

**Everything is  
connected**  
and we connect everything  
to the energy you want



# CELSIA

# 20

Our Management

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ESG Report



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# About This Report

2023 was a dynamic and very interesting year for **Celsia**. In the midst of the situation that combined climatic, regulatory and economic factors, we remained focused on obtaining results in line with our energy transformation strategy. **Celsia's** culture has turned us, more than 2,270 employees, into creators of opportunities to overcome our great challenges as an organization. In addition, we have further consolidated ourselves as asset managers with outstanding figures in our investment platforms.

In 2023, we generated a multiplier value as asset managers, thanks to our strong ties with our customers, suppliers, partners and communities.

## About Us

At **Celsia**, we work in favor of the electric power infrastructure in Colombia and the countries in which we are present. Moreover, we create quality employment with competitive compensation and superior benefits. We obtain returns for our shareholders and investors while complying with sustainability criteria, enrich the lives of our customers and work with our stakeholders to grow together harmoniously.

This is how **we build a better society**. We are passionate about renewable energies and energy efficiency. We generate and transmit efficient power from renewable sources (water, sun and wind), with the necessary thermal backup, and we have found new ways to advise our clients with advanced and innovative solutions for their homes, companies or urban projects to be able to connect and enjoy all the advantages of the new era of power with our business model. We believe a more sustainable world is possible.

The ESG report below is the summary of our 2023 Integrated Report, through which our stakeholders will be able to see details on the topics we have identified and prioritized as material topics and the most relevant aspects of our environmental and social management and governance. The information in this report is presented in a consolidated document for Celsia S.A. If you wish to know the indicators by region (Colombia and Central America), with precise variations and/or behavior compared to previous years, we invite you to consult our 2023 Integrated Report by **clicking here**.



# Celsia PermaneC

We interpret sustainability as the change needed to grow and endure over time. For this reason, we anticipate risks in a proactive and innovative way, turning them into profitable, respectful and responsible growth opportunities for our customers and other stakeholders.

**We evolve to face industry challenges and create value, as follows:**

- › **With a comprehensive vision** and synergistic sustainability that involves the entire organization and increases the level of awareness.
- › **Aligning** social and environmental investment with the organization's strategy.
- › **Identifying** and managing ESG risks.
- › **Understanding** sustainability as a new way of competing.
- › **Acting** with ethics and transparency to create sustainable value.
- › **Embracing** Human Rights as the guiding principle of everything we do.
- › **Encouraging** inclusion and diversity among our stakeholders.
- › **Creating** partnerships to identify best practices.
- › **Promoting** ESG topics.
- › **Through communication** and empathetic dialogue, for our actions to be more relevant.

**We promote innovative actions for environmental conservation and the efficient use of natural resources.**



*We support our clients with solutions that connect us.*

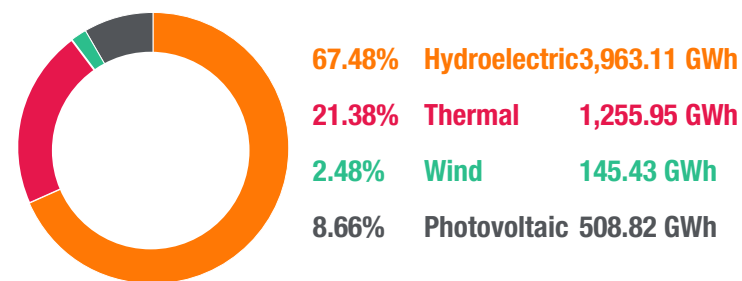
## Alignment of the Strategy with the Global Sustainability Agenda

We are committed to the call of the United Nations (UN) to achieve sustainable development by 2030. For this reason, **we prioritize seven Sustainable Development Goals (SDGs)** based on our understanding of the positive and negative impacts we generate and on assessment exercises we have performed.



SASB IF-EU-000-d

**% Power generated by technology - Total Celsia**



**Photovoltaic Power**

Installed Capacity MW

17	Dedicated solar farms in operation	226.16
112	Solar roofs installed and operating in the reporting period	27
15	Solar floors installed and operating in the reporting period	15.00
458	Solar roofs in homes in Colombia	5
19	Solar roofs in homes in Central America	26 MWp
1	Solar farms installed and operating in Central America	10.95
4	Solar floors installed and operating in the reporting period in Central America	3
30	Solar roofs in homes in Central America	0.3

**Generation**

Installed Capacity MW

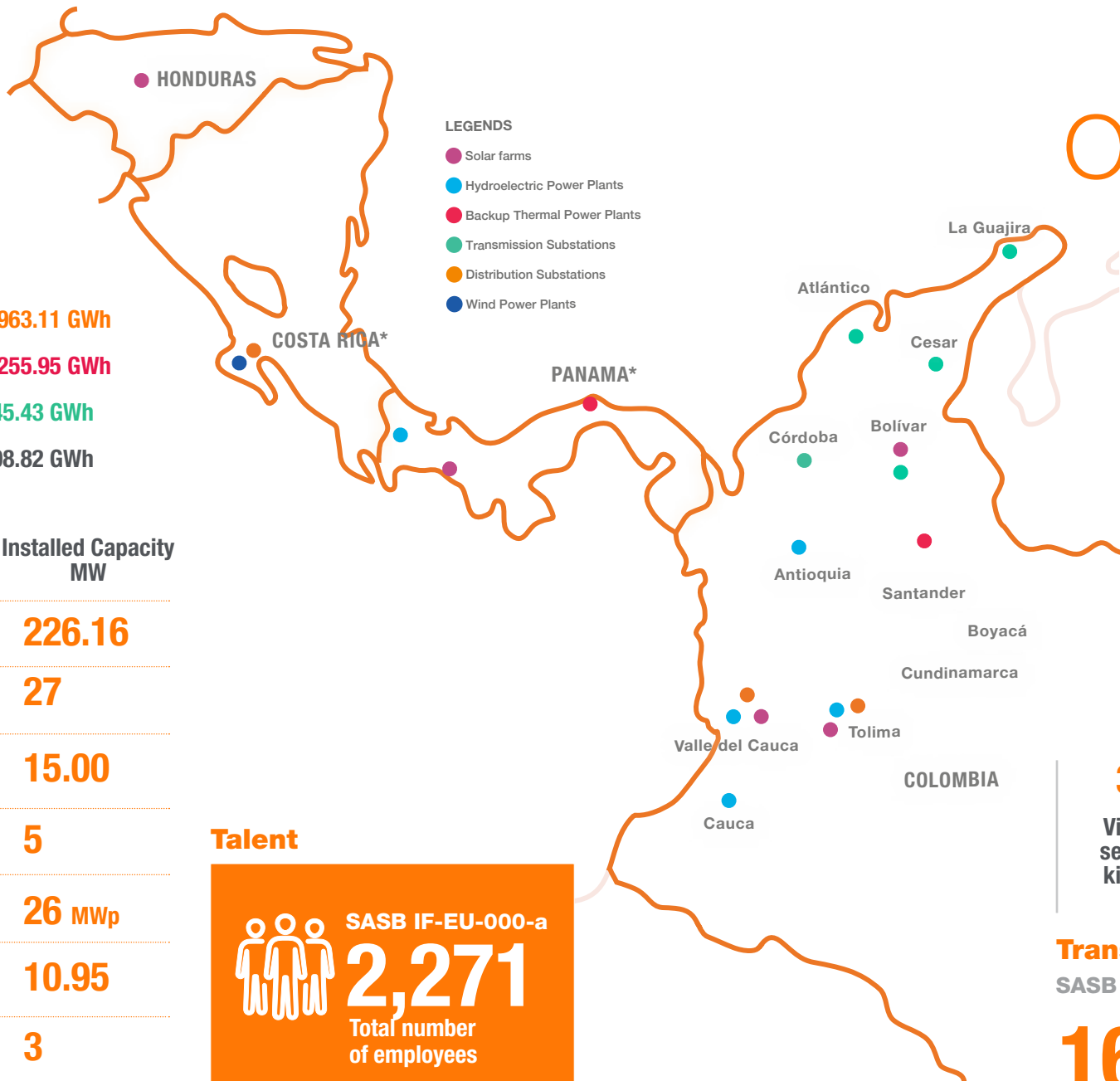
19	Hydroelectric Power Plants	1,127.34
3	Backup Thermal Power Plants	519

**313.24 MW** Installed photovoltaic capacity (farms, roofs and floors)

**1,959.57 MW** Total installed capacity Celsia

**LEGENDS**

- Solar farms
- Hydroelectric Power Plants
- Backup Thermal Power Plants
- Transmission Substations
- Distribution Substations
- Wind Power Plants



# Our Business in Figures

**Sales - New Businesses**

2	Cooling Districts in Operation	92	Backup power plants	15	Charging Stations for Electric Vehicles	1,991	Charges for Homes
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**Sales - Customer Experience**

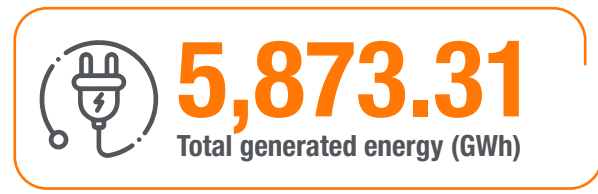
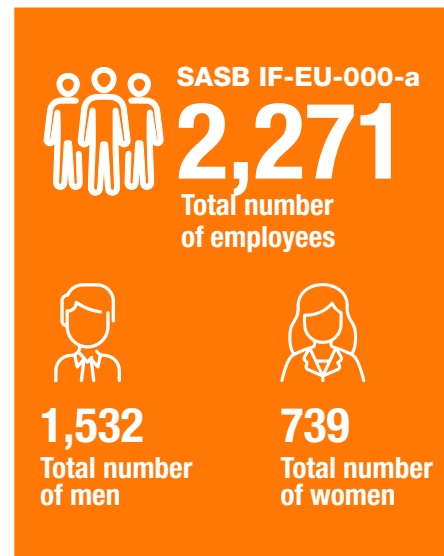
1,331,651	Customers SASB IF-EU-000-a	1,327,322	Homes and Businesses	949	Large Companies	3,380	New Businesses	38	Celsia Stores
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32	Virtual service kiosks	7,880	Payment points	0	Telephone Service Points	39	Virtual Service Points	77	IECC Valle del Cauca	67.6	IECC Tolima
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**Transmission and Distribution**  
SASB IF-EU-000-c

16	Transmission Substations	184	Distribution Substations
274	Km of transmission networks (≥220 kV)	46,635.5	Total length of the air distribution network (≤220 kV)
52	115 kV substations.	618.5	Total length of the underground distribution network (≤220 kV)
132	34.5/13.2 kV substations.		

**Talent**



12.02	SAIDI Celsia Colombia Valle	2.89	SITE CETSA	51.52	SAIDI Celsia Colombia Tolima	7.75	SAIFI Celsia Colombia Valle	2.51	SAIFI CETSA	18.68	SAIFI Celsia Colombia Tolima	1.55	CAIDI Celsia Colombia Valle	2.75	CAIDI Celsia Colombia Tolima	1.15	CAIDI CETSA
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\*As part of the process of resizing our presence in Central America, the following assets were under Celsia's operation until November 15, 2023: Costa Rica: Guanacaste Wind Farm of 49.5 MW  
Panama: The Divisa and Celsolar solar farms of 19.7 MW, jointly, and the Dos Mares Hydroelectric Complex of 119 MW of capacity, comprised of the Prudencia, Lorena and Gualaca power plants.

# Our Material Topics

**GRI 3-2** The materiality analysis is a fundamental input for our roadmap, which reflects the work focuses on environmental, social and governance (ESG) issues and allows us to adapt to changes in the environment and the expectations of stakeholders. Our materiality exercise from 2022 is still in force. **Our approach to this exercise was based on double materiality, which means we identified the Celsia's impacts on the environment and society. At the same time, we identified the impact these issues have financially on the company.** In 2023, we proposed new names for these material topics to align them with our culture, to be linked in managing each one of them.



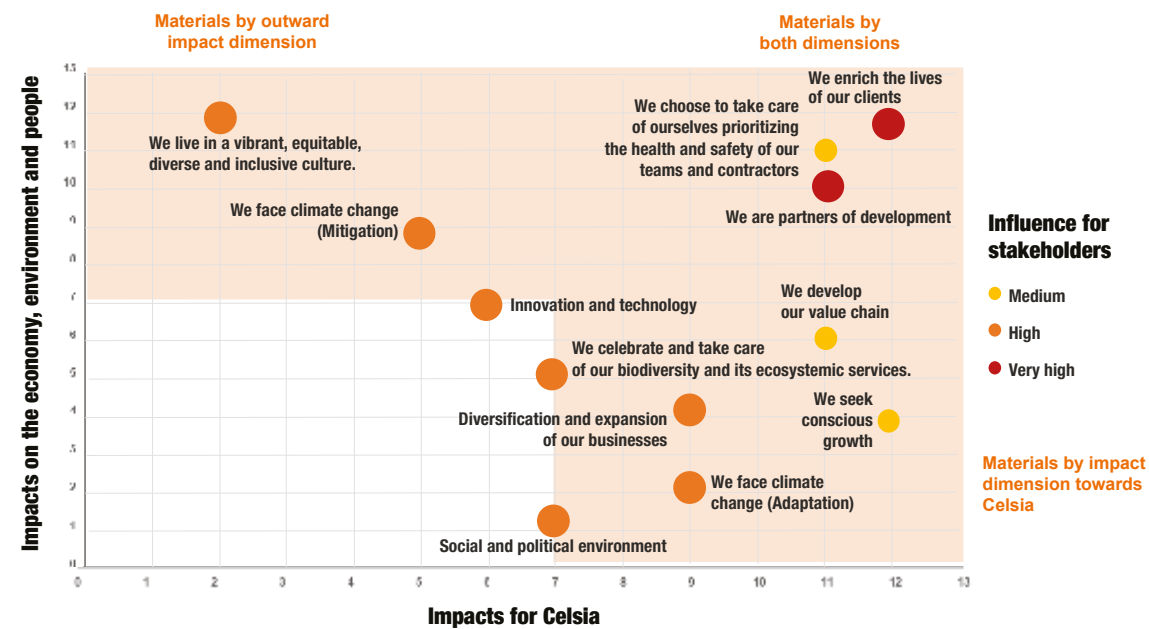
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## Process

**GRI 3-1**

The identification process to establish our material topics consists of four steps:

## Materiality Matrix



Our materiality matrix takes into account the company's impacts on the economy, the environment and people, Celsia's risks and opportunities and the each issue's influence on our stakeholders.

## Our Material Topics **GRI 3-2**

- A Greener Planet**
  - › We Face Climate Change
  - › We Celebrate and Take Care of our Biodiversity and its Ecosystemic Services
- We are Partners of Development**
  - › We Live in a Vibrant, Equitable, Diverse and Inclusive Culture
  - › We are also Partners of Development
  - › We Prioritize the Health and Safety of our Teams and Contractors.
- We Act with a Vision of the Future**
  - › Diversification and Expansion of our Businesses
  - › Innovation and Technology
- We Develop our Value Chain**
  - › Supplier Management is One of our Pillars.
- We Enrich Customers' Lives**
  - › We want to turn our Customers into Fans of Celsia
- We Adapt to our Social and Political Environment**
  - › The Physical Security of our Operation and Analysis of our Social and Political Environment
- We Seek Conscious Growth**
  - › We Generate Value for all our Stakeholders

01 **Context Analysis**

02 **Sessions with Internal Leaders of the Organization**


03 **Stakeholder Engagement**

04 **Prioritization and Validation**

# We Connect, Collaborate and Create Impact


**GRI 2-29** We engage with stakeholders in an ethical, respectful and balanced framework created by our values, practices and corporate commitments. This allows us to build and maintain trust to contribute to sustainable development.

In order to maintain a relationship based on best engagement practices, we carried out a characterization, prioritization and standardization exercise for our stakeholders. To get know this information, [click here.](#)





2023 ESG Report


## Stakeholders and Main Results for 2023

- 


**01 Trade and industry associations**

  - › **Conversations between the government, unions and companies** regarding aspects of the electricity sector in Colombia.
- 

**02 Suppliers**


  - › **We held a virtual workshop** for our suppliers on various ESG topics: sustainable purchasing, gender equality and compliance programs, among others.
  - › **97.72%** of the purchases made at CELSIA during 2023 were made from **local suppliers.**
- 

**03 Communities**

  - › **200 ethnic communities** were attended as part of the prior consultation.
  - › We took free optical fiber Internet to 164 schools in Valle del Cauca and 63 schools in Tolima, benefiting **104,439 students and teachers.**
  - › We received **476 communications** about projects under construction and assets in operation in Colombia and Central America, including 38 complaints.
  - › We supplied **80 thousand liters of water to communities in La Guajira.** We also took water to 5,098 families by delivering filters, benefiting the health of **25,186 people.**
- 

**04 Customers**

  - › **We reached over 7,000 customers** in the departments of Bolívar, Valle del Cauca, Atlántico, Antioquia, Risaralda and Bogotá with enerBit, our digital marketer, which provides energy to homes and businesses. It is 100% digital when it comes to providing the service and in operations with customers.
  - › We completed **9 new solar farms**, for a total of 17 in operation (capacity: 300 MW).
  - › We grew by **50,851 new customers** regulated in Valle and Tolima.
  - › We provided our retail portfolio to **23,500 homes**, with 7.4% penetration.

- 

**05 Employees**

- › We shared company results and relevant news through **the internal media platform:** Chats with Ricardo, the weekly news bulletin, the CelsiaTV screen system and the biweekly Celsia Radio podcast.
- › We counted the progress, **good practices and achievements related to the corporate CSA Sustainability assessment,** the Sustainability Yearbook, the Human Rights Technical Table and actions for mitigating climate change.

- 

**06 Media**

- › We held **5 workshops on new sustainable ways of carrying out good journalism** with the team from *Economía Para la Pípol:* 2 in Tolima (Ibagué and Espinal) and 3 in Valle del Cauca (Buenaventura, Tuluá and Palmira). 192 people attended.

- 

**07 Shareholders and Investors**

- › The General Shareholders' Meeting authorized a repurchase of shares. This repurchasing strategy boosted the appreciation of securities. **Share price increased by 17.9%** and closed the year at 2,960 COP, which represented a valuation so far this year of 6.5%.
- › We delivered the company's results quarterly to our shareholders, investors and other stakeholders through video and teleconferences, including the ESG indicator report.

- 

**08 Scientific and Academic Community**

- › Along with Universidad de Antioquia, we participated in a **program for developing and creating a smart network for managing, using and storing non-conventional renewable energy and green hydrogen** in the residential and industrial sectors. This was considered fundable, to begin in 2024 with resources from the Science, Technology and Innovation Allocation.
- › We managed **10 projects** with several universities in the country.



# Environmental

## We Face Climate Change

**GRI 3-3.** Climate change is one of the main strategic challenges we are facing today. Celsia remains committed to reducing its impact by designing and implementing a comprehensive climate change management plan with effective mitigation and compensation measures, innovative initiatives that contribute to strengthening adaptive capacity, risk identification and management, and developing new business opportunities that also allow us to inform our stakeholders about how the issue is being managed, and its progress and results, based on the communication and awareness component.

**GRI: 3-3; 2-23; 2-24; 2-25; 2-29** In 2021, we set the goal of becoming carbon neutral, bringing it back to zero in 2023. Additionally, we worked on the external factors derived from climate change for the business, the strategic, physical and emerging risks in the territories in which we operate and their possible impact. We set new environmental goals that will add value to our business, the environment and society, and we coordinated Celsia's climate strategy as the route that establishes mitigation, compensation and adaptation measures that avoid, reduce, capture and/or offset through actions, such as:

### Mitigation

- › **Expanding** our generation matrix and being present in other countries, seeking to diversify technologies to adapt more efficiently to increasingly dynamic seasonal variations. Energy efficiency and demand management.
- › **Using renewable** conventional (hydroelectric) and non-conventional (solar and wind) sources.
- › **Growth in electric mobility solutions** in the charging infrastructure, adapted to the needs of our customers and at affordable prices, in order to encourage the transition from using cars that operate by combustion to electric solutions.
- › **A loss reduction plan** in the transmission and distribution system for Valle and Tolima.

### Adaptation

- › Installing a **hydro-climatological monitoring system.**
- › Identifying and evaluating the strategic risk of climate change and resource scarcity, and establishing business continuity plans to implement solutions based on ecosystems, infrastructure or technology.
- › **Evaluating assets and investments** to minimize disruptions to operations and economic losses for the company.
- › Executing **nature-based solution projects** (agrivoltaic pilot).

### Compensation

- › **Emissions are compensated** by using reduction certificates and avoided emissions (CERs) generated by clean energy projects (hydroelectric, solar and wind) and registering in renewable energy certificates (RECS).
- › In terms of communications and awareness, **we kept our stakeholders informed on management and results on the matter** through our internal and external channels.





The majestic *Psarocolius Wagleri*.

# Main Results



**GRI: 3-3, TCFD: Governance - b)**  
**We obtained our carbon neutral recertification for Celsia, awarded by Icontec,** which ratifies our effort to fight climate change with a comprehensive plan to reduce our emissions and compensate for residual emissions to achieve a balance of zero scope 1 and 2 emissions.



We continue to exceed the established goal to plant 10 million trees by 2025 through our voluntary ecological restoration initiative, ReverdeC. At the **closing of 2023**, we reached a cumulative total of

**15,767,304**

planted trees, equal to **7,296 established hectares**, in the departments in which we are present.



In order to broaden the perspectives of the risks associated with climate change and progress in incorporating the requirements of international standards, such as the **Corporate Sustainability Assessment (CSA), the Task Force on Climate-Related Financial Disclosures (TCFD) and the Global Reporting Initiative (GRI)**, Celsia implemented a model for assessing and quantifying physical and transition risks in the medium and long-term.

**TCFD: Governance – a. Committed to the comprehensive management of risks and opportunities of climate change, the Sustainability and Corporate Governance Committee presents the progress related to this problem annually, to subsequently discuss action plans and challenges in this matter in the meeting of the Board of Directors. We establish guidelines and make strategic business decisions that leverage the fulfillment of goals related to climate change based on what is discussed in these sessions.**

# Opportunities Derived from Climate Change

**GRI: 3-3, GRI: 201-2, TCFD: Strategy – a.** **Celsia** and its related companies are committed to innovation and sustainable growth. To this end, we continuously evaluate our operations and strategies to identify opportunities for improvement and development. In this process, we consider the new challenges that emerge for the economy and the industry, such as the energy transition, digitalization and sustainability, and we adapt to them, offering innovative solutions that contribute to the country's progress.



*Alouatta Palliata protecting her child.*

## New Products and Services

We offer a portfolio of low-carbon products and services, such as sustainable energy solutions, electric mobility, energy efficiency, self-generation with renewable energy resources, efficient lighting, hydrogen projects, innovation initiatives, such as second-life batteries, and others, all aligned with our decarbonization strategy.

## Tax Benefits

Both Law 1715 of 2014 of Colombia and Law 45/2004 of Panama were enacted to encourage integrating non-conventional renewable energies into the national energy system. These standards and others we have identified offer tax benefits to companies that invest in renewable energy and energy efficiency.

## Access to Capital

Access to capital is increasingly feasible thanks to the development of renewable projects, adequate financial planning, risk analysis and climate impact, which gives investors confidence. Thanks to these actions, their positive perception of the company increases and they invest because they consider it a lower risk. In this way, we can access capital that allows us to make investments that generate value creation for Celsia, and growth, stability and clean energy for the country, through strategic partnerships, such as the creation of investment platforms.

## Sustainable Loans

20% of **Celsia's** total debt is tied to compliance with ESG indicators. We have financed this matter with Bancolombia, International Finance Corporation (IFC) and Banco de Bogotá.



Nearly **cop 1 trillion** in sustainable financing

**cop 500 billion (Bancolombia)**

**cop 219.988 billion (Banco de Bogotá)**

**cop 275 billion (Green Bonds)**

The revolving credit we signed in 2022 amounting to USD 140 million with the IFC (International Finance Corporation), a member of the World Bank Group, remains in effect. It is mainly linked to reducing the intensity of CO2 emissions. Additionally, emission reduction certificates (CERS) have been issued and sold in the carbon market, as well as and origin certificates for renewable energy. Learn more by [clicking here](#).



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# Physical and Transition Risks Related to Climate Change

**Celsia** considers climate risk a strategic risk that is qualitatively and quantitatively assessed under scenario analysis, from physical impacts to our assets, and to market, technology and regulation implications. To quantify the risks associated with climate change in 2023, the model used the capabilities of **The Climate Service (TCS)** through its platform **Climanomics®**. Its methodology is fully aligned with the TCFD framework and considers a time horizon between 2020 and 2100.

We define four scenarios of the Representative Concentration Pathways (RCP) presented in the Fifth Assessment Report of the United Nations Intergovernmental Panel on Climate Change, which are:

## 2.6: 0.9-2.3°C

It aims to keep global warming below 2°C above pre-industrial temperatures.

## 4.5: 1.7-3.2°C Stabilization scenario

It involves coordinated action to limit greenhouse gas emissions, in order to achieve a global warming limit of approximately 2°C.

## 6.0: 2.0-3.7°C Stabilization scenario

It uses a high greenhouse gas emission rate higher than the one considered in scenario 4.5.

## 8.5: 3.2-5.4°C

It assumes there will be no major global effort to limit greenhouse gas emissions.

We apply it to 19 assets in operation:

- 4 hydroelectric power plants
- 1 natural gas thermal plant
- 1 solar farm
- 6 distribution assets
- 5 transmission assets
- 2 wind farms (assets in prefeasibility), which would enter the generation portfolio later.

### Physical Risk

- › **Drought** is the main risk, especially for hydroelectric plants, because it can result in the inability to generate enough power. Drought seasons in Colombia can vary over the decades due to the El Niño phenomenon.
- › **Water stress** is a minor area of concern for Celsia's hydroelectric plants due to its location.
- › By the 2040s, **physical risks represent 0.5% of asset value** for the sample in the RCP 8.5 scenario.

### Transition Risks

- › **The emissions tax** could be the risk with the greatest impact for backup generation. **It would represent 1.1% of the value of the assets** in the sample in the 2040s for the RCP 8.5 scenario.

### Regulatory Risk

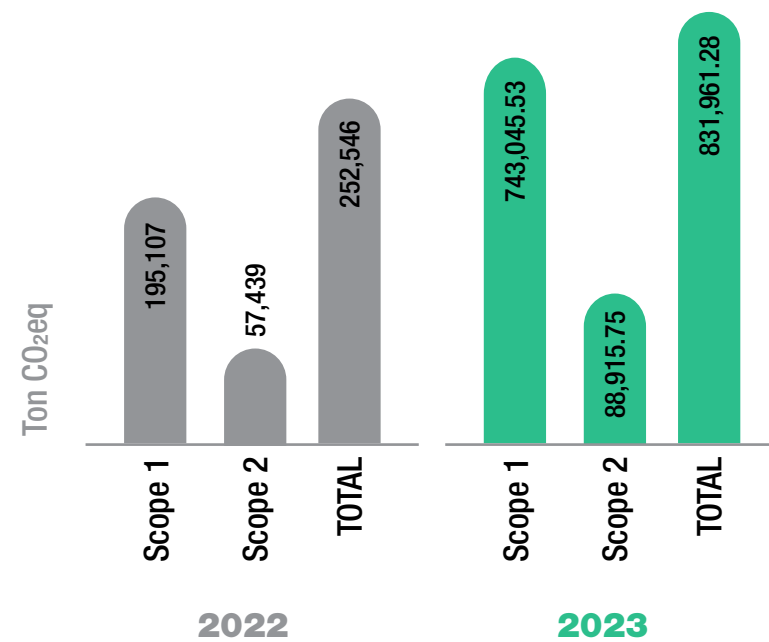
- › **It refers to claims due to a lack of risk mitigation, adaptation and disclosure** associated exclusively with climate change, with respect to the laws and regulations of each country. **This one implies the least economic impact until the 2050s.**

# Carbon Footprint

## Total GHG Scope 1 and Scope 2 Emissions

GRI: 305-1; 305-2, SASB: IF-EU-110a.1, TCFD: Metrics and objectives – b. and c.

Our scope 1 CO emissions are associated with the operation and maintenance of our assets, while total scope 2 CO emissions are associated with purchasing imported energy from the grid and transmission and distribution losses.



## Scope 3 emissions

GRI 305-3; TCFD Metrics and Objectives - b.

The three main sources of scope 3 emissions we managed during the year were:

- Activities related to fuel and energy (not included in scope 1 or 2). 80,441.70 Ton CO<sub>2</sub> eq.
- Waste generated in operations. 330.2 CO<sub>2</sub> eq.
- Business trips 220.57 Ton CO<sub>2</sub> eq.

### The goals we have set for ourselves in the short and medium-term to fight climate change are:



By 2025, Celsia will present a goal based on the **SBTi methodology for approval**.



Starting in 2025, SF6 leaks from Celsia systems **will not exceed 1%** of the total installed in the year.



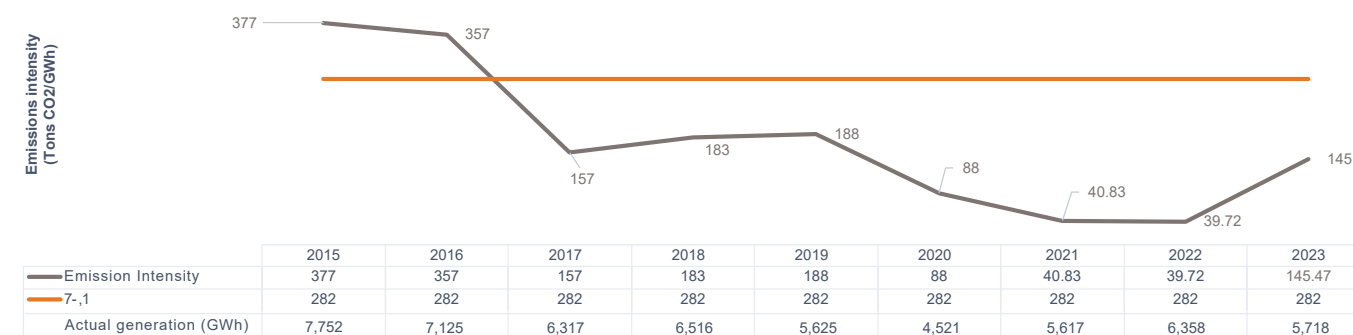
In 2030, Celsia will remain a **carbon neutral company**, offsetting all the emissions it cannot reduce.

During this period, we began a scope 3 emissions quantification exercise, which will help us establish an action plan. We must highlight that we have scope 3 measurement in 3 of 7 identified categories. The figures in all categories will close in 2024.

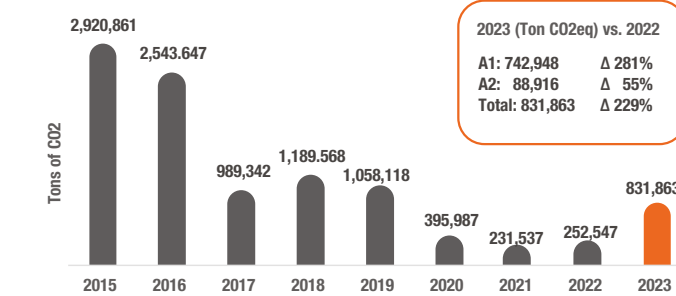


# Emission Intensity

We take proactive measures that reduce our carbon footprint. For this reason, we have proposed to reduce the intensity of GHG emissions associated with energy generation by 25% by 2025 (base year 2015). With this plan, we achieved a 61.84% reduction in emissions intensity.



## CO2 emissions (Tons)



In **scope 1**, we see an increase in emissions because non-renewable energy consumption increased because thermal plants in Colombia and Central America had a greater share in the generation basket, moving from generating 170.8 GWh-year in 2022 to 1,007.5 GWh-year in 2023 due to low hydrological conditions caused by El Niño.

In **scope 2**, we had a 48.7% decrease, which is due to implementing the loss reduction plan executed in Tolima and Valle del Cauca.

In 2023, our renewable energy generation projects avoided the emission of 160,478 Ton CO<sub>2</sub>eq. This is how we contribute directly to the energy transition.

# Eco-efficiency and Circularity

**GRI: 3-3** Our environmental policy covers our entire business portfolio and, by implementing the environmental management system, we establish our framework of action and the efficient management of natural resources, taking into account stakeholders and leveraging our operation towards the future. For this reason, we efficiently use resources through actions aligned with the organization's socio-environmental goals in the short, medium and long-term, as well as compliance with current environmental regulations in each region in which we are present.



Solar panels in Parkdale Mills Greenfield in Honduras.

**CELSIA** invests in using cleaner fuels and efficient, environmentally friendly technologies to reduce the environmental impacts associated with atmospheric emissions.

### Our management focuses on:

- › **Achieving** proper management of the chemical substances we use in processes.
- › **Improving and promoting** the optimization of natural resources.
- › **Avoiding** environmental accidents.
- › **Mitigating** air pollutants from stationary and mobile sources.
- › **Improving** the stability of the soil and preventing its degradation.
- › **Promoting** the sustainable use of water and biodiversity.
- › **Deploying** actions aimed at the circular economy to optimize renewable and non-renewable resources.
- › **Sustainably managing** natural resources and biodiversity under the principle of the mitigation hierarchy throughout the life cycle of projects and assets in operation.
- › **Promoting energy generation** with non-conventional renewable sources, such as the sun and wind.
- › **Using fuels with low emissions** to reduce their impact on climate change.
- › **Assessing possible impacts** on climate change and natural resources, as well as the risks they entail in developing operations.



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# Rational Water and Energy Use

## Water Consumption

SASB IF-EU-140a.1, TCFD: Metrics and objectives - c

We value every drop of water as if it were the last. Our efforts are focused on preserving this vital resource, ensuring its availability for future generations.

**Below, we present the results we obtained in terms of water and energy:**

0.43049 Mm<sup>3</sup>

Total water consumption  
In 2022: 0.38561 MMm<sup>3</sup>

**GOAL 2022 2.59 MMm<sup>3</sup>**  
**GOAL 2023 2.32 MMm<sup>3</sup>**

SASB IF-EU-140a.1 SASB IF-EU-140-a-3

At **CELSIA**, we do not collect or consume water in places in which it is scarce or extremely scarce, with tools, such as **Global Water Tools** and the **Water Risk Atlas**. These tools help the company identify sites in water stress areas and monitor the availability of water in the basins in which our facilities are located

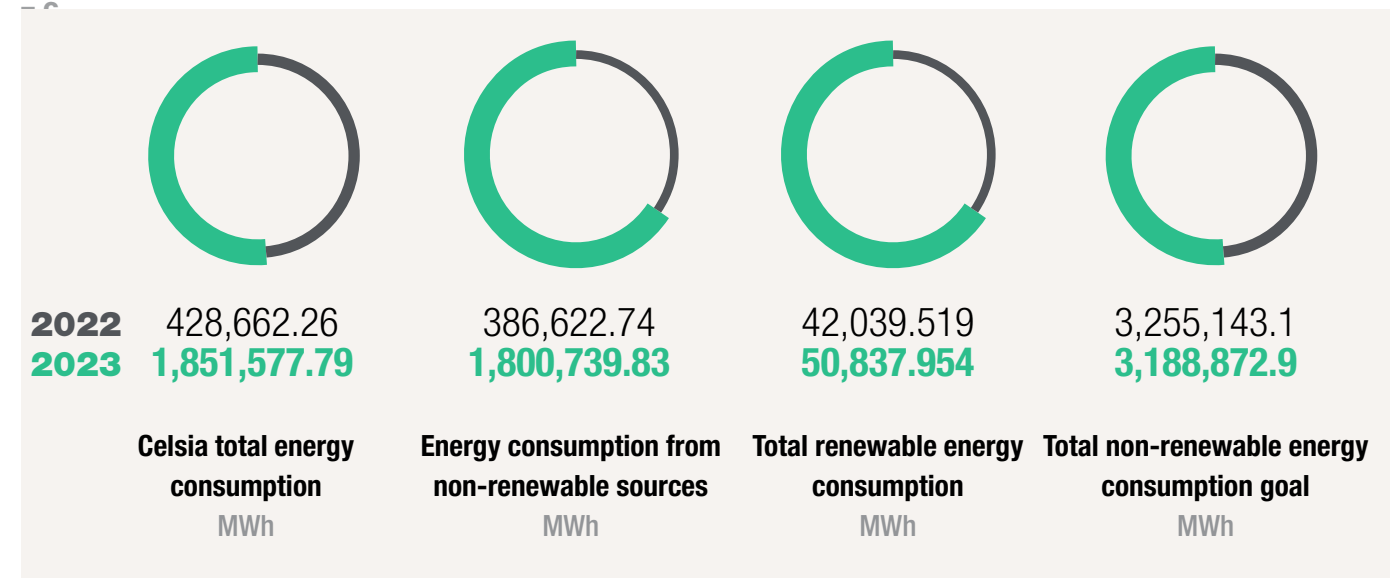
**Hydroelectric power generation uses water without consuming it, resulting in lower consumption, despite the captured volumes. The data recorded as consumption corresponds to domestic uses and cleaning, mainly in assets.**



Cajamarca Substation. At Celsia, we work for the conscious use of resources.

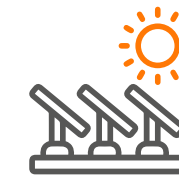
## Energy Consumption

TCFD: Metrics and objectives



**Energy consumption within the organization:** It includes the fuel used for energy generation, as well as fuel used for its vehicles, emergency plants, minor equipment and the consumption of energy purchased for auxiliary equipment. Energy consumption varies in the countries in which we are present according to the operation of our thermal assets, taking into account that these operate as backup energy.

**Committed to efficiently using energy, our short and medium-term goals are:**



By **2025**, for **25%** of our installed capacity to come from non-conventional renewable sources.



By **2030**, for **100%** of the electricity consumed by the organization will come from certified renewable sources.



By **2030**, to achieve 100% smart meters installed for non-regulated customers.



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## Other Atmospheric Emissions

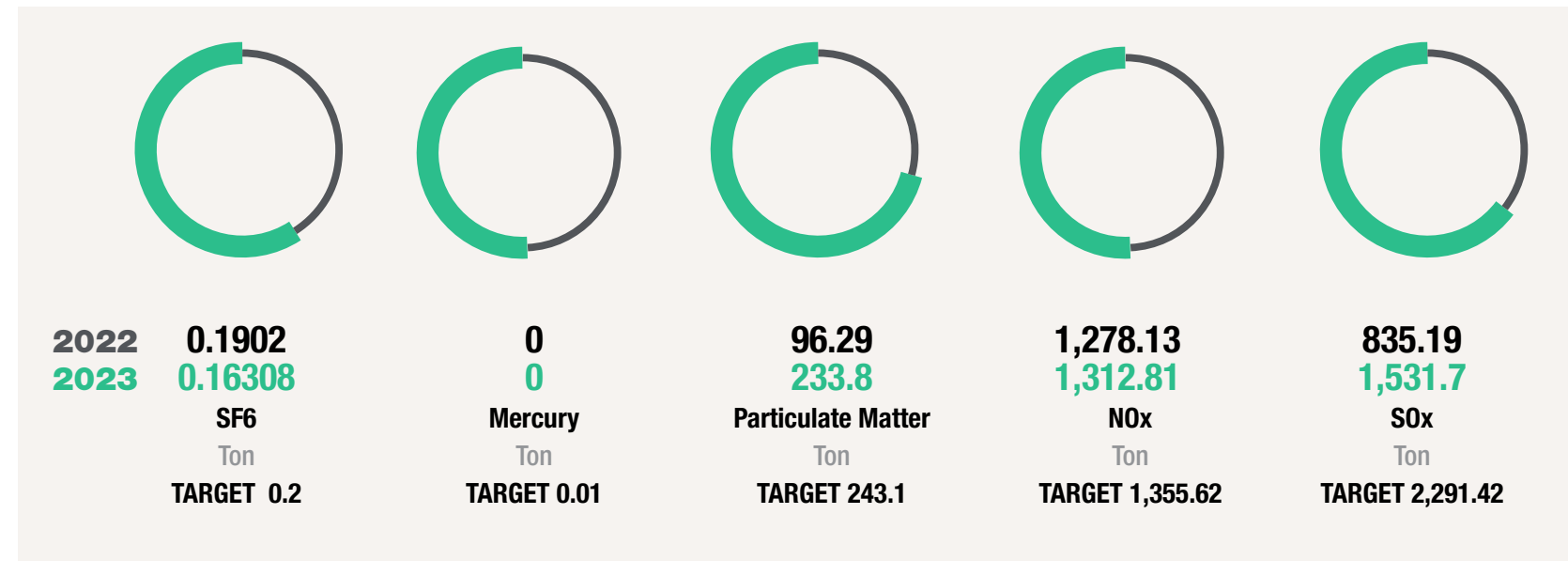
SASB IF-EU-150a.1 and 150a.2; TCFD: Metrics and objectives – c.

Celsia manages and recognizes the challenges of operating in changing environments. That is why we seek to reduce the environmental impacts associated with atmospheric emissions, investing significant resources to use cleaner fuels and efficient, environmentally friendly technologies, taking into account the mitigation hierarchy and adaptation to climate change.

**SASB IF-EU-120a.1** In 2023, there were no mercury emissions, because we no longer have assets that operate with fossil fuel - coal - in our generation basket. The PM, NOx, SOx pollutants emitted are not in densely populated areas or close to them.



Electric Mobility



## Circularity

Our commitment to the circular economy is not just a strategy, it is a philosophy. We redesign, reuse and recycle, creating a sustainable life cycle for our products.

**In 2023, some of our initiatives in the circular economy were:**

- › **We recovered 4,200 clean items of clothing** from the obsolete supply inventory, seeking to transform them, using them in a new production cycle and contributing to reducing textile waste for the environment. Now, they will be in souvenirs and corporate details.
- › **We reconditioned electric mobility batteries** that complete their useful life to store solar energy or as energy backup in our substations.

**The following is within our short, medium and long-term goals:**



- › By 2025, a **circular economy policy**, which will include guidelines for developing the company's products, projects and services.



- › By 2025, a **sustainable sourcing policy** that includes environmental criteria to evaluate suppliers and purchase goods and services required in the organization's processes.



- › By 2025, **Celsia** will achieve **90% efficient management** of its waste.



- › By 2030, Celsia will make sure **100% of its brand packaging is reusable**, compostable or recyclable.



**2023** ESG  
Report

# We Celebrate and Take Care of our Biodiversity and its Ecosystemic Services

**GRI: 3-3** At **Celsia**, we celebrate the natural wealth of our planet, actively caring for our biodiversity and ecosystems. Each species and each habitat is a vital piece in the mosaic of life.

**We understand biodiversity and ecosystemic services synergistically from a direct relationship with the effects of climate change. Therefore, we prioritize and focus our management on:**

- › **Processing** under the principles of the mitigation hierarchy and no net loss of biodiversity.
- › **Prioritizing** actions to prevent, reduce and mitigate impacts, as well as measures to restore and compensate for residual impacts.
- › **Identifying** risks early and controlling them with the implementation of Environmental Management and Tracking and Monitoring Plans in our operating assets and new projects.
- › **Putting risks to it first** from the early stages of the projects and throughout their life cycle.
- › **Cooperating and working** together, aimed at the conservation and restoration of ecosystemic services and biodiversity.
- › **Transparently publishing** information on biodiversity, generating scientific and academic knowledge.
- › **Avoiding the loss of biodiversity**, creating a positive impact on our operating environment.

**During 2023, we made progress in adopting the Taskforce on Nature-related Financial Disclosures (TNFD) framework to adequately disclose and manage risks related to nature, dependencies and impacts.**



*With the ReverdeC Foundation, we promote socio-environmental ecological restoration processes.*

**GRI: 3-3; 2-23; 2-24; 2-25; 2-29**

We are making progress in updating our socio-environmental management procedure, incorporating aspects of international standards, such as Performance Standard 6 of the International Finance Corporation (IFC), the Equator Principles, and others. The Guide for the Protection and Conservation of Biodiversity and Ecosystemic Services and the Sustainable Management of Living Natural Resources was created based on this exercise. Its objective is to establish guidelines and practices throughout the life cycle of assets.

**The challenges we have set for ourselves in the short and medium-term in terms of biodiversity are presented below:**



- › By 2025, **Celsia** will be a Company **with no net loss of biodiversity.**
- › Between 2025 and 2030, **Celsia** will make efforts to be a **company with a net positive impact.**
- › By 2030, **Celsia** is committed to making sure the ReverdeC Foundation plants 50 million trees.



**2023** ESG Report



# ReverdeC

C-RE3 **Ecological restoration is our voluntary initiative**, with the goal of planting one million trees every year for 10 years. In 2023, we planted **15.7 million trees** in Colombia on more than 7,296 hectares since 2016, exceeding our goal.

In 2023, we will plant 3.3 million trees with Fundación ReverdeC to restore 1,105 hectares in 11 hydrographic basins in the departments of Valle del Cauca (Riofrío, Garrapatas, RUT, Yotoco, Pescador and Amaime River basins), Tolima (Combeima River basin), Antioquia (the Nare and Aburrá River basins), Atlántico (Canal del Dique basin) and Risaralda (Otún River).

**We contribute to the conservation and restoration of strategic ecosystems**, such as tropical dry forest, humid montane, high Andean, *paramo* and mangrove forests, strengthening community nurseries in all regions in which we are present and generating local employment for community-based organizations.



**2023** **3,313,539**  
Number of trees  
planted in 2022 **3,618,728**



**1,105**  
Number of hectares  
planted in 2022 **1,201**

Compliance with the 2022 goal 1,610,000 / 224.77%  
**Compliance with the 2023 goal 2,300,000 / 144.07%**



2023 ESG  
Report

**100%**  
local labor

**8**  
Community planting

**11**  
River basins

**6**  
Ecosystems

**300**  
Native species



To continue evaluating new lines of action, such as habitat banks and/or biodiversity and carbon loans, to achieve the program's financial self-sustainability and generating incentives for property owners and local actors.

To consolidate **Fundación ReverdeC** as a platform in which organizations and people contribute to planting native trees and restoring strategic ecosystems in Colombia

To learn more about ReverdeC, [click here.](#)



# Social

## We Enrich the Lives of our Customers: Customer Experience

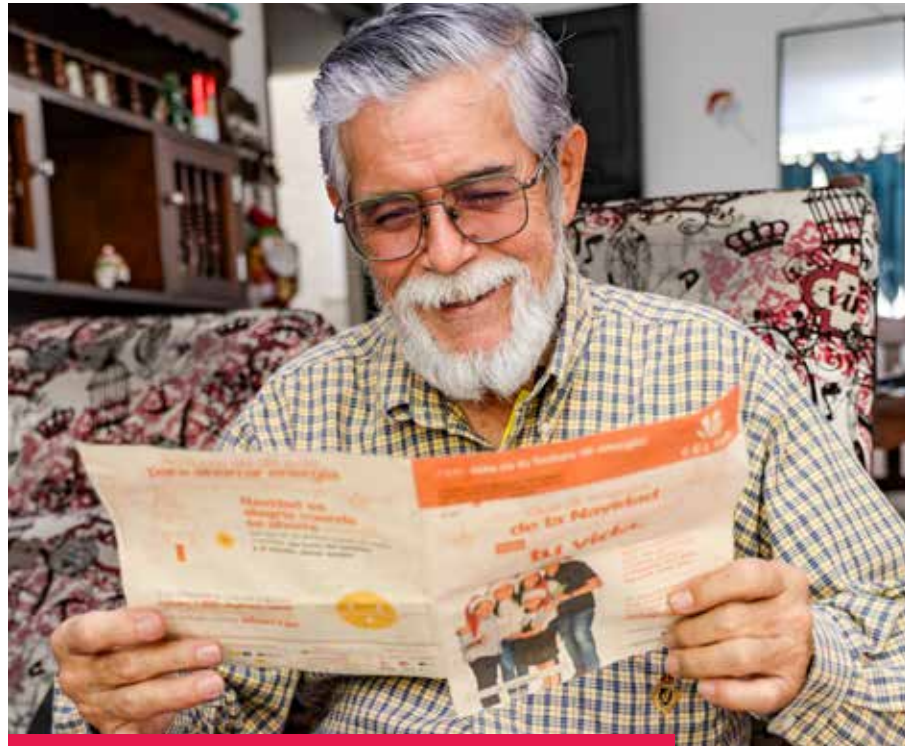
**GRI 3-3**  
We enrich the lives of our customers, not only through exceptional service, but also through a company culture that values every interaction and opportunity to exceed their expectations and turn them into fans of Celsia.

We have complemented our portfolio of conventional energy and securities related to products and services for customer segments, with an offer focused on generating well-being, productivity and sustainability, through options for efficient energy management that helps them consume responsibly and, therefore, improve their quality of life and have a lower environmental impact.

The following stand out among the main results this year:

- We delivered close to **380 thousand kW of energy** at our public charging stations (PCS).
- **We built new** fast charging stations for large clients, such as Culturex (1), Nutresa (2) and 3 chargers for Bavaria.
- We obtained growth of **50,851 new customers** regulated in Valle and Tolima.
- We made the first sale of **REC Solar amounting to 15 GWh**, which certifies Colgate's renewable energy consumption.
- We have put the **first energy efficiency project** with compressed air in the industrial sector into operation.
- **We delivered the public lighting** of the Neiva - Girardot and Autopistas del Café highway concessions with conventional and solar technology.
- We positioned the **brand at union events** for our B2B audience, opening commercial opportunities for business units – UEN.
- We created new spaces for **bringing energy efficiency closer** to potential clients, through the El Cuarto Naranja podcast.
- **We attended 70% of customer service activities** through virtual and self-management services.

Installing free internet in schools in Palmira.

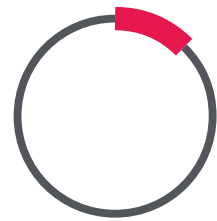


We Strive to Enrich the Lives of our Customers.

## Our Customers

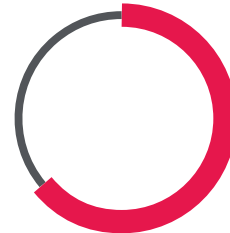
SASB IF-EU-000.B

Number of clients



Not regulated  
**118**  
Regulated  
**1,331,533**

Energy sold (GWh)



Not regulated  
**6,859.41**  
Regulated  
**3,856.87**

› **80,039 residential customers** previously disconnected, whose services were restored within 30 days from the date of the power outage.

› **60.71%** of power outages were restored within 30 days.

› **131,830** power outages among residential customers due to non-payment of their bills.



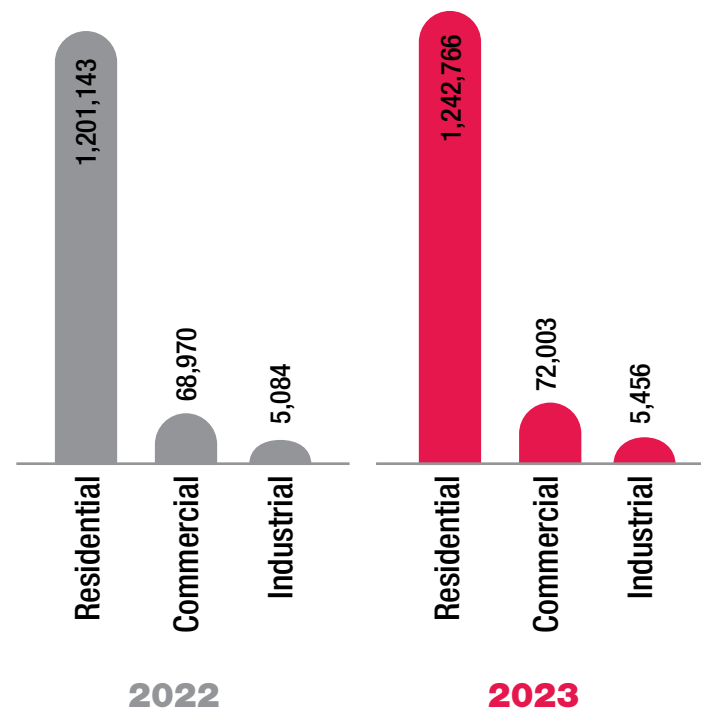
**COP 84,987**

was the average monthly electricity bill for the first 100.58 kWh sold to residential customers each month.

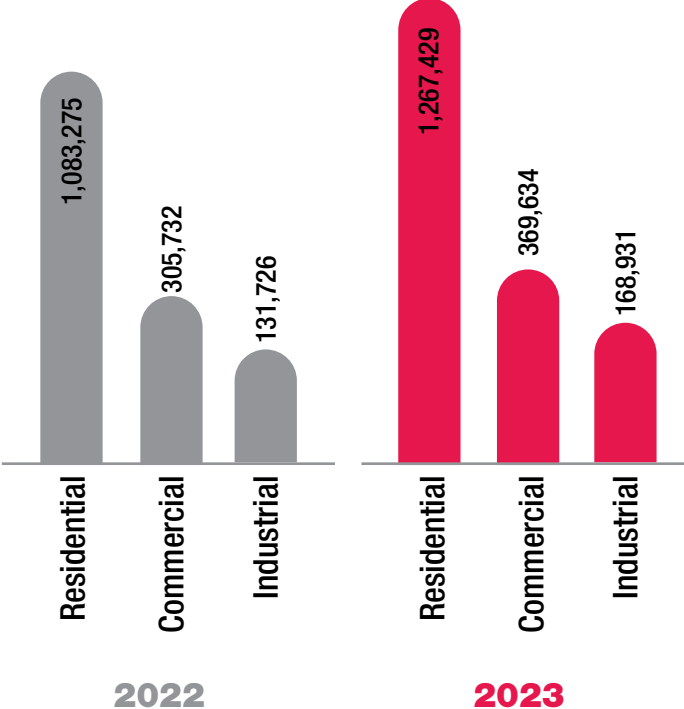
## Types of Customers

SASB IF-EU-240a.1 SASB IF-EU-000.

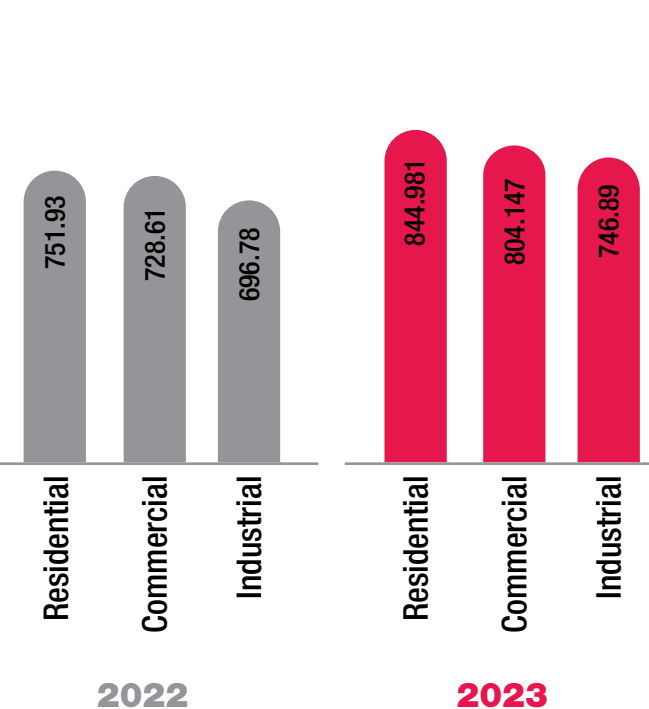
Number of clients



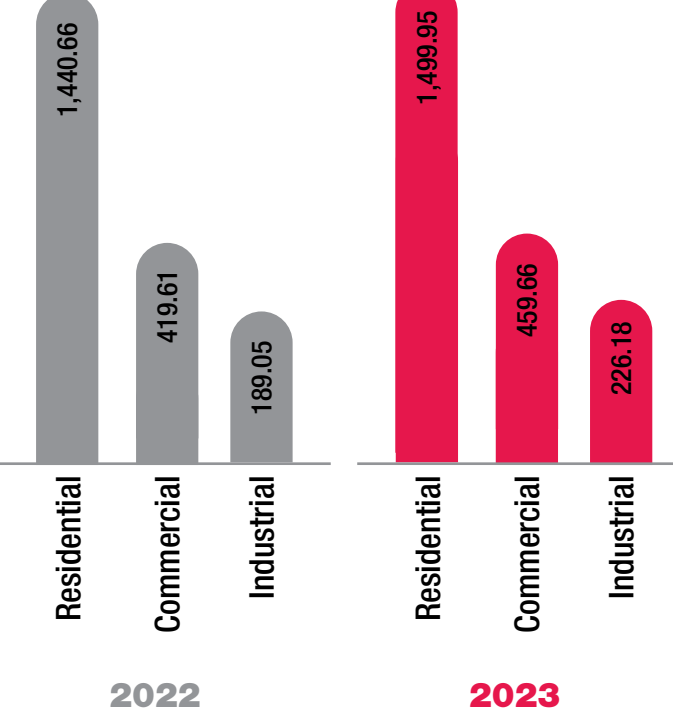
Income by type of customer (millions COP)



Average electricity rate per kWh of power (COP/KWh)



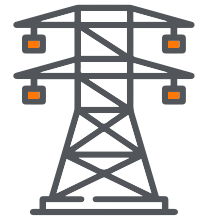
Energy sold GWh



# Access to Power

SASB IF-EU-240a.4

**Celsia** serves clients with regulated energy in the departments of Valle del Cauca and Tolima (Colombia), managing connections in accordance with the standards of the Energy and Gas Regulation Commission, in a timely manner, providing a continuous, reliable and safe services.



**Some external factors that impact access to energy services and their conservation are:**

### High probability and minor impact

- › Public order problems and epidemiological risks.
- › Natural and environmental factors.

### Moderate probability and low impact

- › More late payments due to decreased income in homes and companies, unemployment, illness and inflation.

### Low probability and significant impact

- › High volatility of legal and regulatory standards.
- › Unavailability of networks near the customer's location.
- › Technological limitations to access company information and payment options.

### Low probability and minor impact

- › More time managing field activities.
- › Failure to comply with the client's technical requirements.

As for non-regulated clients, access to energy services is related to the response time by other agents in the electricity sector, distributors and sellers.



Solar panels in Palmira.

**Additionally, we have identified some risks and opportunities of the external factors mentioned above:**

### Risks

- › **Portfolio impairment** due to a lack of payment in favor of **Celsia** and third parties.
- › **Income reduction** from the seller due to compliance with regulatory standards, such as the application of the rate option.
- › **Difficulty delivering bills** in areas with restricted access (landslides, floods), with the presence of armed groups or epidemiological risks.
- › **Customer mobility** with amounts pending collection.

### Opportunities

- › **Continuous development** of processes and tools for customer service, management of on-site activities, billing, collection.
- › **Process structuring** for monitoring the implementation and collection of services provided.
- › **Training employees** in assertive customer service.
- › **Promoting** empathic engagement and supporting customers.
- › **Using technological platforms** to streamline customer service and disseminate topics of general interest.

# We are Partners of Development

**GRI: 3-3** At **Celsia**, more than a company, we are partners of development. We work hand in hand with communities, enriching lives and supporting the social progress of the territories in which we are present.

**For us, social management is one of the main processes that contributes to the sustainability of the business and the feasibility of future developments. It is based on the knowledge of the social actors that make up this stakeholder and the context in which they are immersed.**

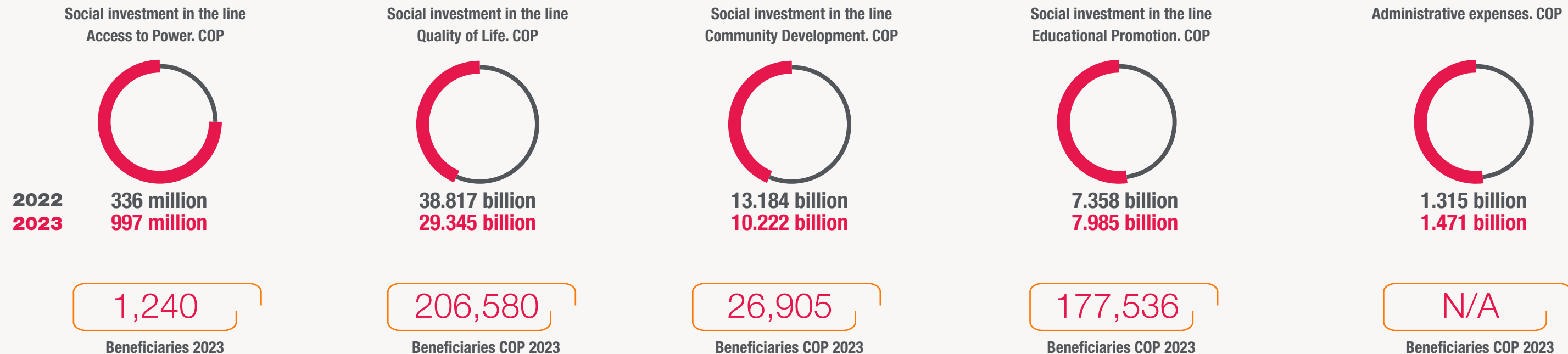


## Type of social investment



Voluntary social investment during 2023 showed a slight reduction compared to 2022, related to the political and economic context of the country and the energy sector. However, the total distribution between voluntary and mandatory investments maintained a similar behavior to the previous year, since investments were not stopped. Only their magnitude was limited or reduced. On the other hand, the participation and consultation processes in the La Guajira projects had already reached 95% execution in 2022 (higher budget execution). We are now waiting to complete environmental studies and for a definitive response from the authorities regarding the environmental license applications. There was an increase in access to power due to the increase in network standardization in Valle and Tolima. This was in addition to developing 2 rural electrification projects, one of them in San José del Palmar (Chocó).

## Amounts of social investment by lines of action



## Prior consultations

GRI: 413-1; 2-29

The agreements formalized with the communities within the framework of prior consultations are focused on addressing the impacts generated by our projects, by defining measures that are part of the Environmental Management Plan and/or specific agreements. It is important to be clear that these measures are defined according to the type of project, the particularities of each community and its relationship with the impact.

Within these actions, we highlight territorial, organizational, productive and cultural strengthening, the improvement of community and educational infrastructure, and environmental protection, framed within the lines of intervention of our social investment.

### Number of prior consultations in communities Generation

<b>2022</b>	<b>4</b>	<b>42</b>	<b>2</b>	<b>48</b>
<b>2023</b>	<b>2</b>	<b>44</b>	<b>2</b>	<b>48</b>
	Development stage	Follow-up stage	Prior consultations closed	Total prior consultations

### Number of prior consultations in communities - T&D

<b>2022</b>	<b>1</b>	<b>136</b>	<b>0</b>	<b>137</b>
<b>2023</b>	<b>12</b>	<b>140</b>	<b>0</b>	<b>152</b>
	Development stage	Follow-up stage	Prior consultations closed	Total prior consultations



Communication with our stakeholders is one of Celsia's fundamental pillars

During this year, costs were reduced in developing prior consultations (methodological routes) and implementing their agreements, subject to beginning construction of the projects or obtaining the environmental feasibility of the projects to start works.

**We closed 2023 with 200 ethnic communities served within the framework of prior consultation, as follows:**

<b>14</b>	<b>184</b>	<b>2</b>
in the consultation development stage.	protocolized and in the follow-up stage.	with closure of the consultation.



The consultations are distributed across 7 generation projects (in operation and feasibility stages) and 6 T&D projects (in feasibility and construction).

**As part of our social investment, the total amount executed in prior consultations during 2023 was COP 20.892 billion**

*This amount is included in the total social investment figures.*

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## Obras por impuestos (Works for Taxes)

Under the premise of **being partners in the development of the regions and creating social value, here at Celsia, we are motivated by well-being, innovation and sustainability.** For this reason, we have been participating in the Works for Taxes mechanism since 2017, led by the Territory Renewal Agency (ART, for the Spanish original) of the National Government, in which we are allowed to allocate up to 50% of income taxes to carry out works that benefit our neighboring communities. Under this mechanism, we execute projects in the municipalities most affected by violence and poverty in Colombia and we contribute to territorial development by delivering school furniture, computers, and teacher training and paving rural roads.

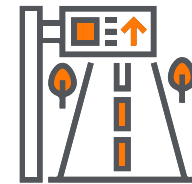


Works for Taxes is developed in conjunction with the Ministry of Education, to improve the conditions of schools in the most affected communities.

**In 2023, we were assigned 4 projects amounting to COP 54 billion. With these 4 project, we have now added 28 projects in which we have been linked to an investment exceeding COP 226 billion, benefiting more than 300,000 people from 5 departments of 55 municipalities in the country.**

### Projects

**127,303** beneficiaries



#### ROADS

**COP + 18,500**  
invested

**21** km

**7**

built

Projects

Suarez - Betulia Concrete Road, Morales Concrete Road Phase 1, Morales Concrete Road Phase 2, Ataco Concrete Road, Aco - Altagracia Rigid Pavement, Ataco Access Asphalt Pavement Rehabilitation, Las Cruces Bridge Construction (Dabeiba - Antioquia)



#### EDUCATION

**20,999**  
Beneficiaries

**COP + 17**  
billion invested  
in education

**6**

Projects

**206**

Educational  
facilities intervened



#### PAYMENT FOR SERVICES

**4,114** ha

**1**

impacted

Project

The implementation of the payment program for environmental water regulation services in the Anaimé-Chilí Regional Natural Park (PNR, for the Spanish original) and its buffer zone, Chilí-Barragán moorland complex, Tolima

**5** departments

Antioquia  
Tolima  
Cauca  
Valle del Cauca  
Sucre

22 municipalities impacted



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# We live in a Vibrant, Equitable, Diverse and Inclusive Culture

**GRI: 3-3** At **Celsia**, we do our best to grow together, guaranteeing respect for each country's regulatory framework and embracing the diversity that enriches our orange culture. We value plurality of thought as a possibility to be better and discover our creative energy. We are an inclusive company in which opportunities and working conditions transcend gender gaps and are equal for everyone, managing to have happy people within our organization, who are committed to and trained in their jobs and can turn our clients into fans.

We have cultural pillars and work practices that allow our employees to feel a reliable, harmonious work environment and be proud of working at **Celsia**, contributing to a purpose that connects with their individualities, serves as a differentiator to attract and retain the best talent, and achieve extraordinary results. Based on that connection with a collective purpose, we seek to strengthen appropriation of **Celsia's** culture, improve the work environment among colleagues and be recognized as one of the best places to work.

When a new Celsian joins the energy era, we welcome them with our orange culture and accompany them in their consolidation process, for them to learn our work practices and our way of doing things.

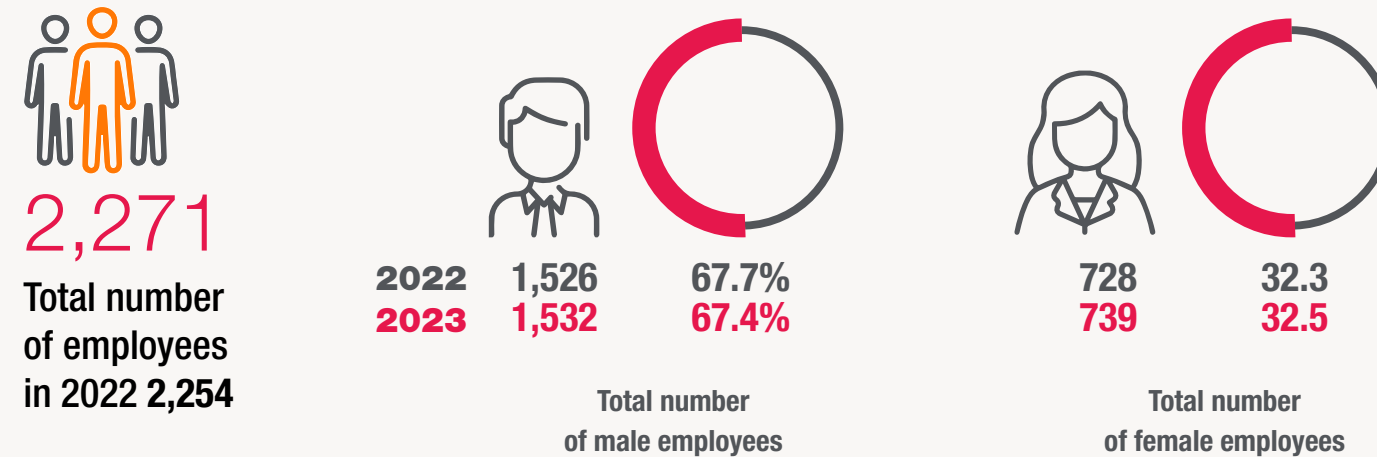
### Our pillars of culture are:



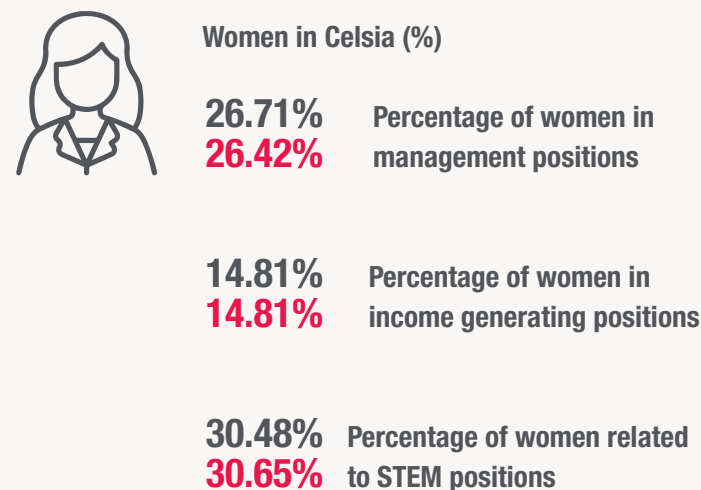
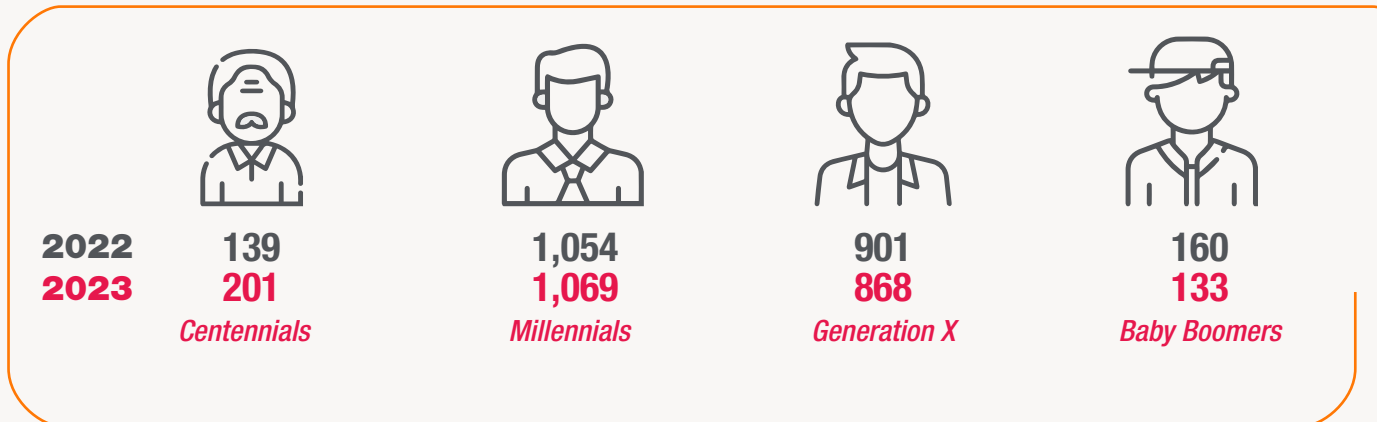
- > We dare to be different.
- > We are quick and reliable.
- > We do our best to grow together.
- > We enjoy making life easier.

## General Labor Indicators – Colombia

GRI: 2-7; 405-1



GRI: 2-7; 405-1



\*STEM is the acronym for science, technology, engineering and mathematics.



## We enhance the talent and experience of teams.

**Celsia** is the reflection of the Celsians who, with their enabling attitude, make us able to meet our day-to-day operations and challenges. Maintaining this talent is essential to achieve new growth goals year after year and meet organizational objectives. For this reason, we seek to retain this internal talent by developing their potential and focusing on their well-being.

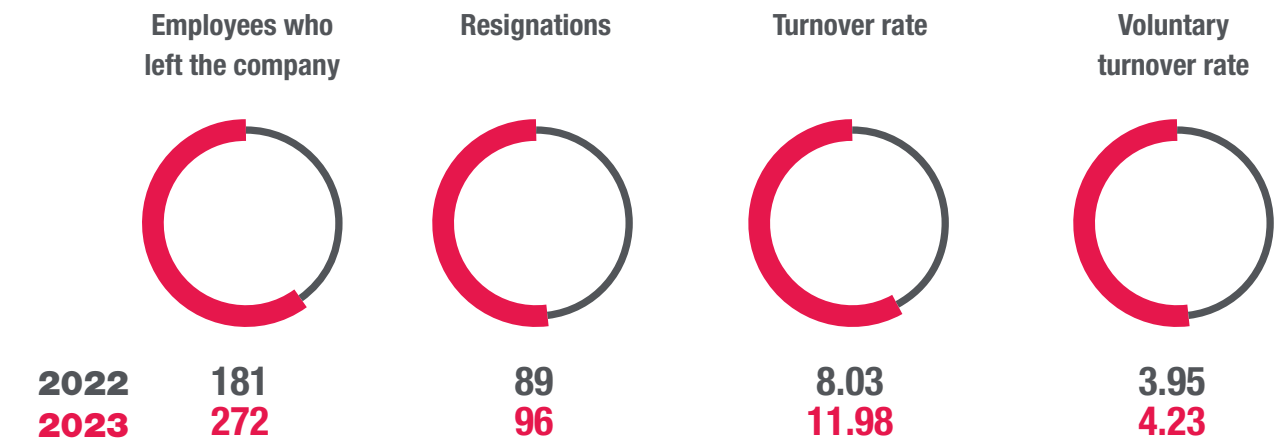
To this end, we implement several strategies within our value proposition, such as development, empowerment, agility and flexibility, which help us generate memorable moments and adapt to their expectations, seeking to make each employee fall in love with us. In this way, we hope to continue growing as an organization through compliance with the strategic objectives we have and increasing our employees' commitment, motivation, productivity, innovation and quality of life.



Celsia is recognized as one of the best places to work.

## General Labor Indicators

GRI: 401-1



Every two years, **Celsia** measures the work environment and organizational commitment with **Mercer-Sirota**, which covers all aspects of the employee experience, including engagement, team effectiveness, leadership and culture. In 2022 (and still valid), the result obtained was 94%, reaching the goal we had established of 90%.

**In the work environment and organizational commitment evaluation, these were the three statements that stood out the most:**

- > **Working at this company** motivates me every day.
- > **I am proud** to work at this company.
- > **I would recommend** this company as a good place to work.

**In 2023, we performed actions to maintain the goal of commitment results above 90% favorability, among which were:**

- > **We encouraged female participation in training programs,** creating partnerships with schools and universities to accompany women in their professional orientation. 12 women in the **“Energy in Development”** program are already part of the culture of good energy in traditionally male teams. We are building a partnership with other companies in the sector to attract young talent (MiEslabon).
- > **We declared zero tolerance against workplace and sexual harassment at Celsia.** We continued creating a culture based on respect and healthy coexistence. To this end, we continued positioning our channels and mechanisms for reporting workplace and sexual harassment.

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## We Develop our Employees

At **Celsia**, in order to have personally and professionally outstanding, committed and well-rounded employees, we offer them innovative practices and programs that increase their commitment, motivation, innovation and quality of life. In 2023, we took on great challenges as a company, with a vision that they were possible. We accomplished great achievements through culture and determination, strengthened ourselves as a company and had a resilient posture and a creative outlook to find paths towards success and maintain the best level of talent support. In this way, we ensure the continuous development of key skills in employees to achieve organizational objectives and motivate their growth and high performance, individually and collectively, within the organization.

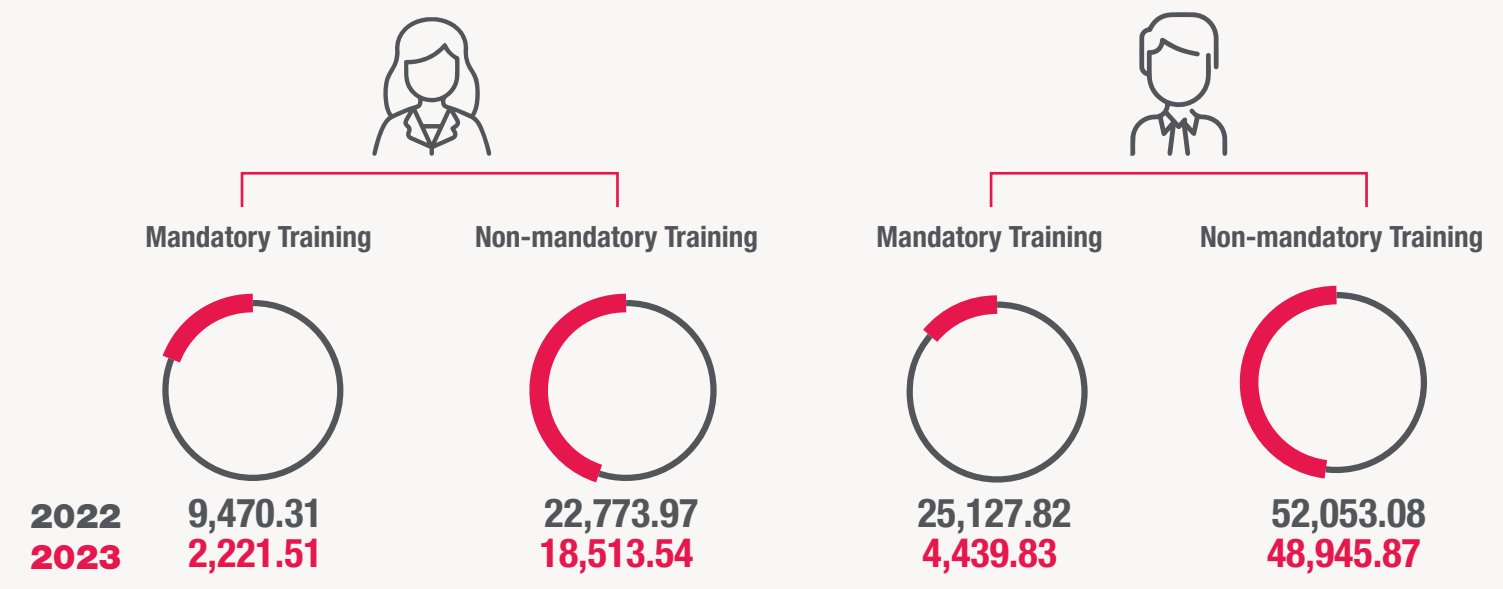
We maintained a strategic focus on the needs of digital and human development that allow us to be prepared for the challenges of the future through large corporate programs on impact presentations, data management, simplification and automation, artificial intelligence, creativity and self-motivation.

**We offer 100% of our employees training programs that promote acquiring skills and help them improve their performance of their role and personal skills.**



At Celsia, we strive to improve the quality of life of our employees.

### Training hours by gender



### Total amount invested in employee training in 2023

**Mandatory training. In 2022 1.637 billion COP 202 million**

**Non-mandatory training. In 2022 3.541 billion COP 2.054 billion**

**Non-mandatory training. In 2023 5.179 billion COP 2.257 billion**



# We choose to take care of ourselves: we prioritize the health and safety of our teams and contractors

GRI: 3-3

At **Celsia**, we consider **health and safety in our own operations to be cornerstones that support the commitment to sustainability and business excellence.** We recognize that, by prioritizing security, we not only protect our employees and contractors, but also ensure the continuity of operations and strengthen our capacity to respond in the event of any eventuality.

In 2023, the Training Plan focused on addressing the main dangers identified in the risk analysis and characterization of accidents. Furthermore, we enthusiastically continued our **“YEC School” project**, specifically aimed at contractors, strengthening in them an interdependent culture in which mutual commitment promotes comprehensive security.



**15 contracting companies participated, investing**

**7,180 hours of support**

**to strengthen our partners' security management and occupational health.**

GRI: 403-9, SASB: IF-EU-320a.1

We have maintained the trend of **zero fatalities among our direct employees** for the past four years, emphasizing dedication to safety as a top priority.

However, we deeply regret two fatal events that occurred with employees of our contracting companies during 2023, which could have been prevented by following safety protocols. All events were duly investigated and their causes were identified, which allowed us to learn and take the necessary actions to prevent them from happening again.

SASB IF-EU-320a.1

Frequency rate (LITFR)

<b>2.2</b> Employees	<b>12.5</b> Contractors
-------------------------	----------------------------

Number of incidents recorded

<b>14</b> Employees	<b>225</b> Contractors
------------------------	---------------------------

Total Recordable Incident Rate (TRIR)

<b>2.184</b> Employees	<b>12.498</b> Contractors
---------------------------	------------------------------

Number of near misses

<b>8</b> Employees	<b>38</b> Contractors
-----------------------	--------------------------

Severity index

<b>14</b> Employees	<b>732.6</b> Contractors
------------------------	-----------------------------

Mortality Rate

<b>0</b> Employees	<b>2</b> Contractors
-----------------------	-------------------------

GRI: 403-5; EU-18

**100% of our employees and contractors were trained in occupational health and safety. This is equal to**

**8,272 employee hours**

**and 68,052 contractor training hours, respectively, during the year.**

## We Respect Human Rights

**Respecting and promoting** Human Rights is the basis of everything we do. Every decision and action at **Celsia** is imbued with this deep respect, and we are committed to respecting human rights in all our operations and business relationships. To this end, we have implemented a due diligence process that includes the following milestones:



› **We identify, evaluate and monitor** human rights (HR) risks, and we create action plans in which we find a moderate, high or critical risk.



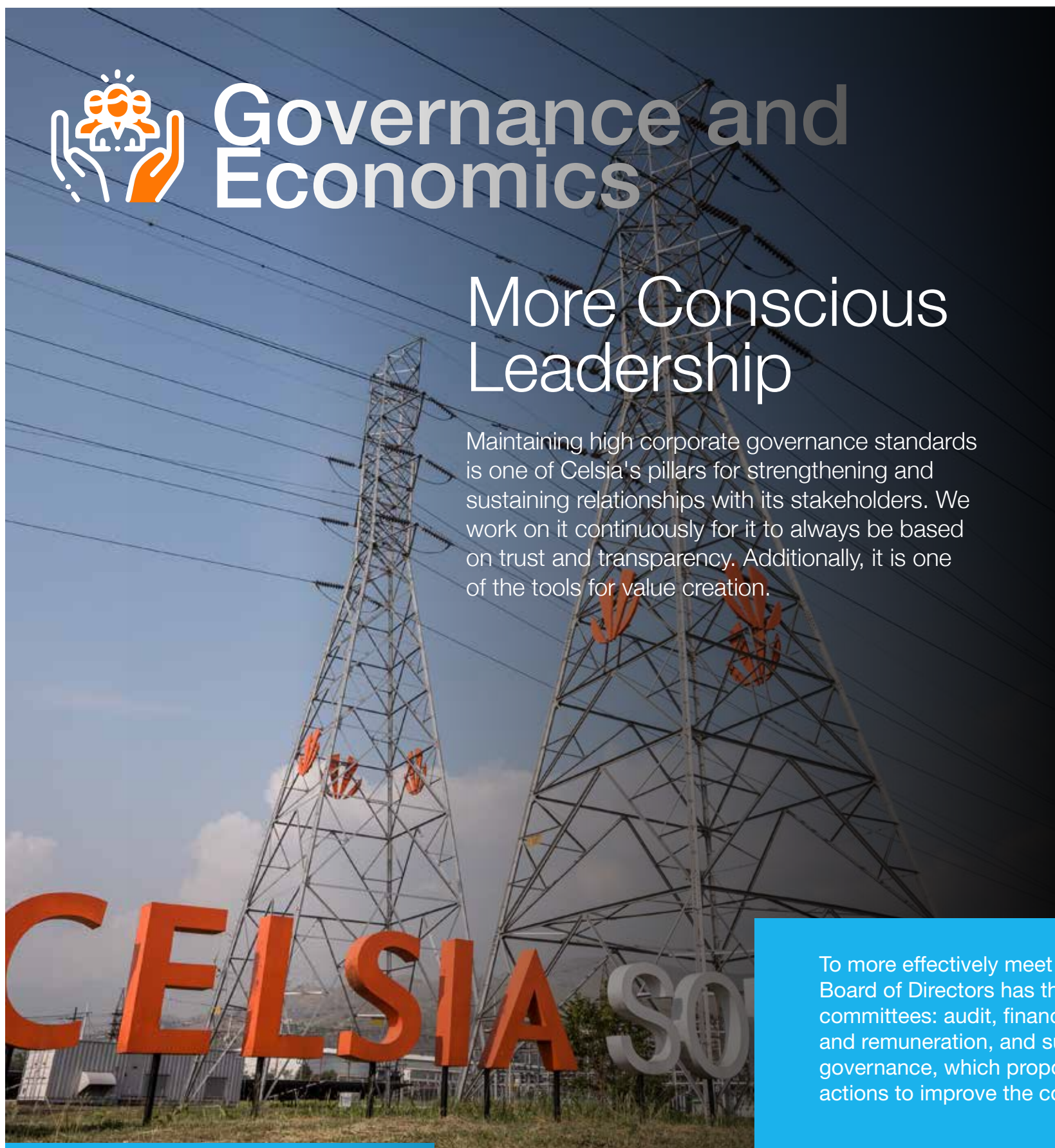
› **We have a human rights policy** and human rights clauses in contracts and agreements with suppliers and public and private security.



› **We develop employees**, contractors and suppliers prioritized to provide the knowledge and tools necessary to manage human rights in their daily work.



› **We have the transparency line**, which receives confidential information about any alleged breach of the Code of Business Conduct, including possible reports related to Human Rights



# Governance and Economics

## More Conscious Leadership

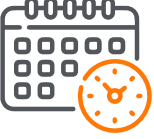
Maintaining high corporate governance standards is one of Celsia's pillars for strengthening and sustaining relationships with its stakeholders. We work on it continuously for it to always be based on trust and transparency. Additionally, it is one of the tools for value creation.

To more effectively meet its responsibilities, the Board of Directors has three permanent support committees: audit, finance and risks; appointment and remuneration, and sustainability and corporate governance, which propose establishing policies and actions to improve the company's management.

### Our Board of Directors:

- > This is the **highest governing body** of our organization.
- > It is made up of **seven independent core members** under S&P Global criteria, of which one is a woman.
- > They have **great knowledge of the sector.**
- > The Board's function is **to formulate proposals and actions, taking into account best practices in ESG matters;** monitor and follow up on action plans, financial results, risk management, climate strategy; and approve, guide and review the strategy and main projects.

 **14**  
Board of Directors meetings held in 2023.

 The average length of stay on our Board of Directors is **3.71 YEARS.**

In April 2023, in accordance with the decision made by the General Shareholders' Meeting in March, three new members joined the Board of Directors, **who attended 100% of the meetings held between April and December 2023.**

# Our Board of Directors

With a vision of the future and experience in different sectors, they chart our path to generate value for shareholders, customers and other stakeholders, while at the same time posing challenges that encourage us to take our best energy further.



From left to right:

**Andrés Escobar**  
Partner of the firm  
BienConcreto

**Independent member**

**Alejandro Piedrahíta**  
Financial Vice-President  
Grupo Argos

**Equity member**

**Juanita Mesa**  
Legal VP of Essity

**Independent member**

**Jose Manuel Restrepo**  
Chancellor of Escuela  
de Ingenieria de Antioquia

**Independent member**

**Eduardo Pizano**  
Consultant

**Independent member**

**Rafael Olivella**  
Legal Vice President of  
Grupo Argos

**Equity member**

**Jorge Mario Velásquez**  
Grupo Argos CEO

**Equity member**

You can find more relevant information about our board of directors and steering committee by [clicking here.](#)



# Our Steering Committee

**Our steering committee is committed to Celsia through:**

- › **Living and being examples of the pillars of the organization's culture**, promoting change management with commitment, flexibility, possibility and participation in the projects that require it.
- › **Defining, communicating** and ensuring compliance with the organization's policies, objectives and goals.
- › **Guiding Celsia's arrival in other regions of Colombia and abroad**, contributing to compliance with regulations and strategic planning.
- › **Leading the development of new products and services**, establishing and developing commercial strategies with new businesses and innovating in the way we interact and serve our current and potential customers. All this is done with a focus on growth, development, customer satisfaction and Celsia's positioning.
- › **Maintaining a financially healthy company** with the ability to firmly continue its expansion process, ensuring operational efficiency and guaranteeing the availability and reliability required by customers and sustainability management.
- › **Driving change** and the organization's transformation, seeking talent development and the adequate protection of the company's people and assets, aligned with the business strategy.
- › **Reinforcing** the importance of integrity and transparency.



**Ricardo Sierra Fernández**  
Celsia CEO



**Claudia Salazar**  
Human Management and Administrative Director



**Marcelo Álvarez**  
Director of Generation



**Luis Felipe Vélez**  
Commercial Director



**Manuela Pérez**  
Assistant to the CEO



**Santiago Arango Trujillo**  
Corporate Affairs Director



**Javier Gutiérrez**  
Head of Central America



**Simón Pérez**  
Director of Innovation



**Julián Cadavid**  
Director of Transmission and Distribution



**Esteban Piedrahita**  
CFO



**Carlos Alberto Solano**  
Director of Regulatory Affairs



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# Ethics and Transparency are our Starting Point

We seek responsible growth, leading with ethics and transparency. At **Celsia**, being leaders means being visionary and farsighted, and being genuinely committed to a sustainable future.

We define integrity as a principle in our Code of Conduct that guides our actions in our personal and business lives. At **Celsia**, ethics and transparency are part of the culture, of our DNA. They are present in engagement with stakeholders and in the company's governance. Therefore, they are essential to generate trust and value in business. We know a culture based on strengthened ethical and transparent behaviors is ready to face any challenge. For this reason, we actively work on implementing a coordinated and dynamic ethics program that adapts to the business environment and socioeconomic realities.



100%

of our employees trained and educated in anti-corruption and on our code of conduct.



100%

of our operations were assessed for risks related to corruption.



0

cases of corruption and anti-competitive practices.

GRI 205-2; GRI 205-3

# Innovation and Technology

## Innovation

**GRI 3-3** Innovation is a value we all have in the Celsian culture; a transversal axis of the organization. It is implicit in our cultural pillars **“We dare to be different”** and **“We are quick and reliable.”** This makes us think about how to do things differently, generate new products and business models, be flexible when finding alternatives that suit our fans and constantly learn from mistakes. With this in mind, we manage assets better, contribute substantially to the diversification of the country's energy matrix and present solutions with a positive impact on all stakeholders.

**The following are among the milestones we must highlight for 2023 in our innovation management:**

- › **Energy storage systems:** the development, implementation and testing of a second-life 18kWh system to support the auxiliary services of a substation, optimizing discarded electric vehicle batteries through collaboration with startups **Batex and DeepSea**, materializing a pioneering project at **Celsia's** Palo Blanco substation. In parallel, the development of a Minimum Viable Product (MVP) related to small-scale energy storage applications with grid-connected solar photovoltaic systems to offer energy backup services.
- › **Analytics:** the implementation of energy generation prediction models for photovoltaic projects and small hydroelectric power plants based on advanced analytics.

Our investment in R&D in 2023 was **COP 107.275 billion**

- › **Hydrogen:** the exploration and selection of technology for the main processes of a nitrogen fertilizer production project from green hydrogen.

# Cybersecurity

**GRI 3-3** Aligned with our corporate strategy, we mitigate the risk of a cyber attack on operations at Celsia. In addition, we prevent leakage, adulteration and unauthorized access to personal data. We avoid the non-availability of critical cyber assets through a strategy that covers information security, personal data and cybersecurity, guaranteeing the delivery of electricity services safely and reliably.



At Celsia, we stand out for collaborative work to deliver services, while guaranteeing safety.

**SASB IF-EU-320a.1**

**In 2023, attempted attacks increased from 3,043 to 3,641. However, 100% of the cases were detected and contained, and none had an economic or reputational impact on Celsia.**

Learn about our Information Security Policy by [clicking here.](#)



Learn about our Cybersecurity Policy by [clicking here.](#)



Celsia launches new electric charger for electric vehicles

## We Outpace the Future by Managing Risks

For **Celsia**, risk management is decisive in fulfilling its strategy and a fundamental differentiating factor to achieve business sustainability. In the same way, it is a prioritized principle that helps us plan for events that may significantly affect us, and mitigate, if necessary, the negative impacts that are generated. Similarly, we identify opportunities to take advantage of and correctly manage them.

We process risks under the guidelines of the Policy and Manual of the Comprehensive Risk Management System (CRMS). We also apply good international practices, such as the ISO 31000 standard and the COSO ERM standard. The Comprehensive Risk Management System (CRMS) focuses on identifying the most relevant risks in the strategy to address the incidence and criticality of the impacts on our objectives in processes, projects, new businesses or products, assets.

### These are our strategic risks:



Human talent that enables the company's strategy.



Regulatory changes.



Changes in the political environment and macroeconomic variables.



Climate change and resource scarcity.



Cybersecurity.



Changes in the dynamics of supply and demand in the energy market.



Stakeholder engagement.



**2023** ESG Report



# Diversification and Expansion of our Business

**GRI 3-3** The diversification and expansion of businesses is part of the energy efficiency strategy defined by **Celsia** and is reflected in the portfolio of products and services we put at the service of our customers today to satisfy their needs. It allows us to improve the competitiveness of companies in the market and the quality of life of people through distributed generation solutions, energy efficiency projects, efficient appliances and charging infrastructure for electric mobility.

On the other hand, **enerBit**, our digital energy seller, Celsia's newest business, which has **more than 7,000 customers** in the departments of Bolívar, Valle del Cauca, Atlántico, Antioquia, Risaralda and Bogotá brings energy to homes and businesses with a 100% digital system in the service's provision and in engagement with its customers. This is all done through an app that centralizes consumption information in real time, configures alerts for consumption limits and establishes savings goals. Its objective is for people, based on information and data, to take control of the electricity they use and be more aware of the way they consume energy, without papers and with frictionless interactions.

On the other hand, we have solved access problems with **Celsia Internet**, which was born in 2019 to take advantage of our optical fiber network. Today, we are present in **23 municipalities** of Valle and Tolima, with a differential and competitive offer. At the end of 2023, we reached over **71 thousand clients**, mainly from strata 1, 2 and 3, who now enjoy better internet speeds and plans for all types of needs, without a permanence clause and with excellent customer service.



Solar panels in the MegaMall Shopping Center in Honduras.

**GRI: 201-2** The following highlights are some of the relevant figures in the businesses that help us diversify and expand:

- › In our fast charging segment, we managed to reach more customers by installing **15 chargers**, which is equal to a total installed power of 720kW (8 30kW chargers, 6 60kW chargers and 1 120kW charger). **1,991 vehicle chargers**, for a 14% increase compared to 2022.
- › We developed **hot water supply projects using heat pumps**, highlighting the case of the Fundación Cardio Infantil Clinic in Bogotá, Colombia, where we installed two 10 HP (120KW) heat pumps to replace a gas boiler. This change improved the customer's efficiency and reduced its annual CO2 emissions by 85%.
- › In 2023, we declared **9 solar photovoltaic projects** to be in operation: 5 in the department of Tolima and 4 in Valle del Cauca, which add up to 129.1 MW of total nominal capacity and with which we have stopped emitting approximately 67,283 Tons of CO2.
- › We implemented **4 thermal districts, 18 efficient public lighting projects** with **75,000 LED lights** installed, **98 backup power plants**. We have 28 additional energy efficiency projects under construction.
- › We sold **68,700 lighting products** and over **25,900 appliances** and technology products.
- › We provided our retail portfolio **to more than 23,500 homes**, with 7.4% penetration.



# We Seek Conscious Growth

**GRI 3-3** Our objective is to maintain our long-term vision and continue generating value for our stakeholders in such a way that the economic results are healthy and in harmony with the dynamics of relationships in social and environmental settings.

Therefore, we are opening a new frontier by pursuing wind projects in Peru and, at the same time, reorganizing our presence in Central America, which will continue focusing on the solar portfolio at full speed. In addition, we closed the year with 18 operational projects in Honduras and 8 in Panama, adding more than 42 MW of solar energy installed in the region. We also have a pipeline of 31 additional MW that will be in operation by the end of 2024.

## Sustainable Loans

We have three sustainable loans from Bancolombia, Banco de Bogotá and IFC (International Finance Corporation). The latter is a revolving loan. All three are tied to compliance with environmental, social and corporate governance indicators, and associated with energy efficiency and sustainable infrastructure solutions.

On the other hand, we have been issuing green bonds since 2018. This has allowed us to materialize our determined and tangible commitment to sustainability, by executing projects that contribute to an economic growth and development model that is low in carbon emissions and resilient to climate change.

**Our sustainable loans and green bonds represent 20% of the company's total debt.**



*We strive to deliver a safe and reliable service*

## Main Economic, Financial and Operational Results

**COP 6.23 trillion.**  
Consolidated Income

**COP 1.85 trillion.**  
Consolidated EBITDA

**COP 348.887 billion.**  
Consolidated Net Profit

**AAA**  
We Maintained our Credit Rating

## Advancement of our Goals in the Short-term

- › **Maintaining financial flexibility to support the growth** of business and respond quickly to emerging changes. In this sense, we prudently managed financial risks and rigorously monitored debt levels, which showed a significant reduction from COP 5.66 trillion to COP 4.88 trillion, mainly due to the release of the linked debt in Central America.
- › **Continuing to structure profitable projects** that integrate a holistic view of their social and environmental impacts and contribute to fulfilling the company's growth goals: installing 300 MW of solar energy in Colombia and in assets of our investment platforms that promote the energy transition, added to our expansion to Peru in the search for wind projects.
- › **Responsibly monitoring** the risks associated with climate change to prevent or mitigate the possible materialization of an event: efficient and careful operation of our reservoirs and thermal power plants to contribute to the country's electrical reliability, as well as the adequate and early execution of the maintenance plan for assets, helping prepare us for the onset of the El Niño phenomenon.



2023 ESG Report



## Strategic Partnerships with High-level Players

### C2 Energía

### Caoba

### Laurel

### Tesorito

#### Description

- › Large-scale solar projects (>8MW)
- › **300 MWp** Capacity '23
- › **500 MW** Capacity '25E

- › Transmission and distribution projects
- › BRAe

- › Distributed generation solar projects (<8MW)
- › **34 MWp** Capacity '23
- › **166 MW** Capacity '25E

- › Natural gas thermal plant
- › **200 MW** of Installed Capacity

#### Partners



#### Income

**9** new solar farms, for a total of 17 in operation, totaling a capacity of 300 MWp.

The incorporation of **17** new projects to its portfolio in 2023. COP 2.04 trillion in assets.

Project development up to **7.99 MWp** for various types of business and residential customers. We closed 2023 with 90 photovoltaic systems for customers.

In 2023, it generated **629 GWh.** With a high availability of 98%, its ability to generate during critical moments of drought has been fundamental during this El Niño phenomenon.

#### Where Are We Heading?

**We currently have 124 MW under construction and another 156 MW in the development phase, with a high probability of moving to the construction phase.**

**We estimate an expansion of more than COP 1 trillion in the next 4 years.**

**We have 58 photovoltaic systems in the construction phase, with a capacity of 42.5 MW. The goal is to reach over 160 MW installed in the coming years.**

**Maintaining the best quality support for the Colombian energy system.**

# We Develop our Value Chain

**GRI 3-3** We develop our value chain to be simultaneously efficient and sustainable. Aligned with the corporate strategy, each link in the chain reflects the commitment to quality, ethics and sustainability, to be able to incorporate ESG variables and deliver high-value solutions to the organization that meet the needs and expectations of teams.

Moreover, since our suppliers are partners, we work together and in alignment for them to incorporate good practices into their processes, with a sustainable approach that adds value to the business ecosystem.

- > Celsia purchase a total of COP 1.6 trillion from local suppliers.
- > 97.72% of purchases made at CELSIA in 2023 were from local suppliers.
- > Total percentage of local suppliers hired in 2023: 93.67%.

The following are among the main results of this year:



91%

We maintained a positive result in the Supplier Satisfaction Survey



We had contractual relationships with

2,614

suppliers and made eight engagement visits.



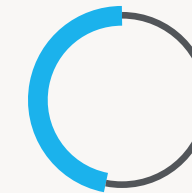
We developed 30 suppliers with a partnered consultant and a total of 20 hours in virtual mode, with respect to three environmental fronts: carbon footprint, environmental impacts and regulations.

- > We held the first Grupo Empresarial Argos supplier meeting, focused on diversity, equity and inclusion.
- > We held a virtual talk for our suppliers on various ESG topics: sustainable purchasing, gender equality and the compliance program, among others.
- > We carried out an ethical climate survey for our suppliers, in order to get to know their vision regarding our processes and the importance of transparency in said processes.
- > We updated the Code of Conduct for suppliers, including commitments to caring for and conserving biodiversity.
- > We included six suppliers from the internet, commercial and T&D business in the YEC School. (*Yo elijo cuidarme*, or I choose to take care of myself).
- > We strengthened our contact and information dissemination channels (virtual newsletters, Teams, SABE and PACo chatbot).

## Number of local and total suppliers

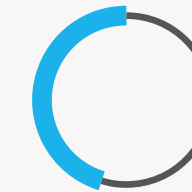
GRI 204-1; C-AS1

2022 2023



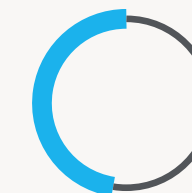
2,521  
2,287

Number of total suppliers (Colombia)



428  
351

Number of total suppliers (Central America)



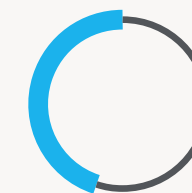
2,949  
2,638

Total number of suppliers (Total Celsia)



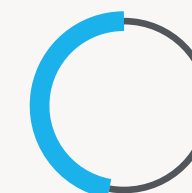
2,354  
2,172

Number of local suppliers (Colombia)



368  
299

Number of local suppliers (Central America)



2,722  
2,471

Total number of local suppliers (Total Celsia)



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# We Adapt to our Social and Political Environment

GRI: 3-3

A large part of our businesses, projects and activities operate in a sector that, because it provides a public utility, has a very relevant social impact. For this reason, the regulatory framework is based on a policy that delimits the actions of the participating agents to ensure the service's access, quality and reliability.

In this sense, the social and political environment is relevant to guarantee the conditions that allow us to develop our activities, providing society with access to this essential service.

## Main Regulatory Management Achievements in 2023

› **Analysis and implementation of a solution to recover balances of the Tariff Option ( CREG Res. 101 028-23).** Throughout the discussions between sellers, unions and companies, we reached a solution for recovering the balances resulting from this resolution, which was affecting the sustainability of sellers.

› Through **Decree 0929 of 2023**, it was established that small-scale self-generators (AGPE, for the Spanish original) can access the exemption from the reactive energy transportation payment, which reduces obstacles to the expansion of solar energy generation from distributed resources.

› During the year, **we participated in a broad discussion** on various aspects related to the electricity sector in Colombia, in light of the increase in energy prices on the stock market due to the El Niño phenomenon and the collateral effects of peak inflation.

› **Application of the measures of the Pact for Tariff Justice (CREG Resolution 101 029 of 2022).** Until September 2023, the company continued applying this system. The pact initially consisted of reducing the price between 4% and 8% of the service charged in consumers' bills and stabilizing rates. For the families we serve in the markets of Valle and Tolima, this represented a relief in prices.



We desire to build customer loyalty and reach them through various channels. Store in Palmira, Valle del Cauca.



2023 ESG Report



# CELSIA

The Energy You Want

