative Financial Director, indicated by GEBBRAS, the decisions are made unanimously between both directors. Pre-emption right of purchase of securities or rights.
	GOIAS	
	MGE	
	TSP	

During 2016,, affiliates of GEB distributed to EEB for dividends, profits over USD \$60 million, being TGI and CALIDDA the main Contributors to this value.

SHAREHOLDERS' MEETING GRI 102-18

During 2016, 2 Shareholders' Meetings were held, one regular and the other special, in which some changes were presented at the corporate governance level, composition of the board of directors, decisions about dividend distribution and modification to corporate bylaws, precisely to adapt them to good practices in the matter.

These meetings were attended by a percentage higher than 94% of the shares, as follows:

Meeting	Date	Call	Main Decisions	% of interest
Special	January 15, 2016	January 7, 2016	Changes to the composition of the board of directors.	Total shares: represented/ registered: 8,712,537,163 (94.90%)
Regular	March 31, 2016	March 04, 2016	<ul style="list-style-type: none"> Approval of financial statements and management report. Opinion of the Statutory Auditor (equivalent external auditor). Decisions about profit distribution and payment of dividends. Appointment of the Statutory Auditor. Reform of bylaws Regulations of the Meeting to implement corporate governance adjustments. 	Total shares represented /registered: 8,840,161,640 (96.29%)

Shareholders' Meetings were called more in advance than the requirement of the Colombian corporate regulations as to facilitate participation of shareholders. Specifically, the Shareholder Meeting was called 27 calendar days prior to the meeting; and the special shareholders' meeting 8 calendar days in advance.

EEB, in its capacity as securities issuer, provides "relevant information" in conformity with the provisions concerning the Comprehensive System of Information of the Securities Exchange – SIMEV of the Financial Superintendence of Colombia.

During 2016, EEB published 101 communiqués, classified in the following categories:

N°	Category	Amount	%
1	Change of Legal Representatives	1	1%
2	Special Meetings	2	2%
3	Representation of Shareholders	2	2%
4	Notices published by the company	49	49%
5	Decisions of the Board of Directors	8	8%
6	Codes of Good Governance	4	4%
7	Reports of the Audit Committee	2	2%
8	Call to the Shareholders' Meeting	2	2%
9	Proposal of Profit or Loss to be submitted to the Meeting	1	1%
10	Reports of end of year	3	3%
11	Proyecto Utilidad o Perdida aprobado por Asamblea	1	1%
12	Change of Statutory Auditor	1	1%

(<https://www.superfinanciera.gov.co/jsp/loader.jsf?IServicio=Publicaciones&ITipo=publicaciones&IFuncion=loadContenidoPublicacion&id=61446>).

N°	Category	Amount	%
13	Change of Board of Directors	1	1%
14	Reform of Corporate Bylaws	1	1%
15	Purchase and/or assignment of securities	17	17%
16	Issuer Rating	1	1%
17	Information of shareholders of the company	5	5%
Total		101	100%

It is also worth mentioning that EEB is part of the Investor Relation Program of the BVC, and for the second year in a row, it has been recognized as a securities issuer that complies with the standards established by this entity.

(http://www.bvc.com.co/pps/tibco/portalbvc/Home/Empresas/IR/Empresas_IR?action=dummy).

For this reason, on the corporate web page investors can find, among other aspects, the information translated into English of the current texts of the main corporate instruments and the information reported in matters of corporate governance to the local regulator. Additionally,

it has an Investor Relation Official who reports directly to the Financial Vice-president of EEB, and quarterly call conferences are made with investors. All this information is available on the following web page: <http://www.grupoenergiadebogota.com/inversionistas>; and it is even possible to subscribe to the Alter System that allows having immediate information in your email with respect to the company.

BOARD OF DIRECTORS ^{GRI} 102-18

The Board of Directors is responsible for management of EEB, by strategic definition, establishment of corporate policies and supervision of financial and non-financial short, medium and long-term performance. The Board of Directors is composed of 9 main members with personal alternative members.

Composition of the Board of Directors (Main), 2016

■ Beatriz E. Arbeláez

President

Non independent

Economist graduated in Universidad Externado of Colombia, with studies in Administration and Planning of Regional Development in Universidad de los Andes; master's degree in Finances in the Strathclyde University in Glasgow, Scotland; studies in Political Economic Administration from the Columbia University, in New York. She is currently the Secretary of Finances of the Major's Office of Bogota and was Financial Vice-president of Banco de Comercio Exterior de Colombia S.A. (Bancoldex).

■ Alberto Gutiérrez

Non independent

Civil engineer and holder of a master's degree in Business Administration of Universidad de los Andes. Since 2001 he led the Office President of Finances (Entity of Finances and Actuarial Matters). He is currently President of Sociedad Titularizadora de Colombia. He has a wide experience in the mortgage sector after having occupied the office of Financial Vice-president and later President of Banco Colmena. He has led multiple structuring of mortgage securitization processes and projects oriented to assessment and forecast of mortgage portfolios..

■ Giselle Manrique

Non independent

Lawyer graduated in Universidad Externado – Consultant in areas of Public Management and Administrative Institutions. She is holder of a master's degree in Law. In 2015 she was Director of the Statutory Auditor's Office of the General Audit of the Republic. She has wide experience in the District Planning Secretariat. She has also been General Manager of the Unit of Penitentiary and Prison Services; General Manager of Fondacun, General Secretariat of the Administrative Department of Science, Technology and Innovation, among others.

■ Jaime E. Ruiz

Non independent

Engineer and holder of a master's degree in Civil Engineering from the Kansas University. Specialist in regional planning graduated in Universidad de Los Andes, and in development studies (The Hague). He is currently the director of Colviviendas S.A. He was Director of the National Planning Department, member of the Board of Directors of the World Bank in Washington D.C. as representative of 9 countries and Plenipotentiary Minister in the Colombian Embassy before the United States Government.

■ Margarita Rehbein

Non independent

Biomedical Engineering in the Duke University – Durham, NC, E.U; master's degree in Industrial Engineering in the Columbia University New York, N.Y, E.U. He is CFO of Sanford Management, Colombian Branch. He has been Vice-president of Corporate Banking and Specialized Banking of Bancolombia; Financial and International Vice-president of Banco Latino; Financial Vice-president of Avianca, among others.

■ Carlos A. Sandoval

Non independent

Business administrator and economist graduated in Universidad Externado of Colombia. He has a Master's Degree in Public Policy from the London University and a Master's Degree in Tax Studies from the Bath University. He has experience as: Vice-president of Structuring and Project Manager of Financiera de Desarrollo Nacional; Self-Regulator President of the Securities Exchange of Colombia (AMV); Vice-president economic matters of Asobancaria; Secretary of Finances, among others.

■ Antonio J. Núñez

Independent

Lawyer graduated in Universidad Javeriana, specialized in finances and insurances, he has a LL. M. from the Law School of Harvard and an MBA of INSEAD. He has occupied the office of Legal and Compliance Vice-president of Citibank-Colombia; Legal Vice-president of the Chamber of Commerce of Bogota; Partner of company Estudios Palacios Lleras. He was Strategy and Architecture Manager of Accenture-London, Legal Vice-president and Secretary General of Bancóldex and General Director of Legal Policies of the Ministry of Justice, and Professor in the Universidad Externado of Colombia

■ Gustavo Ramírez

Independent

Electric engineer and holder of a masters' degree in Economy of Universidad de los Andes. He is currently Investment Vice-president of Corporación Financiera Colombiana - Corficolombiana. In the last 15 years he has been investment banker. He has been a member of the board of directors of Organización Terpel S.A., Proenergía Internacional S.A., Proyectos de Infraestructura S.A., Covindes S.A., Concesionaría Ruta del Sol S.A. and Gascop S.A.

He is currently a member of the Boards of Directors of Empresa Energía de Bogotá and Promigas. He represents Corficolombiana as minority shareholder.

■ Rafael Herz

Independent

PhD Candidate in Development Economy in the German Development Institute. He has a master's degree in Economy and a specialization in Studies of International Finances.

He is Vice-president of Asociación Colombiana del Petróleo and has been mining and energy Adviser in the transport infrastructure sector sustainability aspects of business; Sustainability and Corporate Matters Adviser, AngloGold Ashanti; Country Manager and Vice-president of AngloGold Ashanti Colombia; Executive Vice-president of Finances and Development of Sithe Energies incc, New York; Professor of Universidad de los Andes and Universidad del Rosario.

For his election, the Meeting considers criteria of experience and knowledge in activities related to the sector of public services, law, finances and, in general, the type of business conducted by GEB.

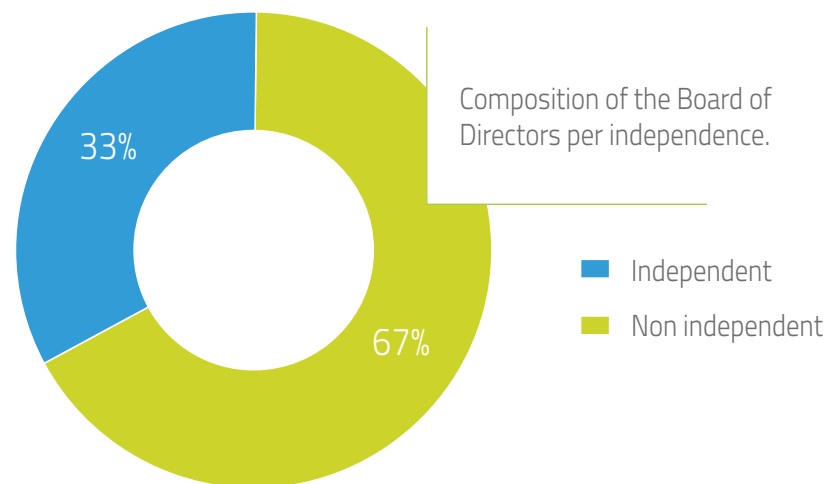
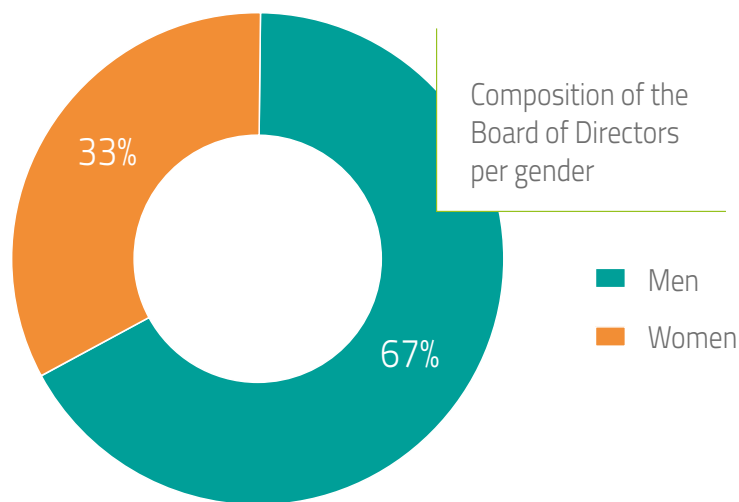
The members of the Board of Directors were appointed in the Special Meeting of January 2016 and ratified in the Regular Meeting of March for a period of 2 years. For regulatory obligation, the applicable system in Colombia to elect members of the Board of Directors is the electoral quotient system. Except for Gustavo Ramírez, all the members of the Board of Directors were appointed for the first time in the Special Meeting of 2016.

The Board of Directors is made up by persons with the highest professional and personal qualities, as

evidenced in their resumes. For their election, the Meeting considers criteria of experience and knowledge in activities related to the sector of public services, law, finances and, in general, the type of business conducted by GEB. Like-wise, the appointed members of the Board of Directors have significant competences for decision making, as well as knowledge in environmental, social and economic matters. Currently, there is no restriction for the Shareholders' Meeting to appoint directors in a sovereign manner. Nonetheless, the legal regulations require, at least,

25% of independent members of the Board of Directors, a requirement that is fully complied with. The definition of Independence is contained in the Regulations of the Board of Directors of the Company and is declared through the Acceptance Letter signed by members, before taking office.

Relevant Data about Composition of the Board of Directors:



- 89% of the Board of Directors was renewed in 2016.
- None of the members of the Board of Directors of EEB is part of the Board of Directors of companies of GEB, or occupy executive positions in such companies. Mr. Gustavo Ramírez is a member of the Board of Directors of CALIDDA, affiliate of GEB; nonetheless, his appointment obeys to his capacity as representative of PROMIGAS and not of EEB.
- None of the members of the Board of Directors of EEB has an employment relation with the Company.

Relevant Data about Operability of Meetings of the Board of Directors in 2016:

- The Board of Directors of EEB holds special meetings once a month. The deliberation quorum is met with the presence of 5 members and the decision-making quorum corresponds to the majority of attendees to the corresponding meeting. For decision-making purposes, each one of the members of the Board of Directors has one vote.
- Number of meetings of the Board of Directors: 21 meetings (12 regular meetings, 7 special meetings and 2 long-distance meeting).
- Average duration of meetings of the Board.
- Information associated with issues of the meetings is sent to directors more than 5 calendar days before.
- From all meetings of the Board of Directors, minutes are prepared and signed by the President, the Secretary of the Board, evidencing deliberation, discussions and sources of information that serve as basis for decisions adopted.
- General average of attendance of the main members during 2016 was 95%.

Attendance to Meetings of the Board of Directors, 2016

Board of Directors	Percentage
Beatriz E. Arbeláez	90%
Alberto Gutiérrez	95%
Giselle Manrique	86%
Jaime Ruiz Llano	100%
Margarita Ma. Rehbein	100%
Carlos A. Sandoval	100%
Antonio J. Núñez	100%
Gustavo Ramírez	100%
Rafael Herz	100%

The attendance average is calculated based on 21 meetings held in 2016.

During 2016, the Board of Directors of EEB focused on the process of redefinition of the corporate strategy of GEB with the purpose of consolidating as one of the leading groups of the energy chain in the region. This redefinition answers to the key challenged to remain in the path of profitable growth and especially, to keep deepening the successful public-private sector corporate governance model, for which it is a regional reference.

Moreover, the Board of Directors revised and approved during 2016 the corporate strategy of GEB by adoption of the Strategic Corporate Plan (PEC), policies, plans and corporate guidelines related to the strategic supply model, the contracting statute, mobility for contributors of companies GEB, plans of financing and investments, transparency mechanisms and ethical channels, update of provisions in internal audit matters, as well as the operation strategy of debt management, financial plan and follow-up to behavior of affiliates.

Additionally, during 2016, the following activities were carried out within the framework of the **"reinstitutionalization of the Corporate Governance"** of the Company:

- The Corporate Bylaws of EEB were adjusted with the principles of the OECD and the recommendations of best corporate practices of Circular Letter 028 of 2014 of the Financial Superintendence of Colombia.
- For the first time the Regulations of the Shareholders' Meeting and the Regulations of the Board of Directors were created and approved.
- The Committees of the Board of Directors were created and adjusted, including approval of their Regulations, establishing that all the Committees shall be presided over by one independent member of the Board of Directors (Audit and Risk Committee, Corporate Governance Committee, Compensation Committee and Finance and Investment Committee).
- The Annual Work Plans of the Board of Directors and its corresponding committees were established.
- The Corporate Governance Code of EEB was adjusted to the practices of the OECD, the best practices of corporate governance of Circular Letter 028 of 2014 of the Financial Superintendence of Colombia, the CONPES 3851 of 2015 and the Guidelines for a Latin American Corporate Governance Code.
- The methodology of Self-Assessment of the Board of Directors of EEB, as collegiate administration body and members considered individually, made by independent advisers, was approved and implemented.

- The company provided training on and implemented the principles of the OECD and Circular Letter 028 of 2014 of the Financial Superintendence of Colombia.
- The Protocol of the Ethical Channel of EEB was approved.
- The SIPLA Handbook of EEB was updated, in conformity with External Circular Letter 029 of 2014 of the Financial Superintendence of Colombia, including additional controls of the groups of interest of EEB other than shareholders.
- The Internal Audit Statute of EEB was updated pursuant to Circular Letter 028 of 2014 of the Financial Superintendence of Colombia and the Regulations of the Audit and Risk Committee of the Board of Directors.
- The Habeas Data Policy of EEB was modified, including up-date of internal procedures and guidelines, creation of a single channel for consultations and claims, appointment of the data protection official, among other updates.
- The Model of attention of lawsuits for EEB and affiliates was created and is at the approval stage for subsequent implementation.
- The matrix of prioritization and institutional mapping was prepared, with which implementation and development of the Regulations Strategy shall begin.
- A tool was created to follow up the decisions and commitments of the Board of Directors and Committees

thereof.

- The Board of Directors was trained in issues that include: Energy and Gas, International Financial Reporting Standards (IFRS), Ethical Dilemmas and Safety and Health at Work.
- Strategy Planning workshops were held.
- Induction was given to the new Main Members of the Board of Directors, as well as the alternative members who participated in meetings.
- Biannual (January and October) surveys on conflicts of interest and Independence of the members of the Board of Directors were applied.

Likewise, the following activities were carried out within the framework of the "reinstitutionalization of Corporate Governance" of the Corporate Group:

- The Corporate Bylaws of TGI, TRECSA, EEBIS, CONTUGAS and Fundación Grupo Energía de Bogotá were adjusted to the principles of the OECD and the recommendations of best corporate practices of Circular Letter 028 of 2014 of the Financial

Superintendence of Colombia.

- For the first time Regulations of the Board of Directors of TRECSA, EEBIS, CONTUGAS, CALIDDA and Fundación Grupo Energía de Bogotá were created and approved, and the Regulations of TGI were adjusted.
- The Committees of the Board of Directors were created and adjusted, including approval of their Regulations in TGI, TRECSA, EEBIS, CONTU-GAS and CALIDDA.
- The Annual Work Plans of the Board of Directors and its corresponding committees were established in TGI, TRECSA, EEBIS, CONTUGAS and CALIDDA

During 2016, in compliance with its responsibilities, the Board of Directors interacted with the statutory auditors, financial analysts and investment banking to address these issues:

1. Opinion of the Statutory Auditor about the individual and consolidated financial statements submitted to the Regular Shareholders' Meeting of 2016.
2. Strategic Corporate Plan.
3. Report and assessment of some companies of GEB, as well as analysis of new investments.

Induction and Capacity-Building Processes GRI 102-27

During 2016, the Board of Directors was trained in different matters, such as: Energy and Gas, International Financial Reporting Standards (IFRS), Ethical Dilemmas and Safety and Health at Work, as well as Strategic Planning workshops, induction sessions to the new Main members of the Board of Directors, as well as Alternative members who participated in meetings and biannual surveys on conflicts of interest and independence to the members of the Board of Directors, as follows:

- Training sessions on and implementation of the OECD principles and Circular Letter 028 of 2014 of the Financial Superintendence of Colombia were carried out in TGI, TRECSA, EEBIS, CONTUGAS and CALIDDA.
- The Model of attention of lawsuits for affiliates was created and is at approval stage for subsequent implementation.
- A tool for follow-up of the decisions and commitments of the Boards of Directors and Committees of the Board of affiliates was created.

- January 19: induction was given to the new main members of the Board of Directors
- January 28: induction was given to the new alternative members of the Board of Directors
- February 20: The Board of Directors was trained on "Energy and Gas in Colombia and abroad".
- March 1: The Board of Directors was trained on the "Impact of the adoption of the new accounting framework and Impacts of adoption of the new accounting framework in Grupo Energía de Bogotá".
- November 29: the Board of Directors was trained on "Safety and Health at Work (Analysis of Safe Work)".
- December 12: members of the Audit Committee were sent the training presentation on "Ethical Dilemmas".
- December 14: the Board of Directors was trained on "Safety and Health at Work (Work on Live Lines)".
- November 11 and December 16: training session on Corporate Governance to the Corporate Governance Committee and the Board of Directors.

External Advising

The Board of Directors of EEB has the support of experts when it deems it necessary. In these cases, it can request hiring of a proper and independent expert. In the exercise of this right, the Board of Directors of EEB interacted with external experts during 2016, in the following matters:

1. Corporate Strategy of GEB, including elements associated with the legal and communicational strategy.
2. Scope of the duty of reporting to investors.
3. Powers and responsibilities of the Board of Directors in relation with executive compensation policies.
4. Updates about the energy and gas sector in Colombia and abroad.
5. Applicability of specific legal regulations.

President and Secretary of the Board of Directors

The President of the Board of Directors of EEB is Beatriz Elena Arbeláez and has the following general duties:

1. Ensure that the Board of Directors fixes and implements efficiently the strategic vision of the Company.
2. Boost action of governance of the Company, acting as a link between shareholders and the Board of Directors.
3. Plan operation of the Board of Directors by establishing an annual work plan.
4. Preside over the meetings and handle debates.
5. Ensure execution of the agreements of the Board of Directors and follow up its tasks and decisions."

In 2016 the Corporate Bylaws and the Regulations of the Board of Directors were modified to include as duties of the President of the Board of Directors: promote active participation of the other members, authorize presence of officers of the Company or special guests in the meetings for deliberation of specific issues and keep constant communication with the President of the Company in order to monitor compliance with the commitments and agreements taken.

The Secretary of the Board of Directors is Diana Margarita Vivas, Legal and Regulation Vice-president of EEB, who was appointed by the President of EEB. The main duties of the Secretary include prepare the agenda and minutes of the minutes, communicate call notices, certify internal acts and documents of the Board, and follow up its agreements and commitments and ensure proper compliance with the Corporate By-laws, Corporate Governance Code, Regulations and rules in force.

Management of Confidential and Privileged Information of the Board of Directors

The information to which the members of the Board of Directors have access is subject to the confidentiality duty and recognition of all their acts and decisions must be made in the interest of the Company and all the shareholders, in conformity with the Colombian law. The provisions on confidential and privileged information of the Board of Directors are established in the Corporate Governance Code and the Regulations of the Board of Directors and are completed and managed through the regulations of conflicts of interest of EEB.

EEB has made available a technologic tool to furnish members of the Board of Directors with the information related to the call, agenda and business to be transacted in each meeting.

Committees of the Board of Directors

The Board of Directors of EEB has 4 permanent supporting committees for fulfillment of its duties in matters of: audit and risks, finances and investments, corporate governance and compensations. Composition, main duties and attendance to meetings of 2016 are detailed below:

BOARD OF DIRECTORS

GRI
102-18

Compensation Committee

Analyze all the issues related to remuneration of employees, worker-employer relations and industrial relations to make recommendations to the board of directors, as well as support the board of directors in the exercise of its duties related to appointment and remuneration of the members of the board of directors and the executive management.

Audit and Risk Committee

Supervise and assess compliance with the annual internal audit plan that includes business risks and control of the main processes, as well as supervise and assess the internal control system to record and issue an opinion to the board of directors.

Corporate Governance Committee

Propose updates and supervise compliance with the corporate governance measures for GEB.

Financial and Investment Committee

Follow up financial management of GEB and analyze business opportunities and redefinition of existing investments to make recommendations to the board of directors.

Composition

- Gustavo Ramírez, Rafael Herz y Giselle Manrique.
- Gustavo Ramírez, Antonio J. Nuñez y Rafael Herz.
- Antonio J. Nuñez, Margarita Rehbein y Carlos A. Sandoval.
- Rafael Herz, Beatriz E. Arbeláez y Jaime E. Ruiz.

During 2016, the following adjustments to the committees of the Board of Directors were made:

- Establishment of the Compensation Committee and Financial and Investment Committee.
- Change of name of the Audit Committee for Audit and Risk Committee and adjustment to its duties.
- Confirmation of the Corporate Governance Committee and adjustment to its duties.

Attendance to the Meetings of Committees of the Board of Directors, 2016

Committee	Total meetings	Name	% Attendance
Compensation Committee	5	Gustavo Ramírez	100%
		Rafael Herz	100%
		Giselle Manrique	80%
Audit and Risk Committee	6	Gustavo Ramírez	100%
		Antonio J. Núñez	100%
		Rafael Herz	100%
Corporate Governance Committee	5	Antonio J. Núñez	100%
		Margarita Rehbein	100%
		Carlos A. Sandoval	100%
Financial and Investment Committee	7	Rafael Herz	100%
		Beatriz E. Arbeláez	100%
		Jaime E. Ruíz	100%

In accordance with the internal regulations of all the Committees of the Board of Directors deliberate and decide validly, **with the presence of at least 2 of its members**. The average attendance to meetings of the committees is higher than **98%**.

Assessment of the Board of Directors ^{GRI} 102-28

During 2016, the Board of Directors made a self-assessment of its management with the support of an external independent consultant (Governance Consultants S.A.).

This process was made based on the analysis of the following issues:

1. Interaction between the Board of Directors and the Executive Management
2. Dynamic and operability of the meetings of the Board of Directors.
3. Compliance with the duties of the Board of Directors.
4. Quality of the issues and agenda of the meetings.
5. Roles in the Board of Directors.
6. Performance of the Committees of the Board of Directors

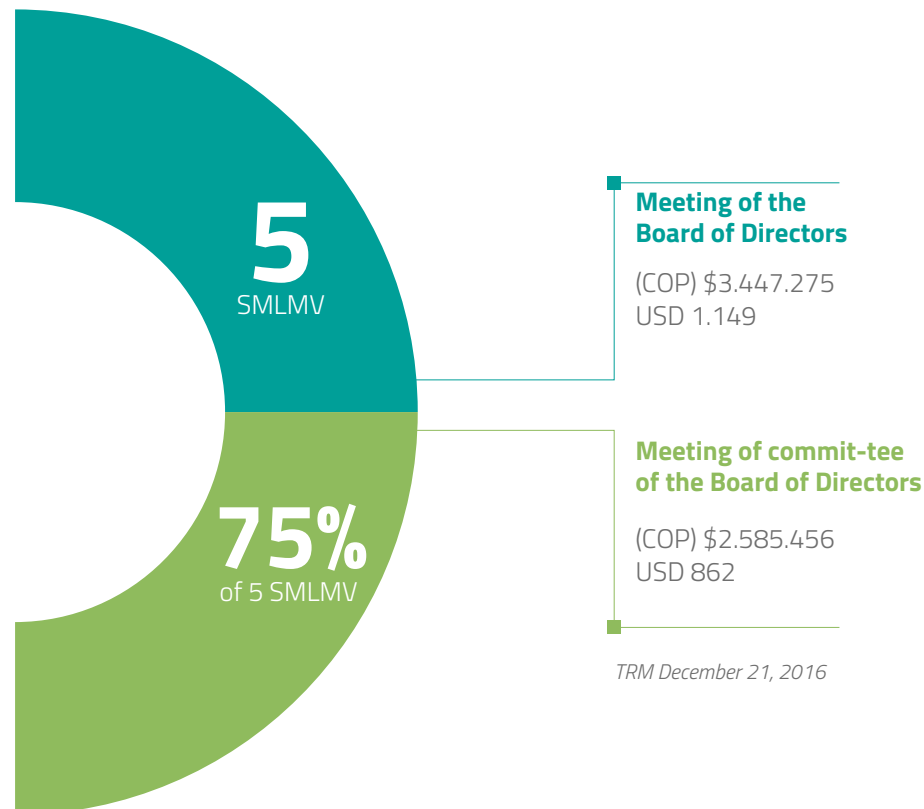
The results obtained were positive and have been submitted to the Corporate Governance Committee in order to have a thinking and feedback process of the Board of Directors about its management and identify actions to keep strengthening its contribution.

Remuneration of the Board of Directors and Committees.

GRI 102-35

Directors receive fees for their participation in each meeting of the Board of Directors and Committees with a maximum of 2 meetings per month. The fees approved by the Regular Shareholders' Meeting of 2016 correspond to:

Fees Approved for the Board of Directors and Committees, 2016 (COP)



Fees Paid to the Board of Directors and Committees, 2016

BOARD OF DIRECTORS	COMPENSATION COMMITTEE	AUDIT AND RISK COMMITTEE	CORPORATE GOVERNANCE COMMITTEE	FINANCIAL AND INVESTMENT COMMITTEE	TOTAL
COP \$532.259.048	COP \$38.781.840	COP \$66.704.748	COP \$35.679.276	COP \$54.294.576	COP 727.719.488
USD 177.378	USD 12.924	USD 22.230	USD 11.890	USD 18.094	USD 242.516

TRM December 31, 2016

Relevant Data about Remuneration of the Board of Directors:

- EEB does not have a variable remuneration model for the Board of Directors. Therefore, all the values are associated with the participation in meetings.
- The members of the Board of Directors are excluded from the remuneration schemes that integrate share options.

At Group level, the Boards of Directors have the following characteristics:

The composition of the Boards of Directors of the companies of the Group varies between 5 and 7 main members, subject to the applicable regulatory provisions in each country. All the direction bodies have at least one independent member. Likewise, within such boards, Audit and Risk Committees have been created as a support of their duties in matters of supervision or assessment of effectiveness of the internal control, internal audit and risk management systems.

In 2017, it is expected to reinforce articulation and operation of the Boards of Directors as a second part of the process of "Reinstitutionalization of the Corporate Governance" of the Group.

The fees for the members of the Boards of Directors of the companies GEB are fixed by the corresponding Shareholders' Meetings and are recognized in accordance with each meeting attended.

Until period 2016, no assessment process of the Boards of Directors of the companies of the Group has been implemented. The Group is expected to adopt this practice in 2017 as part of the process of "Reinstitutionalization of the Corporate Governance" of GEB.

EXECUTIVE MANAGEMENT

The Executive Management of EEB, in accordance with the corporate strategy, fulfills its duties at corporate level in such way as to define guidelines and decisions of coordination and synergies of Strategic Business Groups.

The head of GEB is the President of EEB, who is appointed by the Board of Directors and appoints, in turn, 5 vice-presidents and 4 directors who jointly make up the Executive Management of EEB.

Composition of the Executive Management of EEB, 2016

■ Astrid Álvarez Hernández

President of Empresa Energía de Bogotá

Civil Engineer graduated in Pontificia Universidad Javeriana, specialized in Environmental Engineering in Universidad de los Andes and MA of the University of Ohio.

From January 2016, she is president of the Grupo Energía de Bogotá and the Board of Directors of the National Association of Public Utilities and Communications Companies – ANDESCO. Expert in strategic business issues with a wide experience in national and international organizations. In the last years, she has been working in offshore projects in the hydrocarbon and strategic supply sector, in a complementary manner with its permanent support in social issues to Fundación Servicio Juvenil del Padre Javier de Niccoló.

Engineer Álvarez was formed in the private sector in operating and managerial areas of concrete and cement companies. Ten years later, she started her career in the public sector in the General Management of Empresa de Acueducto de Bogotá. During this period, she managed to materialize transformation of the company and integrated the management and commercialization processes oriented towards business efficiency with high quality.

Between 2004 and 2007, Administrative Manager of Ecopetrol, she was in charge of implementation of the strategic sourcing model of Ecopetrol, according to which important savings and high efficiency in the contractual management of the company were generated.

During her management as president of Grupo Energía de Bogotá she has been leading a new Corporate Strategic Plan with which GEB shall strengthen its businesses in big urban axes of Latin America. Through this new strategy, announced in September 2016, GEB develops its activities in three strategic business groups that shall have as objectives interconnecting sources of energy generation with the markets of the biggest cities of Latin America; satisfying the demand of electric energy and natural gas in mega cities of the continent and seeking new opportunities in renewable and low-emission energies.

Diana Margarita Vivas Munar

Legal and Regulation Vice-president of Grupo Energía de Bogotá

Diana Vivas Munar is Legal and Regulation Vice-president of Grupo Energía de Bogotá from February 2016. She is a lawyer graduated from Universidad del Rosario and Specialist in Public Management and Corporate Institutions of Universidad de Los Andes.

She has more than 15 years of experience as a consultant in matters of constitutional, contractual, financial and public law, reorganization and redesign of entities and budget issues, advising companies as Deloitte, National Planning Department (DNP), Grupo Baliza, World Bank, among other organizations nationally and internationally renowned.

In her professional career she has worked in companies from the public sector working as General Secretary of the Ministry of Finances and Public Credit, Director of the Renewal Program, Public Administration in the National Planning Department and Legal Counsel in the United Nations Development Program (UNDP).

Felipe Castilla Canales

Financial Vice-president of Grupo Energía de Bogotá

Felipe Castilla Canales is the Financial Vice-president of Grupo Energía de Bogotá since November 2013. He is a civil engineer graduated from Universidad de Los Andes, with a Master's Degree in Science from the University of Illinois and a Specialist in Finances from Universidad EA-FIT-CESA.

He has 28 years of experience in the oil, energy and gas industry in the public and private sector. He worked 24 years in Ecopetrol where he occupied executive management positions, working as Refining and Petro-chemical Vice-president, Adviser of the General Management of Operations and Chief of Financial Planning Division. Additionally, he was Financial Vice-president during 5 years in Refinería de Cartagena- REFICAR.

In Grupo Energía de Bogotá, he is responsible for managing financial, accounting, treasury, financing, investor relation and tax areas to ensure reliability of the financial reports and for value creation for shareholders.

Ernesto Moreno Restrepo

Transmission Vice-president of Grupo Energía de Bogotá

Ernesto Moreno Restrepo is the Transmission Vice-president of Grupo Energía de Bogotá since November 2007. He is an electric engineer from Universidad de los Andes, Specialist in Business Administration from Universidad del Rosario.

He has a wide experience in energy generation and transmission, operation and electric infrastructure maintenance, business strategy, business assessment and infrastructure management project activities. Further, he has significant knowledge of the electricity markets in Latin America.

He started his career as engineer in Ingetec-Ingenieros Consultores and has been working in Grupo Energía de Bogotá for 36 years, where he has worked as Substation Engineer of the Transmission Engineering Department, Chief of Transmission Line Division, Chief of the Equipment Engineering Department, Chief of the Electric Engineering Division, Chief of the Electric Generation Division and Chief of Electric Planning Division.

Currently, he is responsible for operation, maintenance and administration of the electric energy transmission infrastructure, identification of opportunities of growth in the transmission activity at national and international level and structuring bids for national and international calls for development of expansion projects of electric infrastructure.

Leonardo Garnica Eljaiek

Share Portfolio and Corporate Planning Vice-president

Leonardo Garnica is the Share Portfolio and Corporate Planning Vice-president of Grupo Energía de Bogotá since March 2016. He is industrial engineer with a Master's Degree in Industrial Engineering from Universidad de los Andes.

He has 20 years of experience in design and implementation of high-impact projects in the public and private sector and has worked in the field of investments in hydroelectric energy and transmission lines.

He has occupied the office of Investment and Financial Structure Manager in Constructora Norberto Odebrecht Panama; Director Partner in Grupo Baliza; Senior Consultant in B.O.T. Concesiones de Gerencia and Consultant in the United Nations Development Program (UNDP).

Sandra Milena Aguillón Rojas

Audit Director of Grupo Energía de Bogotá

Sandra Milena Aguillón is the Audit Director of Grupo Energía de Bogotá since October 2011. She is a Public Accountant from Universidad Externado de Colombia with a Specialization in Domestic Public Utilities of the same University.

She has 18 years of experience in external audit, statutory audit and internal audit of the public and private sector in the industries of energy, telecommunications, technology, services and retail. She worked for 12 years with the firm Deloitte & Touche Ltda. She was Audit Manager.

In Grupo Energía de Bogotá, she is responsible for managing audits to processes, risks and controls, as well as implementing compliance practices focused on fraud and corruption prevention.

Mauro Mejía Trillos

Strategic Sourcing Director

Mauro Mejía is the Strategic Sourcing Director of Grupo Energía de Bogotá since February 2016. He is an Industrial Engineer graduated from Universidad del Norte, with MBA from Tulane University – ICESI, Specialist in Sourcing from Universidad de los Andes and International Trade Center, and Project Management Professional from the Project Management Institute (PMI).

He has more than 15 years of experience in issues of procurement in different national and international companies, as responsible of the procurement issues associated with the administrative support, operation, maintenance and projects of Oil & Gas, Energy and Infrastructure.

In Grupo Energía de Bogotá, he is responsible for leading efficient procurement processes maximizing resources.

Juan Daniel Ávila

Sustainable Development Director of Grupo Energía de Bogotá (e)

Juan Daniel Ávila is the Sustainable Development Director of Grupo Energía de Bogotá since January 2016. He is a civil Engineer with a master's degree in Urban and Regional Planning from Pontificia Universidad Javeriana.

He has worked in planning, formulation, follow-up and control of policies, plans, programs and projects related to the infrastructure sectors, water, sanitation and energy, guaranteeing economic and social use with environmental sustainability. Additionally, he was Senior Adviser of Supply Management for the company Procesos y Diseños Energéticos S.A.

In Grupo Energía de Bogotá, he is responsible for leading sustainable development projects under social, environmental and economic premises, as well as the Quality Management System, based on a comprehensive excellence model.

Mariajosé Quiceno Suárez

Communications Director
of Grupo Energía de Bogotá

Mariajosé Quiceno is the Communications Director of Grupo Energía de Bogotá since May 2016. She is social communicator and journalist from Universidad de Manizales and Specialist in Governance and Public Policy from Universidad de los Andes.

She is an expert in business reputation, public relations and crisis management. She has more than 13 years of experience in design and implementation of strategies of public affairs and corporate communication. In her professional career, she has occupied direction positions in multinational companies as Visa in the position of Manager of Corporate Relations for Andean Countries and the South Cone and in Nestlé as Chief of Corporate Affairs and External Communications. Additionally, she has worked in Grupo Endesa, District Culture, Recreation and Sports Secretariat; and Corporación Excelencia en la Justicia.

In Grupo Energía de Bogotá, she is responsible for leading the team that manages the strategy of reputation and communications for all companies of the Group in Brazil, Colombia, Guatemala and Peru.

Management Committees

EEB has 6 management committees that have the purpose of advising the President in adoption and implementation of policies, guidelines and decisions related to financial management, investments, ethics and compliance, work coexistence, sourcing, safety and health at work, and other administrative and business issues.

Management Committees, 2016

STRATEGIC PRESIDENT COMMITTEE

Advise the President in adoption and implementation of policies, guidelines and decisions related to administrative and financial management of businesses of GEB.

ETHICS AND COMPLIANCE COMMITTEE

Contribute to strengthening of ethical behavior, as well as implementing coordinated actions before events that infringe the Code of Ethics. Likewise, verify implementation and follow-up of the compliance program.

JOINT COMMITTEE OF SAFETY AND HEALTH AT WORK – COPASST.

Serve as a body for promotion and supervision of rules and regulations on occupational health at all levels of the company.

WORK COEXISTENCE COMMITTEE

Contribute to harmonizing relations between contributors of companies and preventing and addressing potential conflict situations, hearing the parties and examining each particular case in a confidential manner.

FINANCIAL AND INVESTMENT COMMITTEE

Advise the President in adoption and implementation of policies, guidelines and decisions related to financial management of EEB and GEB, as well as advise decisions on new investments, redefinition of existing investments, disinvestments, mergers, creation and/or modification of investment vehicles and structured financing of projects of affiliated of the Group, and other companies where it has participation.

EXECUTIVE PROCUREMENT COMMITTEE

Approve procurement requests, and opening and assessment of processes with a value equal to or higher than ten thousand (10,000) SMMLV including VAT.

OPERATING COMMITTEE OF PROCUREMENT

Approve procurement requests, and opening and assessment of processes with a value higher than two hundred (200) SMMLV and lower than ten thousand (10,000) SMMLV including VAT.

STRATEGIC SOURCING COMMITTEE

Promote, analyze and approve sourcing policies and strategies, as well as identify possible synergies generated in GEB, including relevance analysis for joint contractual processes.

During 2016, the following adjustments were made to the committees of the Executive Management:

- Establishment of the Financial and Investment Committee.
- Change in the name of the Ethics and Conduct Committee to Ethics and Compliance Committee, as well as its purpose, composition and duties..

Executive Management Remuneration.

The remuneration of the President of EEB includes a fixed component and a variable component. The variable component is based on the results of the management assessment, which has encouraged compliance with the corresponding goals.

Executive Management Assessment

Within the framework of the assessment process of the Board of Directors of EEB for the period 2016, an analysis about perception of the Board of Director son effectiveness of the performance of the President of the Company and its direction team was made.

The issues analyzed in the Executive Management component include:

- Level of Satisfaction of the Board of Directors with respect to establishment and fulfillment of goals and plans by the President.
- Participation of the Executive Management (President and Vice-presidents) in the dynamic of the meetings of the Board of Directors and Committees is effective.
- Coordination between the works of the President's Office and the Board of Directors to obtain the best results for EEB.

In accordance with the results obtained, the Board of Directors considers that the role of the Executive Management has allowed execution of the long-term objectives and plans, in accordance with the

expectations of the groups of interest, shareholders and the Board of Directors itself. There is conformity about building, coordination and joint work between the President's Office of and the Board of Directors.

Team of General Managers of Affiliates, 2016

Company	General Manager
TGI S.A. ESP	Julián García Salcedo
GAS NATURAL DE LIMA Y CALLAO S.A.	Jorge Olazabal Gómez de la Torre
CONTUGAS SAC	Jorge Luis Ramos Felices
TRECSA S.A.	Mauricio Acevedo Arredondo (e)
EEB INGENIERIA Y SERVICIOS S.A.	Mauricio Acevedo Arredondo (e)
EEB ENERGY RE	Milena Díaz hidalgo

POTENTIAL CONFLICTS OF INTEREST AND OPERATIONS WITH RELATED PARTIES

Conflicts of Interest GRI 102-25

The rules for management of conflicts of interest are contained in the Code of Ethics and Corporate Governance Code of EEB, and were adjusted in 2016 as part of the reinstitutionalization process.

In case of a conflict of interest or doubt about existence thereof, the person concerned by the potential conflict must abstain from intervening in the related activities and decisions, and inform in a detailed manner and in writing the supervisor.

The members of the Board of Directors inform the management body about any situation that causes a conflict of interest and inform about the relations that may cause conflicts of interest.

Additionally, the Regulations of the Audit and Risk Committee assign the duty of assessing and informing the Board of Directors of EEB about the possible conflicts of interest generated between such company and its subordinates or among such subordinates, or with its administrators and related parties, and recommending the measures for management thereof. For this purpose, surveys of conflicts of interest and independence were applied biannually (January and October) to the members of the Board of Directors.

During 2016, 4 cases of conflicts of interest were declared at the level of the Board of Directors of EEB, which were managed as follows:

- In the meeting of January 28, Mr. Gustavo Ramírez was declared unable to participate in the discussions related to the point "Investment opportunity in new business Invercolsa" since he is also a member of the Board of Directors of Promigas.
- In the meeting of September 26, Mr. Gustavo Ramírez was declared unable to vote with respect to point "Authorize the Administration to give instructions to EEB Gas SAS so that it calls a Meeting in which it authorizes sale of shares of its own in Promigas S.A. and continue with the necessary procedures for assignment thereof", given that he is the legal representative of Corfi-colombiana, main shareholder of Promigas.
- In the meeting of November 21, Mr. Gustavo Ramírez was declared in a possible conflict of interest in relation with the Project Épsilon to the extent he is part of the Board of Directors of Promigas, a company that is assessing if it participates in the call of the project.
- In the meeting of November 29, Mr. Jaime Ruiz Llano, stated having an impediment to participate in the discussions and decisions related to the Project Tominé Park since he has a property in that area.

In all the cases, the impediment was accepted by the Board of Directors and the members in conflict abstained from participating in the discussions and decisions related to the issue.

Operations with Related Parties

In 2016, EEB adjusted the definition of related party based on the International Accounting Standard N° 24 (IAS 24) and other applicable local regulations. In accordance with the Corporate Governance Code of EEB, the Board of Directors is responsible for establishing the method for approval of the material operations, agreements or contracts that involve related parties. As a support to fulfill-

ment of this function, the Financial and Investment Committee is responsible for giving its opinion about the operations planned to be undertaken with the related parties, for which it must be verified that they are made under market conditions and respect equal treatment between shareholders.

The detail of the information about the operations made during 2016 is disclosed annually in the Notes to the Financial Statements and the report to related parties of the Audit and Risk Committee.

INTERNAL CONTROL SYSTEM

For EEB, the internal control system is the set of policies and procedures established to give reasonable certainty about management and follow-up of business risks, ensure reliability of the financial information and compliance with the regulations, guarantee protection of assets and, in general, support the company in fulfillment of the objectives of its mission.

The Board of Directors, with the Support of its Audit and Risk Committee, approves annually the general strategies and policies related to the internal control system and follows up proper implementation thereof.

The internal control system of EEB is framed within the COSO (Committee of Sponsoring Organizations of the Treadway Commission) standard and based on the self-control, selfregulation, self-management, effectiveness and efficiency principles.

Annually, the firm of External Audit of Management and Results, GEA in 2016, conducts an independent assessment on the level of implementation, follow-up and strengthening of the internal control system elements of EEB. The rating obtained this year corresponds to 4.61 over 5. Which is in continuous improvement, allowing an adequate level of maturity.

The most relevant risks identified in the risk matrixes and controls of strategic level are as follows:

- Continuity in the strategy and corporate governance of GEB.
- Regulatory and/or tax changes that affect performance of the business.
- Management of the corporate strategy in affiliates.
- Exercise the appropriate role as shareholder in the decisions adopted in the associated companies.
- Have the appropriate and motivated human capital to develop this strategy.

Risk Management

EEB has a Risk Management Policy through which the commitments and the general framework of companies of GEB are established in these matters. For compliance with this Policy, the following actions were undertaken during 2016:

- 1.** Creation of the Risk and Insurance Management through which actions were conducted to promote the organizational culture at all levels: at the operating level, training sessions were held for Risk Managers, in which the risk methodology and the functionality of the technologic tool used for management of the risk information were included; and at managerial level, interdisciplinary working groups were organized for identification of strategic risks of the group and affiliates.
- 2.** Preparation of the strategic risk matrixes in the companies of GEB. The risk matrixes of EEB Parent Company, Transmission, TGI, Contugas, Calidá and Trecca were approved by the Audit and Risk Committee and disclosed to the leaders of the organization through interactive cards.

3. Presentation of the results of risk management to the Audit and Risk Committee, including the status of mitigation actions implemented, as well as definition of the Work Plan of 2017.

4. Identification of risks in all the projects, as well as assessment and definition of control actions for the decisionmaking process, including collection of information about insurances signed by GEB.

5. Recommendations about minimum guarantees inherent in the procurement processes, as well as the legal and technical review thereof at the precontractual and post-contractual stages.

Thanks to the control actions defined and implemented at strategic and process level, it was possible to reduce exposure to risks avoiding thus relevant cases of materialization of significant risks and impacts for EEB and GEB.

Response plans and supervision mechanisms for mitigation of risks associated with the strategy and corporate governance of the group were defined; regulatory and/or tax changes that affected performance of business and the role of EEB as shareholder in the companies of GEB.

Statutory Auditor

For 2016, EEB elected as statutory auditor firm Deloitte & Touche Ltda, which was also proposed as statutory auditor in the companies of the Group. Deloitte is an important private firm of professional services at international level, classified as one of the top four big audit firms in the world. The services that it offers at global level revolve around the areas of consultancy, taxes, legal advising, financial advising and audit.

Remuneration of the Statutory Auditor in the Companies of GEB

Company	Statutory Auditor	Remuneration
EEB	Deloitte & Touche Ltda.	COP\$305.109.000 including VAT
TRECSA	Deloitte & Touche sucursal Guatemala	USD\$23.520 including VAT
EBBIS	Deloitte & Touche sucursal Guatemala	USD\$2.240 including VAT
TGI S.A. ESP	Deloitte & Touche Ltda.	USD 129.502,68 including VAT
Gas Natural de Lima y Callao S.A.	Deloitte & Touche Ltda.	USD\$70.210 including VAT
Contugas SAC	Deloitte & Touche Ltda.	USD \$57.820 including VAT
EEB ENERGY RE	Deloitte & Touche Ltda.	USD \$21.840 including VAT

TRM of December 31 2016

MAIN MEASUREMENTS IN CORPORATE GOVERNANCE 2016

Country Code

The results of the Country Code survey of 2016, published in January 2017 by EEB, evidence the high level of institutional commitment with the strengthening of its corporate governance processes.

COUNTRY CODE REPORT 2016

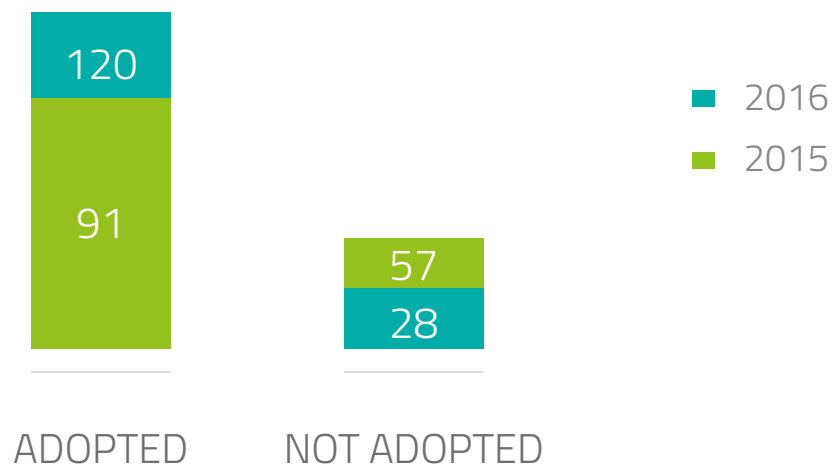
148 Total number of recommendations Country Code

Subsector public services

120 Number of measures observed by EEB.

28 Number of measures not adopted by EEB.

CODE COUNTRY IMPLEMENTATION 2015 and 2016:



Data taken from the Country Code reports submitted by EEB to the Financial Superintendence in 2015 and 2016.

The following were improvements made by EEB during 2016 to adopt the measures and recommendations established by the Financial Superintendence of Colombia in the Country Code (External Circular Letter 028 of 2014) and improve the results obtained with respect to 2015:

- Inclusion of a temporary article in the Corporate Bylaws and the Regulations of the Shareholders' Meeting about extension of the term of call of the Shareholders' Meeting since 2018. Sending of the call for the Ordinary Meetings shall go from 15 business days to 30 calendar days in advance and for special meetings it shall go from 5 calendar days to 15 calendar days in advance.
- Strengthening of the duties of the Shareholders' Meeting with respect to: approval of the remuneration policy of the Board of Directors, segregation (inappropriate spin-off), as well as acquisition, sale or lien of strategic assets of the company.

Recognition of the right of shareholders to request information about the operations of the company within the framework of the Shareholders' Meeting.

- Reduction of the percentage of shareholders who can request holding of specialized audits from 15% to 5%, as a mechanism to guarantee the exercise of rights by minority shareholders, as well as the processes and mechanisms to enforce such right.
- Strengthening of the duties of the President of the Board of Directors with respect to: efficient implementation of the strategic management, acting as a link between shareholders and the Board of Directors, and planning and operation of meetings of the Board of Directors.

- Strengthening of the duties of the Board of Directors with respect to: remuneration and control of performance of the President of EEB, approval of the financial and investment guidelines and policies of the company, as well as the mechanisms of governance and relation with the Group; follow-up to strategic and business plans and objectives of management; approval and follow-up of the internal control systems; establishment of committees; process of annual evaluation; coassessment; knowledge and statement about operations that may result in dilution of the capital of minority shareholders, among others.

luación anual; coassessment; knowledge and statement about operations that may result in dilution of the capital of minority shareholders, among others.

- Rules for appointment, period of hiring and rotation of the Statutory Auditor and the staff appointed to the company.
- Strengthening of the mechanism for resolution of controversies.

Dow Jones Sustainability Index

In 2016, EEB obtained a total rating of 73 points in the **Dow Jones Sustainability Index**. In the economic dimension of corporate governance, the company obtained 58 points. Several improvement opportunities identified by this report in matters of corporate governance were adjusted during 2016:

Disclose and update on the web page information about the Board of Directors, including the resumes of the members and the number of independent members.

- Strengthen the participation of the Board of Directors in matters of sustainability and establish direct reporting lines to the Board in this aspect.

- Complete the selfassessment of the Board of Directors with the regular assessment by an independent third party for EEB and the affiliates, and report the plans of action derived from the assessment.

- Disclose the fixed and variable remuneration of the Board of Directors, the President of the company and the Executive Management.

LESSONS LEARNT IN 2016 AND PLAN OF ACTION 2017

- **Fact:** Investigation of the District Comptroller's Office that questions the value in repurchase of shares of TGI by EEB. In the face of the investigation, started in the second quarter of 2016, which remains in course, the management made itself available for the control bodies to provide the information they require, as well as the members of the Board and former related officers. It is appropriate to clarify that such transaction dates from the year 2015.
- **Lesson:** This situation raised awareness in different instances of the organization with respect to importance of the corporate governance issues in all instances of the group. One of the main lessons of 2016 has been recognition that our corporate governance model must be communicated with in a more complete manner and to a greater extent, as well as the fact that our system is not infallible and there is a new dynamic of markets where communication is authentic and transparent, generates more trust and better relations with groups of interest. For this reason, the organization has the interest and commitment to keep advancing in the establishment of a culture every time more robust and cohesive in all the instances of GEB.
- **Plan of action:** Reinstitutionalization of the "Corporate Governance" of GEB. During 2016, as described above, progress has been made in different fronts in this matter, implementing good practices and developing important discussions for the international standards (OECD practices, Circular Letter 028 of 2014 of the Financial Superintendence of Colombia, CONPES 3851 of 2015 and Guidelines for a Latin American Corporate Governance Code) to contribute in

can effective manner to management of the group. During 2017, and with the public intention of the district government of Bogotá, controlling shareholder of EEB, of democratizing an additional percentage of its shares, the corporate governance system is a key piece to gain trust of investors. For this reason, in third year, the task of "Reinstitutionalization of the Corporate Governance" shall continue so that EEB is recognized as a reference and leader of publiclisted companies in matters of corporate governance in Latin America.

CONCLUSIONS

Meetings of the Shareholders' Meetings, the Board of Directors and Committees of the Board:

- In all the Shareholders' Meetings, and meetings of the Board of Directors and Committees of the Board, the quorum requirement to validly hold the meeting and decide was met.
- The meetings, duties and approvals of the Shareholders' Meetings, Board of Directors and its Committees were held in conformity with the Bylaws of the Company and in compliance with the legal provisions for the purpose.
- Each member of the Board of Directors and its Committees received by the Company in a timely manner the necessary information for decision making.
- Calls of meetings, submission of information to the members and, in general, operation thereof observed the rules established in the Corporate Bylaws, the Regulations of the Shareholders' Meeting, the Regulations of the board of Directors and the Regulations of each Committee of the Board.
- During 2016, the Shareholders' Meeting, the Board of Directors and each Committee of the Board complied with the obligations contained in the corresponding regulations.
- In December 2016, a self-assessment survey of the management of 2016 was made to the members of the Board of Directors. Results were tabulated obtaining general conclusions for establishment of plans of action about the improvement opportunities identified.
- There were no actions against administrators, officials or directors and other staff of the company for omissions or harmful acts for the Company.

The objective for 2017

is emphasizing 3 big fronts of work: optimization of the current corporate governance system; the adjustments to make feasible the eventual democratization process and, lastly, aspects related to harmonization and strengthening of standards in all the companies of GEB.

- No claims were filed for non-compliance with the provisions of the Corporate Governance Code.
- No claims or complaints were filed by shareholders.
- A temporary article was included in the Corporate Bylaws and the Regulations of the Shareholders' Meeting about extension of the term for calling the Shareholders' Meetings since 2018. (Regular Meetings 30 calendar days in advance and special meetings 15 calendar days in advance).

Submission of Information

- The Company complied with the legal obligation of sending the information required by the Financial Superintendence of Colombia and the Superintendence of Public Services.
- A copy of the Financial Statement of EEB with the accompanying notes and the corresponding opinion was sent to the Chamber of Commerce of Bogotá, within the legal term.
- The relevant facts of the Company were published on the web site of Grupo Energía de Bogotá and the Financial Superintendence of Colombia (Portal SIMEV) for knowledge of the interested parties.
- In general, it is concluded that shareholders and the market in general had access in a full, truthful and timely manner to the information of the Company that must be disclosed.

Gobierno Corporativo año 2016

- The commitments contained in the Corporate Governance Code were followed up through execution of the corresponding actions by each responsible party.
- Compliance with the provisions of the Corporate Governance Code has been satisfactory in the analyzed period.

Conflict of Interests and Guidelines for Behavior

- No evidence was submitted to prove that the independence criterion was compromised by the members of the Board of Directors, directors and/or workers of EEB.
- In accordance with the assessments made, compliance with the behavior guidelines by the staff of the company was evidenced.
- No business was made in which the ethical, social and business behavior had infringed the laws, the Corporate Governance Code, ethics and good habits and there are internal and external mechanisms of verification.
- In relation with shareholder service, up to date there are no pending requests of shareholders and investors.

In 2017

The task of "Reinstitutionalization of Corporate Governance" shall continue for EEB to be recognized as a reference and leader of companies in matters of corporate governance in Latin America.

Standard GRI	Indicator	Page	Omissions	SDG	ADVANCED COP
GRI 102: General Indicators	102-1 Name of the organization	17, 40	None		
GRI 102: General Indicators	102-2 Activities, brands, products and services	17, 40	None		
GRI 102: General Indicators	102-3 Location of the main registered office	17, 40	None		
GRI 102: General Indicators	102-4 Location of operations	17	None		
GRI 102: General Indicators	102-5 Ownership and legal figure	42	None		
GRI 102: General Indicators	102-6 Markets served	17,20,40	None		
GRI 102: General Indicators	102-7 Dimensions of the organization	18,19	None		
GRI 102: General Indicators	102-8 Information about employees and other workers	120	None		
GRI 102: General Indicators	102-11 Principle of precaution	62, 173	None		Criteria 15 to 19: Description of contributions of the business to goals and issues of the United Nations and Commitment of the CEO
GRI 102: General Indicators	102-12 External initiatives	52,53	None		
GRI 102: General Indicators	102-13 Membership in associations	52,53	None		
GRI 102: General Indicators	102-14 Letter of the President	9	None		
GRI 102: General Indicators	102-15 Main impacts, risks and opportunities	62,94, 154	None		
GRI 102: General Indicators	102-16 Values, principles, standards and rules of behavior	32, 154	None		Criteria 12 to 14: Commitment and strategies for fight against corruption
GRI 102: General Indicators	102-17 Mechanisms for advising and concerns about ethics	156	None		

ANNEX

Table of GRI Indicators

Standard GRI	Indicator	Page	Omissions	SDG	COP AVAN- ZADO
GRI 102: General Indicators	102-18 Governance Structure	218	None		Criterion 1: Implementation of Principles of the Global Compact in the corporate duties and bu-siness units
GRI 102: General Indicators	102-25 Conflicts of interest	247	None		
GRI 102: General Indicators	102-27 Collective knowledge of the highest governance body	227	None		
GRI 102: General Indicators	102-28 Assessment of performance of the highest governance body	233	None		
GRI 102: General Indicators	102-35 Remuneration policies of the governance body	234, 235	None		
GRI 102: General Indicators	102-40 List of groups of interest	50	None		Criterion 20: Adoption and supervision of the Board of Directors
GRI 102: General Indicators	102-41 Collective Agreements	132	None		
GRI 102: General Indicators	102-42 Identification and selection of groups of interest	50	None		
GRI 102: General Indicators	102-43 Involvement of groups of interest	35, 48, 51, 148	None		
GRI 102: General Indicators	102-44 Key issues and concerns of the groups of interest	46, 37, 196, 212	None		
GRI 102: General Indicators	102-45 Entities included in consolidation of financial information		See the financial statements		
GRI 102: General Indicators	102-46 Definition of the contents of the report and limits of the issue	43	None		
GRI 102: General Indicators	102-47 List of material issues	37	None		
GRI 102: General Indicators	102-48 Re-expressions of information	46	None		Criterion 21: Description of relations with groups of inte- rest
GRI 102: General Indicators	102-49 Changes to the reporting modality	47	None		

Standard GRI	Indicator	Page	Omissions	SDG	ADVANCED COP
GRI 102: General Indicators	102-50 Report period	15	None		
GRI 102: General Indicators	102-51 Most recent report date	2015	None		
GRI 102: General Indicators	102-52 Report frequency	15	None		
GRI 102: General Indicators	102-53 Point of contact for questions about the report	15	None		
GRI 102: General Indicators	102-54 Report type	15	None		
GRI 102: General Indicators	102-55 GRI Table	260	None		
GRI 102: General Indicators	102-56 External Audit	15	None		
GRI 103: Specific Indicators	103-1 Explanation of issues and limits	45	None		
GRI 103: Specific Indicators	103-2 Approach of management and components	56,72,97, 137,120,1 54,175,181	None		
GRI 103: Specific Indicators	103-3 Assessment of management approach	56,72,97, 137,120,1 54,175,181	None		
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	69	None	8, 17, 16	
GRI 205: Anticorruption	205-1 Number and percentage of centers where risks related to corruption and significant risks detected have been assessed	64, 157	None	16	Criteria 12 to 14: Commitments and strategies for fight against corruption
GRI 205: Anticorruption	205-2 Communication and training about anti-corruption policies and procedures	159	None		
GRI 205: Anticorruption	205-3 Confirmed cases of corruption and measures adopted	158	None		
GRI 206: Unfair competition	206-1 Unfair competition practices	74	None		

Standard GRI	Indicator	Page	Omissions	SDG	ADVANCED COP
GRI 304: Biodiversity	304-1 Operating facilities and protected and non-protected areas of great value for biodiversity	168, 169, 171	None	15	Criteria 9- 11 Environmental Management
GRI 304: Biodiversity	304-2 Description of the most significant impacts on biodiversity of the protected areas or areas of high value	167	None		
GRI 304: Biodiversity	304-4 Number of species included in the Red List of the IUCN and in national lists of conservation with habitats in areas affected by operations	172, 174	None		
GRI 305: Emissions	305-1 Direct Greenhouse Gas Emissions	184, 185	None	13	
GRI 305: Emissions	305-2 Indirect Greenhouse Gas Emissions	184, 187	None		
GRI 305: Emissions	305-3 Other indirect Greenhouse Gas Emissions	184, 188	None		
GRI 307: Environmental Compliance	307-1 Non-compliance with environmental laws and regulations	102	None		
GRI 308 Environmental Assessment of Suppliers	308-1 Percentage of new suppliers examined according to environmental criteria	149	None		Criterion 2: Value Chain
GRI 308: Environmental Assessment of Suppliers	308-2 Negative, significant, real and potential environmental impacts in the supply chain and measures.	150	Environmental impacts are described in chapter 8		

Standard GRI	Indicator	Page	Omissions	SDG	ADVANCED COP
GRI 401: Employment	401-2 Benefits for full-time employees not provided to mid-time or temporary employees	124	None	8,12	Criteria 9- 11 Environmental Management
GRI 402: Relations between workers and the management	401-3 Maternity and paternity leaves	126	None		
GRI 403: Safety and occupational health	403-1 Representation of workers in formal employee-employer committees about health and safety	138	None	11, 17	
GRI 403: Safety and occupational health	403-2 Types and rates of injuries, occupational illnesses, lost days, absenteeism and work fatalities	138	None		
GRI 403: Safety and occupational health	403-3 Workers with high incidence or high risk of diseases related to their occupation	144			
GRI 403: Safety and occupational health	403-4 Issues of health and safety covered in formal agreements with labor unions	144	None		
GRI 404: Capacity-building and training	404-1 Average training hour per employee, per year	129	None		
GRI 404: Capacity-building and training	404-2 Programs to improve skills of employees and transition programs	128	None		Criteria 9- 11 Environmental Management
GRI 404: Capacity-building and training	404-3 Percentage of employees that participate in performance assessments and programs of career plans	128	None		
GRI 405: Diversity and equal opportunities	405-1 Composition of governance bodies and breakdown of staff per professional category, gender and age	125, 127	None		
GRI 405: Diversity and equal opportunities	405-2 Ratio between base wage of men with respect to women	124	None		

Standard GRI	Indicator	Page	Omissions	SDG	ADVANCED COP
GRI 407: Freedom of association and collective agreements	407-1 Operations and suppliers that may involve risk for freedom of association and collective agreements	132	None		Criteria 3 - 5: Human Right
GRI 408: Child labor	408-1 Identification of centers and suppliers with a significant risk of child exploitation cases and measures adopted to contribute to abolition of child exploitation	134	None		
GRI 409: Forced Labor	409-1 Significant centers and suppliers with a significant risk of being the origin of episode of forced labor and measures adopted to contribute to elimination of all forms of forced labor	134	None		
GRI 413: Local Communities	413-1 Operations involving local community, impact measurement and development programs	93, 111	None	11, 17	
GRI 414: Assessment of suppliers with social criteria	414-1 New suppliers that were selected using social criteria	149	None		"Criteria 2: Value chain"
GRI 414: Assessment of suppliers with social criteria	414-2 Negative social impacts on the supply chain and actions undertaken	150	None		Criteria 3 - 5: Human Rights"
GRI EU Supplement of Electric Sector	GRI EU1 Installed capacity broken down per primary energy source and per regulations	19	None		
GRI EU Supplement of Electric Sector	GRI EU2 Net production of energy broken down per primary energy source and regulations.	19	None		
GRI EU Supplement of Electric Sector	GRI EU4 Length of air and underground transmission and distribution lines per regulations.	21, 71	None	7	

Standard GRI	Indicator	Page	Omissions	SDG	ADVANCED COP
GRI EU Supplement of Electric Sector	GRI EU15 Percentage of employees with the possibility of having access to retirement in the next 5 and 10 years per professional category and region.	79	Not reported per region		
GRI EU Supplement of Electric Sector	GRI EU17 Days worked by contractors and subcontractors involved in building, operation and maintenance activities.	141	None		
GRI EU Supplement of Electric Sector	GRI EU18 Percentage of contractor and subcontractor employees who have received training in health and safety	141	Not reported per region		
GRI EU Supplement of Electric Sector	GRI EU25 Number of injuries and deaths of third parties including judgments, resolutions and pending legal cases.	138	None		



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