



ESG in the Supply Chain

D. de Sostenibilidad y Comunicaciones

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Grupo
Energía
Bogotá

*Mejoramos vidas
con energía
sostenible y
competitiva*

Oversight of the implementation of suppliers' ESG programs

The highest decision-making body for ESG supplier programs in the GEB is the **Board of Directors**.

1. The GEB Board of Directors is the body that approves the GEB contracting manual or any modifications that may be made. For more information, please visit the **Contracting and Execution Control Manual GEB Presidential decision No. 004 Considering : 1 Page 42.**
<https://www.grupoenergiabogota.com/en/content/download/34003/file/Contracting%20and%20Execution%20Control%20Manual%20GEB%202021.pdf>
2. In the Contracting Manual there is a specific section on Sustainable Development Management. It describes the activities aimed at monitoring the environmental and human rights obligations established in the contracts. Page 53
<https://www.grupoenergiabogota.com/en/content/download/34003/file/Contracting%20and%20Execution%20Control%20Manual%20GEB%202021.pdf>
3. The GEB Board of Directors has four support Committees, the Corporate Governance and Sustainability Committee is in charge of the execution of ESG programs in the Value Chain. For more information review the **Rules of the Corporate Governance and Sustainability Committee** (Article 9 - Duties of the Committee: Review duties no. 15,17,20). <https://www.grupoenergiabogota.com/en/corporate-governance/corporate-governance-bodies/board-of-directors/board-of-directors-committees/corporate-governance-and-sustainability-committee>

Alignment with the supplier's Code of Conduct and avoidance of potential conflicts with ESG requirements

Supplier Code of Ethics and Conduct

- The Code of Ethics and Conduct for GEB suppliers and Contractors provides insight into the operation of the Ethical Channel, informing that suppliers are excluded from contracting if they cannot meet the minimum ESG requirements within an established timeframe.
- In addition, it states that non-compliance with the provisions contained in the Code of Ethics and Conduct for Suppliers and Contractors gives rise to the implementation of corrective plans by GEB, which may range from the limitation to contract with GEB for a certain period of time to the termination for breach of the respective contract or agreement.

The Code of Ethics and Conduct for Suppliers and Contractors states in Section 11 (page 16) “Penalties for Non-compliance” :*“Non-compliance with the provisions contained in this Code of Ethics and Conduct for Suppliers and Contractors gives rise to the implementation of corrective plans by GEB, which may range from the limitation to contract with GEB for a determined period of time to termination of the respective contract or agreement. The foregoing without prejudice to the legal sanctions of a civil, administrative and/or criminal nature which may be applicable, according to the respective infraction.”*

This Code also states that GEB's suppliers and contractors shall, *“in addition to complying with applicable laws and regulations, they must ensure the respect and promotion of human rights, the protection and care of the environment and the implementation of practices that promote fair and equitable labor relations”*

For more information, we invite you to consult the following pages 12,13,14,15 y 16 of the Code of Ethics and Conduct for Suppliers and Contractors:
<https://www.grupoenergiabogota.com/en/geb-group/suppliers-contractors/hiring-guidelines/policies-manuals>

General Contracting Terms and Conditions

The General Contracting Clauses include the contractor's obligations in relation to:

- Respect, protection and promotion of human rights (*page 12*)
- Compliance with legal requirements in occupational health and safety (*page 12, literal p*)
- **General compliance clause:** "Grupo Energía Bogotá suppliers, In addition to the current regulations that apply to GEB both nationally and internationally in a range of topics including anti-corruption, prevention of transnational bribery, anti-money laundering, anti-terrorist financing, anti-financing the proliferation of weapons of mass destruction, and personal data protection, THE CONTRACTOR undertakes to understand and comply with GEB's Code of Ethics and Conduct for Suppliers and Contractors and all other internal guidelines, policies, procedures, and regulations aimed at preventing the previously mentioned behaviors. It also undertakes to abide by the Sustainability and Human Rights Policies, as well as GEB's Diversity and Inclusion Policy, or those that replace them or act in their stead.."

For more information, please refer to the General Terms and Conditions at the bottom of the page::

- General Compliance Clause: Pages 21 and 22.
- Conflicts of interest, disqualifications and incompatibilities: Page 25.
- Commitment to Ethics: Page 24

<https://www.grupoenergiabogota.com/en/geb-group/suppliers-contractors/hiring-guidelines/policies-manuals>

Advances in purchasing practices and alignment with the Code of Conduct

- In 2023, GEB strengthened the Corporate Governance and Sustainability Committee, integrating the highest decision-making body on ESG issues throughout its value chain.
- In addition, in 2024, GEB aligned the supplier code of conduct and introduced new obligations to mitigate ESG risks.
- By 2024, it has set the goal of integrating sustainability criteria in all sourcing stages, plans to adopt these criteria in procurement processes and expand to at least four subsidiaries by 2025.

These measures demonstrate GEB's strategic commitment to sustainable practices, seeking to positively impact local communities and the operating environment.

Suppliers are excluded from contracting if they cannot meet the minimum ESG requirements

Contracting and Execution Control Manual GEB



The Contracting and Execution Control Manual specifies that: for all contracts with GEB, must attach, if applicable, their Human Rights and Sustainability Policy.

They must also sign GEB's Sustainability and Human Rights Policy as a fundamental part of the Contract, committing to comply with it. Violation of this policy constitutes grounds for termination of any contractual relationship and exclusion from the supplier registry.

For more information, please refer to page 53.

<https://www.grupoenergiabogota.com/en/content/download/34003/file/Contracting%20and%20Execution%20Control%20Manual%20GEB%202021.pdf>

The Contracting Manual also mentions guidelines on the evaluation and training of contractors

For more information, please refer to page 66.

<https://www.grupoenergiabogota.com/en/content/download/34003/file/Contracting%20and%20Execution%20Control%20Manual%20GEB%202021.pdf>

Supplier contractor performance evaluation guide

- The company reviews the supplier and contractor performance evaluation guide to ensure compliance with the Supplier Code of Conduct and prevent potential conflicts with ESG standards.
- In addition, GEB conduct periodic evaluations to ensure that the supplier/contractor is complying with the obligations established therein. The evaluation is performed according to the following rules:

TERM OF EXECUTION	EVALUATION
Less than or equal to six (6) months	A single evaluation will be made at the end of the term of execution, before the end of the term of the contract.
Over six (6) months	An evaluation will be carried out every six (6) months of performance, and a final evaluation will be made at the end of the term of execution, before the end of the term of the contract.

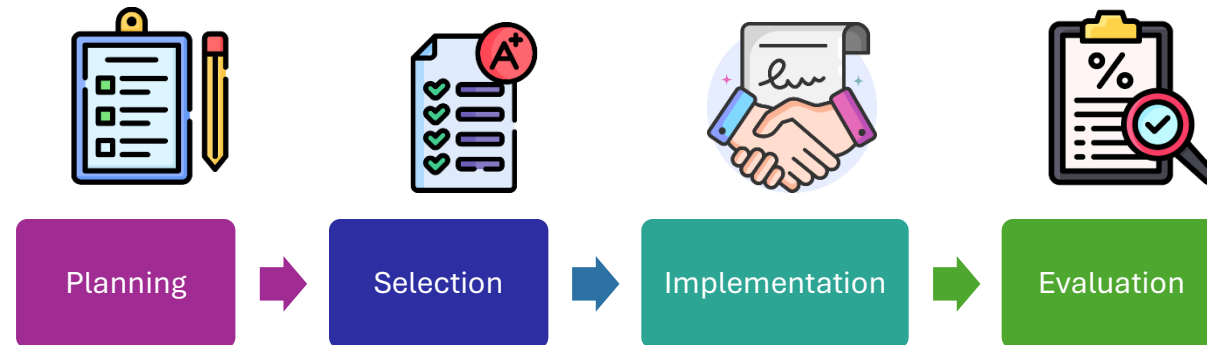
- GEB evaluates the performance of all its contractors in the provision of services or the quality of goods supplied, these evaluations are performed at least once in the contract or every six months. It is evaluated according to six (6) criteria: i) Technical compliance, ii) Administrative compliance, iii) Occupational health and safety compliance, iv) Environmental management compliance, v) CSR compliance and vi) Quality compliance.
- At GEB, any supplier scoring below 79 points in the performance assessment, or below the maximum achievable score in the OSH assessment, is required to submit an action plan to improve its performance.
- GEB carefully monitors and guides suppliers who are required to submit improvement plans. This ensures full execution of the plans, performance improvement and risk prevention during contract execution.

Sustainability Criteria in the Supply Chain

- The GEB established the target "Integration of sustainability criteria in all procurement stages (registration, selection, contract execution and performance evaluation" as part of the company's 2024 objectives. The Procurement and Services Management and the Sustainability and Communications Department are responsible for its fulfillment. The goal for 2024 is to achieve the adoption of sustainability criteria in the contracting processes of GEB and the subsidiary Enlaza. The goal for 2025 is to achieve the adoption of these criteria in at least 4 subsidiaries that operate with the GEB Shared Services Center.
- This proposal seeks to encourage the adoption of good practices by suppliers and contractors in the ESG aspects (environmental, social and governance) most relevant to the GEB. This, in accordance with the objectives and purposes of its Sustainability Strategy.

Proposal:

- Include sustainability criteria in the next stages of supplying goods and services of the GEB:



The following tables show that the GEB has already defined the library of sustainability criteria against which it will evaluate suppliers in the selection process. These tables are extracts from the GEB's draft sustainability criteria document

The sustainability criteria library is composed of 16 environmental, social and corporate governance criteria:

#	Sustainability criteria
1	Hiring of local labor
2	Hiring of women
3	Hiring of ethnic/racial minorities
4	Hiring young people (18 to 28 years old)
5	Hiring of people over 55 years of age
6	Hiring people with disabilities
7	Environmental certifications
8	GHG Emissions: Carbon footprint inventory
9	GHG Emissions: Organizational Carbon Footprint Certificate
10	GHG Emissions: Use of low GHG emissions vehicles
11	Circular Economy: Circularity of materials
12	Energy efficiency: Energy management system
13	Board support committee on sustainability issues
14	Women on board of directors
15	Independent board members
16	Board and senior management training on environmental, social and corporate governance (ESG) issues.

The Sustainability Criteria Library applies to the processes listed in the table below (hereinafter "Applicable Processes") as criteria to be considered in the evaluation of proposals.

Process	Service Category	Amount	Duration
Closed and open competitive procurement processes	According to the categories defined by Sustainability and the requesting areas, according to the PACC lines of the corresponding annuity.	All	More than 6 months

These images are extracts from the draft GEB sustainability criteria document, which shows the methodology and some practical examples.

2.1 Planning

Recommendation: The Sustainability Criteria Library should be duly socialized to all the company's collaborators who participate in the supply process. Additionally, it is recommended that the Sustainability Criteria Library be published on the company's intranet for easy access by the Areas.

In the planning phase in the processes in which sustainability criteria will be included, the Applicant Area will select a minimum of 1 criterion and a maximum of 3 criteria from the Sustainability Criteria Library. The Applicant Area may select the sustainability criteria(s) that it considers most relevant for the service to be contracted.

In the Procurement Request that is uploaded to SAP Ariba, the Applicant Area will fill out a Technical Sustainability Form in which it will specify the sustainability criteria(s) selected for the process. Likewise, it must specify the weight that each selected sustainability criterion will have within the total evaluation of the offer.

For this, it is important to bear in mind that:

1. A minimum of 1 sustainability criterion and a maximum of 3 criteria from the [Library](#) must be selected.
2. No sustainability criteria can weigh less than 1% in the total evaluation of the offer.
3. No sustainability criterion can weigh more than 5% in the total evaluation of the offer.
4. In total, the selected sustainability criteria(s) must weigh 5% in the total evaluation of the offer¹.

Example 1: In a given applicable process, the Applicant Area selects the following two criteria from the Sustainability Criteria Library, and establishes the respective weight:

1. Environmental certifications: 3%
2. Hiring local labor: 2%

Example 2: In another process, the Applicant Area selects the following three criteria from the Sustainability Criteria Library:

1. Hiring of women: 2%
2. Ethnic/racial minority hiring: 2%
3. GHG Emissions – Carbon Footprint Inventory: 1%

Example 3: In another process, the Applicant Area selects a single criterion from the Sustainability Criteria Library:

1. Energy Efficiency - Energy Management System: 5%
- 1.

In addition, in the same format, the Applicant Area must specify, according to its knowledge of the market and the service to be contracted, the minimum requirement for compliance with each sustainability criterion. The minimum requirement must be within the range established in the Library of Sustainability Criteria (*the ranges apply only to social criteria*).

Training at GEB

- At GEB, all employees are responsible for requesting purchases and services.
- In 2023, the GEB's Controller's Department provided training to employees requesting construction and service contracts. A total of 273 employees were trained in all the topics of the GEB's contracting manual.
- During the training, ESG issues were highlighted and supervisors were reminded of the activities to monitor the environmental and human rights commitments in the contracts, the evaluation of these criteria and compliance with the guidelines.
- GEB's Controller's Department also offers guidance to employees at the main office in Bogotá and has a specialized team to support employees.



The flyer features the logo of Grupo Energía Bogotá at the top left, with the slogan 'Mejoramos vidas con energía sostenible y competitiva' to its right. The main title 'Capacitación Supervisores e Interventores' is centered in a large blue font. Below the title, a paragraph explains the purpose of the training, organized by the Gerencia Gestión de Interventoría. The event details are listed at the bottom: a calendar icon for 'Miércoles 15 de Noviembre', a clock icon for '9:00 a.m a 1:00 p.m', and a location pin icon for 'Sala 1A'. A teal banner at the bottom contains the slogan 'Mejoramos vidas con energía sostenible y competitiva'. The footer includes the logos for Grupo Energía Bogotá, CADEMIA GEB, and Gerencia Gestión de Interventoría.

Grupo Energía Bogotá
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Capacitación Supervisores e Interventores

Desde la Gerencia Gestión de Interventoría queremos brindarte el acompañamiento en el rol de Supervisor e Interventor, motivo por el cual, te invitamos a hacer parte de esta capacitación, para que tengas claridad de los procedimientos y gestiones que realizarás en la ejecución y terminación del contrato o convenio a cargo.

 **Miércoles 15 de Noviembre**  **9:00 a.m a 1:00 p.m**  **Sala 1A**

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