



Management and Sustainability Report

2019

Contenido

Letter from the President	3
Corficolombiana Committed to Sustainability	5
1. About Us	8
1.1. Corficolombiana Today	8
1.2. Our History	9
1.3. Our Businesses	10
1.4. Corporate Governance	13
1.5. Our People	22
1.6. Our Shareholders	25
1.7. Distinctions and Standards	25
2. Corficolombiana in 2019	26
2.1. Macro Context	26
2.2. Strategy	28
2.3. Business Milestones	29
2.4. Financial Situation	30
2.5. Share Performance	31
3. Our Strategy: Sustainable Corficolombiana	32
3.1. About this Report	32
3.2. Strategy: Sustainable Corficolombiana	33
3.3. Our Commitment to the Sustainable Development Goals (SDGs)	36
4. We Develop and Manage Efficient and Profitable Investments that Drive the Country's Economic Development	39
4.1. Equity Investments	39
4.2. Treasury	53
4.3. Investment Banking	53
5. We Ensure Ethical and Responsible Decision-Making	55
5.1. Corporate Governance	55
5.2. Ethics and Transparency	58
5.3. Human Rights	60
5.4. Risk Management	61
6. We Promote our Employees' Well-being	66
6.1. Talent Development	67

6.2. Work Environment	68
6.3. Change Management	68
6.4. Performance Evaluations	69
6.5. Occupational Safety and Health	69
6.6. Financial Education	71
7. We Build Trust Relationships with our Stakeholders	71
7.1. Investor Relations	73
7.2. Financial Services Customers	74
7.3. Economic Research	75
7.4. Marketing and Communications	75
8. We Enhance our Environment and the Adequate Use of Resources	76
8.1. We Act to Protect the Environment	76
8.2. We Work for the Progress of the Communities where we are Present	82

Please note that in this report all figures are in Colombian pesos (COP), unless otherwise indicated

Letter from the President

I share with you our management and sustainability report for 2019 that reflects the work of Corficolombiana in the development and progress of the countries where we are present, through an active participation in dynamic sectors such as energy and gas, infrastructure, hospitality, agroindustry and financial.

During 2019 we reaffirmed our commitment to the development, management, and distribution of investments with growth potential and value generation for the company, our customers, shareholders, suppliers, employees and strategic allies.

Additionally, we continue to integrate the bases of our strategy: Sustainable Corficolombiana into everything we do, covering our affiliates, with the purpose of positively impacting the economic and social development of the communities and the countries where we are present.

The results for 2019 show the confidence that our stakeholders have placed on us. We achieved profits of \$1.6 trillion and equity of \$7.6 trillion, equivalent to a return on equity (ROE) of the shareholders of 22.6%. In addition, our shares stood out as the most highly valued in the local equity market; with valuations that amounted to 87.8% in common stock and 75.9% in preferred stock.

Below, I would like to list some of the initiatives that favored these results and that represent the implementation of our business strategy:

- In energy and gas, by Promigas and in line with the strategy to create a sustainable and profitable growth through business and geographical diversification, we highlight the entry into

operation of the Jobo-Majaguas gas pipeline, the longest sub-river crossing in Latin America; and the signing of the concession for natural gas distribution in the Piura region in northern Peru.

- In infrastructure, our fourth-generation road projects under construction ended the year with work progress levels between 23% and 65%, which are in line or exceed those agreed with the National Infrastructure Agency (ANI).
- In the hospitality sector, we supported Hoteles Estelar in their growth strategy and commitment to modernization with the opening of the San Isidro hotels in Lima (Peru) and the Meliá Karmairí hotel in Cartagena, as well as the opening of the Acento restaurant in Cali, 51 SkyBar in Cartagena and Wellness Spa in Paipa.
- In agroindustry, we highlight the recovery of our companies thanks to the application of a rigorous strategy focused on increasing productivity and profitability in our crops.
- In financial services, it is worth highlighting the first bond issue of Corficolombiana for \$500 billion (oversubscribed 2.1 times); the presence of Corficolombiana and Promigas in the local and international capital market, respectively; and the debut of Promigas in the international market with a bond issue for USD 400 million (oversubscribed 6.5 times).

In terms of sustainability, we implemented the highest social, environmental and impact mitigation standards in all our investments and affiliates:

- We planted 179,923 trees.
- Our infrastructure and gas projects carried out restoration and compensation activities in more than 2,155 hectares.
- In our agroindustry companies, we highlight the first phase of our rubber project, which managed to issue emission reduction certificates represented by 321,236 tons of CO_{2e}.
- In addition, we promoted the sustainable development of communities in our companies' areas of influence through social projects, with investments of nearly \$17 billion.
- In the internal scope, we continued to implement initiatives that allow us to provide all our employees with an optimal environment that motivates high performance and development; and to strengthen our commitment to frame all our activities in ethics, conduct and transparency.

Since we are called to continue building on what has been built, in 2020 the keys will be focused on creating economic, environmental, and social value, thus contributing to the well-being and progress of current and future generations.

I thank everyone who accompanied us this year with their effort, dedication, and trust. All this has been possible thanks to our extraordinary and committed employees, who work every day for the progress of the country and the region.

Corficolombiana Committed to Sustainability

“Our purpose is to generate economic, social and environmental value, in a sustainable way, in the five strategic sectors in which we invest and in the different regions of Colombia where we are present. Every day we try to fulfill our mission through the more than 30,000 jobs we provide, the taxes we pay and the development opportunities we contribute in the regions we cover. This is how Corficolombiana has been committed to the country’s progress for decades.” Luis Carlos Sarmiento Gutierrez, Chairman of the Board of Directors

Since 1961, thousands of people have dedicated their capital, their efforts, their intelligence, and their imagination to build what Corficolombiana is today, and millions have received the benefits of their achievements.

We are the result of the work and dedication of men and women who, in addition to building this prosperous company, have contributed to the development and growth of companies, projects and communities that have also prospered with us throughout Colombia and other countries.

During these six decades, without ever losing the determination and passion for what we do and keeping confidence in the future, we have successfully navigated the turbulent waters that the economy, business and history of Colombia have experienced over the years.

Those who preceded us had the vision, values, and impetus to implement the projects and develop the businesses that allow us to show these results today. This tradition and these results have made Corficolombiana a sustainable business group with a higher purpose: ***we work and invest in the country’s progress.***

Following this path, in addition to submitting the results of the last year, we want to show the vision of Corficolombiana and of its companies, a vision that is intimately linked to the future of our country and the communities we work with.

With the same values, the same confidence in our people and in a more prosperous future, we have designed the strategy: **Sustainable Corficolombiana**, by means of which we seek to continue the development of impact businesses that contribute in a lasting manner to growth, progress and improvement in the quality of life of our stakeholders.

The general framework of our strategy is sustainability. We will continue to create economic, environmental, and social value in the short, medium and long term, thus contributing to the wellbeing and progress of the current and future generations. **We will continue to leave our mark.**

Economic Value

We have achieved unprecedented levels of profitability and value generation for our shareholders, employees, suppliers, and the community in general.

We generated profits of \$1.6 trillion¹ during 2019, which implies a return on equity (ROE) of the shareholders of 22.6%. At the end of the year, we reached \$7.6 trillion in equity and 33.6% in solvency. Also, our shares stood out as the most highly valued in the local equities market during the year, with a price increase of 87.8%²

In addition, during the last year we invested, on a consolidated basis, more than \$2.1 trillion in new projects³ that will be the basis of our future results.

Also, in 2019, together with our companies, we paid \$682.871 billion in salaries and benefits to our 15,272 employees; \$5.1 trillion to our 17,896 suppliers; and \$937.035 billion in national and local taxes, spreading wealth throughout our environment⁴.

Environmental Value

Our investments have a very positive impact on the environment. In infrastructure, we ensure that all our projects are implemented with the highest environmental standards in their construction and operation. We compensated the environmental effects in the projects' areas of influence by planting and maintaining more than 87,000 trees during 2019, by carrying out restoration and compensation activities in more than 1,054 hectares, as well as protecting 12 basins and inventorying and protecting the flora and fauna in the areas involved. All these actions protect, maintain, preserve, and develop the ecosystem that would otherwise be endangered.

We are the largest private investor in natural gas transportation and distribution infrastructure in Colombia and Peru. We are proud of the environmental benefits of our gas companies. Firstly, gas massification has changed the energy matrix, mainly by reducing the use of wood for cooking, which prevents the annual deforestation of around 56.2 million trees and reduces emissions by approximately 1.1 million tons of carbon dioxide in the 3.7 million homes that have stopped using wood and now use natural gas. The use of natural gas replaces the use of fuels that negatively affect the environment, such as coal in power generation, diesel and gasoline in transport vehicles and fuel oil and other hydrocarbons in industry. Replacing the 300 MFC/D of gas that would be sent to the thermal sector from SPEC, in conditions of intense summer or low hydrological contributions, would be equivalent to 2,174,000 gallons/day.

In our agro-industrial companies, the benefit is not less. We cultivate more than 26,000 hectares of our own in a sustainable and technological way and we support the development of other 3,200 hectares of third parties that work with us in different partnership schemes. In the south of Tolima, we made good use of almost 6,000 hectares of technified crops of rice, cotton, corn and hay, as well as livestock and fish farming, around which we maintain and have reforested 120,000 m² of natural forest, in addition to the protection of 200 hectares of undisturbed forest in the richest water basins of central eastern Colombia, near the Recio, Venadillo and Lagunilla rivers. In the Colombian high plains, we developed the most important natural rubber agro-industrial complex which, as its name indicates, sustainably replaces synthetic rubber derived from petroleum. Our rubber cultivation has

¹ Separate profit. This profit is the third largest among Colombian financial entities.

² The common share went from \$16,400 at the beginning of the year to \$30,800 at the end of the year. Likewise, the preferred share increased its price during the year from \$16,400 to \$30,800, that is, 75.9%.

³ Chapters 2.2 and 4 detail these investments by sector.

⁴ Source of financial figures: Consolidated Financial Statements of Corficolombiana S. A. 2019

transformed more than 8,500 hectares of the high plains, -which were previously used in extensive livestock activities with negative environmental effects-, into a formidable forest of rubber trees that oxygenates the atmosphere. Thus, in 2019, the capture of 590 thousand tons of CO₂ –through photosynthesis in which trees assimilate carbon for their development process- and the subsequent release of oxygen, were recognized. This project, whose benefits are tangible in the short, medium and long term, has the potential to capture more than 2.3 million tons of CO₂. Additionally, it has been certified by recognized national and international experts, allowing us to issue our first Emission Reduction Certificates.

Finally, our investments in the hospitality sector develop the tourism industry in Colombia, one with the highest potential of our economy, in an environmentally friendly way. In our quest to have increasingly efficient and low environmental impact operations, we have implemented various initiatives such as self- and renewable energy cogeneration in our hotels in Cali and Cartagena; water efficiency programs; and the use of organic foods in our restaurants.

The space is short to list the initiatives and activities that protect the environment that our companies develop throughout the country: from the Caribbean Coast to the High Plains, passing through Magdalena Medio, the Pacific, and the Andean region. We know, develop, care for and protect the natural wealth of Colombia because we work and invest in urban and rural areas, in the large cities, in intermediate cities, in deserts, valleys, mountains and moorlands of our entire geography.

The positive environmental impact of Corficolombiana and its companies is felt throughout Colombia. We know that we are fortunate to live and work in one of the richest natural environments of the planet, we take advantage of it for the benefit of all, we preserve it and we make sure that it can continue to be enjoyed by the next generations.

Social Value

One of the greatest satisfactions for those of us who work in Corficolombiana is to perceive on a daily basis the impact that our activities have on the communities where we are present and on the society in general. It is difficult to find a company that carried out so many activities in so many places in Colombia and that benefits so clearly and directly so many communities and people as we do together with our companies.

Through our investments, present in 21 departments of Colombia, we offer products and services that improve quality of life, increase productivity, contribute to equity, and in general, make the community more prosperous. Just to mention a few facts, every day we serve, on average, 3,000 guests in our hotels; half a million people travel on our roads⁵; and nearly 13 million people benefit from the natural gas we bring to their homes⁶. To achieve all this, we employ more than 15,272 people directly, working hand in hand with more than 17,000 suppliers, with hundreds of communities and with local, regional and national authorities and governments, among all of them, and with the support and trust of our shareholders, to make Colombia a sustainable society.

⁵ The average daily traffic of our concessions in 2019 was 112,308 and each vehicle has an average occupancy of 4.7. This number does not include motorcycles, cyclists or pedestrians.

⁶ As of December 2019, the gas distribution companies in which we invest serve 3.72 million residential users with 3.4 people per residence.

Aware of the responsibility imposed by all these achievements and results, our **Sustainable Corficolombiana** strategy makes explicit the sources of business value that we have described and developed throughout our history: economic value, environmental value, and social value. This strategy will allow us to measure and communicate our goals and our achievements in a systematic, orderly and timely manner, as well as the risks we face and the aspects in which we must improve, in such a way that we formalize and deepen our commitment with sustainability.

The Sustainable Corficolombiana strategy is based on five (5) pillars that summarize our commitments to sustainability:

1. Business results. We develop and manage efficient and profitable investments that boost the country's development
2. Corporate Governance. We ensure ethical and responsible decision making
3. Human Talent. We promote the well-being of our employees
4. Environment. We enhance our environment and the adequate use of resources
5. Stakeholders. We build relationships of trust and mutual benefit with our stakeholders.

In this report, we will develop in detail these five pillars that will enable us to communicate our performance during 2019 to our stakeholders in a systematic and orderly manner.

1. About Us

1.1. Corficolombiana Today

Our mission: We work and invest in the country's progress

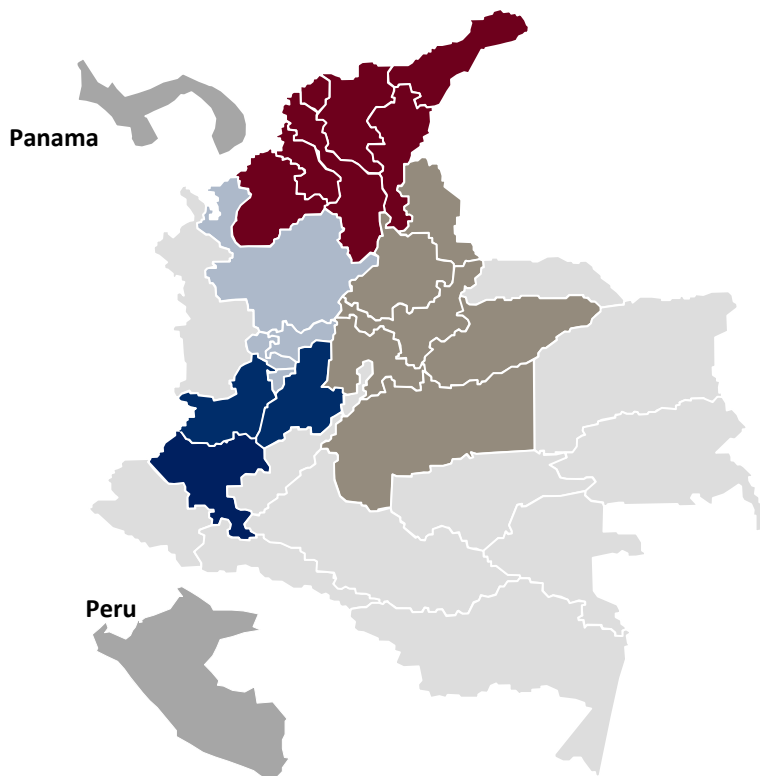
Fact sheet as of December 2019:

- Three business lines: Equity Investments Portfolio, Treasury, and Investment Banking
- Consolidated Ebitda: \$3.9 trillion
- Net Income: \$1.56 trillion
- Equity: \$7.6 trillion
- Assets: \$14.8 trillion
- Investment portfolio in companies: \$10.1 trillion – investments in the five most dynamic sectors in Colombia
 - Infrastructure: \$6.0 trillion (59.5%)
 - Energy and gas: \$3.0 trillion (29.5%)
 - Agroindustry: \$0.5 trillion (4.7%)
 - Hospitality: \$0.3 trillion (3.4%)
 - Financial and Others: \$0.3 trillion (2.9%)
- Employees in Corficolombiana and affiliates: 32,880 (indefinite term + temporary + outsourcing)
- Corficolombiana Employees: 526 (indefinite term + temporary + outsourcing)

- Women: 53%
- Men: 47%
- 5,020 shareholders
- Investment Grade Rating: Fitch Ratings (Local: AAA; International: BBB) and BRC Investor Services (Local: AAA)

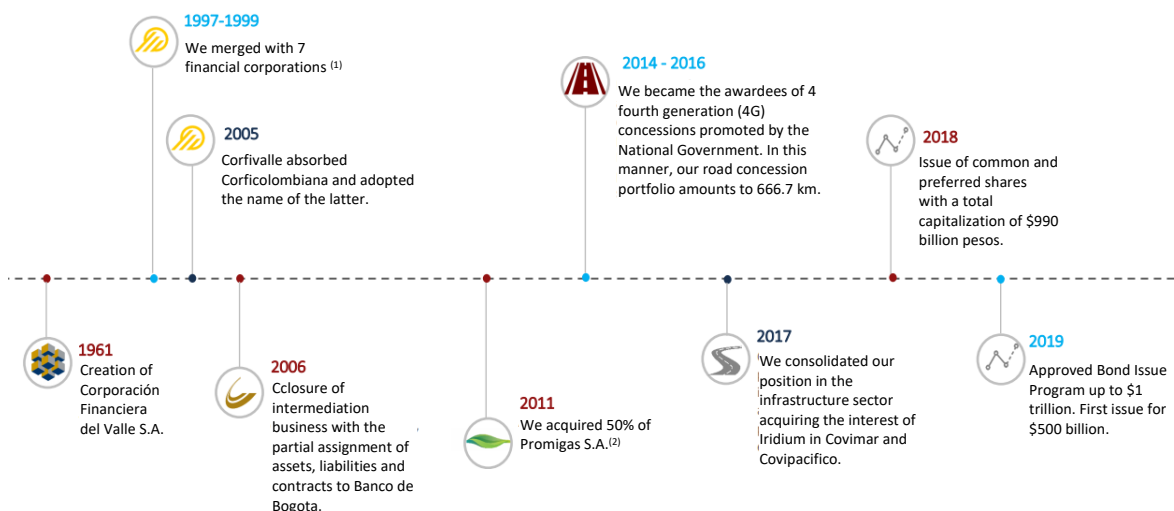
National and International Presence

We are present in Colombia, Peru and Panama, directly or through our affiliates



1.2. Our History

Our history dates back to 1961, when Corporación Financiera del Valle S.A. is created, a company with which we merged in 2005. Since their creation, both entities, in accordance with their corporate purpose, had made investments in companies of the real and financial sector. After the integration, in Corficolombiana, we have continued to consolidate and extend that investment portfolio, achieving important milestones such as: the acquisition of 50% of Promigas in 2011; the awarding of four fourth generation road concessions between 2014 and 2016, completing 668 total kilometers in concession; the issue of shares for \$990 billion in 2018; and the first bond issue for \$500 billion in 2019.

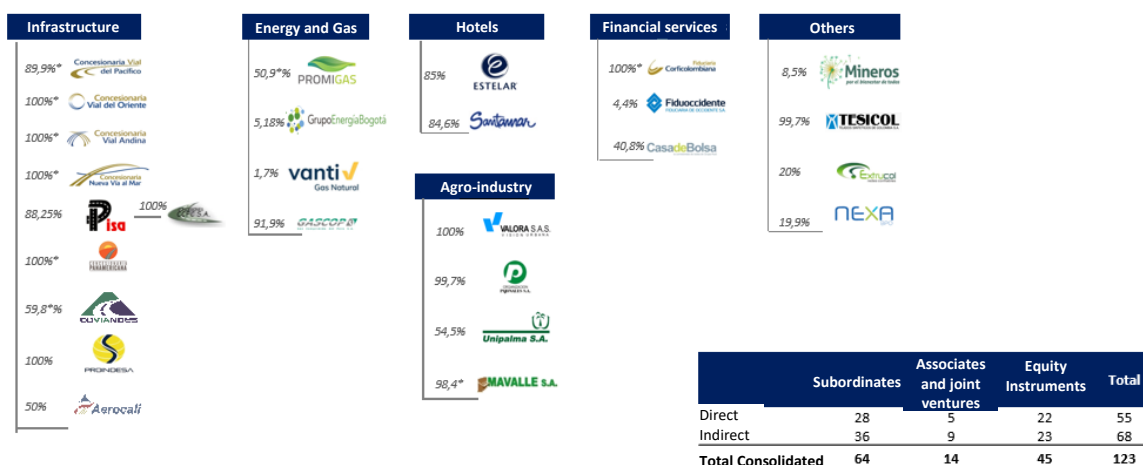


1.3. Our Businesses

Equity Investments

Our main line of business is the capital investment in real sector companies. We are a strategic long-term investor in capital-intensive sectors. We focus on sustainable investments that show stable and growing cash generation with low volatility.

We invest in both listed and non-listed companies, in which we seek to have a controlling position or significant influence. As of the closing of 2019, the book value of the variable income investments was \$10.1 trillion, of which 86.9% correspond to strategic investments where Corficolombiana exercises control, and 71.4% correspond to investments in non-listed companies.



* Total Interests: **Coviandes**: 59.32% through Epiandes, 0.25% through Concecol and 0.25% directly; **Panamericana**: 100% through Episol; **Coviandina**: 25% through Episol and 75% through Concecol; **Covioriente**: 25% through Episol and 75% through Concecol; **Covimar**: 25% through Episol and 75% through Prodevimar; **Covipacífico**: 25% through Episol and 64.9% through Prodepacífico.

- * **Promigas:** With economic and political rights: 34.87% directly and 10.58% through CFC Gas Holdings. With economic rights and without political rights: 5.43% through a FCP managed by an independent third party.
- * **Mavalle:** 18.3% directly, 81.7% through Organización Pajonales.
- * **Leasing Corficolombiana and Fiduciaria Corficolombiana:** 94.5% directly and 5.5% through Valora S.A

Energy and Gas: We contribute to the productivity, competitiveness and improvement of the quality of life of our users in the region, through our leadership in the sector. Through our participation in Promigas, we transport 50% of the natural gas of Colombia and serve 38% of the national distribution market.

Gas transportation of Promigas and its companies <ul style="list-style-type: none"> • Gas pipeline: 3,204 km • Transport Capacity: 1,168 MCF/D⁷ • Regasification Capacity: 400 MCF/D • 25 customers in different regions of the country
Gas distribution of Promigas and its companies <ul style="list-style-type: none"> • 3.72 million users in Colombia • 1.04 million users in Peru
Electricity distribution of Promigas and its affiliates <ul style="list-style-type: none"> • 395,851 customers • Demanded energy: 697 GWh
Consolidated EBITDA 2019: \$1,600,747 million

Infrastructure: We invest in the strengthening, development and interconnection of communities and regions throughout the national territory. With more than 20 years of experience, we are the main investor in road infrastructure in Colombia.

In Road Infrastructure	Quantity
Road Concessions	8
Kilometers in Concession	668
Kilometers to Build 4G	135.1
Number of Toll Stations	17
Average Daily Traffic 2019	112.308
Average Daily Revenues 2019	\$1.58 billion
In Airports	
Airport Concessions	2
Total passengers mobilized 2019	11,459,986
Consolidated EBITDA 2019	\$2,189,148 million

⁷ MCF/D: Million cubic feet daily.

Hospitality: Through Hoteles Estelar, the main hotel chain in Colombia, we support the growth of the sector by implementing large hotel projects to consolidate Colombia as a tourist destination of interest.

32 hotels in 14 cities
3,834 rooms
3 countries: Colombia, Peru and Panama
Average occupation 2019: 59.08% (national average 56.96%)
Consolidated EBITDA 2019 \$52.5 billion

Agroindustry: With more than 26,000 hectares of our own with agro-industrial projects, we promote the transformation of Colombian agriculture through productive and sustainable projects of rubber, palm, cotton, rice, fish farming and livestock.

Palm: Cundinamarca and Meta 6,286 gross hectares and 4,343 planted hectares Plant capacity 25 tons/hour
Semi-annual crops and others: Tolima 5,932 gross hectares and 2,432 planted hectares 2,954 head of cattle
Rubber: Meta 14,052 gross hectares and 10,240 planted hectares Plant capacity 3 tons/hour
Consolidated EBITDA 2019: \$18.67 billion

Financial: We participate in the creation, management and distribution of the most important investment initiatives that have leveraged the country's economic growth.

<u>Fiduciaria:</u> \$ 28.4 trillion in assets under management, of which \$3.9 trillion correspond to balances managed in Investment Funds 840 Trust businesses
<u>Casa de Bolsa:</u> \$5.6 trillion in assets under management \$ 660.77 billion in assets distributed in FICs \$ 20 trillion operated in fixed income \$ 8.2 trillion operated in equities
Consolidated Operating Profit 2019: -\$18.75 billion ⁸

Treasury

COP 2.5 trillion fixed income portfolio, where 80% are TES of the government.

In the Treasury market, we have been characterized by managing the necessary funding of equities investments, through access to the capital and financial market. Similarly, we are responsible for

⁸ Operating profit of the financial affiliates, including Leasing Corficolombiana until September 2019.

making the capital structure more flexible and optimizing it by means of an active management of the fixed income and derivatives portfolio, achieving income diversification and a greater risk coverage.

We are active agents in the market of operations of: –Cash –Derivatives –Money Market –Fund Raising

In addition, we are market makers in the different products we operate (foreign exchange, derivatives, TES and money market operations), which has allowed us to be one of the leading treasuries in the country, recognized for presenting innovative opportunities and supporting the timely implementation of strategies focused on obtaining greater benefits.

Investment Banking

We have one of the most traditional and recognized investment banking practices in the country. During the last 30 years, we have participated, facilitated and promoted the execution of transactions and operations of high relevance and with a high component of innovation for the country and the market.

Our investment banking covers the entire spectrum of services from capital markets to corporate finance and project financing, in which we have been known to drive challenging operations with a high focus on results.

1.4. Corporate Governance

Corporate Governance Structure:

General Shareholders Assembly: Highest governing body made up of the shareholders registered in the Stock Ledger or their representatives or agents.

Board of Directors: Highest administrative body that determines management and development policies of the Corporation and monitors their compliance, looking for the best interest of the company and all its shareholders.

Committees of the Board of Directors: Audit Committee, Risk Committee and Sustainability and Corporate Governance Committee.

Legal and Executive Representatives: They direct the implementation of strategic objectives and monitor the compliance with the corporate governance framework, relying on internal committees.

In Corficolombiana, we have a Board of Directors with 14 members of whom 7 are principal and 7 are alternate members. Our board is represented by persons of recognized experience and with diverse profiles, which allows us to ensure a solid corporate governance structure.

Board of Directors

Members of the Board of Directors

PRINCIPAL

LUIS CARLOS SARMIENTO GUTIÉRREZ

President of Grupo Aval S.A.

Age 45 - 60 years

Independent: No/Equity.

Seniority in the Board: 2006.

Other Boards:

- Seguros Alfa S.A.
- Banco Popular S.A.
- Porvenir S.A.
- Banco de Bogotá S.A.

Education:

- BS Magna Cum Laude in Civil Engineering from the University of Miami.
- MBA with an Emphasis on Finance from the Johnson Graduate School of Management at Cornell University.

Experience:

- President of Codelco S.A.

Not considered a PEP*

ALEJANDRO FIGUEROA JARAMILLO

President of Banco de Bogotá S.A.

Age over 60 years.

Independent: No/Equity.

Seniority in the Board: 1981 (with intervals)

Other Boards:

- Grupo Aval Acciones y Valores S.A.
- Porvenir S.A.
- Fundación Grupo Aval.
- Banco de Bogotá – Panama
- BAC Credomatic Inc.
- Credomatic International Corporation

Non-profit entities:

-Asociación Bancaria de Colombia.

Education:

- Civil Engineer of the National School of Mines Antioquia.
- Master of Science in Economics and PhD candidate in Economics at Harvard University.

Experience:

- Deputy Minister for Economic Development of Colombia.
- General Manager of Almaviva S.A.

Not considered a PEP*

CÉSAR PRADO VILLEGAS

President of Banco de Occidente S.A.

Age: 45 - 60 years

Independent: No/Equity.

Seniority in the Board: 2019.

Other Boards:

- Fondo de Garantías de Instituciones Financieras (FOGAFIN)
- Fondo de Garantías de Entidades Cooperativas (FOGACOOOP)
- Leasing Citibank

Education:

- Lawyer from Universidad del Rosario.
- Specialist in Commercial Law from Universidad de los Andes.
- Master of Law (LL.M.) from the London School of Economics.

Experience:

- President of Fiduciaria Bogotá S.A.
- Administrative Vice-President of Banco de Bogotá S.A.
- Legal Vice-President of AFP Colfondos. S.A.
- Financial Superintendent of Colombia.
- General Director of Regulation of the Ministry of Finance of Colombia.
- Delegate Superintendent for Issuers of the Superintendence of Securities.
- Partner of the firm Rodríguez – Azuero Abogados.

Not considered a PEP***CARLOS EDUARDO UPEGUI CUARTAS**

President of Banco Popular S.A.

Age: 45 - 60 years.

Independent: No/Equity.

Seniority in the Board: 2019

He belonged to the boards of directors of:

- Credibanco S.A.
- Redeban Multicolor S.A.
- Titularizadora Colombiana S.A.
- Deceval S.A.
- A Toda Hora S.A. (ATH)
- ACH Colombia S.A.

Non-profit entities:

- Asociación Bancaria de Colombia.

Education:

- Business administrator from Universidad de los Andes
- Specialization in Markets from Universidad de los Andes.

Experience:

- President of Banco Caja Social S.A.
- Main legal representative of Ripley Compañía de Financiamiento S.A.
- Commercial and Marketing Vice-President of Banco de Bogotá S.A.

Not considered a PEP***CARLOS ARCESIO PAZ BAUTISTA**

Business consultant.

Age: over 60 years

Independent: No/Equity

Seniority in the Board: 1998 (intervals)

Other Boards:

- Banco de Bogotá S.A.
- BAC International Bank Inc.

- Promigas S.A.

Non-profit entities:

- Empresarios por la Educación.

Education:

- Business Administrator from Escuela de Administración y Finanzas - EAFIT.
- Specialist in Markets from Icesi - EAFIT.

Experience:

- General Manager of Harinera del Valle S.A.
- General Manager of Consultoría de Inversiones Ltda.
- Manager of Portagranes Ltda.

Not considered a PEP*

JUAN GUILLERMO SERNA VALENCIA

Independent Consultant

Age: over 60 years.

Independent: Yes

Seniority in the Board: 2017.

Other Boards:

Avianca Holdings S.A.

Inversiones GLP S.A.S.

OCENSA S.A.

Plexa S.A.S.

Education:

- Business Administrator and Economist from the National University of Colombia.
- Master of Economics from the National University of Colombia.

Experience:

- President of Organización Terpel S.A.
- Director of FOGAFIN.
- Financial Vice-President of Organización Corona S.A.
- Economic Secretary of the Presidency of the Republic
- Director of the National Budget Department
- Auditor of the Federation of Coffee Growers (New York)
- General Secretary of the National Securities Commission.

Not considered a PEP*

LUIS CARLOS GÓMEZ CHARRIA

Legal Representative and partner of Eficorp S.A.

Age: over 60 years.

Independent: Yes.

Seniority in the Board: 2018

Education:

- Industrial Engineer from the State University of New York.
- MBA from the State University of New York.

Experience:

- Commercial Vice-President of Citibank Colombia.
- Treasurer and Credit Analyst of Bank of America Colombia.
- Treasurer of Banco Colombo Americano.
- Marketing Manager of Banco Interoceánico de Panamá.
- Treasurer of Occidental de Colombia.

Not considered a PEP*

ALTERNATES

TATIANA URIBE BENNINGHOFF

President of ATH S.A.

Age: 30 - 45 years.

Independent: No/Equity

Seniority in the Board: 2016

Education:

- Finance and International Relations from Universidad Externado de Colombia.
- Master of Business Administration from McDonough School of Business at Georgetown University.

Experience:

- Vice-President of Corporate Strategic Planning and Investors Relations Grupo Aval Acciones y Valores S.A.
- Investment Banking Analyst of Corficolombiana.

Not considered a PEP*

JUAN MARÍA ROBLEDO URIBE

Executive Vice-President of Banco de Bogotá S.A.

Age: over 60 years.

Independent: No/Equity

Seniority in the Board: 1993 (with intervals)

Education:

Economist from Colegio Mayor Nuestra Señora del Rosario.

Experience:

- President of Corporación Financiera Colombiana S.A.
- President of Banco del Comercio.

Other Boards:

- Grupo Aval Acciones y Valores S.A.
- Fiduciaria Bogotá S.A.
- Porvenir S.A.
- Credomatic International Corporation

Non-profit entities:

- Fundación Grupo Aval.

Not considered a PEP*

EFRAIN OTERO ÁLVAREZ

Age: over 60 years

Independent: No/Equity.

Seniority in the Board: 1988 (with intervals)

Education:

- Economist from Universidad del Valle.
- Master of Industrial Engineering from Universidad del Valle.

Experience:

- President of Banco de Occidente S.A.
- Executive Vice-President of Banco de Occidente S.A.

- Financial Vice-President of Banco de Occidente S.A.

Other Boards:

- Grupo Aval Acciones y Valores S.A.
- Porvenir S.A.,
- Banco de Occidente – Panamá

Non-profit entities:

- Fundación Grupo Aval.

Not considered a PEP*

JORGE IVAN VILLEGAS MONTOYA

Age: over 60 years

Independent: No/Equity.

Seniority in the Board: 1989 (with intervals)

Education:

- Lawyer and Economist from Universidad Javeriana.
- Specialist in Commercial Law from Colegio Mayor Nuestra Señora del Rosario.

Experience:

- Deputy Minister for Communications of Colombia
- Minister Plenipotentiary of Sindicato Universal de Correos
- President of Corporación Financiera Colombiana S.A.
- President of Fedeleasing.

Other Boards:

- Banco de Bogotá S.A.

Not considered a PEP*

ÁLVARO VELÁSQUEZ COCK

Age: over 60 years

Independent: No/Equity.

Seniority in the Board: 1992

Education:

- Economist from Universidad de Antioquia.
- MSc candidate in Economics from the London School of Economics (L.S.E).

Experience:

- Director of DANE.
- Manager of Corporación Financiera Nacional
- President of Pedro Gómez & Cía. S.A.
- Representations Manager of Apple Computers
- Member of the Banking Superintendent's Advisory Committee.
- Professor and Dean of the School of Economics of Universidad de Antioquia.

Other Boards:

- Grupo Aval Acciones y Valores S.A.
- Banco de Bogotá S.A.
- Banco de Bogotá (Panama)
- Plantaciones Unipalma de los Llanos S.A.
- Several entities of the BAC Credomatic group in Central America.

Not considered a PEP*

SANTIAGO MADRIÑAN DE LA TORRE

Chief Executive Officer of CECODES.

Age: over 60 years

Independent: Yes

Seniority in the Board: 1999 (with intervals)

Education:

- Economist from Universidad de Los Andes.
- Advance Management in Banking from University of Pennsylvania.

Experience:

- Manager of Leasing Unión S.A.
- Comptroller of the Inter-American Bank
- Representative of Skandinaviska Enskilda (SEB), Philadelphia Nat. Bank and Sockholm Enskida Bank.

Not considered a PEP*

GABRIEL TURBAY MARULANDA

Independent Consultant

Age: over 60 years

Independent: Yes

Seniority in the Board: 2013

Education:

- Industrial Engineer from Universidad de Los Andes.
- Master of Science from the Georgia Institute of Technology.

Experience:

- President of Financiera Energética Nacional S.A. – FEN
- President of Financiera de Desarrollo Territorial S.A. – FINDETER.
- President of the Financial Fund for the Agricultural Sector – FINAGRO.
- President of Banco de Comercio Exterior de Colombia S.A. – BANCOLDEX.
- President of Transportadora de Gas Internacional S.A. ESP – TGI.

Not considered a PEP*

*Politically Exposed Person (PEP) as established by Decree 1674 dated October 21, 2016

Senior Management**PRESIDENT**

MARIA LORENA GUTIÉRREZ BOTERO

President

For more than 20 years, she has held important leadership positions in academia, the public and private sectors. Before her arrival at Corficolombia, she was Minister for Commerce, Industry and Tourism, Minister of the Presidency of the Republic and General Secretary, among other positions in the public sector. She was also Dean of Administration of Universidad de los Andes where she is now a member of the Superior Council. She has been

a consultant and advisor to numerous companies and has been a member of Boards of Directors of businesses and international organizations and academia. Under her leadership, Corficolombiana has positioned itself as one of the most recognized companies in the sector, advanced in the implementation of its strategy and in the promotion of a Sustainability culture.

Industrial Engineer with a specialization in Finance from Universidad de los Andes. Master of Administration and PhD in Finance from Tulane University in the United States.

VICE-PRESIDENTS

JUAN CARLOS PÁEZ

Juan Carlos has more than 30 years of professional experience in the financial sector where he has held leadership positions in important entities such as Banco de Bogotá, Megabanco, Fogafin, Banco Santander, among others. His experience has been key for the evolution of Corficolombiana's operation.

Executive Vice-President

Civil Engineer and Master of Administration from Universidad de los Andes

GUSTAVO RAMÍREZ

Gustavo has been linked to the history of Corficolombiana for more than 23 years. He was Investment Banking Director and Executive Vice-President of Investment Banking of Corfivalle and also held this last position at Corficolombiana. From the Investment Vice-Presidency, he has led the evolution of the businesses of Corficolombiana and has been one of the managers of the definition and implementation of its strategy.

Investment Vice-President

Electrical Engineer and Master of Economics from Universidad de Los Andes

JULIAN VALENZUELA

Julián has worked at Corficolombiana for more than 13 years. His experience has led the Corporation's Treasury to be a leading area in the sector, making business evolution possible.

Treasury Vice-President

Industrial Engineer from Universidad Javeriana. MBA from the I.E. Business School in Madrid

ALEJANDRO SÁNCHEZ

Alejandro has been at Corficolombiana for more than 22 years, contributing from different areas to the evolution of the Corporation. Today, thanks to his leadership, we have consolidated an outstanding Investment Banking area with an important projection.

Investment Banking Vice-President

Economist from Universidad de Los Andes. Master of Financial Markets from University of Toulouse

LEONARDO CAICEDO

Leonardo has extensive experience in auditing and compliance issues. He has worked in important entities such as BBVA, Citibank and PricewaterhouseCoopers and is now successfully leading the implementation of Corficolombiana's Risk Management strategy.

Corporate Vice-President of Governance, Risk and Compliance

Public Accountant from Universidad Javeriana. Specialization in Financial and Stock Exchange Law from Universidad Externado de Colombia

LEGAL MANAGER AND GENERAL SECRETARY

MARCELA ACUÑA RAMÍREZ

Marcela has been contributing with her knowledge, leadership capacity and commitment to Corficolombiana. Before her arrival, she was engaged by entities such as Banco de Bogotá, Banco de Occidente and Corfiandes, among others.

Legal Manager and General Secretary

Lawyer with a specialization in Commercial Law from Pontificia Universidad Javeriana

ECONOMIC RESEARCH

JOSÉ IGNACIO LÓPEZ

José Ignacio has held important positions in institutions such as ANIF, Banco de Santander and the U.S. Federal Reserve. He has been a professor at HEC Paris in France and at Universidad de los Andes. He brings his important experience, recognition and his contribution to Corficolombiana for the most relevant economic discussions in the country.

Executive Director of Economic Research

PhD from the University of California. Economist and Master of Economics from Universidad de los Andes

INVESTOR RELATIONS

ADRIANA DEL PILAR GONZÁLEZ

Adriana has been in Corficolombiana for more than 3 years, where she has consolidated in an outstanding way the area in charge of strengthening Investor Relations. She brings her experience in the public and private sectors and in multilateral entities, including IFC and IDB.

Corporate Investor Relations Manager

Master of International Affairs from Columbia University in New York. Economist and Master of Economics from Universidad Javeriana

MARKETING AND COMMUNICATIONS

ADRIANA NAVAS

Adriana has more than 15 years of experience in corporate communication and Brand positioning. From her strategic roles for the business, she has contributed to the change of corporate image and brand positioning and direction.

Director of Public Relations, Communication and Marketing

Specialist in Strategic Marketing from CESA and Administration Professional from Universidad Externado

COMPTROLLER

MARÍA ISABEL ORTIZ AYA

María Isabel has worked for more than 20 years in the internal audit of entities in the financial sector and companies in the real and solidarity sector such as Corfes, Corfiandes, Fundación Restrepo Barco and Compañía de Financiamiento FES. She has successfully established and promoted international standards and practices in internal audit processes contributing to the strengthening of the control environment of the Corporation and its affiliates.

Comptroller

Public Accountant from Universidad Central

COMPLIANCE

CLARA INÉS MORALES

During her more than 35 years of professional experience, Clara Inés has held different positions in the areas of compliance, comptrollership and accounting. With her experience she has contributed to the development and strengthening of the compliance function of Corficolombiana and its affiliates.

Compliance Officer

Public Accountant from Pontificia Universidad Javeriana de Cali

1.5. Our People

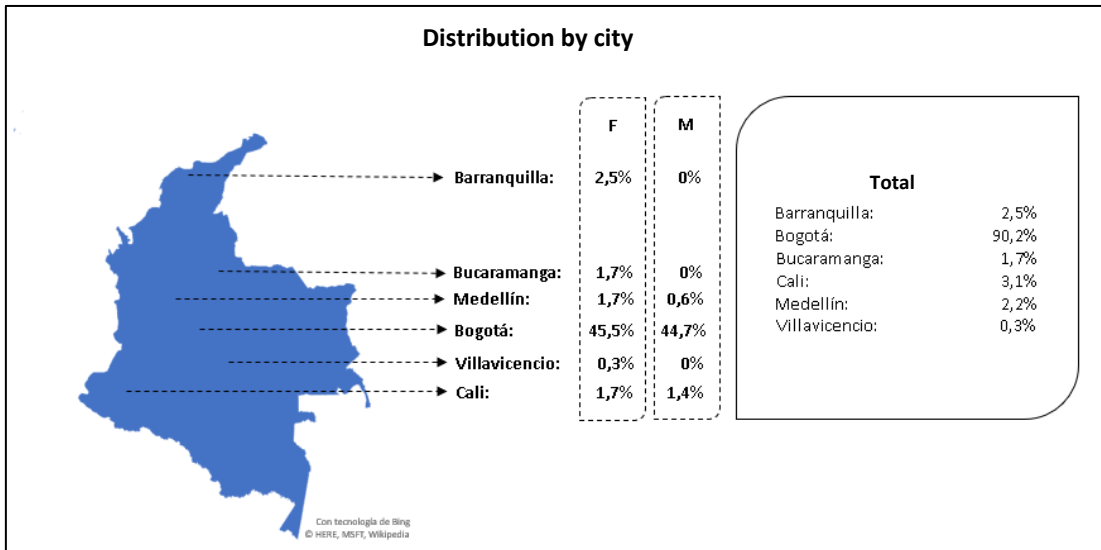
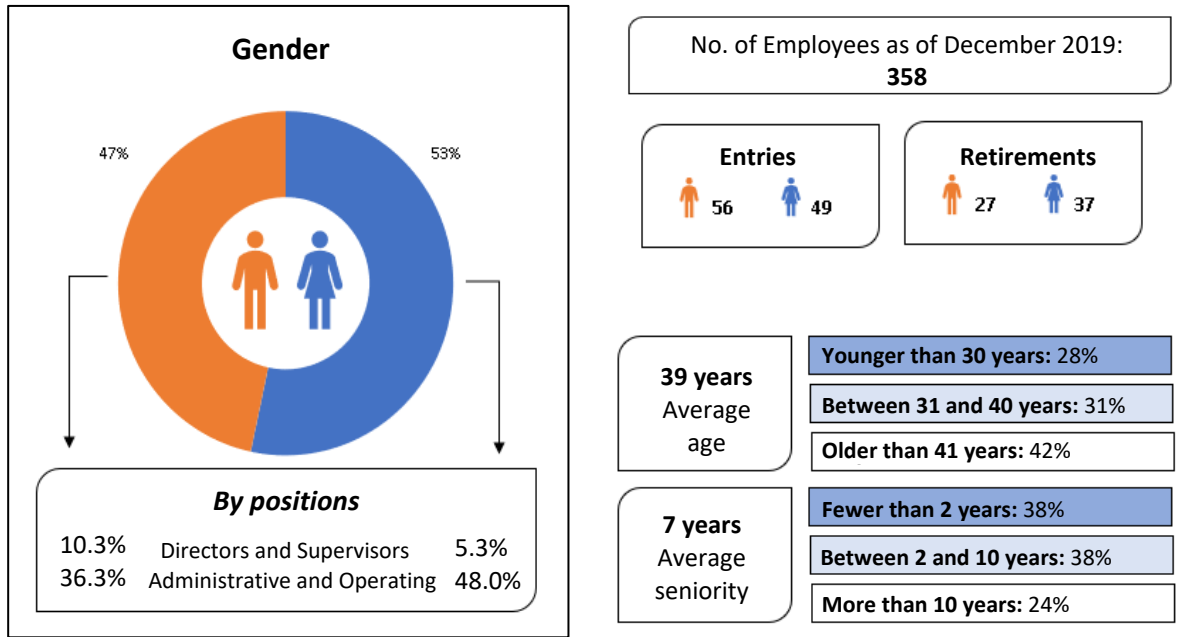
We are one of the companies that generates more employment in the country. In 2019, between Corficolombiana and our affiliates, we generated a total of 32,880 jobs

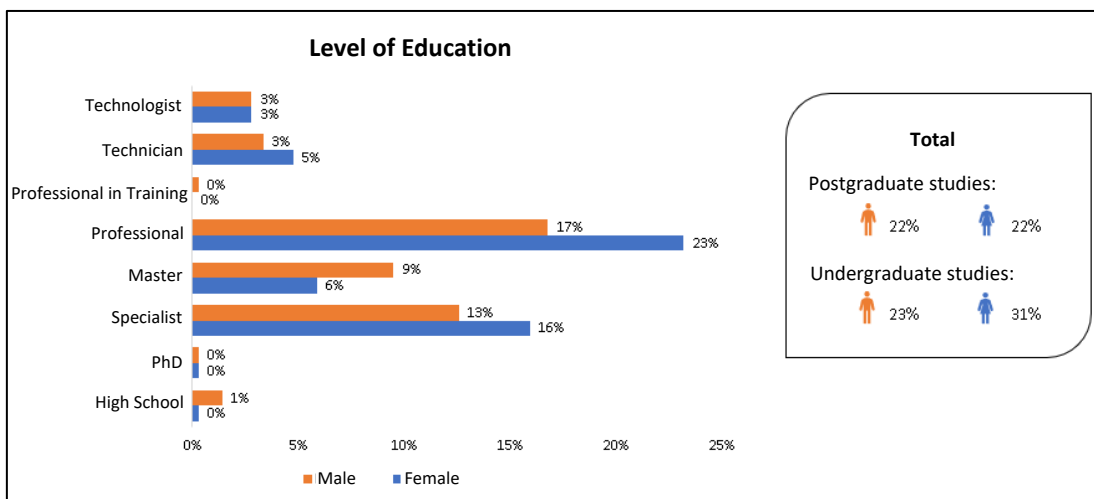
Corficolombiana Holding

526 employees⁹, of which 358 are indefinite term

⁹ Includes temporary employees, trainees and outsourcing

Indefinite Term Employee Statistics





In Our Subsidiaries

Sector	Total
Infrastructure	12,276
Energy	14,167
Hospitality	3,258
Agroindustry	1,791
Financial	695
Others	167
Total	32,354¹⁰

Gender

Sector	Men	Women	Total
Infrastructure	10,712	1,564	12,276
Energy	12,641	1,526	14,167
Hospitality	1,765	1,493	3,258
Agroindustry	1,420	371	1,791
Financial	269	426	695
Others	141	26	167
Total	26,948	5,406	32,354

¹⁰ Includes indefinite-term employees, temporary employees, outsourcing and Sena trainees

Distribution by city

Sector	Bogota	Medellin	Cali	Other Cities	Total
Infrastructure	4,437	878	160	6,801	12,276
Energy	3	27	2,179	11,958	14,167
Hospitality	636	268	391	1,963	3,258
Agroindustry	463	-	11	1,317	1,791
Financial	478	67	119	31	695
Others	-	-	-	167	167
Total	6,017	1,240	2,860	22,237	32,354

1.6. Our Shareholders

We closed the year with 5,020 shareholders, of which 4,164 hold common shares, 543 hold preferred shares and 313 hold both kinds.

During 2019, the total return on common shares was 101.3%¹¹


- Listed on the Colombian Stock Exchange (BVC) since 1992

- Market capitalization: \$9.05 trillion
Common: \$8.62 trillion
Preferred: \$0.43 trillion

- Average daily volume 2019¹³: \$2.326 billion

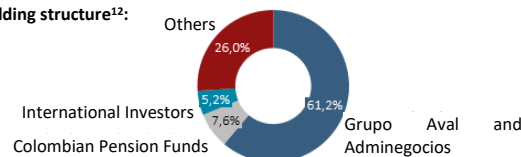
- Return to Shareholder 2019¹¹: 101.3%

- Analyst coverage:
6 analysts cover the share of Corficolombiana
Average target price: COP32,633



■ Buy ■ Maintai ■ Sell

- Shareholding structure¹²:



- Share history:

	2019	2018	2017
Closing price – Common	30,800	16,400	29,200
Closing price – Preferred	25,500	14,500	23,500
No. of shares (Million)	296.6	279.4	233.7
No. of shareholders	5,020	5,368	5,693

1.7. Distinctions and Standards

- We are one of the 500 companies in the world with the strongest and most valuable brands in banking, according to Brand Finance, a leading brand valuation consultancy firm. In 2019, we also rose 96 points to the 399th place globally.

¹¹ Common share's total return including valuation and distributed dividend

¹² Grupo Aval and Admnegocios includes: Banco de Bogotá S.A (33.25%), Admnegocios S.A.S (10.76%), Grupo Aval Acciones y Valores S.A (8.21%), Banco Popular S.A (4.98%), Banco Occidente S.A (4.00%)

¹³ Corresponds to the common share

- In the third ceremony of the Awards to the Best Economic Research Area (AIE), organized by the Colombian Stock Exchange with the purpose of recognizing and promoting the quality of information of the market research areas, the Economic Research team of Corficolombiana obtained Bronze in the category Macroeconomic Aggregates and Accurate Fixed Income Forecasts.
- We obtained recognition as IR issuers from the Colombian Stock Exchange for the 4th consecutive year for adopting the best practices in information disclosure and investor relations.¹⁴



- In 2019 we adhered to the United Nations Global Compact, reaffirming our commitment to its ten principles and to the Sustainable Development Goals (SDG).



2. Corficolombiana in 2019

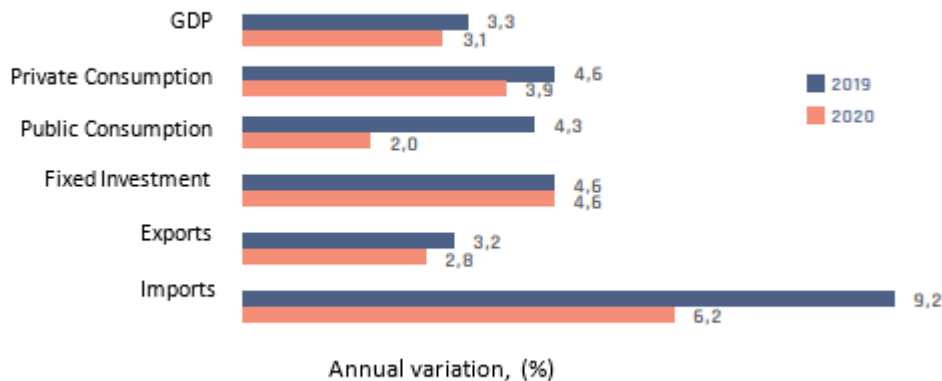
2.1. Macro Context

Despite a less dynamic world economy, Colombia continued its economic recovery process in 2019, due to the boost of domestic demand. In a context of low and stable interest rates, private consumption was favored by increased foreign remittances, the increasing expenditure of Venezuelan migrants and easier access to credit. Fixed investment without buildings rebounded significantly, partly because of improved tax conditions, but also because of the implementation of infrastructure works and increased purchases of transport equipment, which do not necessarily respond to tax incentives.

Several of the conditions that led to the economy's better performance last year are expected to remain in place in 2020, especially those related to interest rates, inflation, easier access to credit and tax incentives for investment. The Economic Research team of Corficolombiana expects a growth rate of 3.1% for the Colombian economy, similar to 3.3% recorded in 2019, supported by a good performance of domestic demand. During 2020 a modest rebuilding of growth in favor of private investment is predictable, which shall be mainly driven by the approval of the Growth Law (Law 2010/2019, with a slight moderation of private consumption).

¹⁴ The **Issuers-ir** Recognition granted by Bolsa de Valores de Colombia S.A. is not a certification of the goodness of the registered securities or of the solvency of the issuer

Graph 1. GDP Projections (Demand Components)



Source: Dane. Calculations: Corficolombiana

In terms of inflation, a downward trend is expected that allows a drop of 3.85% at the end of 2019 to 3.4% within 12 months. This inflation path will give the monetary authority little room for maneuver. As a result, our forecast incorporates stability in the reference rates of Banco de la Republica for all of 2020 at the current level of 4.25%.

On the fiscal side, in 2019 the Government managed to continue the adjustment in a context of high international uncertainty, maintaining the sovereign rating by the three main rating agencies. We estimate that the Central Government’s deficit will increase from 2.5% of GDP in 2019 to 2.6% of GDP at the end of 2020, exceeding the target set by the Fiscal Rule. The main vulnerability remains the increase in debt as a proportion of GDP, which would reach all-time highs in 2020. In addition, the social demands associated with the protests at the end of 2019 have opened the door to increased public expenditure, adding to the uncertainty surrounding the country’s fiscal outlook.

Regarding the exchange rate, the Colombian peso depreciated on account of the overall strength of the dollar in 2019. The uncertainty associated with the trade war between USA and China favored the search for refuge in that currency, reduced global growth prospects and led to a relaxation of the monetary position of the major central banks. By the end of 2020, we project an exchange rate of 3,350 pesos per dollar, based on: i) the slowdown in the global economy; ii) the ample liquidity conditions in developed economies and the reduction of interest rates in most emerging markets; iii) foreign agents’ perception of the Colombian economy and their investment opportunities, and; iv) oil prices slightly lower than those of 2019.

Finally, given that some of our investments are in Peru, we believe that the economy of this country should recover its long-term growth rate. The Peruvian economy continues to perform better than the average of countries in the region. However, a series of cyclical events such as the slowdown in world trade, the reduced activity in the mining and fishing sector, social protests and a complex political climate due to corruption scandals had an adverse effect on exports, household consumption and public investment, causing the economy to have a lower growth rate in 2019 of 2.2%, as compared to 4% in 2018.

The economy should recover from these shocks and regain its long-term growth rate. The growth rate is expected to reach 3.2% in 2020 and to increase to 3.7% in 2021. Regarding the sectors in which

Corficolombiana has investments, a better performance is observed concerning other activities. The accommodation and restaurants sector contributed 0.2 percentage points to the growth figure and showed greater dynamism compared to the rest of the sectors growing 4.7% in 2019 and compared to 2018 when it grew 3.8%. On the other hand, the electricity, gas and water sector, while growing at a lower rate of 3.9% in 2019 compared to 4.5% in 2018 continued to expand at a faster rate than the economy.

Evaluating the risks that a lower growth scenario materializes, it should be noted that the Peruvian authorities have ample space to stimulate economic activity, particularly with an expansive fiscal policy given the low level of public indebtedness (26.8% of GDP for the Non-Financial Public Sector) and the availability of resources from the stabilization fund that reaches 2.5% of GDP. The fiscal deficit of the Non-Financial Public Sector as a percentage of GDP fell to 1.6% at the end of 2019, with regard to 2.3% at the end of 2018. The lower deficit is explained by better tax collection management, and a reduction in the execution levels of local and regional governments in their first year of government.

Moreover, inflation remains in the lower part of the target range of 1%-3% of the Central Bank and closed at 1.88% in 2019. This level of inflation allowed the monetary authority to have a more expansive policy, with two cuts in the reference interest rate that brought short-term rates to a level of 2.25%.

2.2. Strategy

Beyond the circumstantial aspects of the year, which we describe in detail in later sections of the Report, during 2019 we maintained our strategic course. We invested in key sectors of the economy that are capital-intensive, sustainable over time, and stable in terms of cash generation. In 2019, in keeping with these principles, we invested in strategic sectors efficiently, achieving sustained returns. These investments reached a value of \$2.1 trillion.

- Infrastructure: \$1.27 trillion (59.6%)
- Energy and gas: \$0.83 trillion (39%)
- Agroindustry: \$0.02 trillion (0.9%)
- Hospitality: \$0.01 trillion (0.5%)

The investments generated \$1.8 trillion in income to the Corporation including the Profit Sharing and Dividend Method.

COP MILLION	Year 2019
Dividends	71,066
<i>EEB</i>	61,789
<i>Gas Natural</i>	3,842
<i>Other</i>	5,435
Interest Method	1,708,921
<i>Energy & Gas</i>	414,162
<i>Infrastructure</i>	1,288,715
<i>Hospitality</i>	13,722
<i>Agroindustry</i>	-1,871
<i>Financial</i>	-13,498
<i>Others</i>	7,691

The above figures show the strength of our business, which is reflected in both the investment levels of our companies and the revenue produced.

We optimized the structure of the balance sheet. Our return on equity (ROE) was 22.6% at the end of 2019, well above our cost of capital. Shareholders' equity also strengthened, reaching \$7.6 trillion at year-end, enabling us to comfortably sustain our growth. Double leverage was maintained at 131.9%¹⁵ and the debt that funds the equities investment portfolio reached a level of \$2.9 trillion with an improvement in conditions extending its term from 6 to 8.2 years, thanks to our successful \$500 billion bond issue and a very outstanding job in funding our treasury.

2.3. Business Milestones

January: The San Isidro Hotel in Lima Peru starts operations, adding 80 rooms to the Hoteles Estelar chain.

February: The Integrated Commercial Model (MCI) comes into operation, combining the value proposition of Corficolombiana's treasury and of its financial subsidiaries (Casa de Bolsa and Fiduciaria Corficolombiana); increasing the capacity to serve clients and distribute transactional products.

March: PISA acquires the minority interest of CCFC (49.5%), reaching a 100% interest / The last 399 hectares of rubber began to be exploited, completing 4,157 hectares for a total production of 7,314 tons of rubber coagulum per year.

May: Fitch Ratings confirms the long-term ratings in foreign currency (BBB) and long-term debt in local currency (AAA) to Corficolombiana / Leasing Corficolombiana request authorization to the Finance Superintendence for the voluntary liquidation of its remaining equity.

June: Corficolombiana's Board of Directors approves the Regulations for the General Guarantee Bond Issue Program totaling \$1 trillion / The Melia Cartagena Karmairi Hotel begins operations, adding 147 rooms to the Hoteles Estelar chain.

July: Promigas puts into operation the initial section of the Canacol gas pipeline between Correa - Rocha (Bolívar), which includes the longest sub-fluvial crossing in Latin America. In addition, Promigas obtains a new gas distribution concession in Peru to bring natural gas to the Piura region benefiting 260,000 people, with an expected investment of US\$230 million.

August: Corficolombiana places its first bond issue for \$500 billion which was oversubscribed 2.1 times / BRC Investor Services ratifies the maximum AAA local rating to Corficolombiana / The gas pipeline Jobo-Majaguas, with 85 km and a transportation capacity of 100 MPCD, enters into operation. Promigas makes its debut in the international capital market with a successful bond issue for USD 400 million, oversubscribed 6.5 times, obtaining the lowest interest rate by a Colombian issuer in the international capital market.

October: The Colombian Stock Exchange (BVC) renewed the IR Recognition, and highlighted Corficolombiana as one of the IR issuers with the greatest evolution in the 2016-2019 period / The winter emergency in the Bogotá - Villavicencio road is overcome and the road is partially reopened.

¹⁵ Double leverage is calculated as equity investments at book value as a percentage of total equity

November: Coviandes reverts the concession agreement 444-94 delivering the Bogotá - Villavicencio corridor to ANI, who in turn delivered it to Coviandina

December: Coviandina, Covioriente and Covipacífico achieved at year-end 2019 construction progress levels between 23% and 65%, which are in line with or ahead of the ANI schedule / Mavalle's rubber project issues Reduction Emission Certificates for an amount of \$4.93 billion to be acquired by agents that need to offset their emissions.

2.4. Financial Situation

Consolidated figures: EBITDA: \$3.9 trillion and Net Income: \$1.5 trillion

<i>COP MM</i>	<i>Infrastructure</i>	<i>Energy and gas</i>	<i>Hospitality</i>	<i>Agroindustry</i>	<i>Financial</i>	<i>Other</i>
<i>EBITDA</i>	<i>2,189,148</i>	<i>1,600,747</i>	<i>52,500</i>	<i>18,666</i>	<i>-15,649</i>	<i>53,003</i>

Note: Financial includes Corficolombiana, except for income and expenses of the Investment business, and its financial subsidiaries. Others include Tesicol and Lehner, dividends and MPU of non-consolidated companies, expenses of the variable income investment business of Corficolombiana and adjustments and eliminations.

2019 was a year of positive results for Corficolombiana, both at a separate and consolidated level, continuing with the trend that has been taking place since 2018 and reflecting the good performance of our different businesses, particularly in the equity investments portfolio.

At a consolidated level, in 2019 the controlling net income reached \$1.5 trillion, where the contribution of the infrastructure sector for \$1.3 trillion and the gas sector, led by Promigas, for \$410 billion stand out. If the retroactive and extraordinary revenue related to the signing of the initiation of construction phase for Covipacífico and Covioriente in 2018 is eliminated, the year-on-year growth of the controlling net income would be close to 20%.

Consolidated EBITDA reached \$3.9 trillion, with an EBITDA margin of 38.9%. All sectors contributed positively to EBITDA, except for the financial sector because of Leasing Corficolombiana which is in liquidation process. The sound progress in the construction of our 4G concessions, ahead of ANI schedule, and the good performance of Promigas in Colombia and Peru, have been the main drivers of EBITDA growth since 2018.

On the balance sheet, consolidated assets totaled \$31.8 trillion, with a positive variation of 21.2%, mainly due to assets under concession agreements. Liabilities grew 20.5%, to \$21.8 trillion, due to higher indebtedness to finance investment projects in the different sectors.

At the individual level, operating revenue amounted to \$1.86 trillion, remaining relatively stable with an annual decrease of 3%, associated with the non-recurring revenue registered in 2018 in the infrastructure sector. The main contributor to the revenue is the equity investments portfolio through the Equity Method (\$1.7 trillion) and dividends (\$71 billion). This revenue evidences the good performance during 2019 of all the sectors in which we invest, particularly those of road concessions and energy and gas. On the other hand, the treasury business registered a net profit of \$67.5 billion in the year, growing 13% compared to 2018, as a result of gains realization in the TES portfolio.

As a result of the positive evolution of our equity investments, separate assets closed 2019 in \$14.8 trillion, growing 23.8%. Debt reached \$7.1 trillion, with Certificates of Deposits (CDs) being the main source of funding. The average tenor of these deposits increased slightly compared to 2018, from 4.9 years to 5.1 years. Taking advantage of market liquidity conditions, our funding strategy included the issuance of a \$500 billion bond, out of a \$1 trillion approved program. Sixty percent of this issue was placed with a 20-year maturity.

As a result of the successful execution of the funding strategy, which seeks to maintain a mix between Certificates of Deposits and bonds according to the conditions required by our investments, the debt that funds our equity investment portfolio reached a level of \$2.9 trillion with an improvement in the average tenor that has increased from 6 years at the end of 2018 to 8.2 years at the end of 2019.

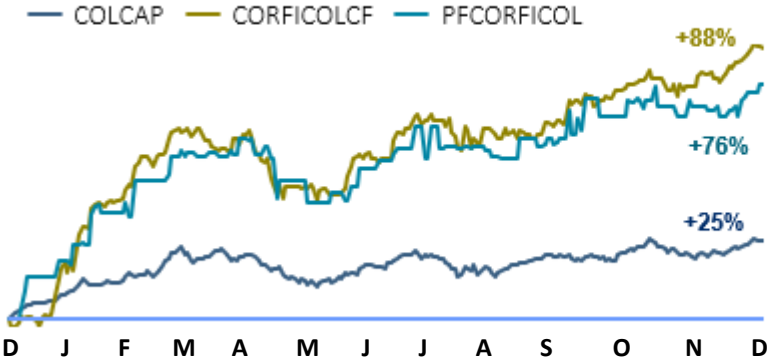
The audited financial statements with notes are available digitally in our web site www.corficolombiana.com.

2.5. Share Performance

Ours was the best performing stock in the market in 2019. It grew 87.8%.

During 2019, Colombian stocks showed a very positive performance. The Colcap index increased 25.4%, being one of the best performing indexes in Latin America. In this context, Corficolombiana shares stood out as the highest-growth stocks in the local equity market during the year. The common shares’ price increased by 87.8%, from \$16,400 to \$30,800 per share; while the preferred shares reached a price of \$25,500 per share by year-end, 75.9% higher than in year-end 2018.

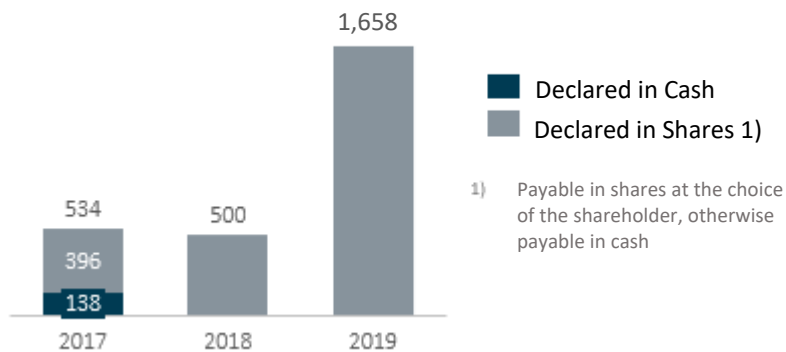
- Share evolution



The common and preferred shares of Corficolombiana were the highest-growth stocks in the local equity market during 2019.

A dividend per share of \$1,657.9 on the common and preferred stocks was paid on May 6th. The annual return on the common stock, including the dividend distributed, was 101.3%. Analyzing total return in a longer period of 10 years, including price appreciation and assuming that dividends paid were reinvested in the stock, Corficolombiana’s common stock has recorded an annual return of 9.8%, higher than inflation (3.8%) and the total return of Colcap (4.8%), during a 10 year period.

- Dividends paid per share - Common share



On the other hand, while in the local stock market foreign investors consolidated a selling position, in the case of Corficolombiana they increased their participation from 4.38% in 2018 to 5.22% in 2019. Furthermore, by year-end we had 192 international investors vs. 131 in 2018.

During 2019 we maintained a dynamic communication with investors, delivering timely information to the market and propending for the stock's fair market price. As a result of these efforts, the Colombia Stock Exchange approved the renewal of the IR Recognition and mentioned Corficolombiana as one of the IR issuers with the greatest evolution since 2016.

We believe that the stock's performance during the year reflects the confidence of the market in our financial strength and our ability to generate sustainable returns. Corficolombiana's common share begins the year 2020 as one of the most attractive stocks in the Colcap to investors¹⁶.

3. Our Strategy: Sustainable Corficolombiana

3.1. About this Report¹⁷

For several years we have been reporting information on our actions in sustainability using the guidelines of the Global Reporting Initiative (GRI) methodology. Now we have materialized all this in our strategy: Sustainable Corficolombiana in this Integrated Management and Sustainability Report, which we make according to the GRI methodology.

The report is published annually and presents progress and most relevant aspects for Corficolombiana and its stakeholders. It also highlights actions we have implemented to comply with our purpose of working and investing for the progress of the country.

¹⁶ Financial Opinion Survey, Fedesarrollo - BVC. January 2020.

¹⁷ In case of any comments or concerns about the content of the report please contact relacion.inversionistas@corficolombiana.com

3.2. Strategy: Sustainable Corficolombiana

“We work and invest for the development of the country through our strategy: Sustainable Corficolombiana”

For us, sustainability is the essence of our business. That is why our activity has always been framed in principles of economic, environmental, and social value creation.

We conceive sustainability as the greatest source for the creation of lasting business value, which has allowed us to create value through new business opportunities, making a better management and mitigation of risks to which we are exposed and by achieving a greater positioning of Corficolombiana and our affiliates.

During 2019 we worked to integrate all our strategy around sustainability so that we could align all our activities around this concept. To achieve this, we performed a review and analysis exercise of the referents, the evaluation of best practices and the execution of collective construction exercises.

¹⁸

The strategy: Sustainable Corficolombiana begins with the identification of our main stakeholders. These are:

- **Shareholders:** They are the owners of Corficolombiana's shares
- **Parent company:** It is our majority shareholder. It guides our strategy and establishes guidelines for our management.
- **Financial services customers:** These are the customers of the financial services we offer.
- **Employees:** They are the human team that works with us and makes our plans, projects and the management of our investments a reality.
- **Portfolio investments:** They are the companies that consolidate our investment portfolio in the different sectors.
- **Media:** They publish information about us and the businesses in which we participate. They are fundamental for our positioning among the specialized and general public.
- **Regulatory Entities:** They establish the standards that govern our activity. They define controls and reports that we must make periodically.
- **Government:** State entities at local, regional, and national level.

Additionally, there are stakeholders over whom we do not have a direct relationship, but who are very important as the customers and suppliers of the companies that make part of our equity investments.

After identifying our stakeholders, we define material issues, understood as those issues that are more relevant for Corficolombiana because they impact the business and show economic,

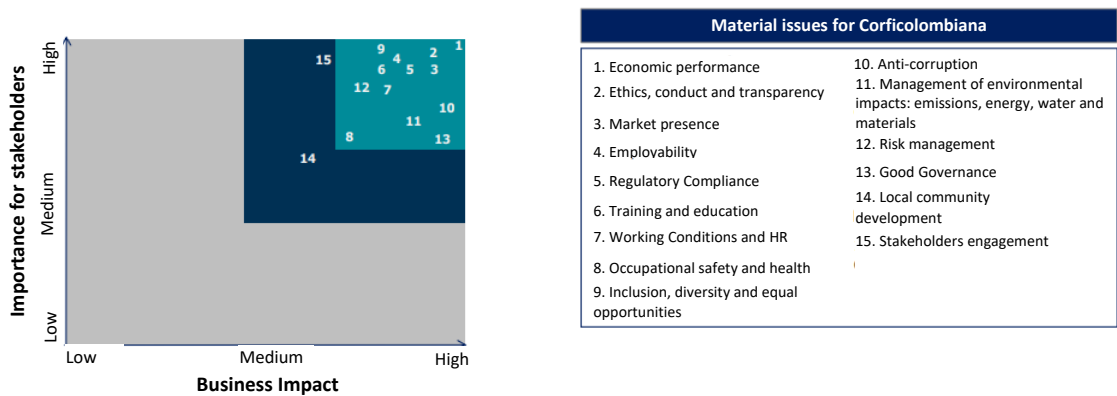
¹⁸ This exercise was done with the support of Compartamos con Colombia

environmental and social effects, or because they constitute issues that significantly influence the decisions of our stakeholders.

58 material issues were analyzed based on GRI standards, ROBECOSAM, Sustainability Accounting Standards Board standards, The Global Compact UN and FTSE4Good; from which the following were prioritized:

1. **Economic Performance:** Refers to the economic value we generate and distribute.
2. **Ethics, Conduct and Transparency:** It refers to the existence and compliance with ethical standards in Corficolombiana and our subsidiaries, including anti-corruption measures, fair trade practices, implementation of codes of conduct and timely disclosure of relevant information for the market.
3. **Market Presence:** It refers to the contribution to the economic development of the areas or local communities where we have presence and operation. Additionally, it is related to the impacts generated by our presence in the market and the management we make of them.
4. **Employability:** Includes our practices for the creation and management of jobs in terms of hiring, recruitment, retention, as well as the working conditions we provide.
5. **Regulatory Compliance:** Evidences our commitment to compliance with the law, i.e., it is related to the level of confidence we have in regulatory policy and monetary incentives, such as subsidies and taxes, dependence on a regulatory environment favorable to business competitiveness, and the ability to comply with relevant regulations.
6. **Training and Education:** It is focused on training and improving the skills of our employees, their performance evaluations and professional development opportunities. It also includes support programs to facilitate continued employability and management of career endings due to retirement or dismissal.
7. **Working Conditions and Human Rights:** Emphasizes our ability to ensure that our culture and hiring and promotion practices are governed by standards that respect Human Rights.
8. **Occupational Safety and Health:** Healthy and safe working conditions through which we promote the health of workers and the prevention of physical and mental harm.
9. **Inclusion, Diversity and Equal Opportunities:** This refers to fair treatment based on merit and the creation of a diverse and inclusive workforce, reflecting the composition of local talent.
10. **Anti-corruption:** Refers to the implementation of specific measures, policies, and actions with which we seek to prevent, investigate and punish crimes associated with corruption.
11. **Management of Environmental Impacts: Emissions, Energy, Water and Materials:** Considers the management of impacts that we carry out by establishing access, consumption and saving of water, for the optimization of energy consumption and the minimization of the impact generated by the materials and inputs that we use for the development of products and services.
12. **Risk Management:** It is focused on the management of risks that we carry out to identify potential risks and the adoption of corresponding measures to reduce such risks.

13. **Good Governance:** It refers to the implementation of corporate governance systems, to ensure the efficiency and reliability of our management. This includes the structure and measures of the Board of Directors to ensure alignment with the long-term interests of our shareholders.
14. **Local Community Development:** This focuses on the economic, social, or environmental impact of the Corporation's operations on local communities.
15. **Stakeholders Engagement:** The degree to which we communicate or interact with our stakeholders to achieve a desired outcome and improve accountability.



After selecting the material issues to be prioritized, we carry out a validation process with the different stakeholders. Interviews and meetings were held with representatives of employees, customers, shareholders, among others, in order to establish the importance of these issues for them and to be able to determine their perception of these issues.

In addition, we identified some common elements that allowed us to group the 15 material issues into five categories:

Business (economic growth)	Corporate Governance	Human Talent	Environment	Stakeholders
<ul style="list-style-type: none"> ▪ Economic Performance ▪ Market presence ▪ Regulatory Compliance ▪ Risk Management 	<ul style="list-style-type: none"> ▪ Ethics, conduct and transparency ▪ Good Governance ▪ Anti-corruption 	<ul style="list-style-type: none"> ▪ Employability ▪ Training and education ▪ Working Conditions and HR ▪ Occupational safety and health ▪ Inclusion, diversity and equal opportunities 	<ul style="list-style-type: none"> ▪ Management of environmental impacts: emissions, energy, water and materials ▪ Local community development 	<ul style="list-style-type: none"> ▪ Stakeholders engagement

From there, we defined the fundamental pillars of the strategy: Sustainable Corficolombiana, these are the guidelines for our actions:

- We develop and manage efficient and profitable investments that drive the country's development

- We build trusting relationships with our stakeholders
- We ensure ethical and responsible decision making
- We enhance our environment and the adequate use of resources
- We promote the well-being of our employees.

Considering these variables, this report describes and details the actions we have developed in 2019 within our business strategy in chapters: 4, 5, 6, 7 and 8. It is important to mention that, one of our purposes for 2020 is to continue strengthening the metrics to monitor the evolution of the management of these pillars.

3.3 . Our Commitment to the Sustainable Development Goals (SDGs)

The Sustainable Development Goals are a universal call to take action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. These goals for 2030 build on the achievements of the Millennium Development Goals, but include new areas such as climate change, economic inequality, innovation, sustainable consumption, and peace and justice, among other priorities.¹⁹

Under this understanding, the Sustainable Development Goals developed by the United Nations represent the commitment made by 193 countries in 2015 to achieve a better quality of life and a more sustainable planet. These goals are integrated because they recognize the impact that some aspects have on others. They also recognize that development requires a balance between economic, social and environmental impacts.

The agenda for 2030 includes 17 objectives and 169 goals, which the signatory countries have committed to achieving:



¹⁹ Source: Pan American Health Organization, Compartamos con Colombia

However, the fulfilment of these goals does not depend exclusively on governments; their achievement also requires the active participation of the private sector. Aware of the importance that companies play in this territory, in Corficolombiana we adhered in 2019 to the United Nations Global Compact and we have performed an exercise to identify the SDG where our decisions and actions may generate a greater impact, and therefore where our activities and commitments to sustainability are more evident.

In this sense, SDGs prioritized by Corficolombiana are:



This SDG promotes sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Corficolombiana is committed to the objectives of this Goal because among its purposes is to create the necessary conditions for economic growth and for people to access quality jobs, without damaging the environment. We look for the generation of economic development based on the promotion of decent work conditions, increase in labor productivity, employment generation, improvement in the access to financial services, promotion of entrepreneurial culture and innovation.

Other issues addressed by this SDG are related to diversification, technological modernization and innovation or work related to sustainable tourism, the social economy and local production.



This SDG recognizes investment in infrastructure (transport, irrigation, energy, information, and communication technology) and innovation as key drivers of economic growth and development.

From Corficolombiana and our investments, we bet on compliance with the objectives of this goal, because in all our projects we look for establishing reliable, sustainable, resilient and quality infrastructures that contribute to the economic development and improvement in the quality of life, emphasizing affordable and equal access for all.

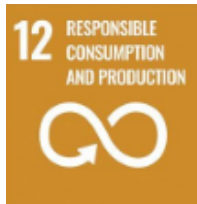
This SDG also promotes the adoption of clean and environmentally sound industrial technologies and processes, innovation through increased scientific research and spending on research and development.



This SDG recognizes that economic growth is not sufficient to reduce poverty if it is not inclusive; therefore, it promotes the reduction of inequalities based on income, gender, age, disability, sexual orientation, race, class, ethnicity, religion and opportunity.

In Corficolombiana we are allied with the objectives pursued by this SDG, assuring competitive remuneration for all our employees, and promoting a diverse and inclusive work environment with a favorable working climate that respects Human Rights.

This SDG pays special attention to the requirements and needs of the most disadvantaged and marginalized populations. Corficolombiana directly and through its investments, has a presence in 21 departments in Colombia, where it contributes to equity and to improve the quality of life of the community.



SDG 12 is about ensuring sustainable consumption and production patterns, promoting the efficient use of resources and energy, building environmentally friendly infrastructure, improving access to basic services and creating green, fairly paid jobs with good working conditions

In Corficolombiana we are committed to the objectives of this SDG in sustainable management, waste reduction, and environmentally sound management of chemicals. They also involve encouraging companies to adopt sustainable practices and incorporate sustainability information into their reporting cycle.

One of the elements that this SDG emphasizes is achieving sustainable tourism that creates jobs and promotes local culture and products. Corficolombiana, through its investment in Hoteles Estelar, supports the sustainable growth of the sector, respecting the environment and in collaboration with the community.

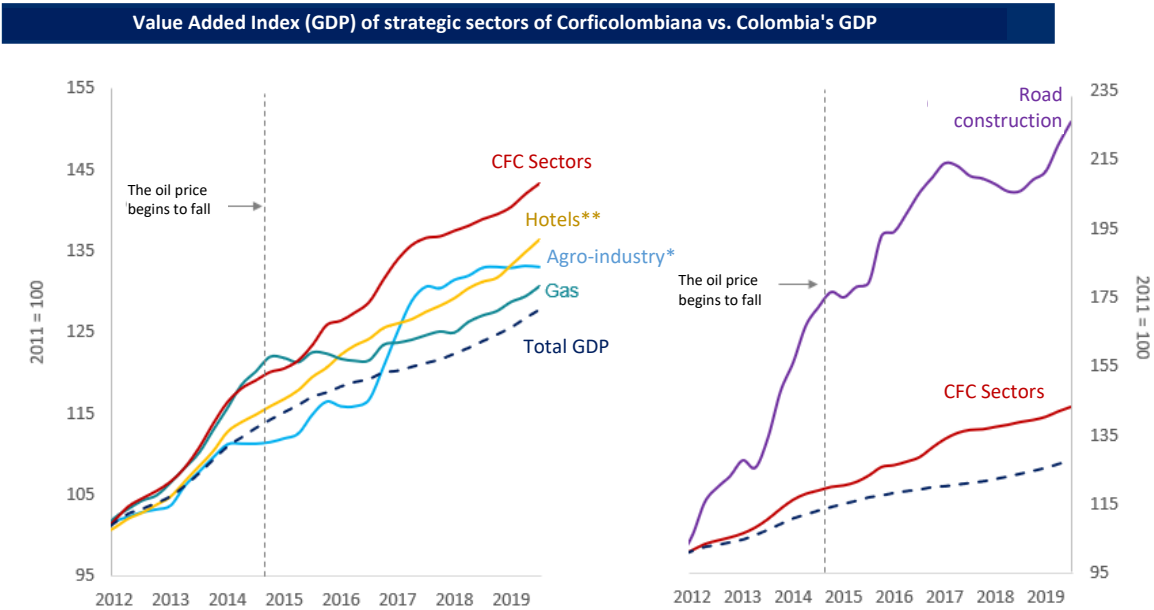
In Corficolombiana we want to continue contributing to the consolidation of the SDGs, for this reason, as part of our strategy, Sustainable Corficolombiana, we have determined that all business actions developed must use the SDGs as a general framework that allows us to direct and report on our strategies and activities; we are sure that this vision will allow us to identify future business opportunities, improve the value of corporate sustainability, establish a common language, strengthen relations with our stakeholders and influence the development of society.

It is worth mentioning that as part of this objective, during 2020 we will carry out an exercise within Corficolombiana and with our stakeholders, following the SDG Compass methodology for the validation of the proposed SDGs and the definition of short and medium term objectives.

4. We Develop and Manage Efficient and Profitable Investments that Drive the Country's Economic Development

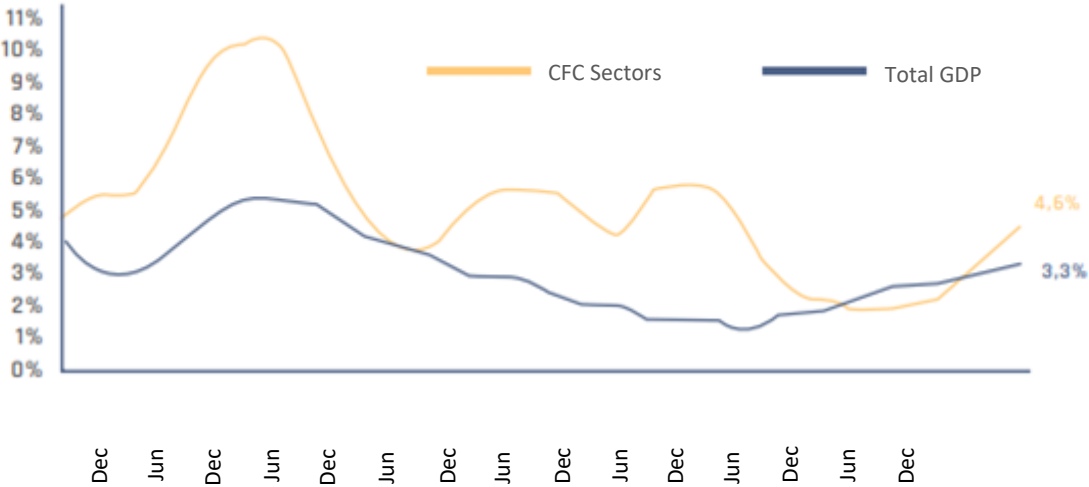
4.1. Equity Investments

The sectors in which we invest have had higher growth than the average growth of the economy in recent years. In 2019, the agricultural, energy, infrastructure and lodging and restaurant sectors grew together 4.6% over 2018, exceeding the 3.3% growth recorded by the entire economy. This situation has been recorded since the end of 2016 and indicates that we continue to be a strategic ally in the development and economic recovery of the country.



*Excludes livestock, forestry and fishing activities **Includes food services.
Source: DANE. Corficolombiana calculations.

Corficolombiana sectors vs. Total GDP



Source: DANE. Corficolombiana calculations.

The reactivation of economic activity during 2019, especially in the second half of the year, was reflected in the growth of traffic through our concessions (4.65% in the year²⁰), the increase in hotel occupancy (from 56.6% to 59.1%) and the increase in gas consumption (4% in the year).

Thus, our portfolio of companies reported total revenue of \$1.8²¹ trillion, mainly because of the results of companies in the energy sector and road infrastructure concessions.

Additionally, the results we achieved during 2019 reflect the execution of our strategy in each of the sectors in which we are present:

Energy

Promigas continues on its growth path, closing 2019 with a net income of \$811,153 million, an increase of 11.84% over the previous year and completing 5 years of average growth in this area of 12%. The main growth routes were: the development of new gas transportation infrastructure in Colombia to extract the hydrocarbon from the new fields of Cordoba and Sucre and the expansion of gas distribution in Peru, specifically in the northern zone of that country. Special mention should be made of SPEC's consolidation as the first, and so far, the only regasification plant in Colombia, whose strategic importance for the future of the business is becoming increasingly evident. The good situation of the company and its prospects were recognized by the international markets with the successful issuance of bonds for US\$400 million.

It is also important to highlight the good performance of Grupo Energía Bogotá, in which we have a minority interest that increased in July 2018. Both profit and price of the share reached historical maximums at the end of 2019, with which the investment made by the Corporation of \$299 billion in these new shares has had a dividend return of 9.3% plus an increase in its price of 10% (as of December 2019) confirming our expectations when this investment was evaluated.

With respect to 2020, market challenges will be related to regulatory uncertainty in the sector, both for delays in compliance with the current agenda and for the number of change proposals. This is also the case with the entry into full operation of the Canacol gas pipeline project in Colombia and the progress made in establishing the distribution networks in northern Peru.

Infrastructure

Our three fourth generation (4G) concessions under construction made significant progress, well ahead of the contractually required progress. The most advanced is Coviandina, in charge of the Chirajara-Fundadores project, which has already completed the construction of the main structures and is close to two thirds of the work (it closed 2019 with 64.81% progress).

Covipacífico, which is advancing the Medellín-Bolombolo project, reached 33.85% of the construction while Covioriente (Villavicencio-Yopal) closed the year with 23.13%. The three projects invested more than \$1.3 trillion in the year.

The initiation of construction in Covimar (Mulalo-Loboguerrero) remains uncertain due to delays in environmental licensing procedures that have taken more than two years.

²⁰ Not including Coviandes which was affected by the closure of the Bogotá-Villavicencio road

²¹ Corresponds to income by the Equity Method and dividends in the separate financial statements

In 2020, the maximum execution levels of this 4G project cycle will be reached to enter in the following two years the final execution phases of the three projects under construction.

Likewise, this year the airport concessions of Cali (Aerocali) and Cartagena (Sacsá) will expire. In both cases, we are processing the Private Initiatives that will allow us to continue operating these infrastructures.

Hospitality

Hoteles Estelar consolidated its growth in 2019, opening two new hotels, one in Lima and another in Cartagena, the latter in alliance with Meliá, reaching a total of 32 hotels, 14 destinations and 3,834 rooms.

By 2020, room, food and beverage sales are expected to grow by 12%, which would allow profit growth. In addition, for this year it is expected to consolidate the operation of the chain's newest operations, aligning them with the strategy and image of Estelar, and its modernization plan that includes the renovation of the lobby, rooms, restaurants and social spaces to maintain customer satisfaction.

Agroindustry

Our rubber project is making progress on schedule. Currently, we have 4,601 hectares in full production with good levels of productivity (Average: 1.00 ton CS/ Ha). The processing plant reached a production level of 5,806 tons TSR (sales: 5,998 tons) and an installed capacity of 3 tons TSR/hour.

On its part, Unipalma presented a year of transformation, in which it readjusted its production strategy in order to better face the conditions of the sector. Firstly, the results of the eradication of the 774 hectares carried out in 2018 to stop the advance of Fatal Wilt were seen, with which the exponential growth of its development was broken and the number of cases per hectare was reduced by 31%. Secondly, modifications were made to fruit production, with the aim of achieving the best balance between higher yields and lower costs.

In Tolima, we had a first semester of rotation in our agricultural crops, where the main protagonists were cotton and hay. This strategy not only allowed us to diversify our product portfolio, but also made it possible to clean up rice lots. This fact, together with an increase in the price, allowed us to surpass by far the goals of the year in agriculture.

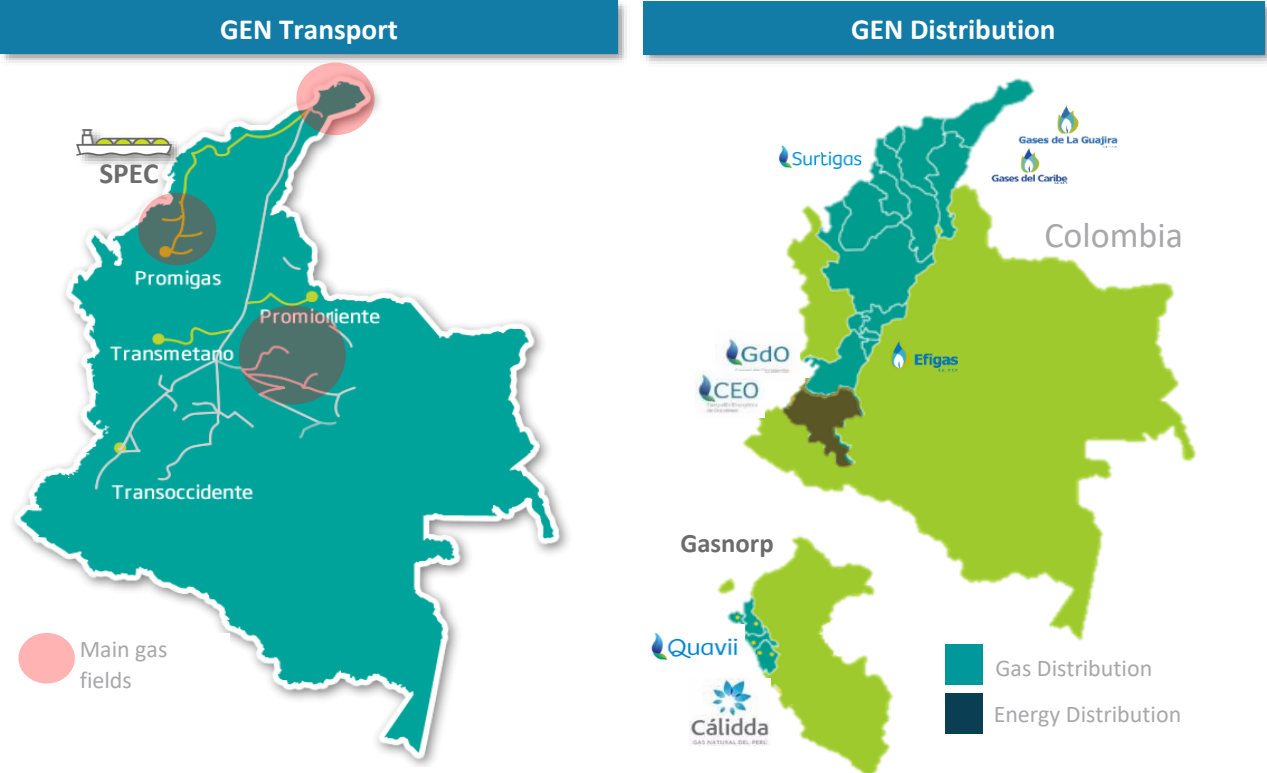
By 2020, we hope that our rubber project will be certified by the tire factories, which will allow us to strengthen our commercial activity and to expand into new markets. For our biannual crops, we expect to overcome the challenges we faced in 2019 in terms of the effects of climate variability.

Financial

In this sector, we advanced in the reorganization of our financial business through two specific points: on the one hand, the Financial Superintendence authorized the liquidation of Leasing Corficolombiana that will allow concluding its winding up process during 2020; on the other hand, we implemented the Integrated Commercial Model -MCI- that looks for the commercial integration of Fiduciaria Corficolombiana, Casa de Bolsa and the Corporation's Treasury in order to broaden and deepen the offer of products and services to customers.

The following is a detail of our investment performance during 2019

Energy and Gas:



Promigas' profits have grown an average of 12% per year over the past 5 years, with an average ROE of 23%. In 2019, they continued to develop their growth strategy by starting up projects in Colombia and Peru, including the expansion of Promigas' transport system from Jobo by 100 MCF/D, the crossing of the 3.4 km Canal del Dique (the longest crossing in Latin America), and the signing of the 32-year concession contract for gas distribution to 250,000 inhabitants in the region of Piura, Peru.

In the transportation business, the volume of gas transported reached 479 MCF/D in 2019. In addition, the regasification plant owned by SPEC, a subsidiary of Promigas, received six methane carriers during the year and provided the regasification service for 148 days throughout the year, delivering 5,584 million cubic feet of natural gas to thermal customers.

In addition, we would like to highlight that the gas distribution business continues to grow, reaching 3.72 million users in 13 departments in Colombia, which means an effective coverage of 90%, and 1.04 million users in Peru by the end of 2019. In Quavii we achieved 87,000 authorizations, exceeding the commitment to the Government of Peru of 73,277, improving the quality of life of all inhabitants connected to the service. In addition, in November 2019, Promigas signed the beginning of a new concession in the Piura region for a term of 32 years. Construction will begin on 1,100 km of transport and distribution networks to bring the service to the cities of Talara, Sullana, Paita, Piura and Secura, with a potential transport volume of 33 MDCP. In the first 8 years it will reach 64,000 households.

To support growth plans and optimize the funding structure, Promigas made its debut in the international capital market with a USD 400 million bond issue in October 2019. The process reached USD 2.6 billion, 6.5 times the target the company had, which allowed Promigas to reach an interest rate of 3.75%, the lowest obtained by a Colombian issuer in the international market.

Due to its good performance Promigas has international investment grade ratings BBB- by Fitch since 2010 and Baa3 by Moody's.

- In 2019, profits grew by 11.8% compared to the previous year
- 3.72 million users in 13 departments: 90% coverage
- 1.04 million users in Peru
- New concession in Piura, Peru
- Debut in the international capital market with a bond issue for USD 400MM
- New gas pipeline from Jobo to Cartagena
- Promigas in the ROBECOSAM Sustainability Yearbook
- Sustainable Mobility: 21 MIO gas buses, 40 Alianza Sodis & Coolitoral buses and 130 in Transcribe

Infrastructure:

We currently have a majority interest in eight road concessions located in five departments of the country (Antioquia, Valle del Cauca, Cundinamarca, Meta and Casanare), being in charge of 668 km of roads. Our interest in these concessions, directly or indirectly, is through our investment vehicles such as Episol, Concecol, Epiandes, Prodepacífico and Prodevimar, with whom we also have a presence in the consortiums in charge of the construction of our fourth generation (4G) projects. With the purpose of optimizing the coordination, management and execution of our projects in road infrastructure, during 2019 all management processes for the execution, control and administration of the group of companies and vehicles of Corficolombiana in infrastructure were integrated in Proindesa, a company 100% owned by Corficolombiana.

During 2019 our investments in the infrastructure sector presented a positive performance mainly reflecting progress in the construction of the three 4G projects that have already signed the initiation of construction certificate; we also recorded good traffic behavior in the concessions that are in operation, except for the Bogotá - Villavicencio road.

Coviandina, Covioriente and Covipacífico closed the year with progress levels between 23% and 65%, which are in line with or exceed those agreed with the ANI. The concessions that are in operation registered an annual growth of 4.6% in average daily traffic, excluding the Bogotá-Villavicencio road, since the Ministry of Transport decreed the temporary closure of the road between June and October in response to the landslides that had been occurring at km 58.

As a result, our investments in infrastructure reached a consolidated income of \$3.8 trillion and an EBITDA of \$2.2 trillion, registering a growth of 12%. This growth excludes the retroactive and non-recurring effect of the signing of the Covipacífico and Covioriente initiation of construction certificate in 2018.

- EBITDA growth: 12%
- We are making progress in the construction of the three 4G projects that have already signed the work initiation certificate
- Average daily traffic of concessions: 112,308
- Coviandina, Covioriente and Covipacífico: Annual Growth of 4.6% in Average Daily Traffic
- Aerocali- Alfonso Bonilla Aragon Airport, Cali: we mobilized more than 5.6 million passengers in 2019, increasing 12% compared to 2018
- SACSA- Rafael Nuñez Airport, Cartagena: Third largest airport in Colombia

Road Concessions

Concession	Section	% CFC	Contractual year of completion	Km	Tolls	ADT 2019	ADT 2019 COP MN
Covipacífico	Ancón Sur - Bolombolo	89.90%	2043	50.2	2	7,023	87
Covioriente	Villavicencio - Yopal	100%	2042	266.1	5	16,703	137
Coviandina	Bogotá - Villavicencio	100%	2053	86	3	20,675	439
Covimar	Mulaló - Loboguerrero	100%	2044	31.8	1	0	0
PISA	Buga - Tuluá - La Paila -La Victoria	88.25%	2033	80	2	34,674	501
CCFC	Bogotá - Facatativá - Los Alpes	88.25%	2024	42.9	2	27,937	291
Panamericana	Los Alpes – Villeta y Chuguacal – Cambao	100%	2035	111	2	5,297	124
Coviandes*	Bogotá - Villavicencio	59.8%	2023	0	0	0	0
Total				668	17	112,308	1,579

* In November the 444-94 concession agreement (Coviandes) was reversed with the delivery of the Bogotá - Villavicencio corridor to ANI, who in turn delivered it to Coviandina. Coviandes will continue to carry out works that were already contracted, including the reconstruction of the Chirajara Bridge and stabilization works at kilometer 58.

** Figures for the Bogotá - Villavicencio corridor during 2019. Until November this corridor was responsibility of the Concesionaria Vial de los Andes

4G Projects

Covipacífico: The Vial del Pacífico Concessionaire is in charge of the construction, maintenance and management of the Ancon Sur - Bolombolo road corridor in the department of Antioquia.

The Project

50.2 kilometers of road under concession
 64 bridges
 4 tunnels
 1 toll and 1 counting system
 Work initiation: September 2018

Progress

Work progress: 33.85%
 Property availability: 91%.
 Designs: Ok
 Financial closure: 583,000 MM, 5 years credit with Aval banks, 100% disbursed

Relevant Facts

- We completed the construction of 9 bridges out of 64 and we advanced in the intervention of another 48. As a consequence of the collapse that occurred in the K9+600 it has not been possible to intervene the remaining bridges.
- During 2019 we completed the excavation and preliminary support activities in the Sinifaná tunnel; and we made 27% progress in the excavation activities in the Amagá tunnel.

Covioriente: The Vial del Oriente Concessionaire aims to improve the Marginal del Llano road axis, connecting the Department of Meta with the Department of Casanare.

The Project

266.1 kilometers of road under concession

141 bridges

4 tolls

Work initiation: November 2018

Progress

Work progress: 23.13%

Property availability: 78%

Financial closure: 550 MM USD subscribed in Oct-2017

Relevant Facts

- Designs of Functional Unit 2 to 6 were adjusted to meet the remarks of the auditors. (Understood as Non-Objected)
- Most of the environmental licenses were obtained and the necessary modifications were made in accordance with the design changes, and management of the pending matters continues.

Coviandina: The Vial Andina Concessionaire is in charge of both the construction of a new roadway in the Chirajara - Villavicencio sector and the operation and maintenance of the Bogotá - Villavicencio corridor in the departments of Cundinamarca and Meta.

The Project

24.6 km under construction, 86 under concession

27 bridges

6 tunnels

3 tolls

Work initiation: September 2016

Progress

Work progress: 64.81%

Property availability: 100%

Financial closure: 1.6 trillion COP senior credit signed in Feb-2019

Relevant Facts

- Since November 2019, Vial Andina Concessionaire assumed the operation of the Bogotá - Villavicencio corridor (86 kilometers)
- The winter emergency was overcome; and a six-month advance was registered in the construction of the final third of the corridor, according to the ANI schedule.

Covimar: The Nueva Vía al Mar Concessionaire is in charge of the construction, maintenance and management of the Mulaló - Loboguerrero corridor in the department of Valle del Cauca.

The Project

31.8 kilometers of road under concession

47 bridges

5 tunnels

1 toll

Work initiation: November 2018

Progress

Work progress: 3.85%

Property availability: 63.18%

Financial closure: There is still no financial closure given the uncertainty of the environmental license.

Relevant Facts

- Regarding the environmental license, the ANLA (National authority for environmental licenses) requested additional information from the Concessionaire through Writ 6261 of August 14, 2019, modified by Writ 9644 of November 6, 2019, and granted a maximum period of twelve months for the delivery of the required information.
- Reserve Subtraction of the Rio Grande Canyon Conservation District: On November 13, 2019, the CVC (environmental authority of Valle del Cauca) approved the Flora Rescue and Relocation Plan. On November 28, 2019, the CVC approved the properties presented by Covimar for the implementation of compensation measures in the DCS-Rio Grande Canyon, in compliance with the agreements issued by the CVC.

Coviandes: On November 6 we reverted the Bogotá - Villavicencio corridor to ANI, who in turn handed it over to our other concession, Coviandina. During 2019, we faithfully committed to the mobility of the country and the progress of all stakeholders. We invested more than \$900 million in initiatives and programs to promote projects that benefit more than 129 families and contribute to the growth of the region's economy, and we carried out habitat recovery activities on more than 18 hectares. In the coming years, we will continue to carry out the works that have already been contracted, including the reconstruction of the Chirajara Bridge and other stabilization works on the road. During the 25 years of construction and operation of the road, we reaffirmed our commitment to the environment by planting more than 180,000 trees.

Pisa: During 2019 our subsidiary Pisa acquired the minority interest of CCFC (49.5%) reaching 100% ownership. The average daily traffic (ADT) during the year increased by 4% with respect to 2018, which represents an increase of 1,188 vehicles. The above was reflected in toll collection, which was \$9.7 billion higher than the previous year. Net profit at the end of the year was \$112.05 billion.

CCFC: The variation in the ADT between 2018 and 2019 was 1,134 vehicles, which corresponds to an increase of 4.2%. As for toll collection, during 2019, it presented a value of \$106.05 billion, representing an increase of 6.3% over the previous year. The above, together with an efficient management of costs and expenses was reflected in an increase in net profits of 16.6% (\$4.9 billion).

Panamericana: During 2019, the ADT in the corridor in operation (Alpes - Villa & Chuguacal - Cambao) grew by 1.8% from 5,203 to 5,297.

Airport Concessions

Aerocali: Since the year 2000 we have been investing in airport infrastructure, through our participation in the concession of Alfonso Bonilla Aragon Airport in the city of Cali. During 2019 we continued with the good commercial management achieving the consolidation of the airline EasyFly with 8 national destinations and increasing considerably the number of frequencies of Latam to Bogotá. Likewise, Gran Colombiana de Aviación and Jetsmart airlines began operations.

This increase allowed us to mobilize 5,686,212 passengers during 2019, which represented a 12% increase compared to 2018. In addition, we continued with the investment plan to improve the passenger experience and the quality of the service provided with works on the platform, runway, taxiways, international boarding bridges and parking lots.

Sacsa: In our investment in the concession of the Rafael Núñez Airport in Cartagena, we ended 2019 with 5,773,774 passengers mobilized, a milestone that means a growth of 5.6% with respect to the previous year. In this way we are positioned as the third airport in movement of passengers in Colombia. We increased our connectivity, inaugurating new routes to Mexico City with Interjet, to Lima with Viva Air, as well as six new frequencies to Amsterdam with KLM. Likewise, we extended our domestic routes to intermediate cities such as Cúcuta, Ibagué, Manizales, Armenia, and Bucaramanga through EasyFly.

Additionally, in 2019 we expanded our international terminal and VIP lounge for greater passenger comfort, which will allow us to continue with 99% satisfaction levels from our users.

Hospitality:

Since 2007 we have increased our room inventory by over 163%. In 2019 we continued our growth strategy with the opening of two new hotels: the Hotel San Isidro in Lima, Peru, and Meliá Karmairí in Cartagena. In this way, we ratified our experience as a hotel operator for both our own brand and major international brands such as IHG, Hilton, and now Meliá. Additionally, in 2019 we opened the new Paipa SPA, the Acento restaurant in the Inter de Cali and the 51 Sky Bar in the Hotel Cartagena de Indias.

As part of our strategy to modernize some of our hotels, during the year we developed and approved plans to remodel and update eight hotels: Intercontinental, Fontana, Altamira, Milla de Oro, Blue, Aptos Medellín, Santamar and Manzanillo.

Thanks to these efforts, during 2019, operating income grew 17.5% and we increased sales by almost 10% over the previous year. It is worth mentioning that part of this growth is leveraged by the consolidation of the Hotel Cartagena de Indias, which increased its sales by 37% compared to 2018. Likewise, not only did we increase room inventory, but we also managed to increase average occupancy

by 1.5 percentage points, reaching the highest average occupancy in history and being more than 2 percentage points above the average occupancy of Cotelco.

- 2019 Sales Growth: 13.5%
- Operating profit growth: 17%
- Estelar Cartagena de Indias grew in sales 37%.
More sales through our electronic channel: 38%.
- New hotels: Hotel San Isidro (Lima, Peru) and Meliá Karmairí (Cartagena)
- New Environments: Paipa Wellness Spa, Acento restaurant in the Inter de Cali and 51 Sky Bar in the Hotel Cartagena de Indias

Agroindustry:

Our agroindustry investments recovered during 2019 with a contribution to controlling net income of \$4 billion (compared to a loss in 2018). This was possible through the rigorous implementation of an agricultural strategy focused on achieving crop productivity increases. Through the restructuring of the production scheme, the consolidation of profitable areas, the establishment of excellence agricultural processes, and the implementation of the carbon project, we achieved greater efficiency in the operation. Thanks to this, we were also able to avoid negative events that have impacted the sector, such as the volatility of international prices, the effects of climate change and of diseases on palm crops.

- We have more than 4,343 hectares of palm trees planted for oil extraction
- We reduced the cost of production of RFF at Unipalma by 3.2%
- We harvested 2,991 hectares of rice
- We obtained the first place in cotton fiber productivity in the departments of Tolima and Huila
- We obtained certifications that highlight the quality of our cattle as brucella and tuberculosis free
- We entered the international tire market.
- We sold 5,998 tons of TSR20 rubber, 57% more than in 2018

Unipalma

Committed to the country's agricultural progress, at Unipalma we have more than 4,343 hectares of palm trees planted for oil extraction.

During 2019 we advanced in the implementation of the strategy, restructuring the production scheme and establishing an excellence agricultural process with the consolidation of the productive aspect in areas of marginal management and normal areas, thus achieving a reduction in the production cost of RFF (Fresh Fruit Cluster) of 3.2% compared to 2018. Likewise, in line with this implementation and thanks to the actions taken during 2018 (where we eradicated 774 hectares with the presence of fatal wilt), in 2019 we reduced by 31% the cases of this disease.

On the other hand, we carried out an adaptation in the palm oil section, which allowed us to increase the recovery of almonds, increasing the production of palm oil by-products, and we updated one of the energy generating equipment, ensuring the continuity of the process.

We continue with the commitment to access the RSPO (Roundtable on Sustainable Palm Oil) membership, anticipating that in June 2020 we will achieve our certification audit. We have a recurrent accompaniment, carrying out follow-ups to the action plans to close the gaps identified in the audits. In

addition, we train our employees in updating the RSPO standard and in social, environmental, technical, and occupational health and safety issues, as well as training internal auditors in RSPO.

Pajonales- Tolima Operation

In Pajonales Tolima, we have five lines of business: agriculture (semi-annual crops), rice seeds, bio-inputs, livestock, and fish farming. In agriculture we focus on the production of rice, cotton, corn and hay crops.

During 2019 we showed a positive behavior in the cultivation of rice, managing to harvest 2,991 hectares; we also grew 8% in the area suitable for mechanized rice transplanting and increased by 138% the area dedicated to the production of pangola grass (from 72 to 173 hectares), with a 14% increase in the productivity of this crop (growing from 489 to 557 bales per hectare).

On the other hand, in the cotton crop, we increased by 16% the cotton-seed yield per hectare with respect to 2018 and obtained the first place in cotton fiber productivity in the departments of Tolima and Huila (1,250 Kg/Ha of fiber), and second place in the country's midland.

- During 2019 in the agriculture division we increased the operating profit by more than 20% compared to the previous year.
- In the livestock area we obtained certifications that highlight the quality of our cattle as brucella and tuberculosis free.
- In Fish Farming we received the authorization to produce 138 tons of additional fish represented in 4 native species (tilefish, gilt-head bream, pataló and capaz). This will allow us to increase the sowings and to complete a production close to 522 tons of meat per year in 2022.

Pajonales- Meta Operation

At Pajonales Meta we are engaged in the exploitation of late yield crops such as rubber. This growing project is one of the great bets of Pajonales for the development of our agricultural activity. In this sense, we culminate in 2019 with our rubber plantation in optimum phytosanitary conditions thanks to the implementation of a flexible pest and disease control program that adapts to the fluctuating conditions of the environment. Likewise, we expanded and consolidated the fire prevention plan, which allows us to identify, attend to and extinguish fire attempts in a timely manner.

As a result, our two operations in the departments of Tolima and Meta achieved net income of \$4,354 million.

Mavalle

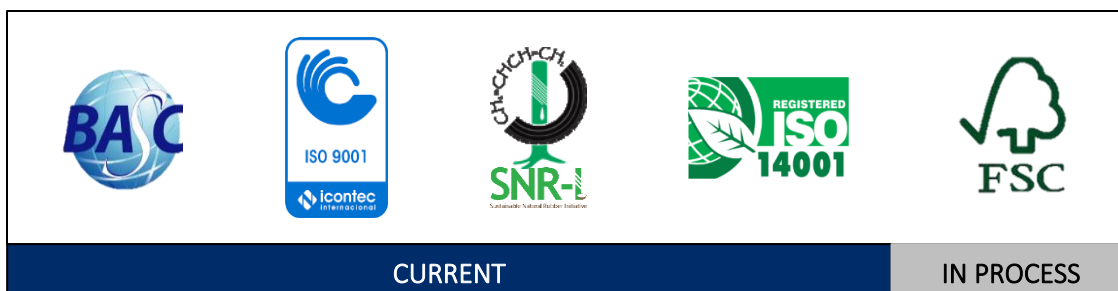
During 2019 we continued with the homologation of our product with large tires companies, we obtained the partial homologation of our product in Goodyear and the total homologation in Vival, Levorin, Neotec and Coopertires. This allowed us to enter the international tire market.

We sold 5,998 tons of TSR20 rubber; a milestone that represents a 57% increase compared to 2018. Likewise, we exceeded the budgeted profit by 14%.

For the development of our commercial and operational work we have the following certifications that demonstrate the quality of our product: processes quality standard, ISO 9001:2015; certification of the

environmental management system ISO 14001:2015, where we seek a way to produce protecting the environment and minimizing the environmental impact that our industrial activity can cause.

Likewise, we have implemented the international alliance that promotes a secure trading BASC (Business Alliance for Secure Commerce) applying security standards that allow our final product not to be contaminated by any foreign substance. In addition, we have adopted the Sustainable Natural Rubber Initiative (SNR-i), demonstrating the good environmental and social management practices that we give to our natural rubber plantations and the environment where we operate our business.



Financial:

In 2019, our financial subsidiaries focused their efforts on providing the best customer experience and maintaining an awareness of efficiency and ongoing cost optimization. The implementation of synergies between Casa de Bolsa, Fiduciaria Corficolombiana and Corficolombiana within the framework of the Integrated Commercial Model (MCI) and the consolidation of the Shared Services Unit (USC), was crucial for the product optimization strategy that allowed us to comply with the objective of generating an extended value offer for our financial services clients.

- More efficiency: Integrated Commercial Model and Shared Services Unit
- Historical participation in the ranking on primary placement of relevant fixed income securities and in the secondary share market
- Growth in the fiduciary business: Capital Markets Trust increased 23.9% and Infrastructure Trust increased 19.3%.
- We are one of the leading participants in the local public debt market

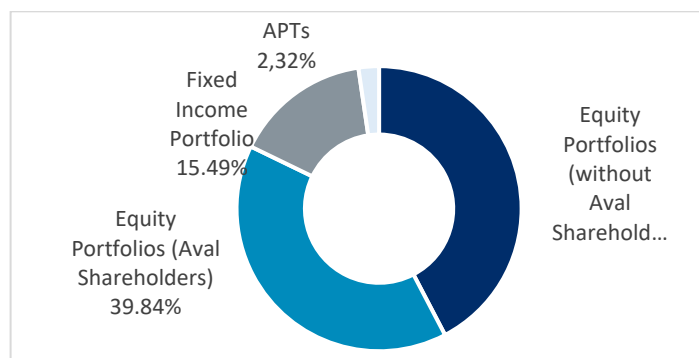
Casa de Bolsa

For Casa de Bolsa, 2019 represented several positive changes since we went from registering losses in 2018 of -\$1,160 million to a profit of \$2,099 million.

We achieved an historical participation in the “ranking” in primary placement of relevant fixed income securities (TOP 3), as well as in the secondary shares market (TOP 4). Likewise, we maintained a significant share market in the peso dollar spot between all the intermediaries of the exchange market (TOP 10).

In the own position business, we obtained positive results especially in currencies and shares with very low market risk business models. Likewise, in order to increase the service levels, we were able to deepen some synergies with entities belonging to, or related to Grupo Aval, especially regarding primary issuances of fixed income and in TIDIS market.

AUMs



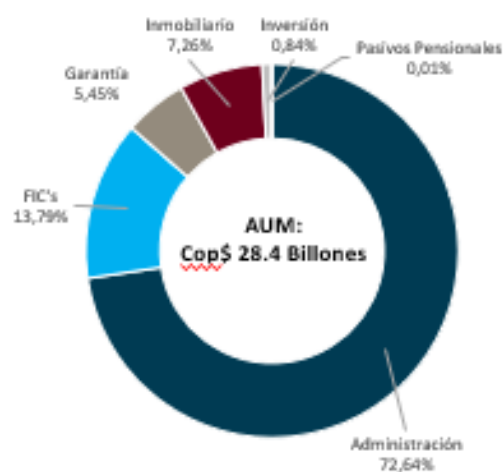
Fiduciaria Corficolombiana

In Fiduciaria Corficolombiana, we focused on the creation of the REIT's special unit to completely attend everything relative to this business under the same government. We also strengthened the commercial structure for the generation of new businesses of Private Equity Funds and we commercially activated the search for new public businesses.

In addition, during 2019 we launched two new products with which we looked to increase the balances managed in Valor Plus and Multiplicar Funds and give our customers competitive Cash Management solutions and invoice discounts by updating them with the market trends. On the other hand, we highlight the growth of the trust business line, where the Capital Market Trust Company and the Infrastructure Trust Company grew by 23.9% and 19.3, respectively.

As a result of the foregoing, we achieved that the net profits of the Trust Company were \$8,018 million, with a return on equity of 14.5% and an operational margin of 16.6%.

Share of Assets under Management (AUM) per type of business



Source: Fiduciaria CFC – Figures as of December, 2019

Leasing Corficolombiana

In 2019, Leasing Corficolombiana led all the actions intended to comply with the assignment agreements subscribed with Banco de Bogota (assignment of assets), Banco de Occidente (assignment of assets and liabilities) and Corficolombiana (assignment of liabilities). In addition, from May 31, 2019 the

Shareholders Assembly of Leasing Corficolombiana authorized its early dissolution and voluntary liquidation, which was authorized by the Finance Superintendence on December 20, 2019, resulting in the final suspension of the realization of active and passive operations.

2020 Perspectives

We see a 2020 that must maintain the growing internal economic dynamic with which 2019 closed and a greater external uncertainty. We provide stability and improvement in the main local economic variables such as growth, inflation, interest rate and employment and volatility in the external variables, especially in the exchange rate due to the uncertain political, economic and social situations of the global environment.

Likewise, in 2020 we expect to perform some of our strategic goals: on one side shall be the peak of cycle of works execution of our three fourth generation projects and therefore, the results cycle in this front. In fact, by the end of the year, all our investments in road infrastructure shall have exceeded 50% of execution and one of them, Chirajara-Fundadores of Coviandina, shall enter the final stage of its execution with more than 80% progress, thus concluding the execution cycle of the project that has contributed the most to the results of the Corporation since 2016. In addition, we expect that during the year there are definitions on the project Mulaló-Loboguerrero of Covimar and the private initiatives that we have been processing for Cali and Cartagena airports.

Regarding Energy, Promigas shall focus on the full operation of the gas pipeline from the Canacol deposits to Barranquilla and in advancing the construction of the distribution networks for its concessions in the north of Peru, to consolidate this growing market. The new assets of Promigas²² shall be fully available and ready to transport the gas, in such a way that energy security can be supported during a probable scenario of shortage in hydraulic generation during the year.

In agribusiness, our rubber project shall be certified by the tire factories, which shall allow potentiating the commercial activity and deepening new markets. In the biannual crops we expect to overcome the challenges we faced in 2019 regarding the affectations for weather variability. In addition, we expect returns in rice of 6,775 Kg/Ha, together with a positive perspective in the price of this crop. In 2020 our rotation strategy is focused on white corn, with projected returns of 7,800 Kg/Ha and a price already agreed that shall allow us not to depend on the international price fluctuations. On its part, in hay, we proposed to increase the return by 8% more than evidenced in 2019 reaching 600 bales/Ha.

On its part, in the hospitality sector, Hoteles Estelar expects to increase the sale of rooms and food and beverages by 12%, which would allow a growth in its profit. In addition, it expects to consolidate the newest operations of the chain by aligning them with the strategy and image of Estelar that is very aligned with the renewal plan of lobby, rooms, restaurants and social spaces to maintain the customer's satisfaction.

Finally, our financial business will show the first results of the Integrated Commercial Model where, by taking advantage of the synergies and deepening of customers both Casa de Bolsa, Fiduciaria Corficolombiana, such as treasury of Corficolombiana shall move forward on its purpose to expand its outcomes.

²² The regasification plant of Cartagena and gas pipelines that extract the gas of Cordoba and Sucre fields.

4.2. Treasury

In 2019 we decided to reduce the balance of fixed income investments in the portfolio of Available for Sale, basically in TES, due to the opportunities that arose regarding rates and in compliance with the business model established in fixed income.

At the closing of December 2019, our investment portfolio of fixed income amounted to \$2.5 trillion, with a decrease of 21.9% compared to the closure of December 2018. This variation was mainly given in the portfolio of Investments Available for Sale, in accordance with the provisions of the strategy defined for this portfolio.

We continue to be one of the leading participants in the local market of public debt with presence within the scheme of Market Creators of the Ministry of Finance and Public Credit.

In the peso-dollar spot market (purchases and sales), we obtained a share of 14.55% at the closure of 2019 and in the forwards market, the share was 1.31%. On its part, the dollar-peso forward derivatives portfolio amounted to USD 1.5 billion at the close of 2019; and the balance in swaps was USD 668 million.

In addition, in 2019 our Foreign Exchange table placed within the first eight counterparties per volume and traded operations, according to figures of the SetFx. This has consolidated us as one of the most active and dynamic entities in the currencies and derivatives market in Colombia, in addition to the leadership in volumes operated in the other currencies market (G10 and Latam).

In terms of the funding, in December 2019, we closed with an effective CDs rate of 6.36%, which represents an increase of 14 basis points before December 2018, which was 6.22%. This increase is a result of the greater collections made in the long-term and the increase in inflation that affected the re-pricing thereof. The total of CDs at the close of the year was \$3.5 trillion, greater by 31% compared to the balance of December 2018.

In addition, in August 2019 we made a placement of general guarantee bonds for a value of \$500 billion at terms of 10 and 20 years in CPI. With this placement, which makes part of a Bond Issuance Program, we reached a total of \$ 4.0 trillion in funding and we were able to extend the average term thereof from 5 years to 6.25 years and the term of 3.5 years to 5 years at the close of 2019.

For 2020, the Treasury shall look to increase the synergies with Grupo Aval banks together with the MCI, diversify the offer of collection products, deepen the use of derivatives through clearing houses and complement the negotiation in the local and foreign exchange tables with products such as algorithmic trading.

4.3. Investment Banking

During 2019, the interest rate reduction environment was positive for financial market activity. Thus, while financing of large infrastructure projects continues to show lags over other years, capital market activity has increased to record levels in the placement of corporate debt operations. In 2019, private debt bonds of \$13.9 trillion were issued and placed, an increase of 51% over the previous year. In the framework of this situation, we actively participated in three issuances in the local market totaling \$1.4

trillion (10% of the total placed in 2019): securitization of the P.A. BMP Sur – for the financing of Transmilenio buses (\$500 billion); Aval Group ordinary bonds (\$400 billion); and Corficolombiana General Guarantee bonds (\$500 billion).

Additionally, we accompanied Promigas S.A. E.S.P and Gases del Pacífico S.A.C. (co-issuers) in their debut in the international bond market as their financial advisor. The placement made under Rule 144A Regulation S was for a value of USD 400 million with a bid to cover of 6.5x. With a coupon of 3.75% this transaction ensured the company an attractive financing rate at 10 years, which represented the lowest coupon achieved for a Colombian corporate issuer in the international bond market to this moment.

For 2020 we expect that the capital market activity continues as well as the reactivation of large size financings, especially of a corporate type and less for projects. Our activity shall be focused on supporting our customers in their expansion and optimization of their capital structure using these sources.

MCI (Integrated Commercial Model)

During 2019, our commercial management was addressed to the implementation and stabilization of the Integrated Commercial Model, an articulated scheme for customer care and allocation of transaction products of Corficolombiana, Fiduciaria Corficolombiana and Casa de Bolsa.

The commercial model was focused on transforming commercial management through the integration of the value offer of the three companies as a group and the specialization of the commercial model through the attention per target segments, identifying typologies per client and generating solutions which purpose is to increase the value offer. Then, it is about submitting comprehensive service offers of the three companies in accordance with the needs of the customers and the offer of model portfolios adjusted per risk profile. As a result, we were able to extend the capacity of distribution of products and customer service.

In 2019, we achieved a greater deepening in the equity market business at the Institutional and Proprietary Position segments, locating the brokerage firm within the four greatest operators of shares per volume with 10% of market share, and an historical share in the ranking in primary placement of fixed income securities (TOP 3). Through higher synergies with entities of Grupo Aval, we want to position as TIDIS (Tax Return Securities) negotiators and be the leading agent among bond placers.

Business Intelligence (BI)

In February 2019 we launched the Business Intelligence Area, whose main purpose is to be ahead of the market and our customer's needs by potentiating the business opportunities and the generation of new strategies through our offer proposition.

Our business intelligence area is aimed at generating solutions that promote the achievement of new businesses by the commercial areas of Corficolombiana and its financial affiliates, leading the digital transformation with better interaction channels and generating strategies for decision making based on data analytics. Thanks to the foregoing, we shall improve our customers' experience to build solid and durable relationships.

SHARED SERVICES UNIT (USC)

In 2018 we implemented the integration of the supporting and operation areas of Corficolombiana with those of our financial affiliates (Casa de Bolsa and Fiduciaria Corficolombiana), giving rise to the Shared Service Unit (USC), which we finally consolidated in 2019. The USC is in charge of managing processes and supporting activities that were being performed in a decentralized manner in other business units increasing the productivity levels and generating economies of scale in the different fronts. In this unit we concentrate the administrative, systems, human management, operations, customer service, accounting, and consolidation services.

In 2019 we made a diagnosis of the progress status in the integration process of the USC by establishing its operational capacity, functioning of its operation and supervision schemes and we were also able to identify improvement opportunities. As a result of this diagnosis, we developed a unification plan of the procedures that the USC had by achieving at the close of 2019 the simplification of 77% of the procedures, the remaining 23% shall end in the first quarter of 2020. In addition, we updated the information of customers of the three entities and standardized the tax management and contracting of correspondence, inactive file and digitalization providers.

Of 358 direct employees of Corficolombiana, 150 belong to the USC, as well as 63 temporaries. On the other hand, the financial affiliates of Corficolombiana – Fiduciaria Corficolombiana and Casa de Bolsa – contribute to this unit with 175 direct and 16 temporary employees for a total of 404 employees. During 2019, we worked on the homologation of the emotional benefits and the tools available to the employees in the three entities.

This implementation has allowed generating efficiencies (savings in costs and more productivity) of 11%. For 2020, the working plan of USC is focused on improving the service levels of the three entities in order to adjust them more to the users' and customer's needs and finally stabilize the operation and financial model.

5. We Ensure Ethical and Responsible Decision-Making

5.1. Corporate Governance

At Corficolombiana we are convinced that good corporate governance practices are fundamental to ensure greater economic security, trust, efficiency, accountability, and transparency. Thus, we have incorporated Good Governance principles that govern our actions, protecting the rights of the shareholders and investors.

The Board of Directors has been an essential support for the development of our approach in sustainability expressed in the strategy Sustainable Corficolombiana.

Relevant Facts

- The General Shareholders Assembly approved the amendment to the Assembly Regulations by complementing recommendations in terms of good Corporate Governance practices; it specifically included the players that must submit reports to the Assembly as well as the general rules on installation, composition and operation of the commission for review and approval of minutes and election and scrutiny.

- We amended the Board of Directors Regulations by incorporating the rules for the definition of the thematic agenda or agenda of the meetings, the responsibility of the Board in the definition of the transaction policies with related parties (TPRs) and the evaluation mechanism of the Board of Directors was extended to its committees.
- In the Good Governance Code, we added a numeral that contains the information about the Bondholders Assembly (meetings, quorum, powers, internal regulations, summons, proposals on its development) by providing an action framework for the investors of the recent General Guarantee Bonds issued by the company.
- In the Best Corporate Practices Survey -Codigo Pais- we reported the adoption of 119 out of 148 recommendations given by the Finance Superintendence of Colombia.²³
- The Board of Directors has actively participated in the consolidation of the company's strategy: Sustainable Corficolombiana. As part of this commitment, the Corporate Governance committee shall be added with the sustainability functions.

Board of Directors

Members

- 14 members: 7 principal and 7 alternates.
- 25% Independent
- 13 men – 1 woman
- Between 30-45 years= 1; Between 45-60 years= 3; More than 60 years= 10
- Average age of principal members: 63 years; Average age of alternates: 69 years.
- Average tenure of principal members: 11 years: average tenure of alternates: 20 Years
- Members elected by the General Shareholders Assembly by the electoral quotient system for periods of one (1) year.

Meetings

- Corficolombiana summons without exception all its members (both principal and alternate) understanding that the decisions are made by the main members and the alternates in case of absence of the principal member.
- In 2019, the Board of Directors met 25 times: 22 regular meetings and 3 extraordinary meetings, of which 2 were through the written vote mechanism referred to in Article 20 of Law 222/199 and one in person meeting. Within the main topics dealt with by the Board of Directors in 2019 we have:
 - Investment portfolio outcome.
 - Financial results
 - Report of processes and contingencies
 - Report of treasury portfolio
 - Risk corporate report
 - Sustainability, among others.
- Attendance of principal members: 78%, attendance of alternate members: 86%.

²³ This report is available for its consultation in the website of the Corporation www.corficolombiana.com

Assessment

The members of the Board of Directors made a self-evaluation of their performance and management of 2019 with the following results:

- Individual performance of the members of the Board of Directors: 96%.
- Group performance of the Board of Directors: 99%
- Performance of Audit Committee: 100%.
- Performance of Risk Committee: 100%.
- Performance of Good Governance Committee: 100%.

Regarding the individual performance of the directors we highlighted as strengths the impartiality to express their opinions, their action in the best interest of all the shareholders, the ethical behavior, and the reserve in the handling of privileged information.

Regarding the group performance we highlighted the autonomy of the members by attending their manager duties, the advance in the scheduling of meetings, knowledge of their functions in terms of disclosure of information to the market, understanding the process to identify related parties and avoid conflict of interest situations as well as the risks and continuity of the company's business.

Other Activities

The members of the Board of Directors were invited to the forum "*Mercado de Capitales Colombiano de Cara a una Reforma Pensional*," which took place on July 24, 2019. The discussion of this event was how a reform to the current Colombian pension system, regardless of the formula, might affect the pension savings and financial obligations of the State and therefore the financial markets.

In late 2019, they were invited to the Economic Research Forum "*Contra la Corriente- Hasta Cuando*" organized by the Corporation; in this event they discussed the local and international economic perspectives for 2020 and how in an economic slowdown context of the global economy Colombia has seen an important upturn in its economic activity.

Board of Directors Committees

Committee	Objective	Members	Meetings
Audit	Evolution of the internal control of the Corporation, as well as its ongoing improvement.	Three members of the Board of Directors. As of December 2019, its members were Santiago Madriñan, Luis Carlos Gómez Charria, Álvaro Velázquez and Gabriel Turbay (alternate member).	At least every three months. In 2019 it met eleven (11) times.
Corporate Governance	Monitor that the shareholders and the market in general have complete, accurate and	Three members of the Board of Directors. As of December 2019, they	At least twice per year. In 2019 it met three (3) times.

	prompt access to the information of the Corporation, as well as to review and evaluate the way in which the Board of Directors complied with its duties during the period.	were Gabriel Turbay, Jorge Iván Villegas and Santiago Madriñan.	
Risks	Inform the General Shareholders Assembly about the risk management of the company and review and evaluate the integrity and adequacy of the risk management function of the company.	Three members of the Board of Directors. As of December 2019, its members were Carlos Upegui C, Tatiana Uribe B and Álvaro Velasquez.	At least twice per year. In 2019 it met four (4) times.

The reports of the committees of the Board of Directors to the General Shareholders Assembly are included in the annex of this Management and Sustainability Report 2019.

5.2. Ethics and Transparency

Our values: Integrity, creativity, teach by example, listen to understand, work as a team, and develop others.

In Corficolombiana all our actions are based on an ethics, integrity and transparency framework as well as on the following basic principles:

- Generate trust on our knowledge, experience and compliance with commitments.
- We demonstrate honesty with the straightness of our behavior
- We maintain loyalty on what we believe, on who we believe and who we serve.
- We act with transparency in the decision-making, in the handling of information and before the community in general.
- We respect the truth, law and equality by showing justice in our actions
- We build and maintain mutual benefit relationships with shareholders, customers, partners and all the organization personnel.

As a fundamental part of this scheme, we have the Code of Ethics and Conduct, document that contains the behavior guidelines to be followed by the directors, managers, and other entity officers in their actions.

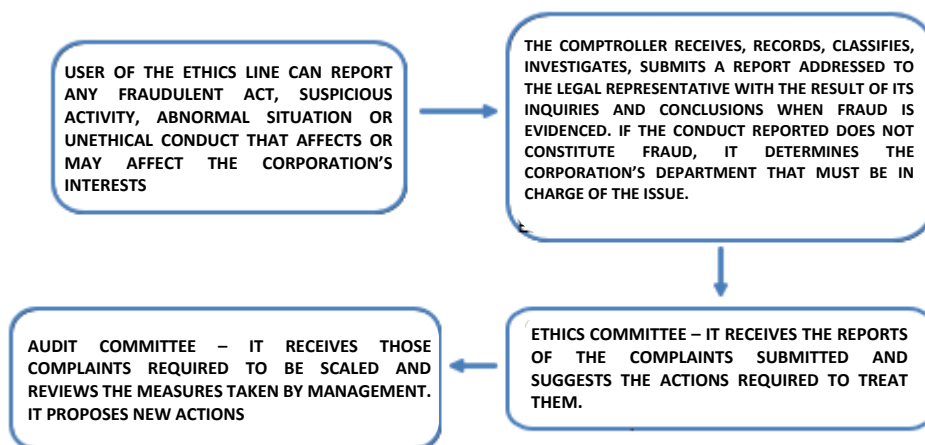
It is important to mention that, our code is communicated to all the new members of the team; in addition, we periodically make reinforcement trainings to all our employees to ensure that their contents are maintained in force in the actions, operations and businesses of the Corporation.

Ethics Line

We implemented an Ethics Line through which any member of the Corporation, customer, provider or third party may report, anonymously, fraudulent acts, suspicious activities, abnormal situations or non-ethical conducts that affect or may affect the interests of Corficolombiana.

Such channel is comprised by the email - denuncias.controlinterno@corficolombiana.com and the icon “Complaints” in the website www.corficolombiana.com.

Operation of the Ethics Line:



By means of this channel, in 2019 we received 11 complaints, 7 less than the previous year. It is relevant to mention that, once the requirements received were analyzed, it was determined that they did not correspond to events related to violations to the codes of Ethics and Conduct and/or Good Governance or events of fraud. In 2019, the names of the positions designated to the Ethics Line management were updated.

Ethics Committee

In 2019 the Board of Directors approved the conformation of the Ethics Committee comprised by the Senior Management of the entity. Such Committee represents a government body where the corrective, preventive or disciplinary actions are determined that may result from the investigation procedures of complaints made through the ethics line. Likewise, this Committee monitors the situations of conflict of interest that have been disclosed or identified; it is also in charge of determining the disciplinary actions for the employees that commit acts of fraud or act contrary to the provisions of the Antifraud and Anticorruption Policy and its related policies.

Antifraud and Anticorruption Policy

At Corficolombiana we have a zero-tolerance policy to fraud, bribery, and public and private corruption. The Code of Ethics and Conduct, as well as the Antifraud and Anticorruption Policy contain the guidelines for a responsible, honest, straight, serious, transparent and law and institutional policies compliant behavior.

Our Antifraud and Anticorruption Policy is the institutional mechanism that promotes the development of actions coordinated to prevent corruption, promote transparency in the administration's management, dissuade improper conducts and incentivize the commitments of its stakeholders against corruption. This policy contains general guidelines regarding gifts and invitations, contracting and procurement, donations, responsibility programs, public contributions and policies, sponsorships, acquisitions, mergers, participations increases, joint ventures and associates, related parties and joint ventures, transparent handling of the relationships with public officers and conflicts of interests in order to prevent the materialization of fraud and corruption events in Corficolombiana and its subordinate entities. In addition, as parent company, from Corficolombiana we manage the control of those issues in our affiliates. In fact, during 2019 we carried out activities to ensure that our affiliates and investments also comply with this policy.

Likewise, in 2019, we trained 339 officers (82%) of Corficolombiana and 506 employees (78%) of the financial affiliates in the issues contained in the Antifraud and Anticorruption Policy.

Being aware of the importance of having an Antibribery and Anticorruption compliance program that adequately protects our good name and the name of our shareholders, in 2019 the company KPMG reviewed the program elements looking for the optimization of its components and ensuring compliance with the corporate policies by all employees. As a result of such evaluation, "optimal" levels of implementation were observed in all its parts.

Regulatory Compliance

During 2019, we strengthened the regulatory risk management function. For that purpose, we designed tools that allow recording the inventories of the regulatory requirements applicable to all the processes and businesses of the Corporation in order to identify gaps and establish action plans to remedy it. Likewise, we designed instruments to monitor the action plans of the different areas in order to ensure, from the second line of defense, the operation of the continuous improvement scheme in the entity's processes.

5.3. Human Rights

In Corficolombiana we are committed to the promotion of Human Rights. Thus, during the second semester of 2019 we worked on the elaboration of the declaration and Corporate Human Rights Policy, which observe the international guidelines and local regulations on this regard.

This declaration supports our vision of being an admired and respected company that works and invests in the country's progress and promotes Human Rights.

Our commitment is reflected in the following principles:

- We promote respect for Human Rights as a management and decision-making criterion
- We reject any act that violates or attempts against Human Rights
- We keep absolute respect for personal dignity of the worker and his beliefs
- We respect and do not discriminate people, partners, customers, contractors or suppliers for differences of sex, religion, political belief, nationality, social level or hierarchy
- We provide respectable, safe and healthy working conditions

- We recognize the right to rest that our employees have
- We reject child labor
- We comply with the labor legislation provisions in force
- We offer fair wages that are in accordance with the Law
- We respect the right to free association
- We value culture and diversity of the territories where we operate
- We act with transparency in the decision-making, in the handling of information and before the community in general.

During 2020, we will make the identification and valuation of Human Rights risks in the Corporation as well as in its affiliates and subsidiaries, which shall allow us to define the controls that mitigate the potential related risks.

5.4. Risk Management

Risk Management has become an essential pillar of our operation. Through our risk management strategy, we look to ensure an adequate relationship between profitability and risk in the different business lines. Likewise, we expect that the risk level assumed by the shareholders is framed within the objectives and limits defined for Corficolombiana.

a. Corporate Structure

Within our organizational structure we have instances in charge of the management of the different risks:

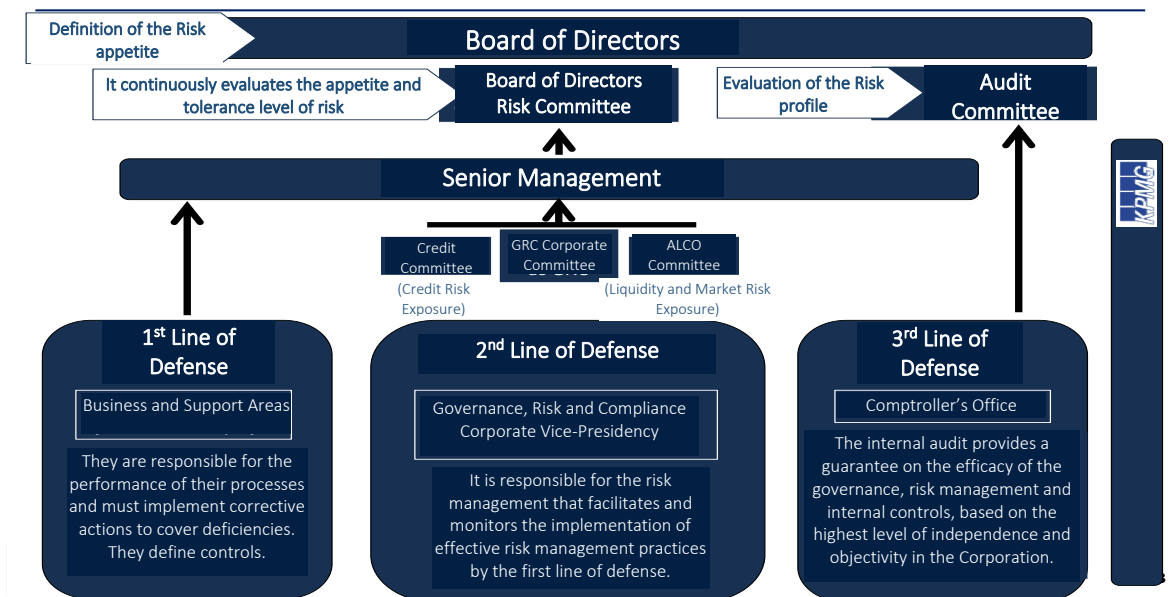
- Board of Directors and Risk Committee of the Board of Directors.
- Assets and Liabilities Committee (ALCO), Credit and Counterparty Committee and Governance, Risk and Compliance Corporate Committee (GRC).
- GRC Corporate Vice-Presidency comprised by the Corporate Risk Management and Corporate Compliance Management.

The risk area of Corficolombiana manages the financial risk, operational risk, compliance with Sarbanes Oxley Law, Third-Party Risk (TPRM), information security, cybersecurity risk and information technology risks (ITRM).

On its part, money laundering and terrorism financing risk is managed in the Corporate Compliance Area, the internal model to mitigate the corruption and bribery risks, as well as the Compliance system, which is focused on the regulatory compliance. Its scope also includes the monitoring of the Financial Consumer Assistance System – SAC.

The structure above aims at establishing and reinforcing the three lines of defense of the Corporation by adequately defining the roles and responsibilities under efficiency and efficacy principles. Such structure ensures an adequate coverage of risks, responsibility over their management and sufficiency of the Internal Control System implemented:

Model of three lines of defense in Corficolombiana



In 2019, we continue developing the Governance, Risk and Compliance (GRC) corporate program with the accompaniment of the firm Ernst & Young, EY, on its implementation stage. Through the commissioning of activities in several initiatives established in the project, we identified and made necessary adjustments to the components of the model and we standardize and consolidate the guidelines of the GRC functions, such as:

- Consistent and updated identification of the risk view of the Corporation and its affiliates with report to the Management
- Visibility on strategic risks
- Articulation on the processes and risk management between the risk functions and the different affiliates and subsidiaries
- Having a holistic view of risks that allows supporting the decision making with updated information and warn about possible events that may affect the business objectives
- Control environment coherent with the capacity, tolerance, and risk appetite
- Reduce business interruptions for materialization of risks that are not adequately managed
- Decision making and feedback of the risk management from the risk event response
- Improve the risk alignment to the business strategy
- Management of the risk functions and compliance from coherent information, key indicators, and control dashboards
- Improve the performance of processes through the efficient management of their risks
- Manage the impact for risk events and their attention cost
- Leverage the business processes through prompt risk management
- Identification of risk factors
- Improve the capacity to manage risks in multiple levels.

In 2019 we made progress on the following aspects:

- Strengthening of the GRC team structure in the agricultural, energy and gas, infrastructure, and financial sectors.

- Realization of 2 sessions of the Excellence Center - CoE, which looks for aligning, innovating, and promoting the continuous improvement of the GRC Model to ensure an organized growth/evolution. With the participation of the GRC leaders of the different sectors in which Corficolombiana has investments, we can provide approaches, tools, reference frameworks and we look for the generation of synergies, alignment of concepts and identification of better practices focused on GRC.
- Consolidation of the Second Line of Defense for the risk and compliance management.
- Implementation of the Regulatory Compliance model and the Legal and Regulatory Framework, as legal risk management element.
- Third Party Risk Management Model – TPRM. Identification of strategic, emerging and contagion risks.

During 2020, the risk and compliance function shall focus on the extension of the coverage of the management in the different affiliates and subordinates with particular emphasis on the alignment of the methodologies established with the strategy Sustainable Corficolombiana, it shall participate in the strengthening of the corporate ethics program and shall implement a corporate report model that allows monitoring in a more efficient manner the results of the risk management performed.

b. Risk Management - Corficolombiana and Affiliates

In 2019 we developed a first corporate exercise in the identification of the strategic risks, which were defined as those risks that have an impact on the company as a whole and which are comprised by the Key Risks and the Emerging Risks.

Key Risk is understood as that directly affecting compliance with the strategic business objectives and the mission processes of the Corporation. The identification of these risks evolves and changes to the extent that the strategic objectives change.

Emerging Risk is understood as that which may affect, not only a company but an entire sector or economy, having a slight probability of occurrence but with a critical impact of difficult evaluation or prediction. At the closure of 2019, this activity was under review by different instances within Corficolombiana.

Financial Risks

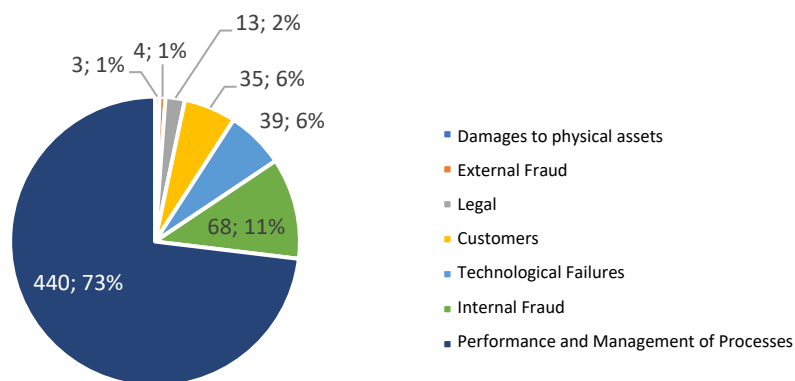
In order to ensure that the treasury business activities are aligned with our objectives and strategies, the Board of Directors exercises a permanent monitoring of the risk profile by following up on the treasury positions, the limits of market risk, credit risk and liquidity risk. The philosophy of risk assumption is coherent with the general policies of the assets and liabilities management and considers aspects such as economic analysis, technical analysis, fundamental analysis, and the effect of environmental changes in the bank book and treasury book.²⁴

²⁴ In note 4 of the Individual Financial Statements and Note 4 of the Consolidated Financial Statements there is a report of the financial risks of Corficolombiana in accordance with the rules established by the Finance superintendence of Colombia.

Operational Risk

We have an Operational Risk Management System – SARO implemented in accordance with the guidelines established in Chapter XXIII of the basic accounting and financial circular letter (External Circular Letter 100/1995) of the Finance Superintendence of Colombia.

At the end of 2019, the distribution of the risks identified in the organization per type of risk is the following:



Total risks identified: 602

For 2019 there is an increase in the quantity of risks identified and percentage of critical risks with respect to the previous year. This is due to the creation and management of the Shared Service Unit, which manages all the supporting processes for the three financial entities (Corficolombiana, Fiduciaria Corficolombiana and Casa de Bolsa) and the implementation of the Integrated Commercial Model that covers the same three financial entities.

Regarding the percentage of action plans closed, this continues to be a positive indicator that demonstrates our commitment to correcting and preventing incidents that may increase our risk level.

Operational Risk Indicators	2018	2019
Number of risks identified / % in high and extreme level	403 / 1%	602 / 7%
% of action plans closed to mitigate the occurrence of operational risk events	91%	92%

Likewise, we initiated the identification of third-party risks – TPRM for Corficolombiana and the total of affiliates, by evaluating 8 risk dimensions (financial, regulatory, bribery and corruption, service, business continuity, reputational and country risk). For 2020, we expect to complete the evaluation and classify each third party in the categories of Routine, Relevant, Critical and Strategic Critical, where we have defined action plans to be developed in a particular manner.

Technological Risks

In Corficolombiana we understand the importance of implementing a management system for information technology and cybersecurity risks that provides protection of information, generates trust

in customers and investors and meets the regulatory requirements. Framed on the foregoing, in 2019 we began implementing the IT Risk Management methodology – ITRM to carry out the comprehensive management of cybersecurity, information and technology security risks.

The ITRM and Cybersecurity Program is focused on practices including the development of preventive and detective measures to mitigate the potential damage and reduce the operational risk generated by the information technologies. Under this methodology, during 2019 we made progress on the identification of IT management processes, assessment and consolidation of risks present in those processes as well as in the identification and consolidation of cybersecurity and information security risks, in turn incorporating in the same matrix the SARO and SOX risks.

Similarly, in May 2019, we hired a specialized provider on Cyber-Intelligence and Early Warning service. This allows us to detect and warn in real time any threat for the information that may be generated by possible cyber-risks and/or reputational effects for the Company and its directors by making a permanent monitoring of open sources (common Internet, social media, blogs, etc.) and the Deep Web (hidden internet).

Money Laundering and Terrorism Financing Risk

During 2019 we performed actions to adjust some of the SARLAFT components and strengthen the control system. We also modified risk and control valuation methodologies.

Reputational Risk

In order to manage the reputational risk, we have explicit mechanisms such as the Code of Ethics and Conduct, Antifraud and Anticorruption Policy and the Money Laundering and Terrorism Financing Risk Management System. Likewise, we have the Communication and Marketing and Investor Relations Areas, which are permanently evaluating information to understand the market and environment trends, as well as the exposure of the entity's name in the media and social media.

Finally, it should be stated that the entity has a communications protocol for the existence of a transparent and responsible handling of communications and thus preventing any type of confusion in the exchange market or the public in general.

Training in Risk Management

During 2019 we performed training activities focused on the policies, procedures and mechanisms that the Corporation has established in terms of money laundering and terrorism financing risk prevention, as well as in other relevant aspects of the Operational Risk Management and in the Antifraud and Anticorruption Models. We design virtual training tools and publish bulletins with information of interest about the topics mentioned, reaching an approximate population of 850 officers of Corficolombiana and our financial affiliates.

Audit

During 2019, we strengthened our Internal Control System. The internal audit improved its functional structure with the assignation of an audit director in charge of the affiliate companies, it generated efficiencies in the development of its activities through the automation of some of its processes, improved its management indicators in compliance with the working plan and continued with the acceptance and generation of action plans for 100% of the findings reported.

During the year, the processes of the business areas were evaluated, and integral visits were made to affiliate companies (with emphasis on the infrastructure sector) where common risks were identified and reported that led to the determination of controls.

On the other hand, the supporting processes included in the shared service unit (USC) were evaluated, such as accounting and systems and operations; evaluations were made to the procurement and contracting processes and the risk management systems and other regulatory aspects, such as the implementation of the Antifraud and Anticorruption Policy and controls related to the SOX Law.

6. We Promote our Employees' Well-being

In Corficolombiana, we believe that talent management transcends people supervision, that is why we focus on managing alongside them. Our main challenge is to ensure that our employees are aware of the relevance of their roles within Corficolombiana, but most important, of the contribution they make daily to the development and progress of our country.

According to the challenges we face, we promote the process of personal and professional development and growth of our employees through the implementation of different benefit, talent development and wellbeing activity programs. In addition, we strive to search, attract and recruit highly skilled people with competitive training that support the different areas and business units to reach their objectives.

With this strategy we reach to 358 employees,²⁵ and thanks to them we have been able during our history to grow and consolidate as a strategic ally for Colombia's progress.

- 358 employees²²
- 8,245 hours of training with an investment of \$950 million.
- Increase in the performance indicator of 32%

²⁵ Indefinite term employees

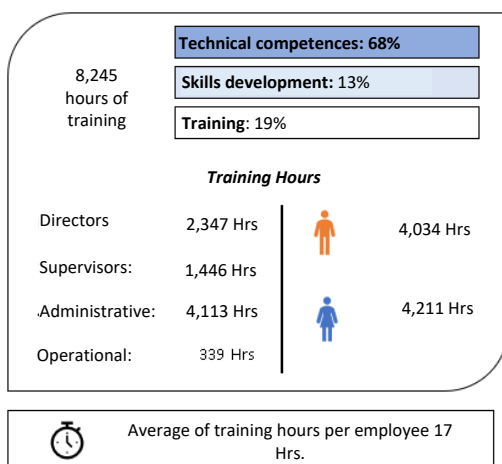
6.1. Talent Development

More opportunities of training and development

The training and development opportunities are one of the fundamental pillars of our talent management policy, since they increase the collective skills differentiating us from other organizations of the sector and allowing us to reach higher performance levels. In this sense, we have established training and development programs that enable our employees to reach their potential and access a career plan, based on the merits and good performance of their job.

During 2019, we made 88 trainings for a total of 8,245 hours of training, of which 90% was in person and 10% online. These trainings involved most of the Corporation officers and had an investment of \$950 million.

Regarding the topics covered, we highlight that an important percentage of these trainings was addressed to the development of technical skills and updates required by the sector, which are necessary to remain at the forefront of the market. Other trainings were destined to develop soft skills, identified in transversal surveys and individual valuations that allow the leaders and supervisors of the different levels to support the development needs of their employees.



In 2020, we will reinforce leadership development and soft skills as well as the capacities for the diagnosis and commissioning of individual plans that allow ensuring a sustainable professional growth route for our employees.

Benefits and Compensation

We are convinced that offering competitive salaries and having a differential benefit system motivates our employees to have a good development in the competences required by the organization, as well as to make an effort for maintaining an outstanding performance. In that sense, we have an economic and emotional benefit plan, intended to improve the quality of life of our employees and their families, as well as wellbeing activities. In 2019, we invested \$1.4 billion in these activities.

Between the activities made in this front, we highlight that in December 2019 we relaunched the employee loan program substantially improving the conditions of credits, promoting the topics of

education, free investment, domestic calamity, purchase of housing and vehicle; in addition, we added new credit facilities for the benefit not only of our employees but their families, and the preventive medical check and higher education for their children.

In addition, we supported the Mutual Fund and Employee Fund, which maintain economic and wellbeing benefit programs for all employees. In 2019, the company invested an amount of \$821.2 million in these funds; these contributions helped to benefit 166 employees related to the Employee Fund and 243 to the Mutual Fund.

Finally, regarding the contributions made to the social security and parafiscal entities, we highlighted that the value was \$8.6 billion during 2019.

6.2. Work Environment

In 2019 we carried out 10 wellbeing activities that were intended to generate greater spaces for integration and recreation among the different working teams, as well as to celebrate special dates.

These activities, which were addressed to all employees engaged through any type of contract (temporary, indefinite, interns and outsourcing) of Corficolombiana and its financial affiliates, affected 9,479 persons in the year, with a monthly average of 780 participants.

We also support different areas with integration activities promoting the improvement of the work environment and strengthening some of the key competences for our organization such as teamwork, communication, and service culture.

Between the months of October and November, we carried out the work environment survey, with the support of the consultancy firm Great Place to Work, achieving 97% participation by our employees.

In 2020 we will work on the deployment of these results within the organization, creating awareness in the different areas of the business of those aspects of improvement that still exist, and implementing transversal programs and by area, which will allow us to continue building motivated human talent committed to our progress.

6.3. Change Management

Taking into account the changes programmed within the organization to keep us at the forefront of the market and following the best practices of the sector, in 2019 we started 7 projects to adequately manage change in Corficolombiana and in our subsidiaries.

Programs were implemented according to the main requirements of each of the changes made. One of them covered 105 officers, belonging to the new Integrated Commercial Model (MCI), and was oriented to strengthen commercial skills of this new team. On the other hand, and with coverage of 383 officers, a change management program was implemented, aimed at developing customer service skills for the new Shared Services Unit (USC).

It also facilitated the process of appropriation and adoption of new technological tools, which promoted the strengthening of collaborative work and a new customer-based service culture. This process covered 763 employees.

We also supported the Vice-Presidency of Government, Risk and Compliance in an integration and dissemination activity of the new methodologies of the integrated operation model, with the participation of 102 officers of Corficolombiana, its financial affiliates and the real-sector affiliates.

6.4. Performance Evaluations

During 2019, we led the process of evaluating the performance of our employees, considering different variables that allow us to manage in a more appropriate and balanced way the personnel promotions, leveling and transfers and that promotes the permanent development of functional and technical skills, as well as leadership skills.

In this sense, the performance evaluation methodology was strengthened, including variables of emotional and leadership skills, as well as functional and technical skills, oriented to the achievement of each area's objectives and guaranteeing the proper accompaniment for each employee. This also allowed connecting it even more with the Balance Scorecard tool of each area.

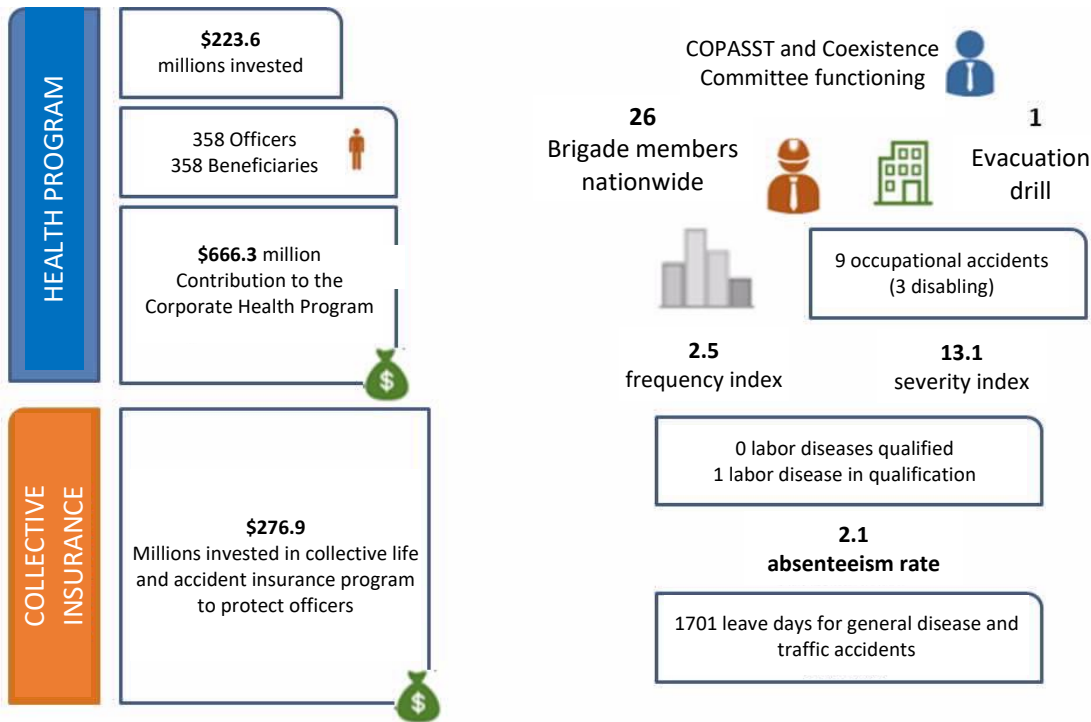
Regarding the results of this evaluation, we highlight that the performance indicator increased by 32% between 2018 and 2019, which demonstrates that follow-up programs, communication levels and opportunity in feedback, have had the expected effects on employees and have allowed leaders to increase the efficiency of their teams against timely responses to different business needs.

In 2020, based on these evaluations and other individual valuation tools, we will be able to build talent maps by area, differentiating the potential of each employee and building career plans that allow us to be more efficient to carry out changes and fill critical positions of the organization.

6.5. Occupational Safety and Health

We provide all our officers with proper health and safety conditions in the activities they develop. In 2019, we continued with the implementation of the Occupational Safety and Health Management System, in compliance with regulatory standards and managing to increase the implementation percentage.

In order to achieve this progress, we invested \$223.6 million and made additional contributions to enhance to the wellbeing of our employees through the corporate health and collective life and accident insurance program. Also, we developed different activities focused on Health, Hazards, Risks and Threats Management.



26

In addition, leveraging the experience and knowledge of strategic partners such as ARL, Colsubsidio Compensation Fund and some external providers, we developed different activities and strategies for health prevention and promotion that were focused on the control of occupational risks, self-care and healthy life and work styles.



Also, during the year we carried out awareness-raising campaigns, focused on:

- ✓ Prevention of musculoskeletal injury: Healthy pauses, ergonomic inspections in the workplace.
- ✓ Theoretical training practices to the Emergency Brigade in first aid, fire control, evacuation, family emergency plan, all reinforced with practice on training track.

²⁶ **Frequency Index:** the frequency index is the ratio between the number of cases (accidents, diseases, first aid or work-related incidents), occurring over a period of time and the man hours worked during the same time, referring to 240,000 man hours of exposure.

Severity Index: the severity index is the ratio between the number of days lost or charged by injuries over a period of time and the man hours worked during the same period, referring to 240,000 man hours of exposure.

Absenteeism Rate: (Number of days of absence by labor and common medical leave / Number of scheduled working days)*100

- ✓ Training for Coexistence Committees and Parity Committee on Occupational Safety and Health (COPASST): current regulations and specific matters required.
- ✓ Health Week: Blood donation, healthy eating, optometry.

In 2020, we will prioritize the implementation of 100% of the Occupational Safety and Health Management System (OSHMS), and the *SOY SALUDABLE* strategy in which we leverage management for the prevention of occupational risks, accident rates, absenteeism and other safety and health fronts at work.

6.6. Financial Education

During 2019, we carried out training workshops for 44 Corficolombiana officers with the support of the German Foundation for Financial Education (*Sparkassenstiftung für internationale Kooperation e.V.*) and Banco de Bogotá. In 2020, we will continue with our commitment to train the most officers, including those of the affiliates, in order to provide tools sufficient to make the best financial decisions.

7. We Build Trust Relationships with our Stakeholders

Our stakeholders represent our reason for being. Therefore, we understand that our activity is only possible if we have strong and close relationships with them; our strategy: Sustainable Corficolombiana is only reinforced if we work together to fulfill their purposes.

During 2019 we carried out an exercise to update stakeholders, through which we identified as priority: employees, portfolio investments, parent company, media, shareholders, financial services customers and regulatory entities and Government.

With each of these stakeholders we have established various channels and communication tools that allow us to have an active and constructive dialogue. Below, we present each stakeholder, the communication channels we have used, and the relevant topics identified and covered during 2019.

Stakeholder	Communication Channels	Topics
Employees	Digital screens and intranet <i>Cafés con presidencia</i> Great Place to Work Survey Ethics line Webpage and social media Emails Virtual newsletter “Así Vamos”	Corporate strategy Work environment Talent management Sustainability and value created Digital innovation and transformation Financial performance Synergies Trust and credibility (Reputation)
Portfolio Investments	Investment Vice-President Participation in the Board of Directors Assemblies and committees Reports	Development of shared value initiatives Operation guidelines Synergies Value created Financial performance
Parent Company	Presence in the Board of Directors Meetings and reports	Alignment of the corporate strategy and the group vision Financial performance Investment management Ethics and transparency Environmental and social performance
Media	Report on economic research Conference on quarterly results Media rounds Webpage and social media Press releases	Financial performance Ethics and transparency Trust and credibility Investment management
Shareholders	Annual assembly Management report Conference on quarterly results Investor day Participation in issuers’ events Corporate Management of Relations with Investors Information on the webpage and social networks Webpage of the Finance Superintendence	Strategy Corporate Governance Financial performance Issues and ratings Share behavior Environmental and social performance Governance, ethics, and transparency
Regulatory Entities and Government	Periodical reports Answers to requests Meetings	Operation model Responsible operation guidelines; ethics, behavior, and transparency Corporate Governance Human talent management Financial and relevant information
Financial Services Customers	Financial consumer service system Ethics line Financial Consumer Ombudsman Forums and presentations Report on economic research	Management of environmental, social and governance topics Financial performance

Being aware of the importance of continuing to maintain spaces for dialogue with our stakeholders, during 2019 we also carried out the analysis thereof to evaluate the relationship level and

communication channels, as well as their expectations and needs. In 2020, we will internally disseminate to those in charge of the different areas the result of this analysis to integrate it into our strategic management process.

7.1. Investor Relations

During 2019, we continued our commitment to maintain transparent and dynamic communication with investors and shareholders, promoting a relationship of trust that tends to sustainable value generation, recognition of a fair price for our shares, and access on favorable terms to financial markets. In 2020, we will continue to focus on improving the information delivered to our current and potential investors, and on strengthening relationship mechanisms, with a focus on increasing international exposure. In addition, we will maintain a communication channel on relevant issues and to evaluate our performance.

We were awarded the BVC IR Issuer Recognition for the fourth consecutive year for adopting best practices in information disclosure and investor relations.

Recognized as one of the issuers with the greatest evolution since 2016, reaching 91.9% compliance with the information evaluated.

<p style="text-align: center;">Contact with the Market</p> <ul style="list-style-type: none">- Quarterly results calls- We carried out the second Investor Day, which consisted of a visit to some of our investments in the Department of Bolivar, specifically SPEC and Hoteles Estelar. This visit was attended by 15 analysts and investors.- The Investor Relations team held more than 35 scheduled meetings and calls with analysts and investors.- More than 340 requests from shareholders received through the customer service channel were responded. In addition to more than 140 requests from shareholders, analysts and investors received through relacion.inverionistas@corficolombiana.com.
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Participation in Events

- We participated for the first time in the Andean & Southern Cone conference organized by Larrain Vial in Santiago de Chile.
- We attended the issuers event of Valores Bancolombia in Bogota and Medellin.
- We participated in two videos for the YouTube channel of Davivienda Corredores.

Corficolombiana shares stood out as the best performing in the local equities market during the year: 87.8% - common shares; 75.9% - preferred shares

In 2019, we distributed a total of \$463.297 billion as retribution to our shareholders, equivalent to a dividend per share of \$1,657.9

As a result, the return per share in 2019 was 101.3%²⁷

7.2. Financial Services Customers

In order to optimize the relationship with our customers, seeking to make them an offer of goods and services that adds value, in 2018 we implemented the Integrated Commercial Model (MCI), articulated scheme for customer service and distribution of transactional products from the treasury of Corficolombiana, Fiduciaria Corficolombiana and Casa de Bolsa.

In addition, the MCI involves the interaction of the Economic Research area and the creation of the Business Intelligence area, which allow us to strategically generate added value and long-term relationships with our customers.

Financial Consumer Service System (SAC)

We continue to strengthen and optimize the Financial Consumer Service System (SAC). This system has the channels of audio response, website, email and in person in the offices. In 2019, we answered more than 1,100 cases filed with the entity; we emphasize that during this period we did not receive any complaint regarding the breach of customer privacy and data leaks, or arising from noncompliance with the regulations regarding the information and marketing of products and services.

²⁷ It corresponds to the common share, including valuation and distributed dividend

7.3. Economic Research

The Economic Research team continues to be one of the most recognized teams in the country for economic and financial analysis. In 2019, the team was nominated in 4 categories for the BVC and Portafolio awards and won distinctions in 2 of the 4 categories (fixed income forecasts and macroeconomic aggregates).

One of the objectives of the Research area is to provide our customers with the analytical tools to navigate the economic environment and make informed decisions. Hence, the Research team participated in two rounds of regional talks in Barranquilla, Cali, Bucaramanga and Medellin, one at the beginning of the year and the other in the months of October and November. In those events, the international and local economic prospects were presented and discussed with Corficolombiana's clients. In addition, the team organized in the middle of the year a thematic seminar on pension savings and their effect on the capital markets. Finally, as is customary, towards the end of the year the Research area presented its annual report, called in 2019 "*Contra la Corriente, ¿Hasta Cuándo?*", at an event in Bogota with strong attendance from clients.

In addition to these events, the Research area accompanied our sales teams to a significant number of visits to clients and produced a significant number of reports; including: daily, weekly and annual reports; companies' coverage initiation and follow-up reports; quarterly sector reports; special situation reports; and a series of new corporate-client-designed reports, on topics such as invoice discount, foreign exchange coverage policy, capital or debt cost.

For 2020, the Research group will improve the website to make easier for clients to access the reports, and will develop new multimedia content that summarizes and explains some of the research conducted. This developments, as well as the search for new topics that are relevant to clients, demonstrate our commitment to providing our customers and other stakeholders with a reliable source of analysis, and to contribute to the country's economic and financial discussions with the ultimate goal of contributing to economic development.

7.4. Marketing and Communications

During 2019, the communications and marketing area focused its actions on strengthening Corficolombiana positioning, visibility, and trust in its internal and external stakeholders. Also, it strategically supported the other work areas in achieving their business objectives, contributing to generating communications and relationship spaces that serve that purpose.

In internal communication, we inform officers about our activities, business milestones and relevant day-to-day information. To do so, we create new tools such as the virtual newsletter "*Así Vamos*", a mechanism by which we inform officers on topics of interest in the internal areas that comprise the Corporation and financial affiliates. In addition, we implement communication plans for internal projects and the implementation of various campaigns reaching 100% of officers.

Likewise, in order to generate spaces to talk, generate greater closeness of employees with the Presidency and define actions to be developed, meetings were organized with Corficolombiana's President. In these meetings, the teams were able to talk about issues related to the business, the future

of Corficolombiana, and even present some of their doubts and concerns. 34 spaces of this type of dialogue were held in which employees from all areas participated.

Regarding activities addressed to outside audiences, we strengthened the relationship with the media and opinion leaders by generating relevant and valuable information about our business and our investments. Similarly, we created new relationship spaces and worked on the development of new communication tools, such as corporate video, for its dissemination among different stakeholders and through our digital channels.

About the marketing strategy, we continued the implementation of tactics focused on strengthening the brand and the loyalty of our clients through participation in high-impact events such as the Treasury Congress, Asofondos Congress, Banking Convention, Capital Market Symposium and National Infrastructure Congress, and own forums on economic and context topics in order to keep our clients updated and provide our experience based on their objectives.

Likewise, we initiated the implementation and development of the new corporate web portal and launched the Economic Research Web Portal. The foregoing accompanied by a new strategic approach for the digital environment, in which both portals and the generation and distribution of interesting content for the target audience of Corficolombiana in different formats and themes, have become important pillars for our communication.

Being aware of the importance of digital transformation and providing a better experience of relationship with our audiences, we support the implementation of digital transformation projects and cross-cutting loyalty plans in order to strengthen the relationship with the different audiences.

In 2020, the corporate marketing strategy aims to strengthen the digital positioning of the brand through the implementation of the digital strategy and the positioning of the new corporate portal and the Economic Research portal; as well as to generate a positive impact on our audiences continuing to support the implementation of digital transformation projects, loyalty plans and marketing strategies that contribute to the fulfillment of corporate objectives.

8. We Enhance our Environment and the Adequate Use of Resources

For Corficolombiana, leaving a mark is transcending, having a positive and perdurable impact on the communities where we develop our businesses. We understand that our role as a leading company in the country must go beyond ensuring an economic benefit for our shareholders, and that is why we continue to work in the protection of the environment and the development of our society.

8.1. We Act to Protect the Environment

- We planted 179,923 trees.
- We had our first Rubber Bond issuance, achieving a 4.93 billion placement, corresponding to 312,236 Ton Co2e
- We developed initiatives to reduce greenhouse emissions
- Water consumption decrease: 2%
- We protect the tropical dry forest

Energy and Gas

Our investments in the energy and gas sector are characterized by their work in harmony with the environment and for the sake of the communities around them. Promigas, for example, is a pioneer in the massification of natural gas; was in charge of the first conversion of vehicles to natural gas in our country (1986); and has been recognized for its commitment to promoting a sustainability culture among its employees.

The foregoing is part of its strong commitment to climate change management, which is not only intended to be internalized within the company but is addressing mitigation actions that reduce our carbon footprint in this sector by 10% by 2020.

Through Promigas affiliates, we have worked with programs that reduce greenhouse gas emissions:

- Since 2009, Transmetano developed a plantation of *Pinus oocarpa* in the municipality of Yolombó – Antioquia (126 ha, 138,830 species) in order to include the carbon capture of this plantation as compensation for the company emissions. As of 2015, 15,975.9ton CO₂-equivalent were generated as the average carbon content stored by the plantation, which compensates 100% of the CO₂ and CH₄ emissions generated by Transmetano.
- In 2017, Gases de Occidente was linked to the initiative as BanCO₂, developing voluntary adaptation, mitigation and communication initiatives starting with three families protecting 13 hectares. The goal was to increase the number of protected hectares to 374.75 by 2019, achieving a 102% compliance, with 383 protected hectares and 13 engaged families.
- In 2019, CEO developed a project to plant 7,047 forest individuals, with their respective isolation, as a contribution to the capture of greenhouse gases and conservation of natural resources. This project was developed in 6 municipalities of the Department of Cauca.

And that is not all, regarding renewable energy, in Promigas we developed closed projects with installed capacity of approximately 10 MW of solar energy, consolidating the business unit as a growth vector and positioning the company as an important player in distributed generation.

In addition, cross-cutting everything we do, our activities are carried out in complete harmony and respect for flora and fauna, especially in protected areas, where we operate and develop projects minimizing vegetation intervention and compensating when affectations are generated. For each hectare involved in infrastructure expansion projects, 1.8 hectares have been compensated in natural and semi-natural ecosystems; in this sense, during 2019 we planted more than 15,165 trees in private and public areas, and we rescued and moved 650 epiphytes, in a 50 Ha area, in the Natural Reserve of the Civil Society El Tamarín.

In addition, being aware of the need to contribute to the conservation of the tropical dry forest, we have directed our biodiversity conservation efforts towards the protection of this important ecosystem. The compensation plans submitted include the formation of civil society nature reserves; a protected area category, on about 400 hectares, including conservation projects and productive projects; and purchase of sanitation sites in nature reserve areas on about 1,000 hectares, by Promigas and SPEC.

On the other hand, together with the providers, we carry out trainings for the management and rescue of fauna during the construction or maintenance of gas pipelines and on the management of bees and wasps in pruning and felling activities. More than 40 workers participated in these activities.

- We planted 15,165 trees
- We made progress in sustainable mobility: 21 gas-fueled MIO buses (GdO), 40 Alianza Sodis & Coolitoral (Gases del Caribe) buses and 130 in Transcaribe (Surtigas). More than 40 tractor-trailers operating in our areas of influence
- Promigas was included in the Robecosam Sustainability Yearbook
- Launch of the Energy and Gas Research and Innovation Center
- Gases de Occidente (GDO): 383 protected hectares and 13 families engaged
- GDO developed a project to generate biogas in a pork farm of Fundación Don Bosco²⁸, from the use of swine feces
- We conserved the tropical dry forest
- We protected fauna: training on management and rescue of fauna and management of bees and wasps in pruning and felling activities

Infrastructure

We have compensation, sustainable management and habitat recovery programs that are aimed at the preservation and maintenance of trees and native species in each territory where we develop our activities.

We have planted more than 87,000 trees of native species in road corridors, prioritizing sites of environmental importance for the conservation and recovery of water basins. On the other hand, we have developed restoration and compensation activities in more than 1,054 hectares, with an emphasis on reducing the impact on mammals, birds, amphibians, and reptiles located in the areas of direct influence of the projects.

Management of epiphyte species: In the Bogotá – Villavicencio corridor we carry out activities to rescue bromeliads and orchids present in the trees that are subject to forest utilization for the construction of the road.

Compensation Measures:

- We planted 9,300 trees of native species in the municipality of Facatativá; 9,463 trees in the municipality of Bojacá; and 300 in the municipality of Funza as part of the environmental benefits program for the development of the Bogotá – Los Alpes road project.
- We carry out conservation and maintenance of native trees in properties of environmental importance: Las Galias Property, high and middle basin of Bugalagrande river, where we carried out the maintenance during 2019 of the **14,300** forest species planted

Slope Revegetation:

Taking into account the impacts generated as a result of landslides caused by heavy rainfall in the rainy season on the corridors under concession of Los Alpes – Villeta and Chuguacal – Cambao, we carry out work tasks to revegetate the slopes by hydroseeding and geomat installation in six sectors located along the Los Alpes – Villeta corridor; and on thirteen slopes located along the Chuguacal - Cambao corridor.

²⁸ Don Bosco institution is a training center in technical skills, for young people from high-social-risk populations in Santander de Quilichao.

In total, we released seeds on 1,073 m2 using the hydroseeding method along Los Alpes – Villeta corridor; 10,632 m2 along the Chuguacal – Cambao corridor. In addition, we installed geomat on 834 m2 of Los Alpes – Villeta corridor and on 5,155 m2 of the Chuguacal – Cambao corridor.

On the other hand, we carried out environmental management trainings and workshops for communities and our employees, in order to generate an environmental culture on various problems and proper use of natural resources.

Fauna Management

- We developed monitoring activities to reduce the impact on mastofauna located in the area of direct influence of the project.
- We hold awareness workshops on the protection and conservation of fauna species, both to own personnel and environmental management personnel of contractors and to communities and local authorities.

On the other hand, with our investments and our providers we are performing programs that allow us to record both the consumption of natural resources (e.g. water, energy), and the generation of waste and greenhouse gases that are produced by the development of our activities. These reports are part of an initial phase in the process of managing our environmental footprint that will strengthen strategies aimed at ensuring the efficient and sustainable use of natural resources, as well as the management and final disposal of waste in accordance with our country's environmental standard.

Hospitality

In 2019, Hoteles Estelar developed different campaigns seeking to minimize the environmental impact generated by our activities derived from the hotel operation. Together with communities and different entities, we developed campaigns to clean parks, and to plant trees and native plants in different regions. Training was also carried out for employees and their families.

Hotel	Program Name	Number of Beneficiaries 2019
Alto Prado	Limpieza de Parques	45 people Community and employees
Santamar	Limpiezas de Playa	200 people Community and employees
Yopal	Limpieza parque Santander	50 people Community and employees

In addition, as part of the social responsibility initiatives, we undertook a project to replace plastic material in the categories of beverage packaging and containers, achieving a reduction of 33% equivalent to 34,125 plastic containers. On the other hand, we changed the system to dispenser in amenities achieving a decrease of 27,750 units and replaced plastic straws by straws of a biodegradable material achieving a reduction in their use of 40%. Finally, we implemented the use of paper made 100% with cane bagasse, a project that should be completed in 2020.

As of 2019, energy and water consumption, as well as direct emissions of greenhouse gases, increased compared to the previous year due to the increase in room inventory that was 147 rooms in Colombia.

- We planted 1,434 trees
- We trained 600 employees and their families
- We implemented actions to reduce the consumption of plastic: dispenser in amenities
- 100% cane bagasse paper

Agroindustry

We are aware of the importance of the conservation of productive resources and the environment, for this reason, we focus our efforts on implementing sustainable agriculture strategies. By implementing different programs, we seek to ensure the responsible management of resources and to raise awareness of the importance. In addition, we want our crops to help reduce any negative environmental effects of our operation, so we promote and participate in Greenhouse Gas (GHG) capture projects, which is included in our carbon absorption initiative that increases our awareness of the environmental impact.

Unipalma:

- **Environmental Waste Management Program:** We establish guidelines, programs, actions, and resources oriented to the correct management of waste generated by our activities, ensuring the mitigation of environmental impacts, adequate final disposal, and compliance with current legal regulations. Activities in waste management include traceability of agrochemical packaging, use of biological beds, final disposal with authorized external managers, and workforce training.
- **Water Saving and Efficient Use Program:** We implement strategies, procedures, and technology in order to minimize and control the consumption of the water resource, complying with the legal parameters established in environmental regulations.
- **Carbon Project:** Through the umbrella project, which is led by Fedepalma and framed within the Clean Development Mechanism (CDM), we aim to reduce methane gas emissions from the industrial palm oil extraction process. Thus, we foresee the issuance of 35,000 ERCs (Emission Reduction Certificates). We are currently in the process of certification with the help of ICONTEC. Finally, we hope to certify the first period bonds in June 2020 and manage to start with the adjusted PDD (Project Design Document) of the second credit period.
- **Awareness-raising on environmental matters:** We train our employees on six strategic issues that promote collective awareness of the importance of the protection of natural resources and the business commitments that the company promotes.

Pajonales:

- **Management for environmental waste management:** We carry out the integral management of the waste generated based on the current legal environmental regulations, seeking the reduction, minimization, reuse, recycling, and proper disposal of waste. For example, in the place arranged for generation, we separate each of the waste to achieve better management and proper disposal according to the indications of the environmental management department and the external manager. The waste we handle is:

Waste Type	Management
Hazardous waste	Delivered to authorized managers
Agrochemical containers and packaging waste	Internal reuse and delivered to authorized managers
Unusable ordinary waste	Ambalema utilities entity
Usable waste	Reuse, internal utilization and negotiated with recyclers of the area of influence
Post-consumption waste	Delivered in collection campaigns carried out by the environmental authority
Industrial waste (fish remains)	Silage and composting (ongoing project) for internal consumption

- **Water basin protection:** We allocate commercially non-cultivable sectors in order to establish native tree plantations for the protection of water basins that serve the company. Also, we take care of verifying the phytosanitary status and maintenance of the planted trees:

River	Planted Area (ha)	Reforestation Type	Species
Recio	6	Protective Producer	Teak
Recio	2.3	Protective	<i>Igua, Chicalá</i>
Recio	0.6	Protective	<i>Igua</i>
Venadillo	2	Protective	<i>Igua</i>
Lagunilla	0.5	Protective	<i>Igua</i>

Procedure to train personnel on environmental issues: With the environmental management department and the support of external waste managers, we conduct training in semester A and semester B of rice planting, including:

Training Name	Description	Target Population
Management of usable and unusable waste	Separation techniques at source of usable and unusable waste	Internal and external personnel
Management of hazardous waste	Separation techniques of waste and hazards associated to human health and environment. How to make the triple wash and destruction of agrichemicals containers.	Internal personnel
Responsible, safe management of agrichemicals and triple wash		

Water efficient use and saving programs: In order to perform water efficient use and saving programs, we take tours from the catchment points of each concession to the delivery in the drains of the cultivated lots; we establish the percentage of losses, leaks, faults in hydraulic structures, among other factors that can lead to the loss of the resource; we promote actions aimed at reducing the losses that may arise; and we implement new technologies that help resources savings. The following are the programs we carry out:

- Water efficient use and saving program El Triunfo Channel

- Water efficient use and saving program Venadillo River
 - Water efficient use and saving program El Triunfo Drain Irrigation Ditch
 - Water efficient use and saving program Recio River
- **Asovenadillo:** We raise awareness and sensitize communities that benefit directly and indirectly from the Venadillo River basin, in order to conserve and protect the basin through the Venadillo River user association (ASOVENADILLO).

Mavalle:

- **Waste Management:** We carry out the internal collection of containers and packaging of chemical products; once they are generated in the field, we perform the triple wash and drilling to ensure that the container does not leak chemicals provoking soil contamination. Subsequently, we transfer them to the collection center of agrichemical waste and once we have a considerable number of containers, we schedule their removal. In 2019, we collected and delivered for final disposal 1,890kl of containers and packaging of chemical product.
- **Carbon Project:** Forest plantations are very important within the national and global strategy for greenhouse gas mitigation (GHGs), as they contribute to mitigating the impact of global warming by being sources of CO₂ capture. Thus, we contribute to CO₂ capture, and enter into carbon standards by quantifying and issuing Emission Reduction Certificates (ERCs).

From Mavalle we support the care of the environment through the carbon project. The natural rubber trees on our plantations capture CO₂, helping mitigate the impact of greenhouse gas emissions. In 2019 we sold carbon emission reduction certificates represented in 321,236 tons of CO_{2e} for captures from 2015 to 2019 from the plantations we managed belonging to Pajonales.

- We issued Emission Reduction Certificates: 312,236 tons of CO_{2e}
- We planted 76,324 trees
- We implemented water use and saving programs
- Training on environmental topics for more than 1,289 employees

8.2. We Work for the Progress of the Communities where we are Present

In 2019, we invested \$16,769 million in social projects

Energy and Gas

Through Promigas, we have worked to develop the skills of local communities and actors in order to improve their quality of life. In 2019 we invested, through Promigas and its affiliates, \$14,566 million in educational, cultural and health programs in the territory where the companies operate. Surtigas - a Promigas affiliate - connected its 800,000th user in the municipality of Mompox (Bolívar); with this milestone, we show that an economic, safe, clean, and sustainable energy transformation is possible, with enormous social and environmental benefit.

Through Fundación Promigas, we manage knowledge and mobilize individual and collective skills, seeking to reduce social gaps and fight poverty in the country, especially in the Colombian Caribbean region. Within this purpose, we focus our practices on strengthening initial education and formal education, promoting and supporting the improvement of the quality of education in Colombia; in the capacity building of territories, promoting social prosperity and the common good; in the generation of high-value-added knowledge for the social and educational development of the country; and in the promotion and support of non-profit entities that contribute to social wellbeing and quality of life.

During its 20 years of operation, the Foundation has worked with 2,137 public schools, impacting 21,866 teachers and managers, and collaborating with the learning of 1,615,231 students.

Below are some of the main programs implemented by Fundación Promigas for the development of local communities:

Program	Description
Atención Primaria en Salud (APS) - Chinú (Córdoba)	Accompany two (2) Zenú indigenous councils to gain skills for primary health care, seeking to strengthen the comprehensive action model of their territory.
Lectores saludables - Tolú Viejo and San Onofre	Consolidation of healthier communities, through school leadership and differential accompaniment to actors in the territories
Escuelas Lectoras Clemencia, Santa Rosa and Santa Catalina	Accompany the educational community to execute own alternative strategies to develop a particular experience in addressing socialization, communication, and oral and written language problems.
Lectores Saludables Zona Bananera	It seeks the consolidation of healthier communities through school leadership and differential accompaniment to actors in the communities.
Escuelas que aprenden - Cartagena	Strengthen institutional, local, and educational management processes, as well as the curricular update in basic areas, improvement of teaching and learning processes of mathematics and reading comprehension, and textual production in primary school as cross-cutting areas.

Another point to highlight is the commitment of Promigas to the generation of constant employment in the impacted communities, contracting 100% of the unskilled workforce for the construction of new projects, coming from the area of influence of the projects.

Infrastructure

We understand the impact of the development of our road concession projects on the environment and surrounding communities, by which we ensure that all our investments govern their actions on sustainable practices. In this way, from our investments, we carry out different projects and programs intended to protect, compensate, and mitigate the risks that may arise from the development of our activities.

In this sense, we are committed to driving the sustainable development of communities in our areas of influence; to achieve this, we work and accompany the populations with who we share through trainings that promote and strengthen the socioeconomic benefits and benefits generated by our projects; in addition, we lead working tables that allow us to address the community concerns and learn with them.

We have more than 20 projects that have generated benefits to more than 48,433 people in the departments where we are present, and that contribute to the quality of life and the environment of the communities.

Café Futuro: Through this initiative, in which 129 families of Cáqueza, Quetame and Guayabetal are engaged, we seek to contribute to the growth of the economy and competitiveness through the strengthening of coffee production and cultivation technification processes in the area.

Punto de Partida Pasaje a la Fantasía: During 2019, we delivered pedagogical play material to 4,700 minors from Chipaque, Cáqueza, Quetame and Guayabetal.

Mercados Campesinos: We work with the farmers comprising the Agricultural Products Association of the municipality of Amagá – 65 families – to incentivize the direct purchase of agricultural products in this municipality, eliminating the supply chain.

Hilos de Cristal: Focused on the making of endowment by women heads of household, 30 people are engaged in this program in the municipality of Monterrey.

Guardianes dulces de la reserva Vanguardia: We worked in 2019 with 1,090 students of the Rural Educational Institution Vanguardia (Villavicencio) and Educational Institution Gabriela Mistral (Yopal).

Ruta Caminera: With this community initiative we seek the order of the ecotourist activity of vereda El Carmen of Villavicencio (22 families).

	Number of Programs	Amount Invested (Million)	(COP	Benefited Population (people/families)
Covioriente	3	166		9,419
Coviandina	1	10		1,567
Covipacífico	1	15		260
Covimar	4	31		2,836
Coviandes	3	1,073		5,029
PISA	5	606		22,070
CCFC	4	52		7,252
Total	21	1,953		48,433

Hospitality

In Hoteles Estelar we are aware that our reason for being is people, and because of this we are developing different programs with our employees, customers, and communities in our areas of influence.

“Inclusion, Diversity and Human Rights”

In 2019, we applied the so-called Psychosocial Risk Battery, which provided data on intra-labor, extra-labor factors and individual conditions of each of our employees. This information has allowed implementing activities aimed at reducing risk in intra-labor factors. We continue to work to be an inclusive company, which respects diversity and promotes "Non-Discrimination" in all its forms including apprentices with physical and cognitive disabilities. In addition, we obtained the Friendly Biz certification issued by the LGTB+ Chamber of Merchants of Colombia, investing more than 8,100 hours of training nationwide. On the other hand, we received The Code certification in the hotels of Bogota, Cartagena, Medellin, Barranquilla, and Santa Marta that confirms our commitment to the prevention of commercial sexual exploitation in children and adolescents.

Program Name	Description and Target Population	Amount Invested 2019 (Million COP)
Camas por canciones	220 nights in single accommodation during 2019, for guest musicians accompanying the Cali Philharmonic, incentivizing culture and promoting art.	53.2
Operación Sonrisa Intercontinental	Donation of 10 nights of accommodation for medical team, who care for children of vulnerable populations in Colombia, with malformations of Cleft Lip and Palate susceptible of correction through reconstructive plastic surgery and multidisciplinary treatment, to improve their quality of life and influence their social and family integration.	2.5
Donation accommodation to Fundación Casa de Colombia, Intercontinental	118 nights Accommodation for 118 people of the medical group who were in the city of Cali in 6 sessions of Children Orthopedics	28.6
Socio cultural	Supply and installation of 18 reflectors (9 posts with all the electrical connections) for sports court in the city of Cartagena	\$ 24,6
Snack support for children of Canocas school. Paipa	Low-income children aged 5 to 11. The snacks are delivered daily in the morning	\$ 4.0
Others	Other programs that sought to contribute to the areas of influence of our hotels and their communities	\$ 9.9
Total		\$122.7

Agroindustry

We contributed to the improvement of the quality of life of the community inhabitants from our projects' area of influence, through the approach, programming, and execution of social projects such as:

Company	Projects' Area of Influence	Programs and Beneficiaries	Amount Invested Million COP
Unipalma	Inspección veracruz, vereda candilejas, vereda Garagoa, and vereda japon	Community homes (13 children), health sessions (103 inhabitants), psychoactive substance consumption prevention programs (400 inhabitants) and activities with employees and the community (1,068 employees and inhabitants)	9.5
Pajonales	Municipality of Ambalema	Complementary classes in physical education (50 children), Workshop: Amor a la Vida (30 children), celebration of the Children's Day (50 children) and activities to strengthen the labor / personal life balance (417 employees)	35.5
Mavalle	Remolinos Settlement and Wacoyo Indigenous Reservation	Programs to improve the quality of life of employees (116 employees) and to strengthen the comprehensive development of the employees' children – Cultivando Sueños (35 children) and	6.0
Total			51.0

Fundación Corficolombiana

Through Fundación Corficolombiana, we continue the mission of contributing to the improvement of educational quality, care for the environment, and promoting actions to achieve a peaceful coexistence. 2019 was a year of great challenges and changes for Fundación Corficolombiana, as we started a transformation process that aims to focus our flagship programs on the communities close to our investments.

It is worth noting that since 2017, we have developed joint social activities with Covimar, seeking to impact the educational communities of the area of influence of Mulaló-Loboguerrero road, on topics in which the Foundation has experience: environmental education, resilience and family, Early Childhood Alliance (urban area) and learning acceleration (urban area). These Environmental Education and Peaceful Cohabitation Programs that we have been implementing in the area of influence of Mulaló – Loboguerrero road project and in the city of Cali have generated recognition by the educational community.

The total investment in the programs during 2019 was \$76.7 million and has benefited more than 1,900 people.

PRAS – Environmental Education “Sembrando compromiso hoy para un mañana verde”



In 2019, Fundación Corficolombiana decided to improve the environmental practices of children from seven (7) Educational Institutions in the area of influence of Covimar Road Project, a project that involved children of 2nd grade to 9th grade and some children from rural Educational Institutions using the New School model, benefiting a total of 846 children. The topic addressed was Biodiversity in Colombia.

Early Childhood Alliance – Saberes Program



In 2019, we celebrated 10 years of supporting quality improvement processes in Early Childhood care. Articulated with various strategic allies, the last phase of the Early Childhood Alliance was carried out in the Pisa area of influence, achieving significant advances in improving the quality of early childhood care, through a strategy of training educational agents, shaping learning environments and strengthening the family bond.

Cooperation Agreement for Social Programs with Proartes

Fundación Corficolombiana signed a Cooperation Agreement with Proartes to promote two social programs through a contribution of \$35 million: 1- Six academic and musical scholarships at Escuela de Música Desepaz. 2- Participation in the performance of the IV International Biennial of Dance of Cali.