



Tominé Reservoir, owned by GEB



## Climate Strategy

# Environmental Partners

Climate change has required our Corporate Group to raise awareness on the actions we must take in our business activities to reduce our carbon footprint and adopt strategies for environmental conservation.

### Why is it important?

(103-1)

**A**t GEB we are committed to undertaking various strategies in order to set an example in climate change mitigation and adaptation, which is a purpose we have set forth in our Corporate Strategic Plan (CSP) and in the Group's Sustainability Model. For this reason, in 2017 the Corporate Group decided to give additional thrust to the activities we had been carrying

out separately, in order to unify their scope and methodology.

In 2019 we launched a strategy to collect the data provided by the Group and its affiliates (Cálidda and Contugas in Peru; Trecca in Guatemala; TGI, the Transmission Branch and the corporate offices in Colombia), based on gas and electricity transportation, which even though they are different in nature, they have in common that they both generate greenhouse gas emissions (GHG). This information became the baseline for our indicators, based on which future comparisons will be made.

In gas, GHG are produced by fugitive emissions

	2017	2018	2019
<b>(305-1) (305-2) (305-3) Corporate Group direct and indirect GHG emissions (Tons of CO<sub>2</sub> eq)</b>			
Scope 1 emissions	40,961.57	143,232.08	181,270.66
Scope 2 emissions	551.26	558.47	1,380.01
Scope 3 emissions	630.65	1,027.73	2,054.42
Scopes 1, 2 and 3 emissions	42,143.148	144,818.28	184,706.09

in the gas pipelines, which cover approximately 4,500 kilometers in Colombia and 10,000 in Peru; whereas in electricity they are produced by SF<sub>6</sub> gas (sulfur hexafluoride) at the substations.

In this context, the commitment of our Group and all our affiliates is to measure, control, and reduce or maintain, or decide to offset, our greenhouse gas emissions. To this effect, we have set the target of reducing our carbon footprint by 10%, and to the extent that doing so is cost-effective from an operating and technical standpoint, we will seek to reduce it through greater energy efficiency or improved performance and offsetting, in order to achieve carbon-neutral companies in the long term.



The massification of natural gas in Lima (Peru), promoted by Cálidda, has prevented emissions of 80 million tons of CO<sub>2</sub>

## Committed to reducing emissions

Since 2017, GEB has been associated with the Science Based Targets (SBT) initiative, to set adequate greenhouse gas emissions reduction targets, within the framework of international agreements and the pressing need to combat climate change.

The development of the sectoral validation tools applicable to GEB are being carried out by SBT and we are working on the consolidation of emission inventories with a scope covering the entire Corporate Group. Today, we are one of three Colombian companies committed to setting reduction targets as part of this global initiative.

Read more about this topic by scanning this code.



Scan the code to read more about our commitment to reducing emissions

## How we manage it

(103-2) Our Group's decision to strive towards carbon neutrality over the long term is strategic in two senses:

- **As a corporation, we are in the business of low emission generation.** For this we created the Low Emission Generation SBG, in which we must start thinking about low emission projects or businesses, to assist in the transition in our countries towards energy sources that do not depend on fossil fuels (decarbonization).
- **We are aware of the climate situation.** Therefore, our challenge as a Corporate Group is that we all appropriate and internalize the social and environmental awareness. Thus, we will begin to have a more systematic program to measure our actions and set goals, including energy efficiency plans.

In this context, GEB has made the technical decision of using GIS type of electric substations, which use SF<sub>6</sub>, a greenhouse gas, with all the operating controls this implies. In gas, we have established an Emissions Reduction Plan that we will begin to implement in 2020 at Cálidda, in Peru, and at TGI, in Colombia.

In terms of offsetting, our challenge as Corporate Group is, once we know our carbon footprint, and to the extent that it is economically feasible to do so, we will offset it by acquiring reduction certificates.

In 2019 at TGI, in Colombia, we will offset 35% of emissions, and the Transmission Branch has offset 100% of its own emissions. According to our Sustainability Policy guidelines, once we have our measurement results, we will plan how to implement reduction, in order to gradually offset an increasing proportion.

Regarding adaptation to climate change, in our business it is not possible to mitigate to zero, because it is neither cost-effective nor technically reasonable to do so. Although at reduced levels, we will continue to have gas leaks, and electricity substations will continue to use SF<sub>6</sub> gas.

(103-3) In this context, we must admit the previous concept on company performance for the standardization of the Product Maturity Model and Value Creation, to strengthen project planning and asset operations (infrastructure design).



Tower in the township of La Loma, Cesar

**At GEB we start out with the premise that our business is one of low emissions: gas is a transitional fuel towards future types of energy, and electric energy transmission has a low level of impact.**

This will enable us to mitigate our operations' risks and incorporate solutions in the project design stage, such as building foundations for our electric towers located in mountainous areas affected by heavy rainfall that may lead to unstable soils. This is the case of towers in Nariño (Colombia), which connect with Ecuador, and the towers of the lines that supply the system in Bogotá (Colombia).

At GEB we are convinced that we will achieve our adaptation to climate change to the extent that we involve the Project Maturity Model, as well as the variables in practices of increasing value and environmental risk criteria in the layouts (due to instability of the terrain and sociocultural aspects of ethnic communities).



Photograph by our employee Juan David González. Photography contest

**10% is GEB's target for the reduction of greenhouse gas emissions in 2020.**

## RESULTS

- We began collecting carbon footprint information at the affiliates, the Transmission Branch and the corporate level. This is now the baseline to compare against in future years.
- TGI acquired 42,000 certified carbon credits in forestry plantation offsetting programs (5,859 hectares) and in natural forest conservation (855 hectares).
- In Cálidda, Peru, we carried out campaigns such as *Usa Gas Natural* (Use Natural Gas), *Lima Habla* (Lima Speaks Up) and *Lima 2034*, through which we promoted the benefits of better air quality and environmental care.
- GEB acquired 2,268 certified carbon credits in a REDD project on the edge of the deforestation frontier in the Amazon, in an area of 177,899 hectares.
- We took a first step in the new Supply Model, where the supplier registry includes information on their environmental performance.
- At TGI, in Colombia, we started the campaign to identify and quantify the emissions generated by leaks in equipment or components of the installed natural gas transportation infrastructure.

## CHALLENGES

- We will achieve a 10% reduction in greenhouse gas emissions in 2020.
- We will incorporate environmental and socio-cultural criteria in the design of new projects, in order to optimize their execution without affecting the territories or their populations.
- We strengthened the supply chain with a new HSE Manual for contractors based on the Group's sustainability model, taking into consideration that most of our activities are performed through third parties.
- In all affiliates we will design and implement plans to mitigate the impact of greenhouse gases based on the indicators recorded by each company at the end of 2019.