

# Annual Report 2017



**ODINSA**



# CONTENTS

<b>Odinsa in 2017</b> .....	4	<b>Balanced Progress</b>	
<b>Letter from the Chairman</b> .....	5	Biodiversity .....	58
<b>About Odinsa</b> .....	6	Water .....	62
<b>About our Concessions</b> .....	8	Waste and Effluents .....	66
<b>The best option</b>		Energy and Carbon .....	70
Management Report .....	18	Emissions .....	72
Corporate Governance .....	34	Road Safety .....	76
Ethics and Transparency .....	42	Occupational Health and Safety .....	76
Risk Management .....	44	<b>Our Legacy</b>	
Sustainability .....	48	Innovation .....	82
<b>Always Learning</b>		Supplier Management .....	84
Talent Management .....	52	Community Relationship .....	88
		User Satisfaction .....	92
		<b>Consolidated Financial Statement</b> .....	98
		<b>Separate Financial Statements</b> .....	108

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## ABOUT THIS REPORT

Odinsa presents its stakeholders the 2017 Annual Report (102-50) corresponding to the period between January 1st, 2017 and December 31st, 2017 (102-52). This report is published annually.

It describes the manner in which the organization creates value for its stakeholders and for the company through the management of relevant topics. This report includes the results obtained through the exercise of materiality in 2017.

(102-45) The information reported herein corresponds to Odinsa and contains the numbers related to the performance of the road and airport concessions of the company. The scope is described in each of the reported indicators.

(102-54) This publication was prepared under the standards of the Global Reporting Ini-

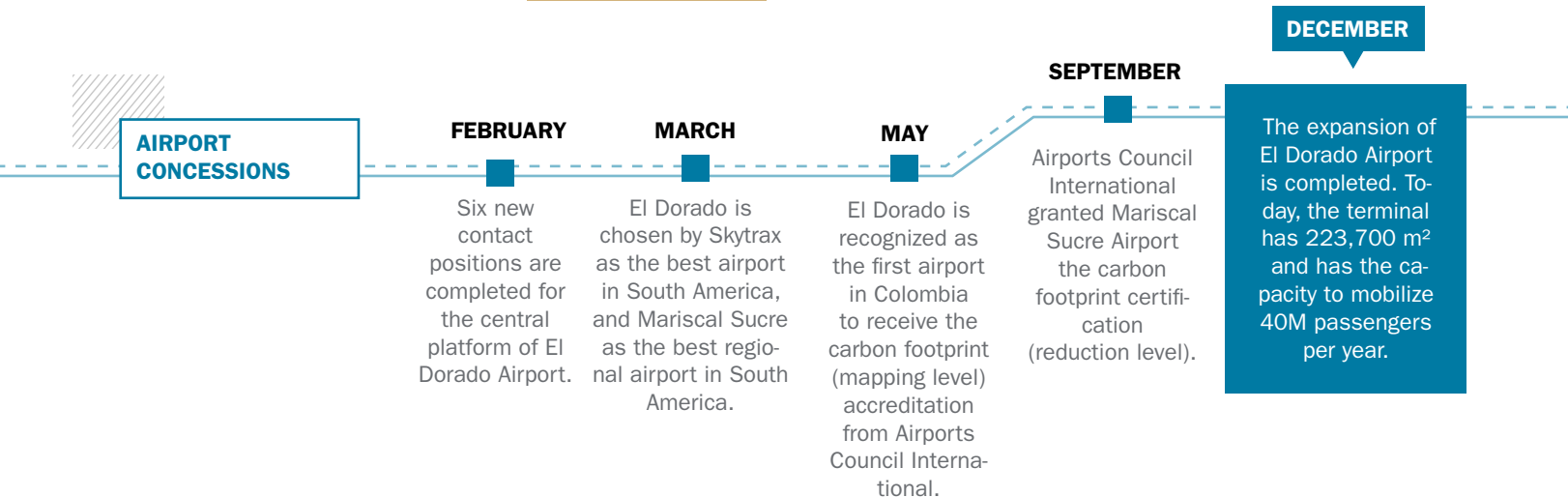
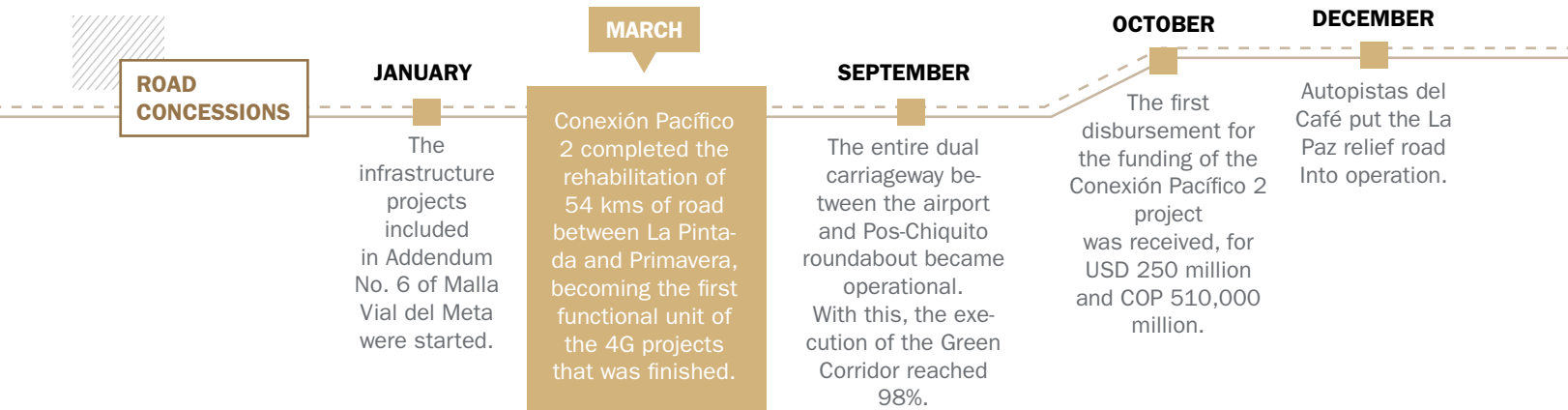
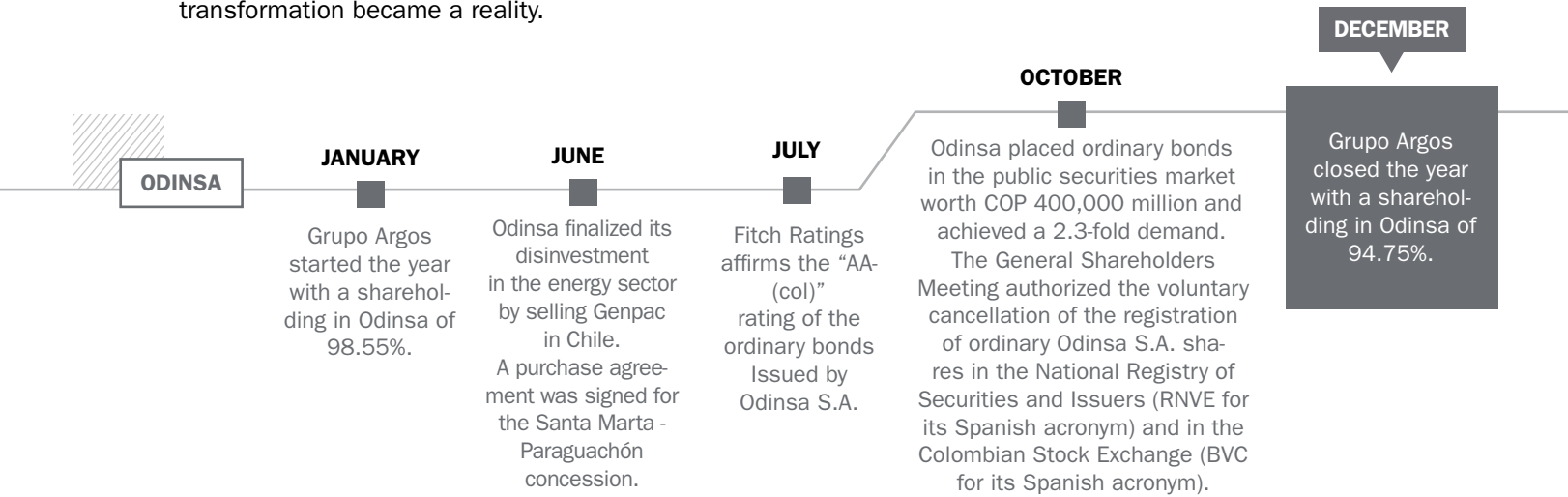
tiative, in accordance with the “Core” option indicated in said guide. The indicators related to this methodology are identified in parentheses. The digital version, with the GRI indicator table, can be found on Odinsa’s official site, [www.odinsa.com](http://www.odinsa.com).

Values are expressed in Colombian pesos, unless otherwise indicated.

(102-53) If you wish to obtain additional information or if you have questions, suggestions or opinions related to this report, you may contact Laura Correa Saldarriaga, our Sustainability Director, at [lc Correa@odinsa.com](mailto:lc Correa@odinsa.com).

# ODINSA IN 2017

In 2017, Odinsa's strategic and organizational transformation became a reality.





## LETTER FROM THE CHAIRMAN

(102-14) **Dear shareholders,**

As we come to the end of 2017, we can make a more than satisfactory balance of Odinsa's performance, both in terms of economic results and the work carried out by a strengthened team of collaborators that has been implementing the best practices in the industry. Grupo Argos is becoming increasingly clear about the strategic role the concessions business will play in its development.

At a time when the concessions industry is facing corruption allegations in Colombia, and in the region in general, we firmly believe that the principles of ethics and transparency, corporate governance and sustainability, as well as the synergy achieved within the organization have allowed and will continue to allow Odinsa to accomplish immediate results to ensure long-term sustainability.

The simplification of Odinsa's portfolio, started during the previous year, was successfully completed during 2017, when we also consolidated a high-value road and airport concessions platform in markets with very good growth expectations.

Thus, the company's current portfolio helps to strengthen our strategic and financial position in order to continue on the path towards future growth and to becoming an attractive vehicle for international investment with a balanced portfolio that includes projects in structuring, construction, and operational stages with very positive development prospects.

During 2017, we not only made significant progress in all concessions handled by the company, but we also developed an ambitious administrative strengthening process in all areas of the organization, which included the creation of the office of the Vice President of Airport Concessions. This will allow us to manage the challenges and opportunities in this sector, which are increasingly relevant, with a higher degree of specialization.

Similarly, the issue of ordinary bonds worth COP 400 billion that took place in October with a 2.3-fold demand ratifies the confidence of investors in our company, and has left Odinsa in a very adequate financial position to continue to meet the demands of the country's competitiveness and infrastructure sector.

One year ago, we were planning to strengthen the foundations to solidify the company. Today, thanks to the disciplined and committed work of Odinsa's team, whom I would like to acknowledge and congratulate, we can say that our path has been defined and Odinsa is in perfect shape to adequately manage our current projects and to continue to find new opportunities to create value for our shareholders and to be motors for progress in the different territories.

  
**Jorge Mario Velásquez**  
 Chairman

## ODINSA

**(102-2)** Odinsa, a subsidiary of Grupo Argos, is a business dedicated mainly to the structuring, promotion, management, and development of road and airport infrastructure projects. Due to the relevance of the industry in which it operates, it has become one of the pillars of growth for Grupo Argos in the coming years.

In 2017, the company completed the strategic focus process that was set out in 2016 through the sale of assets in sectors other than road and airport concessions. This process included the consolidation of some assets it did not control, which allowed the company to achieve a healthy balance between projects in structuring, construction, and operational stages. It also allowed the company to strengthen its long-term strategic and financial position. This process was evidenced in 2017 by the disinvestment of the Gena and Genpac power plants and the Santa Marta-Paraguachón concession, in which the company held a minority stake.

The human and technical quality of the Odinsa team, its responsible practices, its high corporate governance standards, and its commitment to sustainability are the foundations for the creation of value and they give the company a competitive advantage that has enabled it to position itself as one of the most important companies in the infrastructure industry, both in Colombia and in Latin America.



Also, the diversification of its investments and geographies coupled with a broad portfolio that includes mature businesses and new projects with a high potential for development guarantee the solidity of the investment.

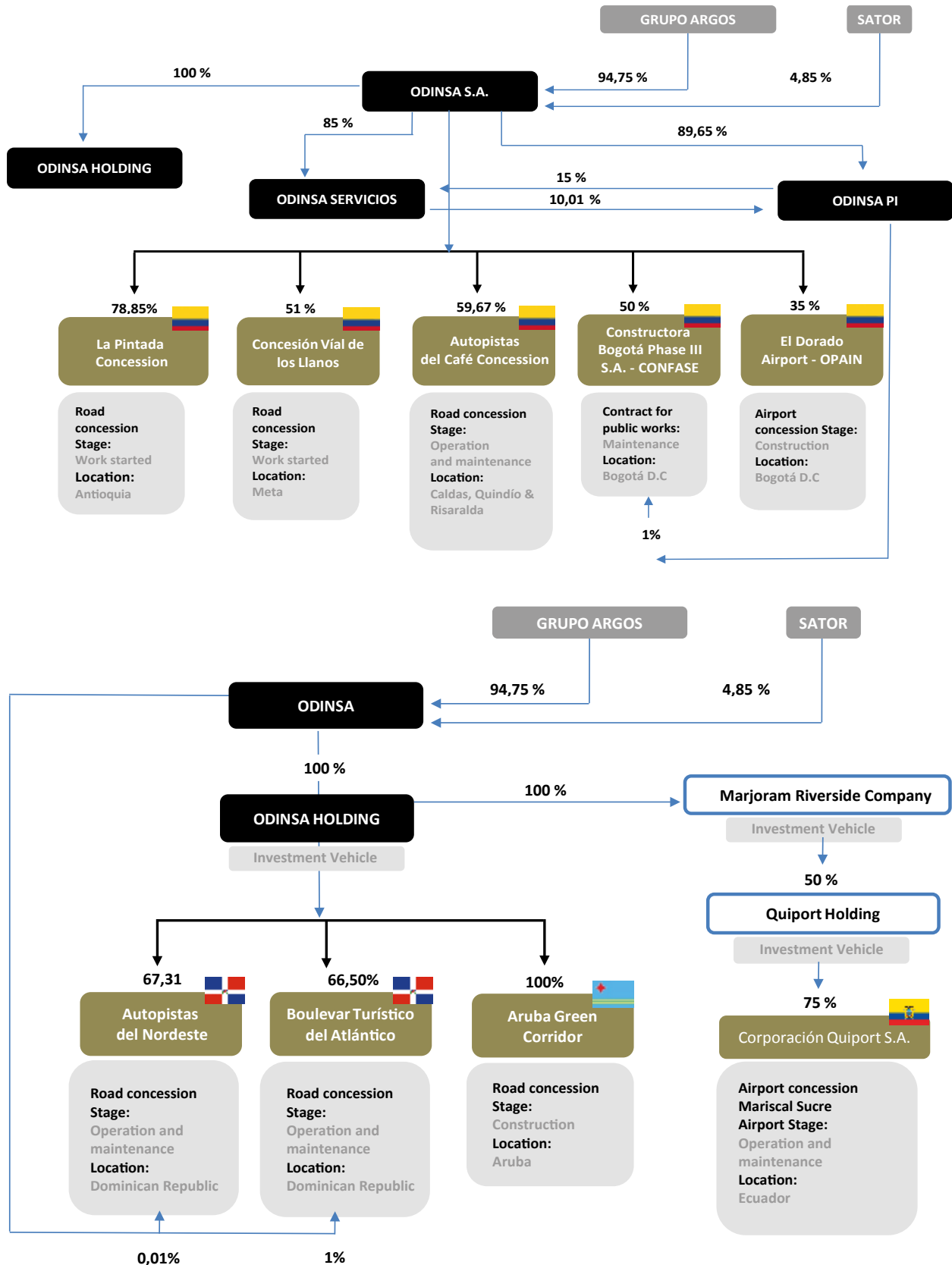
During an extraordinary meeting held in November, the General Shareholders Meeting voted unanimously, with a vote from 99.7% of the company's total outstanding shares, to authorize the voluntary cancellation of the registration of ordinary Odinsa S.A. Shares in the National Registry of Securities and Issuers (RNVE) and the Colombian Stock Exchange (BVC). This process by Grupo Argos to consolidate Odinsa's property has been perceived in a positive manner by the market thanks to the company's incorporation of better corporate governance practices.

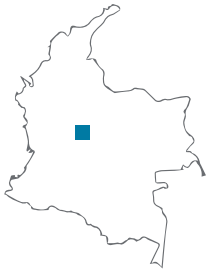
**(102-7)** Despite the decision to cancel the registration of its shares, Odinsa continues to participate actively in the Colombian securities market. In October, the company placed ordinary bonds worth COP 400 billion on the market, which received a 2.32-fold demand and were placed at very favorable conditions, mainly on the retail market.

The Colombian Stock Exchange (BVC), awarded Odinsa for the fifth year in a row a recognition for adopting best practices related to information disclosure and investor relationships.



## CORPORATE STRUCTURE



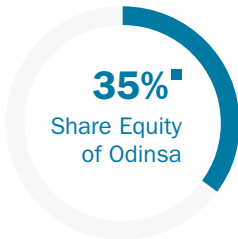


Bogotá, Colombia

# El Dorado International Airport

(102-2)(102-6)(102-7)

Operated by:  
**Opain S.A.**

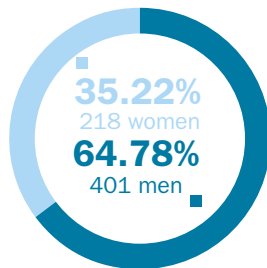


Opain is the concessionaire responsible for the administrations, operation, commercial exploitation, maintenance, modernization, and expansion of Colombia's most important airport: El Dorado International Airport in Bogotá, which handles nearly 65% of air traffic in the country and is the main connection hub with 46 international destinations.

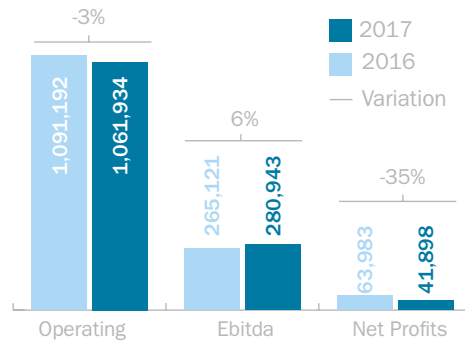


## VALIDIT 2027

DIRECT EMPLOYEES BY GENDER

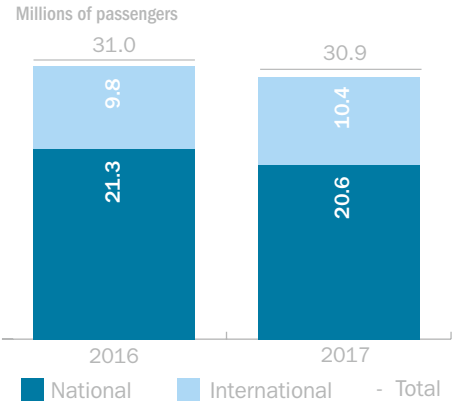


### FINANCIAL RESULTS



\*(operation and exploitation of the airport)  
Figures in COP millions

### PASSENGERS



### HECHOS RELEVANTES 2017

- The expansion of the domestic and international terminals was inaugurated, with a new area of 48,000 m<sup>2</sup> and an increased capacity to handle 40 million passengers per year. The constructed area of the terminal is now 223,700 m<sup>2</sup>.
- Third airport in Latin America in terms of number of passengers and first airport in the region in terms of cargo.
- Value of expansion projects: COP 420,000 million.
- New airlines in 2017: Wingo, Air Europa and Turkish Airlines.
- The purchase of 30% by Grupo Argos was perfect during the first quarter of 2017.

**30**  
Over  
aerolines  
in operation





Quito, Ecuador

# Mariscal Sucre International Airport

(102-2) (102-6) (102-7)

Operated By:  
**Corporación Quiport S.A.**



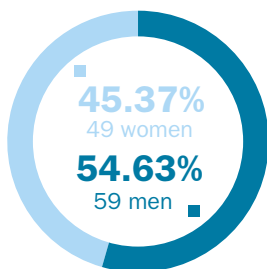
Corporación Quiport is the concessionaire responsible for the construction, administration, operation, and maintenance of Mariscal Sucre International Airport in the city of Quito, which connects 11 destinations in Ecuador and 16 international ones. It was designed with a flexible structure on the runways and on the passenger and cargo terminals that allow it to adapt to growth.



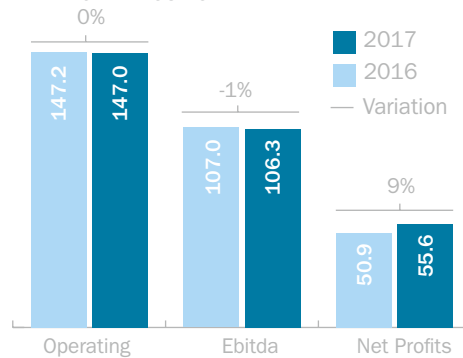
## VALIDITY

# 2041

## DIRECT EMPLOYEES BY GENDER



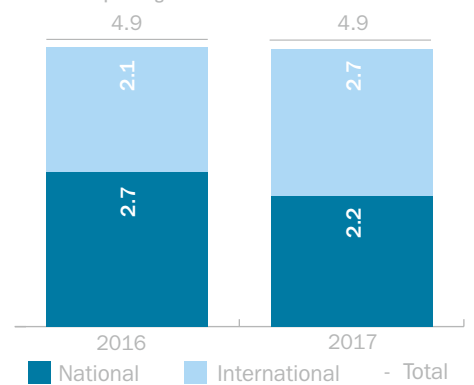
## FINANCIAL RESULTS



\*(Operation and exploitation of the airport)  
Figures in USD millions

## TRAFFIC

Millions of passengers



## RELEVANT FACTS 2017

- The expansion and renovation of the International VIP lounge was inaugurated on November 20th. It went from 750 m<sup>2</sup> to 1,135 m<sup>2</sup> and offers new standards of quality and service.
- It received a Level 2- Reduction certification from the Carbon Footprint Accreditation Program of Airports Council International.

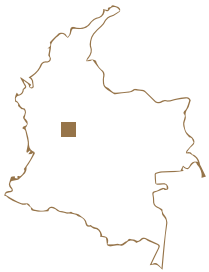
**Best Regional Airport in South America**

# 4

stars on Skytrax in 2015, 2016 and 2017.

**Best Airport Staff in South America according to Skytrax.**

**Leading airport in South America according to the World Travel Awards.**

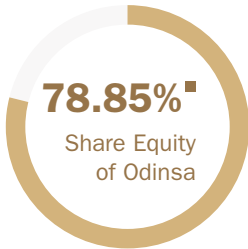


Antioquia, Colombia

# Conexión Pacífico 2

(102-2) (102-6) (102-7)

Operated by:  
**Concesión La Pintada**



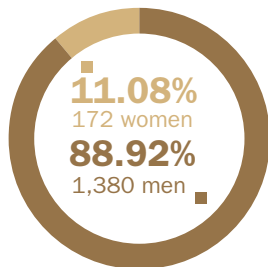
Concesión La Pintada is responsible for the Conexión Pacífico 2 project, which includes the construction, maintenance, and operation of the new road between La Pintada and Bolombolo, and the rehabilitation, maintenance, and operation of the La Pintada-Primavera road in Antioquia. It is part of the first group of fourth-generation road concessions in Colombia. Together with Pacifico 1 and 3, it will connect the north of the country with Antioquia, the coffee-growing region, Valle del Cauca, and the Colombian Pacific coast. As of December 2017, the project's general progress was at 30%. It is worth highlighting the delivery of the first functional unit of the 4G projects.

**LENGTH**  
**98 km**

**La Pintada-Primavera: 54 km**  
Rehabilitation and maintenance  
**La Pintada-Bolombolo: 44 km**  
under construction

**VALIDITY**  
**2045**

**DIRECT EMPLOYEES BY GENDER**



## LOCATIONS

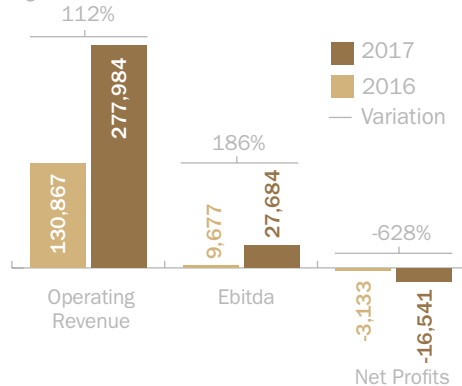


## HECHOS RELEVANTES 2017

- Quinto proyecto del programa 4G en haber logrado desembolsos bajo sus contratos de crédito.
- Durante el 2017 se logró el primer desembolso de la financiación estructurada bajo la modalidad de *Project Finance*.
- 100% de las licencias ambientales aprobadas.
- Avance de la obra: 30%

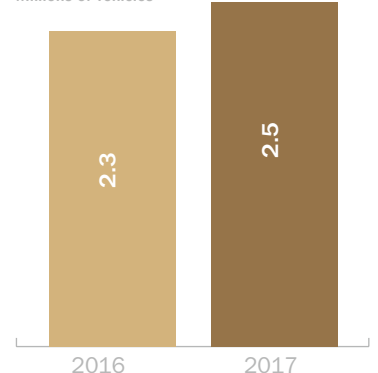
## FINANCIAL RESULTS

Figures in COP millions



## TRAFFIC

Millions of vehicles



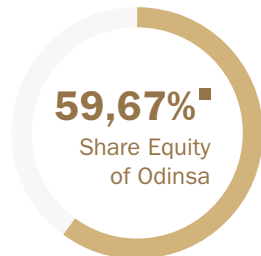


Coffee-Growing Region, Colombia

# Autopistas del Café

(102-2) (102-6) (102-7)

Operated by:  
**Autopistas del Café**



This road concession is responsible for the design, construction, operation, and maintenance of concessioned roads and for the collection of tolls for the Armenia-Pereira-Manizales Road Development in the coffee-growing region of Colombia. It consists of 270 kilometers of roads on a corridor that connects the departments of Risaralda, Quindío, Caldas, and the north of Valle del Cauca.

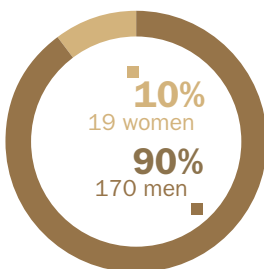
**LENGHT**

**270 km**

**VALIDITY**

**2027**

**DIRECT EMPLOYEES BY GENDER**

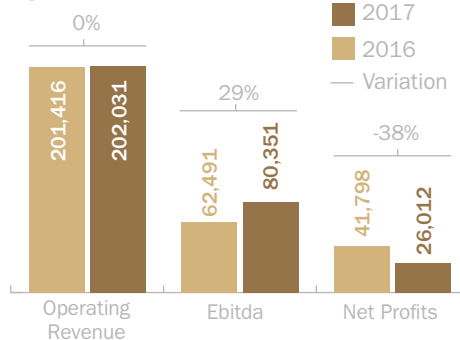


## LOCATIONS



## FINANCIAL RESULTS

Figures in COP millions

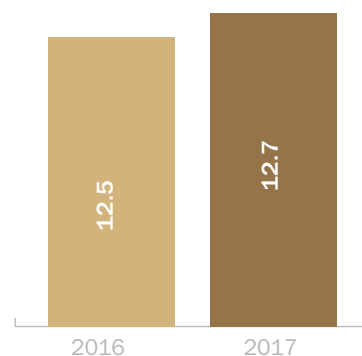


## RELEVANT FACTS 2017

- Completion and operation of La Paz relief road, which is part of the Adaptation Fund projects, with an investment of over COP 31,500 million.
- First-generation concession with a rating of 4.59 out of 5 in the assessment of the status index of the concessioned roads.

## TRAFFIC

Millions of vehicles



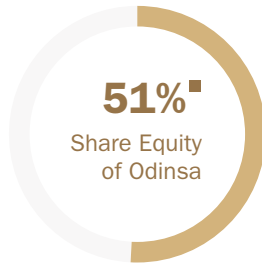


Meta, Colombia

# Malla Vial del Meta

(102-2) (102-6)(102-7)

Operated by:  
**Concesión Vial de Los Llanos**



The corporate purpose of this concession is to carry out studies and designs, as well as the funding, construction, operation, maintenance, and social, property and environmental management in the plains region of the department of Meta. It includes the Granada - Villavicencio - Puerto López - Puerto Gaitán - Puente Arimena corridor as well as the Villavicencio road ring and other access roads to the city. The contract is in the pre-operational stage in the pre-construction stage, and some operating services are already being provided.



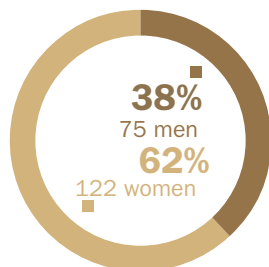
**LENGHT**

**354 km**

**VALIDITY**

**2043**

**DIRECT EMPLOYEES BY GENDER**

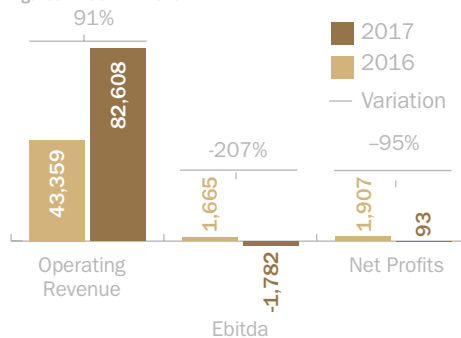


## LOCATIONS



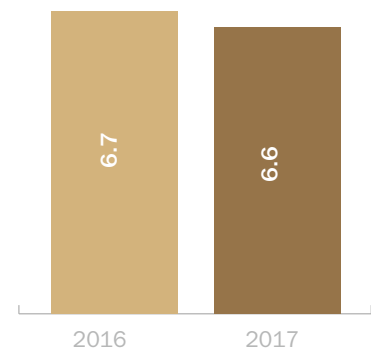
## FINANCIAL RESULTS

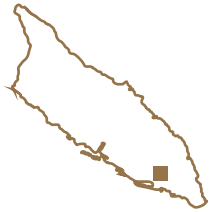
Figures in COP millions



## TRAFFIC

Millions of vehicles





San Nicolás, Aruba

# Green Corridor

(102-2) (102-6) (102-7)

Operated by:  
**Caribbean Infrastructure Company (CIC)**



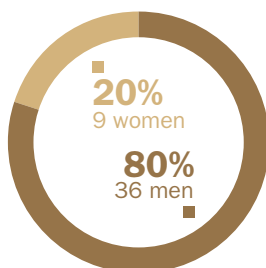
Caribbean Infrastructure Company (CIC) is a contractor of the government of Aruba for a project that includes the design, construction, funding, and maintenance of the group of roads called the Green Corridor in the southeast of the island.

**LENGHT**  
**31 km**

Construcción: **8 km**  
Rehabilitación y mantenimiento: **23 km**

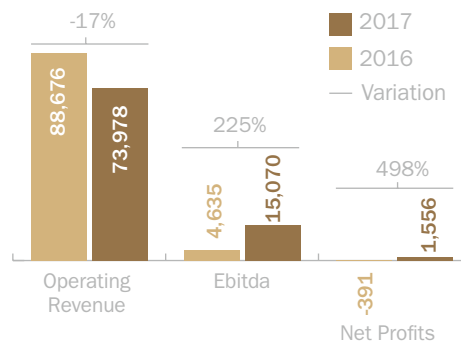
**VALIDITY**  
**November 2035**

**DIRECT EMPLOYEES BY GENDER**



## FINANCIAL RESULTS

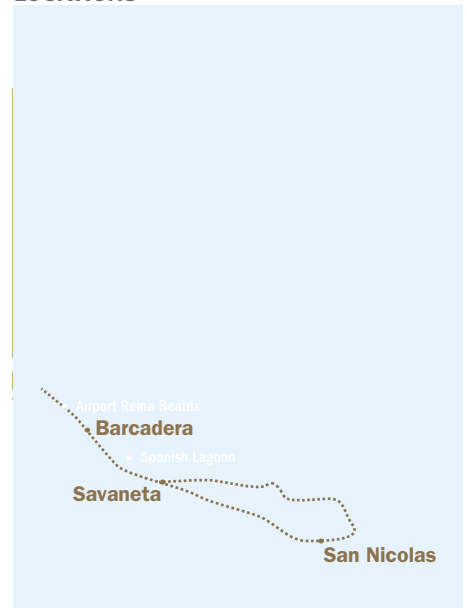
Figures in COP millions



## RELEVANT FACTS 2017

- In 2017, the dual carriageway from Queen Beatrix International Airport to Poschiquito was put into operation, which reduced travel time from 20 minutes to 5 minutes.
- The overall progress is 97%. The only aspects left to complete are signage, bicycle paths, and landscaping.

## LOCATIONS



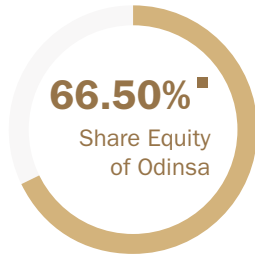


Samaná, Dominican Republic

# Boulevard Turístico del Atlántico

(102-2) (102-6) (102-7)

Operated by:  
**Boulevard Turístico del Atlántico**



This concession is responsible for the development, construction, rehabilitation, operation, and maintenance of the Nagua - Sánchez - Samaná - El Limón - Las Terrenas road network. The operation impacts the entire Samaná peninsula, an important tourist spot in the country, and has reduced travel time between Santo Domingo and Las Terrenas by approximately 105 minutes.

**LENGTH**

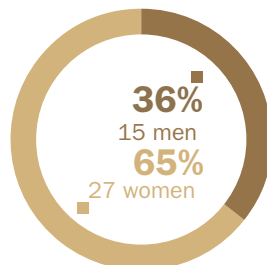
**123.5 km**

Construction: **18.7 km**  
Rehabilitation and maintenance: **104.8 km**

**VALIDITY**

**2038**

**DIRECT EMPLOYEES BY GENDER**

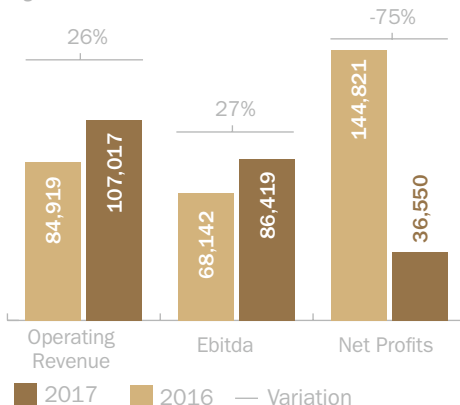


**LOCATIONS**



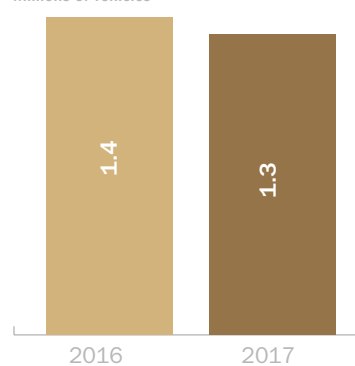
**FINANCIAL RESULTS**

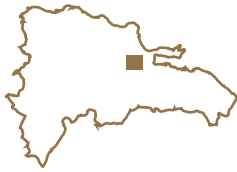
Figures in COP millions



**TRAFFIC**

Millions of vehicles



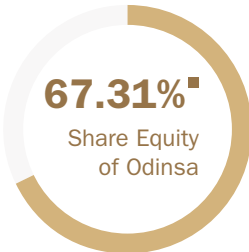


Samaná, Dominican Republic

# Autopistas del Nordeste

(102-2) (102-6) (107-7)

Operated by:  
**Autopistas del Nordeste**



The main goal of the concession is the construction of the Santo Domingo - Curce Rincón de Molinillos road. The operation and maintenance phase began in 2008. The road connects Santo Domingo and the northeast region of the Province of Samaná. It crosses the country from south to north and connects to Boulevard Turístico del Atlántico. The route between Santo Domingo and the Samaná peninsula was reduced from 220 km to 120 km, and the travel time from 4 hours to 90 minutes.

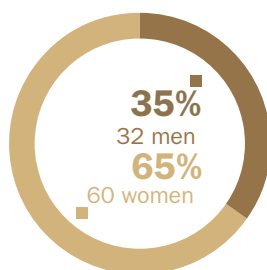
**LENGHT**

**107 km**

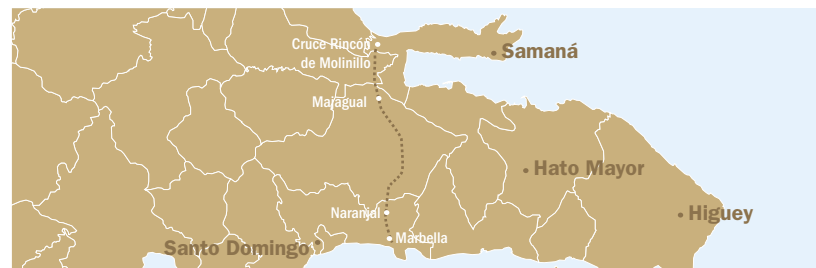
**VALIDITY**

**2038**

**DIRECT EMPLOYEES BY GENDER**

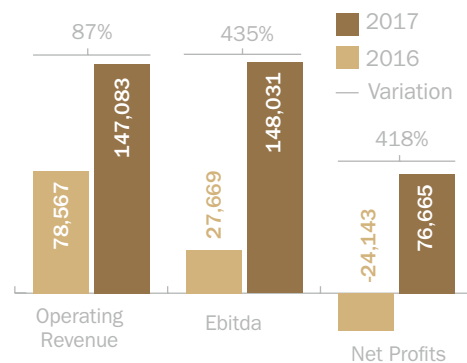


## LOCATIONS



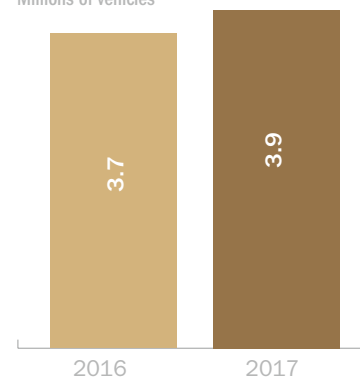
## FINANCIAL RESULTS

Figures in COP millions



## TRAFFIC

Millions of vehicles









# THE BEST OPTION

■ We are efficient and profitable



## MANAGEMENT REPORT

### Dear shareholders and stakeholders:

It is with great satisfaction that we present to you the work done by Odingsa in 2017, a challenging year during which we obtained good results. One of the highlights of this year was the launch of a new strategy that will allow us to undertake a path over the coming years with a clear horizon that will enable us to move forward and strengthen everything we have accomplished so far.

## OUTLOOK

The global economic outlook was very different in 2017 than it was the previous year. This was the consequence of a better performance from developed countries and emerging markets. Latin America was part of this shared acceleration on a global scale, and it is now in recovery after two years of negative growth, although it is still a slow process. Despite the fact that the price of oil has fallen by more than 50% over the last three years, the region has begun to grow again, partly due to the fact that the prices of exported raw materials have improved.

2017 was a challenging year for the economy in the region and, in particular, for the infrastructure and concessions sector. Inflationary phenomena, high interest rates, increased taxes, deceleration of consumption – which has been going on since 2015 – and a weakened domestic demand have all marked the outlook in Colombia.

The infrastructure sector, both in the country and in the continent, is facing serious questions related to corruption. Distrust by both the public and authorities gave way to uncertainty regarding the rules of the game applicable to third parties of good faith in concession agreements, which hindered the progress of financial closure for projects.

In Colombia, during the second half of the year, the Avianca strike had an impact on the general economy and the performance of El Dorado Airport. In the Dominican Republic, the hurricane season had an impact on vehicle mobilization figures. In Ecuador, the domestic tax situation affected the transit of domestic passengers.

The outlook for 2018 in the region is encouraging, however. The Dominican Republic will maintain a high growth thanks to solid domestic consumption and increased tourism. Growth is also expected to increase in Colombia precisely because of higher spending on infrastructure and low inflation, while moderate growth is predicted in Ecuador due to low oil prices. Aruba, for its part, will continue to be a commercial gate between Latin America and Europe, characterized by its economic stability and vigorous tourism.

## THE COMPANY

It is a great satisfaction to present a positive result for Odinsa, as we were able to mitigate the impact of the aforementioned factors on the results of the company's asset portfolio.

The first aspect worth highlighting is the completion of the strategic orientation process we began in 2016, and which led to the determination of two foci of investment: road and airport concessions, in which the company currently has a controlling interest.

(102-10) Over the last two years, we have been carrying out this process which has led us to disinvest in businesses such as energy (including the sale of the Gena and Genpac power plants, in Panama and Chile, respectively) and in concessions such as the Santa Marta - Paraguachón road, in which we had no control. Conversely, we have increased our investments in concessions we consider strategic and that, under our control, benefit from the criteria of efficiency, sustainability, and corporate governance.

After this exercise in redefinition, we have consolidated Odinsa as a strategic business of Grupo Argos dedicated to road and airport concessions with a healthy balance between projects in stages of structuring, construction, and operation.

This diversified portfolio, which includes mature businesses and new projects with a high potential for development, allows us to have a strategic and financial position that will be strengthened over the long term, and to guarantee the creation of value for our shareholders.

As a consequence of the consolidation of the company's share ownership, during an extraordinary meeting of the General Shareholders Meeting held this past October 30th, it was decided unanimously, with a vote from 99.7% of the company's total outstanding shares, to cancel registration of ordinary Odinsa S.A. Shares in the National Registry of Securities and Issuers (RNVE) and the Colombian Stock Exchange (BVC). In order to do this, a takeover bid was previously promoted.

After approval from the Financial Superintendency, the period for receiving acceptances was opened and the delisting of the company's shares on the public securities market will take place in 2018.

However, we continue to participate actively in the securities market with the bonds issued in 2008 valued at COP 79,000 million and which mature in December 2018. These complement the successful issue of ordinary bonds valued at COP 400,000 million, placed in October 2017 and which had a 2.32-fold demand.

**La emisión de bonos tuvo una demanda de 2,32 veces el monto ofrecido, lo que confirma la confianza del mercado en la estrategia de Odinsa.**

Thus, we became the first issuers in the actual sector to enter the market with a AA- rating in the last 10 years. This placement confirms the confidence investors have in our company due to the potential of the industry in which it operates, the support it receives from Grupo Argos, the good corporate governance practices we have implemented, and the results shared with our stakeholders.

The Colombian Stock Exchange (BVC), awarded us for the fifth year in a row a recognition for adopting best practices related to information disclosure and investor relationships.

As a result of the strategic reorientation exercise, we strengthened our organizational culture with the definition of four values: we make progress in terms of balance, we are always learning, we are the best option, and we make our mark.

# COP 813.083 MILLION

In consolidated revenues.

The Ebitda margin was 63%.

## ACHIEVEMENTS

2017 was a key year for the reorganization, consolidation, and execution of our long-term strategic focus on road and airport concessions. This allowed us to concentrate our investments on controlled assets to deploy our competitive advantages and generate a greater capture of value.

We are excited to have closed this year with milestones and achievements that ratify our work, drive the results of our concessions, and demonstrate the confidence of the market in our company. Among these achievements, we would like to highlight the following:

- For the first time, international entities such as CDPQ Revenu Fixe (division of Caisse de Dépôt et Placement du Québec), Banco Santander, and ING have made forays into financing 4G road projects in Colombia, such as with our Conexión Pacífico 2 concession. This solidifies the confidence of foreign investment in the country.
- We issued ordinary bonds on the local securities market and we received a demand that exceeded COP 927,645 million, equivalent to 2.32 times the offered amount (400,000 million). The massive participation, both from individual and institutional investors, shows support for the company and its long-term strategic vision, as well as interest in the infrastructure sector in Colombia. These resources will be used to substitute financial liabilities and meet capital commitments agreed upon for the development of projects. The above is part of the strategy to manage the company's financial debts, aimed at optimizing the duration and financial cost structure.
- We launched our User Experience School with which we continue to strengthen our customer service practices for roads and airports.
- The transaction with which Grupo Argos increased its participation in our company caused the New York-based publication LatinFinance to give it the award for the best local merger and acquisition operation in Latin America.
- We strengthened our structure with the creation of strategic departments such as the office of the Vice President of Airport Concessions, the department of Project Structure Management, and the divisions of Compliance and Sustainability, among others, which will help propel the achievement of our goals.
- As part of Grupo Argos, we aligned our Good Governance Policy and our Code of Ethics with tools such as the Transparency Line, the Declaration of Conflict of Interests, and the Audit, Internal Control, and Risk systems, which enable us to continue to strengthen our corporate governance.



As part of our strategic redefinition, we established four values as being pillars of Odinsa culture.

Colaboradores Odinsa



## AIRPORT CONCESSION ACHIEVEMENTS

- In December we inaugurated the expansion of the domestic and international terminals at El Dorado in Bogotá, a 48,000 m<sup>2</sup> project that represented an investment of COP 420,000 million and increased the airport's capacity. It also added six boarding bridges, three VIP lounges, and over 25,000 m<sup>2</sup> of new commercial areas that permitted the inclusion of nearly 30 brands. With this expansion, El Dorado now has a total approximate area of 224,000 m<sup>2</sup> in the passenger terminal.
- El Dorado International Airport was recognized, for the second consecutive year, as the best in South America by Skytrax's World Airport Awards, with a rating of four stars and ranked at number 42 in the Top 100 Airports.
- In line with our corporate commitment to sustainability, El Dorado was the first airport in Colombia to receive the Level 1 - Mapping Carbon Footprint Accreditation from Airports Council International - Latin America & Caribbean (ACI-LAC).
- Mariscal Sucre International Airport, from Quito, obtained three important recognitions from Skytrax: Best Regional Airport in South America for the second consecutive year and Best Airport Staff in South America, awarded at the 2017 World Airport Awards. It also maintained its four-star (out of five) rating due to the quality of its service.



## ROAD CONCESSION ACHIEVEMENTS

- Pacifico 2 achieved the first disbursement of funding structured under the Project Finance mode. The total value of the funding, approximately COP 1.3 trillion, was obtained through a loan of USD 250 million and a loan of COP 510,000 million. It is worth noting the 30% progress in the execution of the infrastructure projects, which represents an investment of approximately COP 368,000 million by the end of 2017.
- Significant progress was made on Green Corridor, in Aruba, marked by the inauguration of the Spaans Lagoen Bridge, a 92-meter-long arched bridge built over the Spanish Lagoon. It achieved a balance between the deployment of road infrastructure and the sustainable conservation of the mangrove ecosystem in the area.

These achievements enabled us to continue to position ourselves as a solid and sustainable company that participates in high-impact strategic projects with a clear strategy applied with discipline. They also strengthened confidence from our stakeholders, created value, and consolidated us as a benchmark in the (road and airport) infrastructure industry, both domestically and internationally.



## RESULTS

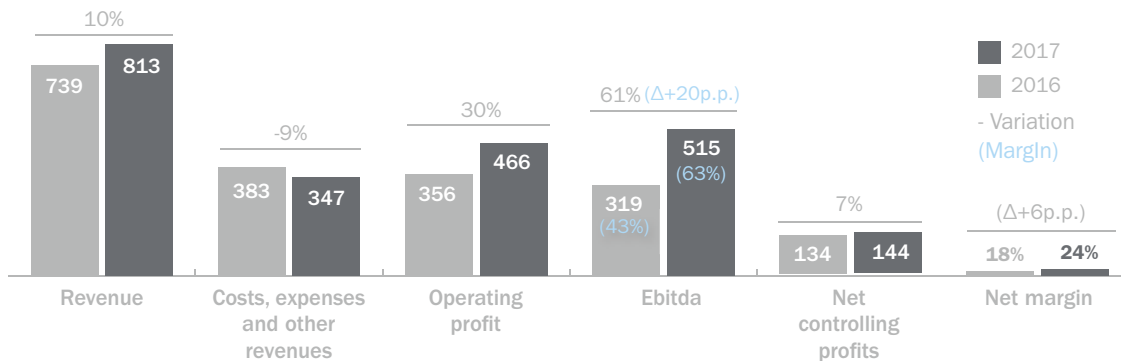
Financially, it is worth highlighting the consolidation of the company's assets and the solidity of the concessions we operate, which handle high levels of traffic from vehicles, aircraft, cargo, and passengers.

Due to the thorough refinement we undertook in 2016, results were boosted in an extraordinary manner, while they were recurrent in 2017 and, of course, they do not include the consolidation of the income from these assets, which is why the figures are not comparable. In order to facilitate the comparison, the reported figures are taken and the non-recurrent income and the disinvestments that have been made are excluded.

The company reported an Ebitda margin of 63%, revenues of COP 813,083 million, an Ebitda of COP 515,292 million, and net profits of COP

144,006. These figures are 10%, 61%, and 7%, respectively, higher than the figures from the previous year, excluding non-recurring income and disinvestments. For the company, which is currently investing in construction assets, it is important to keep a strict control on debt. The consolidated financial debt increased by COP 17,000 million, reaching a total of COP 2.37 trillion. Most of this debt is under the project finance modality, which has no recourses against Odinsa.

Regarding financing, the issue of ordinary bonds was made in three and five year tranches, awarded at cutoff at 7.49% fixed rate and a CPI of +3.98%. This issue allowed us to reduce funding costs by nearly 170 basis points, increase the average life of the debt by close to 1.5 years, obtain greater flexibility to focus on the growth strategy and free up credit limits.



## SHARE PERFORMANCE

The year's economic deceleration was reflected in the decreased volume of trade and new transactions on the Colombian Stock Exchange. However, the price of the shares maintained an upward trend, leading Colcap to grow by 11.98%.

Odinsa's shares ended the year at a price of COP 9,100, which represents a drop of 2.36% from the price of COP 9,320 at the end of 2016. Over the course of the year, the price of the share fluctuated between COP 8,500 and COP 9,700, at an average of 9,038.

The bond market in Colombia had a good performance with the placement of COP 10 trillion, out of which COP 400,000 million correspond to Odinsa's issue.



## PERFORMANCE OF AIRPORT CONCESSIONS

As part of the execution of the strategic focus, in 2017 we created the office of the Vice President of Airport Concessions. Andrés Ortega Rezk was appointed to this role, as someone whose experience and knowledge of the industry will allow us to strengthen current operations and explore new opportunities.

### El Dorado Airport

- The total movement of passengers in the airport of the Colombian capital, operated by Opain, reached 30,989,206, according to the Office of Civil Aviation. It is the third airport in Latin America in terms of passenger traffic, after the airports of Mexico City and Guarulhos, Sao Paulo.
- International passengers increased by 6.5% as a result of the new airlines starting operations (Turkish Airlines from Turkey, Air Europa from Spain, and Wingo from Panama), and new international routes and frequencies in 2016 that completed their first full year of operations in 2017.
- In terms of cargo, El Dorado is the number one airport in Latin America, with 706,802 metric tons of cargo mobilized during 2017, which represents a growth of 4.84% compared to 2016 and nearly 70% of the total cargo mobilized by air in Colombia.
- Revenues from the operation and commercial exploitation of the airport reached COP 1,061,934 million in 2017.
- Additionally, the Customer Experience Department was created, and the expansion of the domestic and international terminals was inaugurated, which includes an additional 48,000 m<sup>2</sup>. The investment in voluntary and supplementary infrastructure projects exceeded COP 420,000 million.
- In total, the airport currently has 224,000 m<sup>2</sup> in the passenger terminal, six VIP lounges, and 90 contact positions for passenger aircraft. It serves 28 international airlines and has the capability to handle 8,200 suitcases per hour and one million tons of cargo per year, as well as the capability to connect with 47 domestic destinations and 49 international ones.
- The airport has a four-star rating and is recognized as the best in South America by Skytrax.
- It is the first airport in the country to receive the Carbon Footprint Accreditation from Airports Council International. It has also a program in place to self-generate electricity through a photovoltaic system that will provide around 22% of the power required by the passenger terminal. This initiative is expected to reduce emissions by close to 2,000 tons of CO<sup>2</sup> per year.





## Mariscal Sucre International Airport

- In 2017, the number of passengers recorded at Mariscal Sucre International Airport, operated by Quiport, increased from 4,852,530 in 2016 to 4,861,041.
- International traffic in the Ecuadorian capital increased due to the increased number of routes. Tame picked up seven weekly flights to New York and Lima, and Iberia increased its frequencies. Additionally, Avianca and Copa had better behavior with their routes. Cargo volumes, for their part, increased by close to 15% compared to 2016 due to the increased demand for flowers, the elimination of safeguards on the import of goods, and the commercial agreement signed with the European Union.
- The airline Cargolux started to operate out of Quito, which attracted volumes that were previously mobilized by other airports in Ecuador.
- Quiport's operating revenue reached USD 147 million, a similar figure to the one reached in 2016. Regulated revenues increased due to the higher traffic of international passengers and cargo operations thanks to airlines that opened new routes or increased frequencies.
- The above enabled the Ebitda to reach USD 106 million. Senior debt service payments were made for an amount of USD 64.5 million, including principal and interest. With all this, 2017 ended with a total financial debt of USD 109 million, while this total was USD 161 million in 2016.
- The airport received a four-star rating and a recognition from Skytrax for having the Best Airport Staff in South America. It is currently at the number 52 spot in the Top 100 Airports ranking, and was recognized for the fourth time by the World Travel Awards as a leading airport in South America.
- In terms of sustainability, Mariscal Sucre Airport was certified by Airports Council International due to its decrease of 583 tons of carbon dioxide. With this, the Quito airport became the first in Latin America and the Caribbean (with a capacity for 5 to 15 million passengers) to receive a Level 2 - Reduction accreditation from the Carbon Footprint Accreditation Program.

## PERFORMANCE OF ROAD CONCESSIONS

### Autopistas del Café

- With a daily average of 34,989 vehicles, which represents an increase of 2.3%, this concession remains one of the busiest in Colombia. Revenues totaled COP 202,031 million.
- Several infrastructure projects were finished and the La Paz relief road was put into operation, which required an investment of over COP 31,500 million. This project was of high national importance because it overcame the threat of landslides that compromise the stability of roads in Chinchiná, Caldas.
- On May 17, 2016, the National Infrastructure Agency (ANI, for its Spanish acronym) filed an arbitration claim against Autopistas del Café for the purpose of declaring that the concession has ended, despite the fact that the 7th clause of the addendum of June 15, 2005 states that the term of the contract runs until February 1st, 2027. The claim has gone through all the proper steps of the process and it is expected that an arbitration award will occur in early 2018.
- The Ebitda reached COP 80,351 million thanks to the direct execution of infrastructure projects, which generated a greater construction margin, in addition to a good traffic performance.
- Autopistas del Café is free from financial debts and it is a stable source of profits and cash for its shareholders.
- In line with Odinsa's sustainability policy, the concession is developing 1% environmental conservation and offset plans with the three independent corporations of the coffee-growing region. Within the framework of this plan, work was carried out to manage the trees that were in danger of falling on the road, slopes were stabilized, and permit processes were completed with the National Agency of Environmental Licenses (ANLA, for its Spanish acronym).

### Malla Vial del Meta

- The average daily traffic was 18,001 vehicles, for a total of 6,570,387 during the year, which is 2.7% less than in 2016. Total revenues reached COP 82,608 million. This is due, in part, to changes in macroeconomic variables such as the drop in international oil prices, which caused a decrease in the number of cargo vehicles that circulate in the department carrying crude oil. Other factors include the impossibility of applying the fee structure to the concession agreement from the start of the project execution in two of the tolls and a change in the tariff scheme prepared by the Ministry of Transport and ANI.
- Due to the change in traffic conditions that affect the concession agreement, as was originally planned in their risks matrix, the concessionaire convened an arbitration tribunal on December 1st, 2016 before the Chamber of Commerce of Bogotá. The parties signed the addendum that defined, among other aspects, the suspension of the obligation to obtain the financial closure of the project and the start of the construction phase. Similarly, it was agreed to continue the pre-construction activities (preparation of studies and designs, operation and maintenance of existing infrastructure) and the execution



of necessary activities to ensure safe and comfortable circulation on the corridor. These obligations were met in accordance with the proposed schedules. The first hearing of the Arbitration Tribunal proceedings was scheduled for March 7, 2018 and the company is still working with ANI to reach a conciliatory agreement. In 2017, two of the three environmental licenses for the project were obtained.

## Conexión Pacífico 2

- In total, 2,473,671 vehicles circulated in 2017 on the project, which is 8.7% more than the previous year, thanks to the rehabilitation of functional unit 5, inaugurated in March.
  - Operating revenue reached COP 277,984 million, 112.4% more than in 2016, and the Ebitda amounted to COP 27,684 million, 186.1% more than the previous period, thanks to the higher levels of work reported. It is worth highlighting that the first disbursement for funding was obtained, for an amount of COP 1.3 trillion. It is made up of two loans: one for USD 250 million and one for COP 510,000 million.
  - Concesión La Pintada is the fifth concessionaire in the 4G program to obtain disbursements under their loan agreements. Itaú Bank led the syndication of the loan in dollars (250 million) with five financial institutions: Itaú, BCP, CDPQ Revenu Fixe, Banco Santander and ING. Regarding the last 3, Pacífico 2 is the first infrastructure project they have financed in Colombia, and CDPQ is the first Canadian pension fund to finance a project in the 4G program. The loan in pesos was granted by Banco Davivienda (350,000 million) and Banco de Bogotá (160,000).
  - As well, five international banks have granted letters of credit to ensure the equity contributions and fulfillment of the Engineering, Procurement and Construction contract. Lastly, Liquidity Subfund I, the 4G FCP private capital fund of Credicorp Capital, and Sura Asset Management together with Itaú, became providers of a liquidity line.
  - At the end of 2017, the project had recorded a progress of 30%, which was in compliance with the established schedule. Digging began for both portals of the Mulatos Tunnel, as well as construction on the major bridges of Cauca and Marvalle, Cartama, Piedras Mulatos. Likewise, 86.4% of the lands required for the infrastructure projects were released, and 54% have already been notarized.
- All environmental licenses have been obtained. The concession is currently structuring the first habitat for the recovery of the tropical dry forest, a pioneering project in the region and the second one in Colombia. It also allows the company to carry out the offsets required by law and contribute significantly to the recovery of one of the most endangered ecosystems in the country.





## PERFORMANCE OF ROAD CONCESSIONS

### Autopistas del Nordeste

- A total of 3,906,080 vehicles circulated on this concession located in the Dominican Republic, which implies an increase of 4.1% thanks to the improved economic conditions in the country, which caused a rise in domestic tourism.
  - Traffic behavior followed the pattern of the previous year, with peak periods during Easter, school vacations, and Christmas holidays. The daily traffic average was of 10,702 vehicles.
  - Hurricanes Irma and Maria, both of which hit the Dominican Republic, affected traffic and collections, but the damage to the concession infrastructure was minimal.
- Repairs were carried out as planned to meet the specific needs created by these emergencies.
- Operating revenues went from COP 78,567 million to COP 147,083 million, which represents an increase of 87% to the revaluation of financial assets, which contributed with COP 60,000 million.
  - The Ebitda increased by 435% to COP 148.031 million. This growth was propelled by the rise in revenues and recovery of provisions made in previous periods.

### Boulevard Turístico del Atlántico

- The construction of the toll plaza was completed and infrastructure projects were carried out to repair damages in three sections of the road caused by the harsh winter of 2016. The quality of the infrastructure is evidenced by the fact that the hurricane season of 2017 did not have a significant effect on it.
- The concession's operating revenues amounted to COP 107,017 million, which represents an increase of 26%. Financial income grew by close to COP 27,000 million, and collections were reduced by around COP 5,000 million.

### Green Corridor

- This project located in Aruba ended the year with a progress of 98%. The main infrastructure projects are already operational, including the Spaans Lagoen Bridge, opened for service on September 13th, and the entire dual carriageway from the airport to the Pos-Chiquito roundabout, which was made available for service on September 26th. Once work is completed in early 2018, a series of audits will be carried out.
- The Ebitda reached COP 15,070 million, thus recording an increase of 225%. The main reason for this increase is the reclassification of the financial income. In 2016, it was accounted for as non-operating revenue. In 2017, it became part of the operating income.
- The concession received a recognition from Wageningen Environmental Research (Alterra) for its proper management of the Spanish Lagoon ecosystem (declared a Ramsar site by UNESCO) during the construction of the bridge.

## SUSTAINABILITY

We seek to generate shared value for our stakeholders by managing our impacts responsibly; driving development, competitiveness, and connections with people; managing risks, and taking advantage of opportunities. The exercise of strategic orientation carried out in 2016 and 2017 defined a new proposal for the generation of value and responsible business management while seeking competitiveness based on solid guidelines for corporate governance and sustainability.

In line with our Grupo Argos matrix and the guidelines of the Sustainability and Corporate Governance Committee of our Board of Directors, we hold ourselves to the highest environmental, social, and corporate governance standards.

In 2017, we performed a materiality analysis that prioritized relevant topics based on dialogues with our stakeholders in order to identify the areas in which we need to focus more on economic, environmental, and social issues.

Today, we publish, for the first time, the numbers corresponding to the results of the management of each of these issues in regards to the road and airport concessions, including the measurement of our water and carbon footprints.

Finally, as a work program, we prepared a sustainability plan for the years 2017-2019.



## HUMAN TALENT

The achievements obtained during the year were possible thanks to a highly qualified and committed team. The focus on the management of human resources is to make Odinsa the best option in terms of a place to work.

- In order to address the strategy that has been established, we strengthened key areas for the future: we created the office of the Vice President of Airport Concessions, the department of Project Structure Management, and the Compliance Division.
- Eighty-two per cent of new positions were filled by existing talent within the corporation. As well,

close to 97% of employees participated in the performance management process.

- We found a great opportunity to help our subsidiaries with the implementation of best practices, standardize methodologies, and find savings through synergies.
- We brought together 89 key holding and concession leaders to present and disseminate the Odinsa Way, which is Odinsa's way of doing things in regards to five key subjects: culture, ethics, strategy, sustainability, and customer service.



In 2017, we emphasized the training of our team at Odinsa and all concessions.

Odinsa employees

- Odinsa's business demands high levels of knowledge, which is why we promote the training of our employees. In 2017, we achieved 73,352 hours of training, which is equivalent to 75 hours per employee. Additionally, our professionals received educational support at different levels, which addresses individual development plans.
- We enacted a transformation leadership program focused on offering practical tools that can be easily implemented with visible, short-term results.
- Thanks to synergies with other companies in Grupo Argos, we were able to make the Educa virtual school available to our employees. This permits the capitalization of knowledge and currently offers 397 courses.
- We presented a new, broader and more comprehensive benefits plan to our employees, which includes benefits related to time, health, nutrition, and housing, among others. This, coupled with the definition of salary curves, makes our employee proposals more competitive.

## VISION OF THE FUTURE

The positive results of 2017 are the product of the disciplined execution of our strategy, which has led us to strengthen our team, to begin an organizational transformation, and to focus on the high-impact activities and projects we apply our best practices to.

We will continue to add the guidelines and synergies of Grupo Argos to our capabilities and, at the same time, we will work in a coordinated manner on our businesses to strengthen our criteria of efficiency and sustainability to continue to improve our corporate efficiency and sustainability standards. We will also continue to improve our corporate standards and management capabilities.

We see ourselves on the horizon as the best alternative for long-term investors in Colombia and the region, and as a strategic partner in the infrastructure sector given our reliable management of a sustainable portfolio made up of road and airport assets with a balance between greenfield and brownfield projects.

With this approach, Odinsa is constantly searching for projects and assets of high quality and strategic importance that allow us to deploy our management capabilities for the development of resilient and sustainable infrastructures in order to strengthen our efficiency and foster innovation.

## COMPLIANCE

At Odinsa, ethics and transparency are much more than requirements to interact with our stakeholders, they are a way to understand business and achieve sustainability. We believe that the infrastructure sector is crucial for the development of territories, and that acting guided by the principles of ethics and transparency is essential to the industry.

- During the last quarter of 2017, we created the Compliance Division as part of the Vice Presidency of Legal and Institutional Affairs, which will be responsible for implementing and managing the company's compliance system. This system is based on an integrated and global approach that incorporates international standards in order to improve the mechanisms to prevent money laundering, financing of terrorism, fraud, bribery, and corruption.
- In an effort to prevent these behaviors and promote a vigilant and critical attitude among our employees, we conducted a workshop called Deliberation in the Field of

Business". This workshop was organized jointly with the Department of Philosophy and the Applied Ethics Center of Los Andes University, and was attended by Level 1 and 2 employees of the company.

- On another topic, all employees were trained in matters of compliance through the "Committed" virtual program, which was developed by the company to reinforce the concepts of the Code of Conduct and the management policies for these risks. Attendance at this training and the respective presentation of the knowledge evaluation as well as the Annual Declaration of Conflict of Interests are mandatory requirements for all employees and members of the Board of Directors.
- For the second consecutive year, Level 0 and 1 executives filled out the Declaration of Goods and Income, which is a mechanism aimed at promoting the principles of transparency and integrity.





## SUPERVENING AFFAIRS

### January 18, 2018

A reply was issued to the lawsuit filed by Proyectos y Construcciones San José Ltda. against Odinsa S.A. for breach of contract. The main arguments in the reply revolve around the fact that there was no breach, as the payment of the price was subject to the execution of the macroproject, there is no default because the budget on which the obligation depended did not take place, and the project was not carried out through no fault or failure of Odinsa's.

A countersuit was filed to recover the advance of COP 7,000 million plus interest and administration expenses.

### February 8, 2018

At the arbitration tribunal of Concesión Vial de Los Llanos S.A.S, the ANI did not present a conciliatory formula, so the conciliation was declared unsuccessful and fees and administrative expenses were set. The first hearing for the process was scheduled for March 7, 2018.

### February 13, 2018

The Comptroller General's Office, by order, decided to archive the fiscal responsibility process related to the so-called "Finding 232", regarding the distribution of the surplus guaranteed minimum income, because they considered there was no fiscal damage based on the fact that the contract's line of income was agreed upon at the conciliation that ended the arbitration tribunals convened by the concessionaire in 2004. It was also considered that said agreement did not harm the Nation and that the Consultation and Civil Service Office of the Council of State has addressed concession contracts in which the resources that exceed the maximum transit limit are divided by halves between the concessionaire and the Nation, without objections.





## LEGAL ASPECTS

### Contingencies

Legal proceedings and the company's general legal situation have transpired normally. Contingencies have not presented any significant variations and are listed in Annex 1 of this document.

### Intellectual Property

In 2017, Odinsa complied with all intellectual property, copyright, and software license regulations pursuant to the provisions of Law 603 of 2000.

### Certification of Law 1676 of 2013

In accordance with Title IX "On factoring activities", article 87, paragraph 2, of Law 1676 of 2013, it is certified that the company has not hindered the free circulation of invoices issued by suppliers of the company during the year 2017.

### March 5, 2018

The Arbitration Tribunal convened by the National Infrastructure Agency (ANI) against Autopistas del Café S.A. issued an Arbitration Award through which it denied ANI the pretensions of early termination of the concession agreement. The ANI was awarded the money for La Maria Weighing Station, which has been made available to said entity.

### March 7, 2018

The first hearing was held by the Arbitration Tribunal in the case of Concesión Vial de los Llanos, in which it assumed competence of the process and decreed the evidence thereof. Consequently, the arbitration proceeding initiated the evidentiary stage.

### Operations related to section 3, article 446 of the Code of Commerce

Item	2017
Remuneration of key positions	6,346
Representation expenses	433,467
Fees	506,095
Consulting	8,962,221
Tax audits	333,553
Security landfill	760,649
Publicity, advertising and promotions	5,116
Donations	143,750
Total	11,146,081

(Information expressed in COP thousands)

Hereinafter, we will continue to apply the established strategy with discipline in order to continue to consolidate ourselves as a relevant infrastructure player in the region.

Sincerely,

**Mauricio Ossa Echeverri, president**



## CORPORATE GOVERNANCE

### Governance Structure

Odinsa’s corporate governance model is constituted in the Code of Good Governance, which establishes the parameters to structure, promote, and disseminate the company’s best practices. Odinsa’s best corporate practices set out rules and principles that must be followed by every governing body.

(102-18) This being said, the company’s government is made up of different bodies: the General Shareholders Meeting, the Board of Directors, and senior management. Additionally, the Board of Directors appoints three supporting committees made up of some of their own members. Some members of senior management attend the committee meetings, where they express their opinions on the issues discussed, but they cannot make definitive decisions about them. (102-19) Within our governance structure, we have a Steering Committee made up of the company’s president and vice presidents.

Each of these corporate bodies exercises the functions and powers established in the Bylaws and the Code of Good Governance, subject to all the applicable legal, regulatory, and statutory provisions in force.

Governing Body

## GENERAL SHAREHOLDERS MEETING

It is the company’s highest governing body. It is responsible for establishing the mechanisms to evaluate and control the activities of the company’s top executives and directors.

They must hold an ordinary meeting once a year, and as many extraordinary meetings as required to ensure the fulfillment of the duties it has been assigned under the Bylaws.

The Regulations for the General Shareholders’ Meeting are set out in Chapter III of the company’s Code of Good Corporate Governance.

Strategic and Administrative Bodies

## (102-26) BOARD OF DIRECTORS

Odinsa’ Board of Directors is its highest administrative body. As such, it is responsible for ensuring the fulfillment of our corporate strategic objectives and for monitoring the actions taken to achieve them. It is made up of seven members, all principals, two of whom meet the independence criteria established both in Colombian law and in the company’s code of Good Governance.

Código de Buen Gobierno de la compañía.

Critical issues presented to the Board:

- Disinvestment analysis.
- Road concession outlook analysis.
- Airport concession outlook analysis.
- Bond issue analysis.
- 2017-2019 Sustainability Plan

The Regulations for the Operation of the Board of Directors are set out in Chapter IV of the company’s Code of Good Corporate Governance.

Its respective support committees are as follows:

- Auditing, Finance and Risks Committee
- Appointment and Compensation Committee
- Sustainability and Corporate Governance Committee

## STEERING COMMITTEE

- Chairman
- Vice Presidents

## BOARD OF DIRECTORS

(102-20) (102-22) (102-23)



During the meeting of March 28, 2017, Odinsa’s General Shareholders Meeting appointed the following members of the Board of Directors:

**Jorge Mario Velásquez Jaramillo**

**Chairman of the Board of Directors**

Executive member



- President of Grupo Argos S.A.
- Appointment and Compensation Committee.
- Member of the boards of directors of Grupo Sura, Cementos Argos, Asociación Nacional de Empresarios (ANDI), Fundación Dividendo por Colombia, and the Superior Council of EIA University.
- Attended 11 ordinary sessions and 4 more by means of a write-in vote in 2017.

**Alejandro Piedrahíta Borrero**

**Vice-Chairman Executive member**



- Vice President of Corporate Finance at Grupo Argos S.A.
- Auditing, Finance and Risks Committee.
- Member of the boards of directors of Grupo Sura, Celsia, Muma S.A. And Aceros Mapa S.A.
- Attended 11 ordinary sessions and 4 more by means of a write-in vote in 2017.

**BOARD OF DIRECTORS**

**Camilo José Abello Vives**

Executive member



- Vice President of Corporate Affairs at Grupo Argos S.A.
- Sustainability and Corporate Governance Committee.
- Member of the boards of directors of Cementos Argos S.A. y Pactia.
- Attended 5 ordinary sessions and 4 more by means of a write-in vote in 2017.

**María Isabel Echeverri Carvajal**

Executive member



- Vice President of Sustainability Cementos Argos.
- Sustainability and Corporate Governance Committee.
- Member of the board of the Cementos Argos S.A. foundation.
- Attended 7 ordinary sessions and 4 more by means of a write-in vote in 2017.

**Sergio Osorio Hurtado**

Executive member



- Vice President of Administration and Human Resources Grupo Argos S.A.
- Appointments and Compensation Committee.
- Member of the boards of directors of Opain and Summa S.A.S.
- Attended 7 ordinary sessions and 4 more by means of a write-in vote in 2017

**Sergio Restrepo Isaza**

Non-executive member



- Auditing, Finance and Risks and Sustainability Committees and Corporate Governance.
- Member of the boards of directors of Bio S.A.S., Doratex Colombia (Tablemac) and Coquecol.
- Attended 9 ordinary sessions and 4 more by means of a write-in vote in 2017.

**Juan Emilio Posada Echeverri**

Non-executive member



- Appointments and Compensation, and Auditing, Finance and Risks Committees.
- Member of the boards of directors of Fundación Plan in Colombia, Plan International - Brazil, Computec, Sociedad Hotelera Tequendema, Direktio S.A.S., and Flores de la Campiña.
- Attended 8 ordinary sessions and 4 more by means of a write-in vote in 2017.

**As long as the company has the status of bond issuer, at least 25% of the members of the Board of Directors must be non-executive.**

## The policy for the appointment, compensation, and succession of the Board of Directors, approved in March of 2017, establishes the basic principles, skills, and limitations on the candidates.

### (102-24) Policy for the Appointment, Compensation, and Succession of the Board of Directors

In order to elect the members of the Board of Directors, the General Shareholders Meeting must take the following aspects into account (among others):

- Directors must not be older than 72 and they must have participated in other boards of directors. They must have certifiable specific knowledge in topics related to corporate governance and sustainability, as well as experience in human resource processes. They must contribute a professional specialty that is relevant to their duties at Odinsa.
  - When making up the Board of Directors, it is the goal for there to be non-executive members with experience in corporate finance and internal control.
- Those who can certify such experience must be appointed to the Auditing Committee.
- All directors must have the basic abilities to exercise their duties adequately. Among these abilities are: analytical and managerial skills, a strategic vision of the business, objectivity and the capacity to present their point of view, and the ability to evaluate superior managerial officers. Additionally, they must have the capacity to understand and question the financial information and business proposals, as well as the ability to work in an international setting.
  - In addition to the core skills, each director shall have other specific skills that allow him or her to contribute to one or more dimensions based on their specialized knowledge of the industry, financial aspects and risks, legal issues, commercial matters, and crisis management.
  - At least 25% of the directors elected for a given period must meet the requirements to be considered non-executive, and must declare it at the time they accept their inclusion. Non-executive members will lose this status once they have maintained it for three consecutive periods of two years each.

## Compensation

(102-35) (102-36)

Compensation for the Board of Directors is set by the General Shareholders Meeting in accordance with the responsibilities and time invested by each member. Members are paid on a monthly basis, as the company considers that their duties go beyond attendance: their performance outside of meetings is just as important. However, directors must attend at least 80% of the meetings held by the Board of Directors in a year. Members who participate in one of the supporting committees will receive additional compensation for their attendance to the respective meetings. The Policy for the Appointment, Compensation, and Succession of the Board of Directors contemplates the possibility of paying members with company shares, but this alternative has not been implemented yet.

## Evaluation Process

The Board of Directors and its members will be evaluated annually, both collectively and individually, alternating between self-evaluation and external evaluation. External evaluations shall be carried out by an independent firm. A summary of the conclusions mentioned in the evaluations will be published on the company's web site. Regardless of the evaluation scheme

that is chosen, it will be aimed at having peer evaluations and analyzing the reasonableness of internal regulations as well as the dedication and performance of directors. The General Shareholders Meeting will be informed by management about the main duties and activities carried out by the Board of Directors, the committees, and the Presidency during the preceding period.

## Sustainability Issues Discussed by the Board of Directors

(102-31)

The following issues were submitted for the consideration of the Board of Directors, by previous recommendation of the Sustainability and Corporate Governance Committee.

During the ordinary session of the Board of Directors of June 2017, the issues discussed were as follows:

- Sustainability background
- 2017-2019 Sustainability Plan

During the ordinary session of the Board of Directors of October 2017, the issues discussed were as follows:

- Sustainability
- Progress
- Measurement of water and carbon footprints
- 2017 long-term PRO
- Corporate Volunteer Program
- Sustainability Week 2017



Carbon footprint was measured for the 2015-2017 period.

Conexión Pacífico 2 wildlife

## BOARD COMMITTEES

(102-22)

The Board of Directors has three supporting committees made up of non-executive and executive members and presided by a non-executive member. In order to select the members, the relevancy of their profiles, knowledge and professional experience in relation to the objective of the committee is taken into account. Additionally, some members of the company's senior management are part of the committees but without voting rights.

### Appointment and Compensation Committee

The main goal of this Committee is to support the Board of Directors in the fulfillment of its duties related to the appointment and compensation of members of the Board and Senior Management. This Committee is made up of three members of the Board of Directors. Members of this committee must be knowledgeable in issues of strategy, human resources or issue related to salary policies and related matters.

#### Members

**Jorge Mario Velásquez**  
Chairman of the Board and Executive Member

**Sergio Osorio**  
Executive member

**Juan Emilio Posada**  
Non-Executive Member

Meetings of this committee are also attended by the President of the company and the Vice President of Human and Administrative Resources. During 2017, three meetings were held.

### Auditing, Finance and Risks Committee

The main purpose of the Committee is to evaluate accounting procedures, manage the relationship with the tax auditor and supervise the effectiveness of the control architecture and of the Risk Management System. The Committee orders and ensures that internal control procedures adjust to the requirements, objectives, targets and strategies established by the Company, and that said procedures are framed within

the internal control objectives, such as efficiency and effectiveness of operations, and sufficiency and reliability of financial information. The committee is made up of one executive member and two non-executive members who are knowledgeable about accounting and financial matters. The composition of the committee was modified at the Board meeting of April 24, 2017

#### Members

**Sergio Restrepo Isaza**  
Committee chairman, non-executive member

**Juan Emilio Posada**  
Non-executive member

**Alejandro Piedrahíta Borrero**  
Executive member

Meetings of this committee are also attended by the President of the company, the Vice President of Finance, the Vice President of Legal Affairs, the Risks Manager, the Accounting Managers, the internal auditor and the tax auditor. During 2017, four meetings were held.

### Sustainability and Corporate Governance Committee

The main objective of this committee is to support the Board of Directors in its duty to propose and supervise the sustainability and corporate governance measures of the company. The Sustainability and Corporate Governance Committee is made up of three Board members. The composition of the committee was modified at the Board meeting of April 24, 2017.

#### Members

**María Isabel Echeverri**  
Executive member

**Camilo Abello**  
Executive member

**Sergio Restrepo**  
Non-executive member

Likewise, meetings of this committee are attended by the President of the company and the Vice President of Legal and Institutional Affairs. During 2017, three meetings were held.

## CORPORATE DECISIONS

- (102-10) Odinsa, by virtue of a change to the company's strategy, completed its disinvestment in Generadora del Pacífico S.A., a company based in Chile whose main activity is the generation of energy. This transaction included the sale of shares of Odinsa Holding Inc. (51.22%), a subsidiary of Odinsa S.A., and of accounts receivable by Odinsa S.A. and its subsidiary. This operation amounted to a total value of USD 19.1 million, out of which USD 12.6 corresponded to Odinsa and its subsidiary.
- During an extraordinary meeting, the General Shareholders Meeting voted unanimously, with a vote of 195,471,782 shares, which represent 99.7% of the company's total outstanding shares, to authorize the voluntary cancellation of the registration of ordinary Odinsa S.A. Shares in the National Registry of Securities and Issuers (RNVE) and the Colombian Stock Exchange (BVC).

## STEERING COMMITTEE

(102-19)

As a consequence of Odinsa's strategic redefinition, in 2017 the management structure was strengthened with the creation of the Office of the Vice President of Airport Concessions, to which Andrés Ortega Rezk was appointed as the leader.



Odinsa Steering Committee



**Mauricio Ossa Echeverri**

Chairman



Business Administrator and specialist in International Marketing from EAFIT University in Medellín. Senior Management studies at Universidad de La Sabana and Management Studies at the Kellogg School of Management in Illinois, USA. Former Industrial Business Manager, National Marketing Manager, and Vice President of the Caribbean Regional Branch of Cementos Argos.

**Pablo Arroyave Fernández**

Vice President of Finances



Administrative Engineer from Escuela de Ingeniería de Antioquia with an MBA from New York University. Former Director of Mergers and Acquisitions and assistant to the President of Cementos Argos, as well as Manager of Mergers and Acquisitions of Cementos Argos.

**Gustavo Andrés Ordóñez Salazar**

Vice President of Concessions



Civil Engineer from Pontificia Universidad Javeriana, specialist in Corporate Finance from Colegio de Estudios Superiores de Administración (CESA). Former Business and Projects Coordinator at CSS Constructores S.A., Design Engineer and Engineering Director at the company Luis Héctor Solarte.

**Eduardo Bettin Vallejo**

Vice President of Legal and Institutional Affairs



Lawyer from Universidad de la Sabana specialized in the Senior Business Management Program (PADE, for its Spanish acronym) of Inalde Business School - Universidad de la Sabana and the CEO Management Program of ADEM Business School. Former Legal Manager at Cementos Argos, Secretary General of Cementos del Caribe and Cementos Paz del Río, and President of Sator S.A.S.

**Carlos Mario Alzate Toro**

Vice President of Human and Administrative Resources



Certified Public Accountant from EAFIT University in Medellín, specialized in the Senior Business Management Program of Inalde Business School - Universidad de la Sabana. Former Administrative Manager at Cementos Argos and Cementos Cairo, and Manager of Human and Administrative Resources at Sator.

**Andrés Ortega Rezk**

Vice President of Airport Concessions

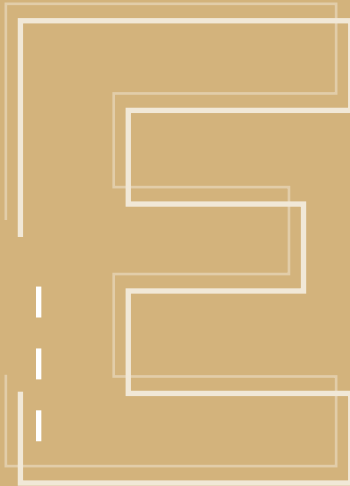


Business Administrator from CESA with a Master's degree in Business Management from Instituto de Empresa in Madrid. Led the transformation and growth process at Opain as General Manager.



**LOOKING FORWARD (103-2)**

In the short-term, we will continue to strengthen the policies and practices that allow us to consolidate the company's corporate governance with a complementary focus on managerial governance, particularly, on the management models of the boards of directors and relationships with associated companies.



100%

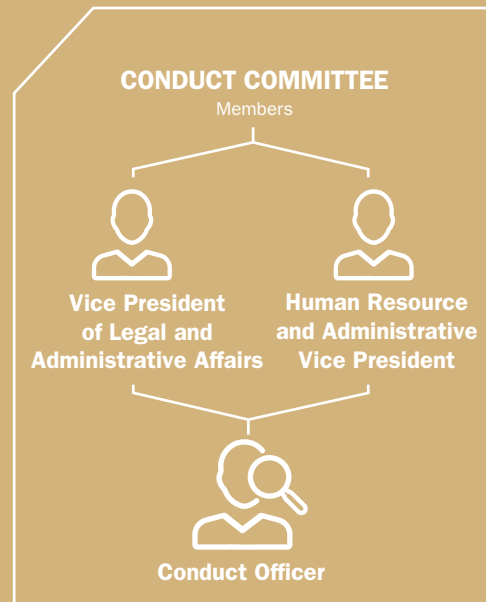
of Odinsa employees received training related to corporate governance, anti-corruption policies, and the Code of Conduct.

## ETHICS AND TRANSPARENCY

(102-16) Our position regarding fraud, bribery, and corruption is zero tolerance, which is why we implement best practices to fight against these activities effectively. This is also why, in 2015, the Board of Directors adopted the Code of Business Conduct (102-26) that governs all companies in Grupo Argos. The objective of this code is to serve as a behavioral guide based on the principle of integrity, which is understood as acting in a responsible, honest, serious, and transparent manner in accordance with the law and internal regulations.

In order to adequately manage compliance with the Code of Conduct and other associated policies, we have the Conduct Committee, made up of two vice presidents and the Conduct Officer. The main purpose of this committee is to serve as the internal administrative body for matters related to ethics and transparency, to define the investigation standards, strengthen training programs, and contribute to the creation of an ethical culture.

Additionally, as an example of how important this issue is to the company, in 2017 the Compliance Division was created, which reports directly to the Vice President of Legal and Institutional Affairs, in order to reinforce the implemented measures and strengthen our compliance program.



In order to develop the principles contained in the aforementioned Code, we have implemented multiple measures based on national and international best practices to manage the risks of fraud, bribery, and corruption. Within these practices, the following stand out ▶▶

- We adopted the Policy for the Management of the Risks of Fraud, Bribery, and Corruption, which contains general parameters and guidelines to identify, measure, and control these risks, while promoting a culture of compliance in the entire organization. As a complement to the above, we adopted a policy that regulates all things related to the granting and reception of gifts and hospitality.
- We put the Transparency Line into operation, a free-of-charge channel through which people can report, anonymously if they prefer, incorrect acts and breaches of the Code of Conduct and internal company regulations. The line is managed by an independent third party and the information that is received is treated with the highest standards of confidentiality.
- (205-2) Training and Communications Program, for the purpose of disseminating the content of the Code of Conduct and other measures. We also try to have all employees internalize its precepts and understand the importance of ethical behavior. During 2017, we executed

**In 2017,  
there were 10 cases  
submitted through  
the  
Transparency Line  
that were analyzed  
and resolved.**

this program with a coverage of 100% of employees in corporate areas. Similarly, Opain trained 98% of its employees and its Board of Directors.

- As a way to ratify our commitment to the principle of integrity and our fight against fraud, bribery, and corruption, in 2016 we determined that access to the Variable Compensation System would depend on completion of the conduct training program, an evaluation of the respective knowledge, and signing the Annual Declaration of Conflict of Interests.

- In terms of conflicts on interests, the parameters to identify, disclose, and prevent them are contained in the Code of Conduct. For purposes of disclosing conflicts of interests,

Odinsa requires an annual declaration of potential sources of such conflicts from all our employees and members of the Board of Directors.

- Additionally, we implemented the Declaration of Goods and Income, which seeks to strengthen transparency and compliance with ethical standards by all directors. This declaration was filled out by all directors and managers at Odinsa.

Transparency Line



lineadetransparencia@odinsa.com



01800124333



## LOOKING FORWARD (103-2)

In 2018 we will continue to design and implement a Compliance System with an integrated focus on governance, risks, and compliance aimed at preventing, monitoring, and controlling risks related to fraud, bribery, corruption, money laundering, and terrorism financing as well as ensuring compliance with regulations. This system should include national and international standards such as ISO 19600, ISO 37001, FCPA, the UK

Bribery Act, the OECD Anti-Bribery Convention and the UN Convention Against Corruption. We will create a matrix to identify and measure the risks associated with compliance, adoption of controls and preventive measures, the preparation and dissemination of a compliance manual, and the definition of the procedures to implement the monitoring activities.



## RISK MANAGEMENT

Since the company was acquired by Grupo Argos in 2015, we redefined the strategic orientation of the business with the help of Breakthrough, a consulting firm specialized in strategies, and we initiated a strengthening process for our corporate governance that is in line with Grupo Argos. This has allowed us to incorporate key elements from their business model and operations.

Based on this new strategy, risk management and sustainability have become elements we consider key for the generation of value in the future, as they are essential to

infrastructure projects. Risk management allows the company and its administrators to make informed decisions to favor the preservation and generation of value in this industry, as well as compliance with contractual commitments to local authorities, project financiers, and investors.

### RISK MANAGEMENT SYSTEMS

As part of the process to strengthen our government and that of our subsidiaries, in 2017 we initiated a process to establish a comprehensive management of risks at the highest level. For this purpose, we created the Risk Management department, which is responsible for facilitating said process and establishing the guidelines for their subsidiaries to adopt a risk-based approach. Similarly, we wrote Odinsa's Risks Policy and, preliminarily, we identified 17 strategic risks and 70 operational risks, which will be evaluated and treated as part of the Risks Program that will be developed in the coming years.

Odinsa's Risks Policy clearly defines the roles and responsibilities of the Board of Directors, President, Steering Committee, process leaders, and the departments of Compliance, Risks, and Auditing. It also identifies the main premises for the implementation and maintenance of this system.

The risk management system was established to administrate strategic, operational, and

## RISK GOVERNANCE



The Auditing, Finance and Risks Committee is a supporting committee of the Board of Directors. One of its main purposes is to monitor the effective implementation of the Risk Management System and to report quarterly to Board of Directors on the implementation of the Risk Management Policy so that the main financial and non-financial risks, both on and off the balance sheet, are identified, managed and disclosed appropriately.

compliance risks in a comprehensive manner and through the processes of the company and its subsidiaries.

As part of the structuring of new projects, we performed the analyses and evaluations of risks in the technical, financial, legal, social, environmental, and counterparty spheres within the pre-feasibility

and feasibility stages. In ongoing concessions (subsidiaries

in which an equity stake is held), activities are carried out to manage risks depending on the stage of the project: design, financing, construction, operation, maintenance, and reversal. These activities cover the identification of causes, appraisal of impacts, and

response to businesses derived from the analysis of those responsible for the administration of each business line and according to the level of materiality and complexity of each case. The most relevant risks and those with the highest reputational impact are monitored by the Board of Directors and handled by senior management.



Additionally, risk management is an integral part of the model Grupo Argos deploys at its subsidiaries and which allows the alignment of practices and methodologies, and provides a holistic view.

**RISKS**

We started the identification of risks with the support of Marsh Risk Consulting, and operational, tactical, and strategic risks were found. To date, 13 risks relevant to the development of the business have been evaluated, which are listed below. These risks identified preliminarily are analyzed by the Risk Management department to provide the necessary administrative and mitigation guidelines.

- R1.**Controversies arising from contracts or regulatory application.
- R2.**Decrease of traffic or fees.
- R3.**Political risk.
- R4.**Cost overruns and delays in construction.
- R5.**Decrease of financial flexibility.
- R6.**Counterparty risk.
- R7.**Impact from natural events or environmental intervention.
- R8.**Risks from partnerships, mergers, acquisitions or disinvestments.
- R9.**Risks from corruption, fraud, money laundering, terrorism funding, and misconduct.
- R10.**Risks to the quality of service and the work.
- R11.**Risk related to the execution of the governance model with associated parties in the concessions.
- R12.**Changes to standards and regulations.
- R13.**Risks related to the selection, retention, and succession of human talent.



## TRAINING AND CULTURE OF RISK

In 2017, we defined the Risk Management Program that will be executed in 2018 together with a culture of risk in order to disseminate to all employees the policy and methodologies that will be applied to the management of risks.

This will be done through virtual and on-site training so that everyone can apply key knowledge about the company and its subsidiaries to the processes they are responsible for.



### ACHIEVEMENTS OF 2017

- Approval of the Risk Management Policy by the Board of Directors.
- Identification and evaluation of 13 relevant risks within the organization.
- Set-up of the first version of the corporate risk software for Odinsa and other subsidiaries of Grupo Argos.
- Development of the responsibilities and attributions matrix to strengthen the managerial government between Odinsa and its subsidiaries.
- Survey of Odinsa's information asset risks.
- Support for the creation of the Risk Management System at Opain and Conexión Pacífico 2 from the Comprehensive Management System.



### LOOKING FORWARD

- Implement a system to manage strategic, tactical, and operational risks that helps support the decisions made by the Boards of Directors and Management.
- Strengthen the internal control of concessions and consortiums with risk-based international standards.
- Promote a culture of strategic and operational risks as part of the business strategy of road and airport concessions.
- Optimize the use of technological tools in risk management.
- Standardize risk management in all levels of the organization in the medium and long term.





**SUSTAINABILITY**

Since 2016, we have been deploying a new proposal for the generation of value and the responsible management of risks based on solid corporate governance and sustainability guidelines as a source of competitiveness. Sustainability as a part of our strategy allows us to drive the generation of shared value, that is, for our stakeholders and for the company.

We made progress in terms of balance by developing road and airport projects in balance with the environment and the rights of people. We left our mark by becoming allies of local development and took advantages of opportunities in innovation, which challenges us to learn, thus ensuring competitiveness on the market.

We understand that the best way to protect our investors' capital is to have a vision of sustainability, which favors the effective management of risks and opportunities, so that being a solid investment makes us the best option.

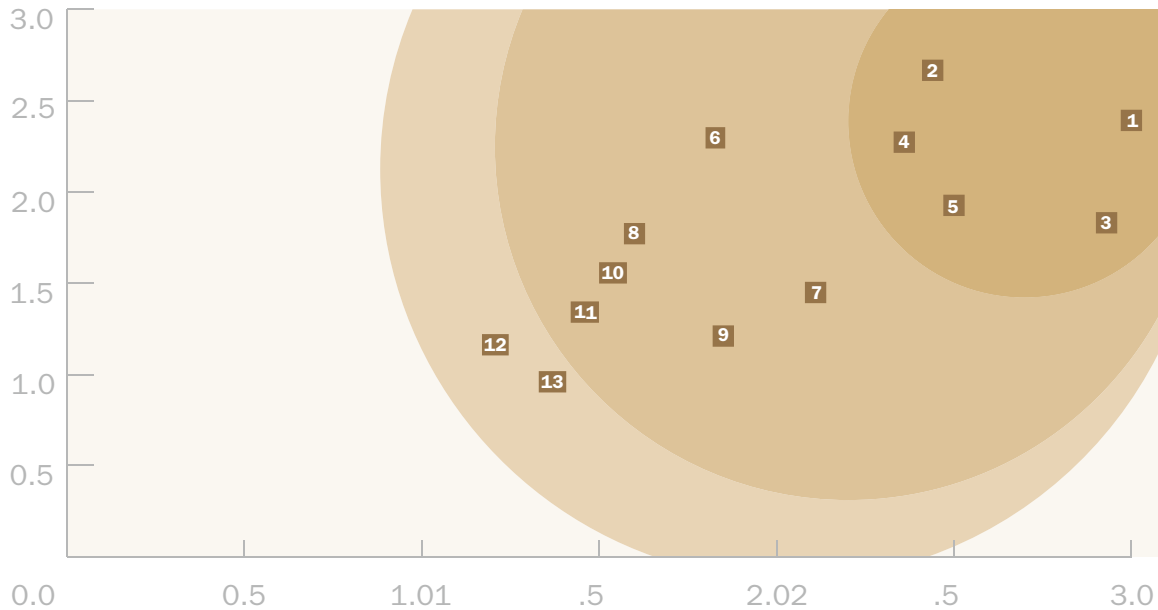
It is worth remembering that because Odinsa is part of Grupo Argos' concessions business, it applies the highest standards of sustainability and corporate governance.

In addition, the guidelines of the Sustainability and Corporate Governance Committee of the Board of Directors also serve to guide and monitor strategies and best social, economic, and environmental practices.

**Materiality (102-46)**

In 2017, we strengthened our structure by creating the Sustainability Division of the office of the Vice President of Legal and Institutional Affairs, which is responsible for developing and implementing the sustainability strategy for Odinsa and the road and airport concessions it has stakes in. In order to start implementing the 201-2017 Sustainability Plan, we carried out a strategic identification exercise of the economic, environmental, and social issues that are strategic both to Odinsa and its stakeholders. The chart below is the result of dialogues with our stakeholders and the analysis of the strategy by Senior Management.

**Process** | 1. Identification | 2. Prioritization | 3. Validation



**(102-47)**

- |   |   |                                 |
|---|---|---------------------------------|
| 1. Management of business and investments | 5. User satisfaction  | 9. Supplier Management          |
| 2. Talent management                      | 6. Occupational health and safety                                 | 10. Energy and carbon emissions |
| 3. Growth and consolidation               | 7. Innovation   | 11. Road safety                 |
| 4. Conduct, ethics and transparency       | 8. Protection of the environment (water, biodiversity, and waste) | 12. Human rights                |
|   |   | 13. Community relationships     |



## Stakeholders (102-40) (102-42) (102-43) (102-44)

Odinsa’s Code of Good Governance establishes good relationships with stakeholders as a standard of good conduct that should be based on integrity and transparency, respect for their rights, engagement, and the pursuit of shared value. As such, we value open and transparent dialogue with our stakeholders as the basis for the

generation of trust, which allows us to establish partnerships to face common challenges and to have a broad and unbiased view when making decisions, thus making them participants in such decisions. In 2017, we revised our stakeholders using the guidelines of standard AA1000SES as the methodological foundation.

- Dependency
- Responsibility
- Closeness
- Influence
- Diversity of perspectives



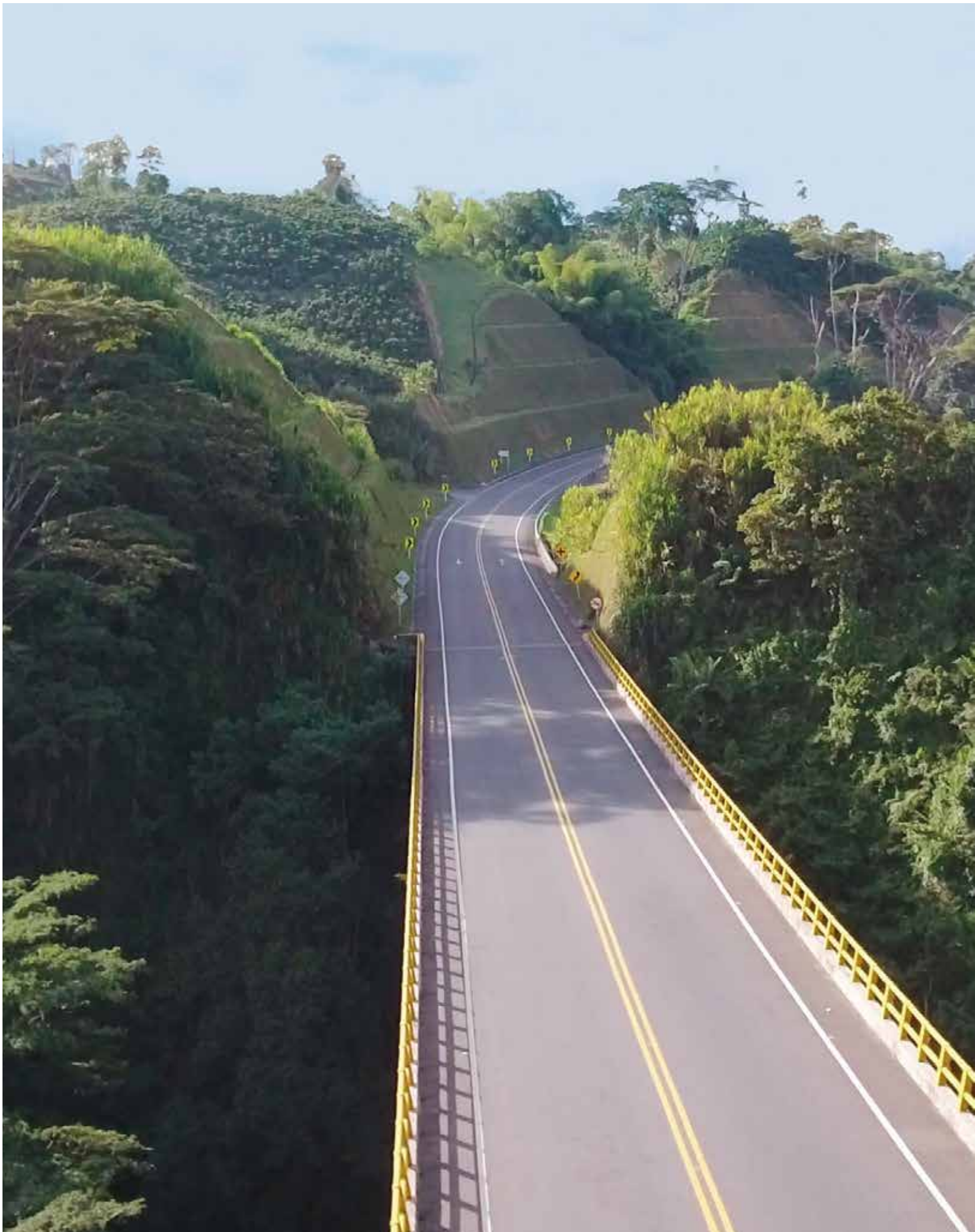
### ACHIEVEMENTS OF 2017

- Approval and implementation of the 2017-2019 Sustainability Plan.
- Measurement of water and carbon footprints for the period of 2015-2017.
- First Sustainability Week held as a space for training on this subject.
- El Dorado Airport was the first in Colombia to receive the Airport Carbon Accreditation (ACA) for Level 1 - Mapping.
- Mariscal Sucre Airport reached Level 2 - Reduction of the ACA Program due to its carbon footprint reduction between 2014 and 2016.



### LOOKING FORWARD

- We will continue to implement the 2017-2019 Sustainability Plan.
- We will measure our performance in terms of managing the sustainability of economic, social, and environmental issues so that we may compare ourselves to the industry and thus identify gaps and strengthen the Sustainability Plan.
- We will continue to analyze the results of the measurements of the water and carbon footprints in order to set targets and establish reduction strategies.
- We will prioritize our stakeholders in order to strengthen the relationship objectives and mechanisms that will allow us to develop a Stakeholder Management System in the medium term.





## **ALWAYS LEARNING**

■ We take responsibility and we declare ourselves students

# Talent management



Odinsa employees

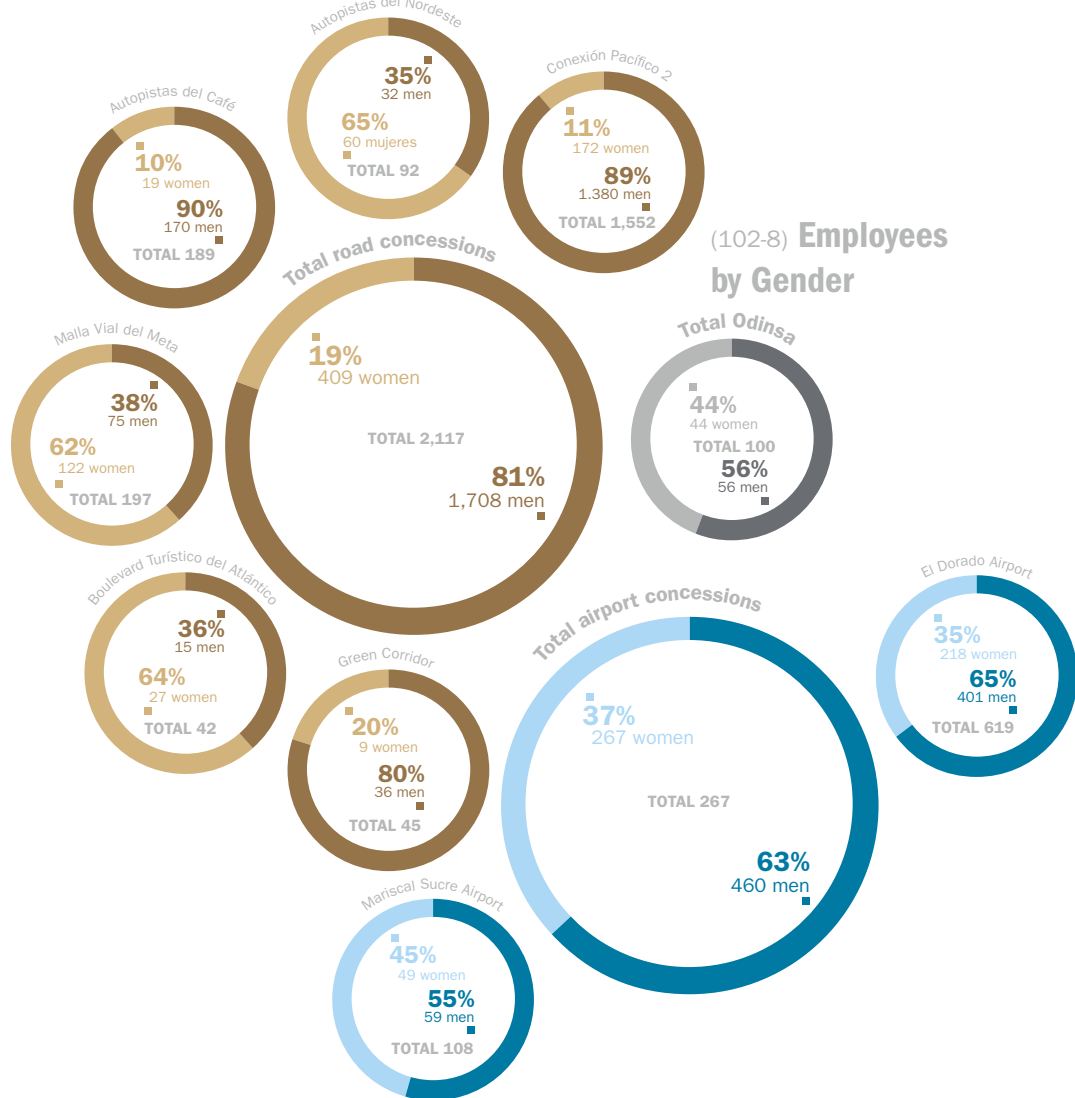
(103-1) Our talent is a key element in the achievement of corporate goals; they are the motor that makes things happen. This is why it is one of our goals to make this company the best place to work.

We attract, develop, and retain the best talent.

We generate loyalty to build a corporate culture based on:

-  Collaborative work as the main way to consolidate knowledge.
-  Innovation as a differentiator to make our mark in places where we operate.
-  Leadership that inspires and motivates the achievement of great business challenges and the experience of values.

That is how we build the foundations of a sustainable company over time.

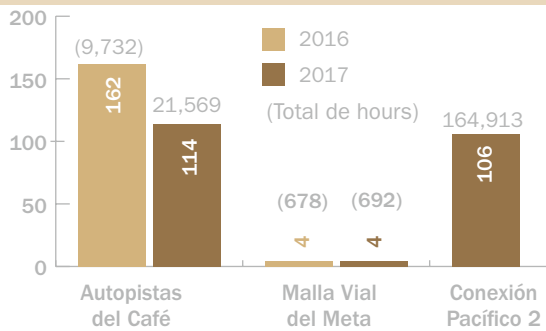


## HOW WE MANAGE IT (103-2) (103-3)

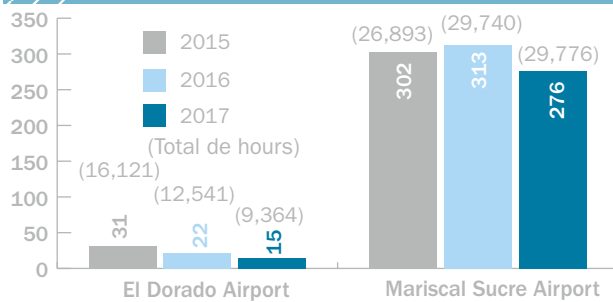
### Training

- Continuous learning is one of our corporate values. Training our human capital is fundamental for competitiveness and a contribution to the development of skills of our employees.
- In 2017, we joined Educa, the educational strategy of Grupo Argos, which includes on-site, virtual, and mixed training. We currently have 397 courses on subjects such as leadership, management, corporate, sustainability, finance, technology, chain of supply, and language schools.
- We sponsor several professionals in their Master's degree studies, which are reflected in their individual development plans.
- Leaders from the holding and our subsidiaries participated in the Leadership for Transformation program. Leaders of the Mariscal Sucre Airport participated in the development of managerial skills program.

### Road Concessions Average Training Hours (404-1)



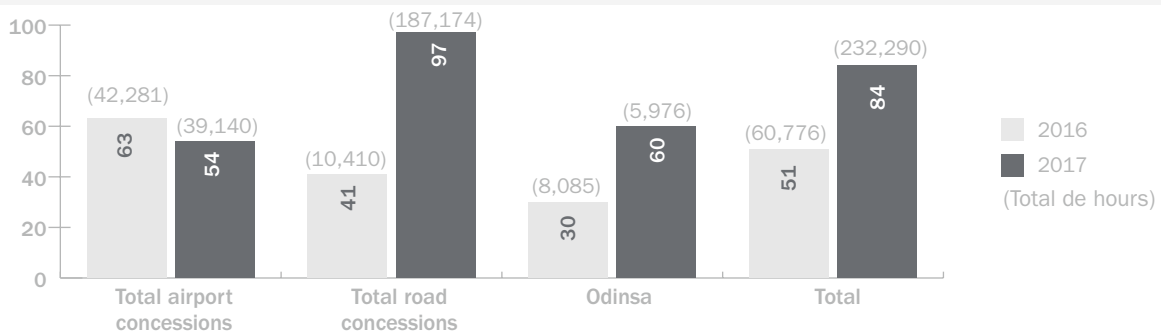
### Airport Concessions Average Training Hours



Strategy event, Odinsa Day

### Odinsa

#### Average Training Hours





Odinsa employees

## Performance Management (404-3)



### Airport Concessions

#### El Dorado Airport

The process covers 100% of managers, directors, and coordinators.

#### Mariscal Sucre International Airport

A coverage of 100% of employees was achieved. The management group participated in a 180-degree feedback exercise.

(404-3) Percentage of employees who undergo periodic performance and professional development evaluations.

## Attraction and Retention: We are the Best Option

In 2018, we will present a new benefits plan for employees that will be added to the definition of salary curves in order to make our employee proposals more competitive.

The benefits related to time, health care, food vouchers, and housing credits are the ones most valued by our people. As well, in 2017 we carried out a remote work pilot program.



### Road Concessions

#### Boulevard Turístico del Atlántico

Achieved a coverage of 98% of employees.

#### Autopistas del Nordeste

Achieved a coverage of 98% of employees.

**We implemented the standardized performance management process in its four phases with the participation of 100% of Odinsa employees.**

#### El Dorado Airport

- New benefits were implemented that contribute to the attraction and retention of the best talent and employee welfare. Additionally, an appraisal of positions in the company was carried out. Out of 112 open vacancies, 26.7% were covered internally.

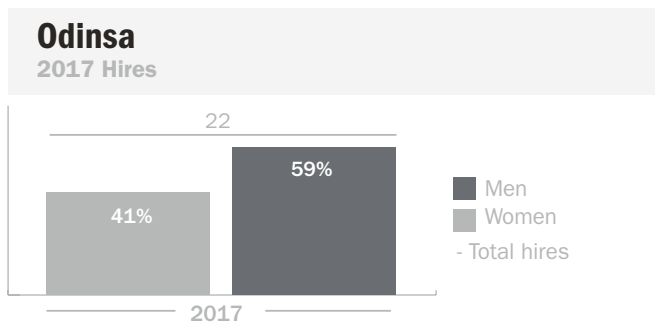
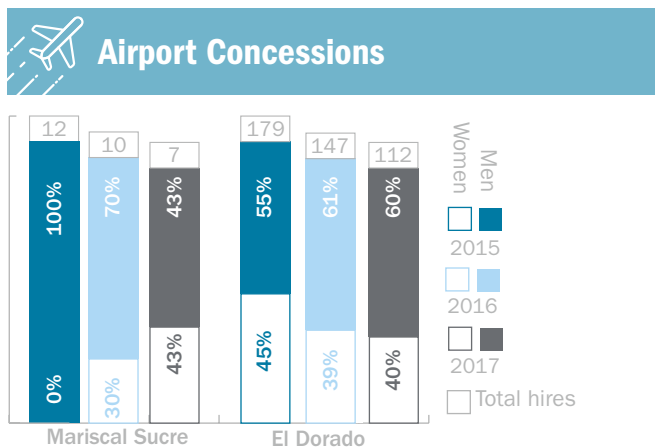
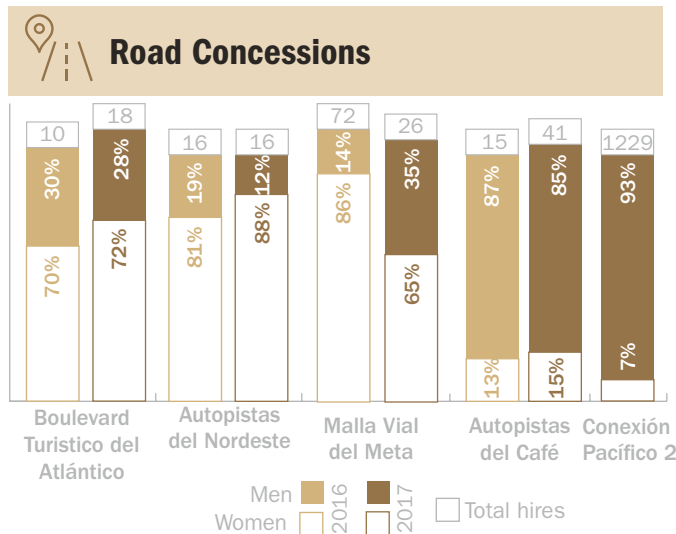
#### Conexión Pacífico 2

- A benefits plan was developed for employees.

#### Odinsa

- Eighty-two per cent of new positions were filled by internal talent.

(401-1)



## Work Environment

- 83% is the satisfaction of Odinsa employees in terms of the work environment.
- Mariscal Sucre Airport has automated processes for the work environment survey.
- Based on the results of the Great Place to Work Survey and the Psychosocial Risk Battery, El Dorado Airport strengthened their work welfare strategies.
- 76% of Conexión Pacífico 2 employees participated in the first organizational climate survey.

## LOOKING FORWARD (103-2)

Standardize the talent planning process together with the Business Group. Map internal talent (holding and concessions) for training and to close gaps in the succession of critical positions. Develop Odinsa's School of Infrastructure.

### El Dorado Airport

- Develop virtual and on-site training programs about the airport business, ground and air operations, marketing, and development of routes.
- Implement the performance evaluation for 100% of employees.
- Implement the Certification Program for the Gender Equality Management System.

### Autopistas del Café

- Carry out skills evaluations for all staff.

### Mariscal Sucre International Airport

- Create a social welfare action plan based on the diagnosis of employees' current situations.

## Culture

### The Best Option

- We work impeccably.
- We are competent and profitable.

### Always Learning

- We declare ourselves students.
- We take responsibility.

### Balanced Progress

- We take care of our physical, mental, and emotional balance.
- We generate trust.

### Our Legacy

- We always have a service attitude.
- We work today for the future.

The four attributes that make up the Odinsa culture are values that promote agility, flexibility, and teamwork and that challenge us to be the best version of ourselves. 100% of employees participated in the definition of these attributes. We structured and implemented Odinsa Day with the participation of 89 key leaders of Odinsa's holding and subsidiaries.







# BALANCED PROGRESS

■ We take care of our physical balance   ■ We generate trust

# Biodiversity

(103-1) We identify and manage impacts on biodiversity during all project stages. During structuring, we take into account the areas that will be intervened as well as during the construction and operation and maintenance stages when interacting with local ecosystems and dynamics related to natural wealth.

Mobility infrastructure projects cause impacts on the biodiversity of the territories where they are executed. Some of these impacts are: changes to the vegetation cover, intervention of areas of value, modification of natural habitats, and displacement of species (304-2).



Conexión Pacífico 2 wildlife

## HOW WE MANAGE IT (103-2) (103-3)



### Road Concessions

#### Malla Vial del Meta

- It is currently in the pre-construction and environmental licensing phase. These include the conditions under which the biodiversity offset will take place.
- In 2017, there were no construction projects that generated significant impacts on the diversity, only maintenance activities.
- The environmental certification process under standard NTC ISO 14001:2015 is underway, for which policies, strategies, programs, and resources are collected to minimize impacts on biodiversity.

#### Conexión Pacífico 2

- 300 trees were planted in El Morro hill in Jericó as replacement for the ones that were felled during the construction of the control and operations center.
- The first bank for the recovery of the tropical dry forest in the region (the second in the country) is being structured jointly with Terrasos S.A.S. It is a pioneering project that contributes to the recovery of one of the most endangered ecosystems in the country. Plants are not only planted but also monitored in the long term to ensure the recovery of the ecosystem.



Among other species, a sparrowhawk and a tamandua were rescued in the project and rehabilitated in wildlife care centers, as part of the protection program. Once they recovered, they were released in areas previously agreed upon with Corporación Autónoma Regional - Corantioquia.

**Green Corridor**

**(304-1)** Biodiversity is an essential part of the attractiveness of Aruba, where 85% of income comes from tourism. The concession places a lot of importance on the care of special environments. In order to manage the impacts on the Spanish Lagoon, a protected ecosystem under the Ramsar Convention, environmental studies were conducted and a work plan was proposed to preserve the quality of the water and biodiversity. Additionally, offset measures were implemented.



Conexión Pacífico 2 wildlife

**(304-3) Protected or restored habitats**



**Spanish Lagoon**  
Aruba

 **12**  
Hectares



Collaboration:  
Arikok Park

Currently, there is work underway to evaluate the quality of the water and the sedimentation of the lagoon, to characterize the wildlife, and reforest the mangrove areas.



**Jericó**  
Antioquia,  
Colombia

 **1**  
Hectare



Collaboration  
Mayor's  
Office

To date, 300 trees of native species have been planted to reforest El Morro hill as offset for the forest use granted for the construction of the project's Control and Operations Center.

## BIODIVERSITY



Oxidation lagoon at El Dorado Airport



## Airport Concessions

### El Dorado Airport

It has an Environmental Management Plan approved by the National Agency for Environmental Licenses (ANLA for its Spanish acronym), which includes maintenance activities related to urban tree planting, green areas, tree pruning in the concessioned area, felling, and transplant of trees affected by the work, wildlife control and bird safety.

In order to ensure the efficient and safe development of the operations and to align others involved with this purpose, Opain has procedures in place to ensure that third parties and contractors are aware of their obligations and thus control the risks associated with the operational safety of the airport. In 2017, the reforestation of the town of Coello, Tolima was carried out with 900 trees in order to contribute to the recovery and conservation of the water intake of its aqueduct, which is located within the tropical dry forest ecosystem.

### Mariscal Sucre Airport

It was built on a plateau with vegetation characteristic of the dry forest of Callejón.

The airport conducts an annual monitoring of the vegetation and wildlife of 10 plots in the Caraburo plateau to stay informed of the situation of the species in the area. This allows them to determine whether there is any effect resulting from the airport operations. On another front, it has developed an offset and relocation process for wildlife and vegetation species that are within a certain category of endangerment or that are endemic to the dry ecosystem of the construction areas with the purpose of maintaining and conserving the species of the dry forest.



### Plants

A total of 83 species, 77 genera and 30 families were recorded.



### Birds

In the plateau area, 80 species of birds, 71 genera, and 28 families have been recorded. This represents 14.76% of the total species recorded in the Metropolitan District of Quito (542 species).



### Mammals

There are 13 species of mammals, which represent 3% of the total mammal wildlife in Ecuador (414 species).



### Reptiles

In the Caraburo plateau, so far four species of amphibians and reptiles have been recorded.

# 2.141


trees planted as part of the offset plan of the airport concessions

(304-3)

 **Caraburo Plateau**  
Quito, Ecuador

 **70**  
Hectares

There is no intervention in these areas, which permits natural regeneration. The existing vegetation in the area is denser; trees and shrubs have increased in size.

 **Offset and re-location area for wildlife and vegetation species**  
Quito, Ecuador

 **5**  
Hectares

Offset and relocation processes for wildlife and vegetation species have taken place in this area. During 2017, 1,083 specimens of *Acacia macracantha* (faique) and 158 of *Croton elegans* (purga) were offset, two forest rabbits (*Sylvilagus andinus*), one green snake (*Mastigodryas boddaerti*), three lizards (*Stenocercus guentheri*) and four mice (two of the *Phyllotis haggardi* species and one of the *Reithrodontomys soderstromi* species) were relocated.

 **Lucha Adentro Rural Settlement**  
Coello, Tolima, Colombia

 **1**  
Hectares

  
Collaboration  
Acción Verde  
S. A. S.

Planting of 900 specimens of four native species of the tropical dry forest, in accordance with the ecosystem. The establishment required activities of ground isolation, cleaning, digging, minor transportation, planting, application of water retention agent, and phytosanitary control for each individual out of 900 total trees planted.

 **LOOKING FORWARD** (103-2)

**Aeropuerto Mariscal Sucre**

- Plant 6,000 trees in the reforestation area northeast of the airport and continue to monitor the percentages of survival of the planted species.

**Conexión Pacífico 2**

- Obtain registration from the Ministry of the Environment and Sustainable Development of the first Habitat Bank in Antioquia and the second one in Colombia.



## Water

(103-1) The conservation of water is essential for the execution of road and airport infrastructure projects to be compatible with models of sustainable development. Conserving water guarantees the execution of mobility projects in the long term and the availability of this resource for our stakeholders.

### HOW WE MANAGE IT (103-2) (103-3)



#### Road Concessions

##### Conexión Pacífico 2

- We ensure the availability of the resource during the execution of the construction work by means of two sources: direct purchase from utility companies or water concessions granted through Corantioquia as the competent environmental authority.
- In order to optimize the resource and reduce its consumption, we reuse and recycle water in the production of concrete and when washing the tires and chutes of concrete vehicles.
- (303-2) The concession does not have sources of water that have been affected significantly, as it does not abstract more than 5% of the total volume from the source, nor does it use sources recognized as sensitive due to their size or ecological importance.

##### Malla Vial del Meta

- Environmental management under Standard ISO-14001:2015.
- The measures proposed to minimize, mitigate, or offset impacts such as the alteration of the quality and consumption of water are analyzed within the framework of the studies required by the Colombian environmental studies.
- Formulating environmental management plans ensures an adequate management of water in later stages of the project.

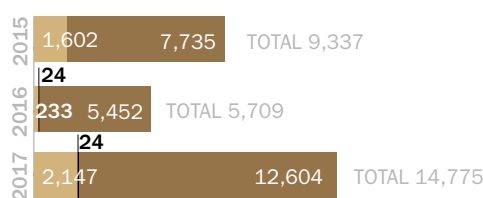
#### (303-1) Abstraction of water for road concessions

Abstracted water (m <sup>3</sup> )	Conexión Pacífico 2	Malla Vial del Meta			Autopistas del Café		
	2017	2015	2016	2017	2015	2016	2017
Fresh water abstracted from surface sources	932	0	0	0	1,602	233	1,215
Groundwater	0	0	23.9	24	0	0	0
Municipal supplies of water or other public or private water services.	2,856	399	1,057	1,179	7,336	4,395	8,569
Total Abstraction	3,788	399	1,081	1,203	8,938	4,628	9,784

**Conexión Pacífico 2 has no water sources that have been affected significantly, as it does not abstract more than 5% of the total volume from the source, nor does it use sources recognized as sensitive due to their size or ecological importance.**

**Total water abstracted road concessions**  
(m³)

- Fresh water abstracted from surface sources
- Groundwater
- Municipal supplies of water or other public or private water services



Water abstraction increased in 2017 because of the increased coverage that included Conexión Pacífico 2 and the execution of more construction projects than in 2016.

## ✈️ Airport Concessions

### Mariscal Sucre Airport

- The Environmental Management Plan includes actions to manage water.
- The airport ensures compliance with the Policy of Effluent Quality and the Guide to Good Environmental Practices for Water Management, including contractual clauses that make them binding for commercial operators.
- In order to ensure an efficient and responsible consumption of water, the airport has systems to treat rainwater and sanitary wastewater. There are two discharge conduction systems and pre-treatment plants where gray, black, and rainwaters are purified before reaching the abstraction and treatment points.
- The re-powering of the wastewater treatment plant turned it into one of the most efficient in the Ecuadorian airport system with a treatment capacity of 12 liters per second.

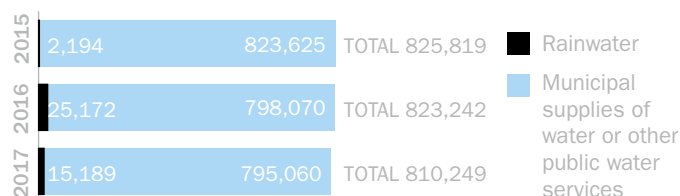
### El Dorado Airport

- El Dorado has a water conservation system for faucets, toilets, and urinals that leads to significant savings. The savings system includes flushometers, motion sensors, and manual discharge controls that work in an integrated manner in toilets and urinals. Sinks include the first two devices.
- It has a PTALL treatment plant for the utilization of rainwater, which treats water from rainfalls and permits it to be used for the sanitary services of Terminal 1. This plant is capable of processing a flow equivalent to 3.72 liters per second during the rainy season. The flow of rainwater treated during 2017 was of 15,189 cubic meters.
- In terms of treatment systems, the discharge permit was obtained in 2017, which allowed the wastewater treatment plant to begin operations with a capacity of 57.1 liters per second.

(303-1) Abstraction of water for airport concessions	Mariscal Sucre			El Dorado			Total airport concessions		
	2015	2016	2017	2015	2016	2017	2015	2016	2017
Rainwater	0	0	0	2,194	25,172	15,189	2,194	25,172	15,189
Municipal supplies	224,764	258,788	247,850	598,861	539,282	547,210	823,625	798,070	795,060
<b>Total Abstraction</b>	<b>224,764</b>	<b>258,788</b>	<b>247,850</b>	<b>601,055</b>	<b>564,454</b>	<b>562,399</b>	<b>825,819</b>	<b>823,242</b>	<b>810,249</b>

**WATER**

(303-1) Total water abstracted airport concessions (m<sup>3</sup>)




(303-3) Water reused and recycled in airport concessions

Reuse of water (m <sup>3</sup> )	2015	2016	2017
Reused or recycled water	2,194	25,172	11,786
Percentage of reused or recycled water	0.3%	3.2%	1.5%

In 2017 we measured the water footprint for blue and gray waters for the years 2015, 2016, and 2017 using the methodology approved by the Water Footprint Network to know the actual figures of water consumption and detect

opportunities to manage this resource in a more effective manner. The goal is to reduce the consumption volumes and create projects in the areas of influence that contribute to the protection and conservation of water.



**Corporate Water Footprint**  
It is the total volume of water used directly or indirectly in the execution and support of the activities of the business (use in Processes, evaporation, dilution of discharges, etc.).

**Direct Water Footprint**  
It is the volume of surface water consumed or polluted as a result of the operations of the business.

**Indirect Water Footprint**  
It is the volume of surface water consumed or polluted in order to produce the goods and services that are part of the company's production inputs.

**Gray Water Footprint**  
It is the volume of water required to dilute the pollutants in a discharge so that it meets local regulations.

**Blue Water Footprint**  
Surface water (from lakes and rivers) or groundwater that is reused in the processes, evaporates, or is incorporated in a product.

**Road Concessions**

- Road moistening
- Concrete production
- Maintenance of green areas
- Land compaction
- Domestic consumption Portable toilets
- Other uses

**Airports**

- Domestic consumption
- Aircraft washing Road spraying Blue waters
- PTALL

**Administrative offices**

- Domestic consumption

**WATER FOOTPRINT OF ROAD CONCESSIONS (m<sup>3</sup>/año)**

Component	Conexión Pacífico 2			Malla Vial del Meta			Autopistas del Café		
	Blue	Gray	Indirect	Blue	Gray	Indirect	Blue	Gray	Indirect
2015	2,126.06	657.17	178.16	210.45	1,482.27	50	4,810.59	36,034.58	505.40
2016	3,683.96	1,474.97	2,522.23	953.21	243.88	262	1,620.42	25,111.03	846.94
2017	28,812.04	13,418.57	21,818.27	1,001.42	2,876.55	1,945	9,302.26	31,156.95	5,492.21



WATER FOOTPRINT OF AIRPORTS m <sup>3</sup> /año				
Component	El Dorado		Mariscal Sucre Airport	
	Blue	Gray	Blue	Gray
2015	134,655.49	1,234,440.65	33,714.60	291,784.54
2016	196,628.48	1,713,752.96	38,818.20	-
2017	193,423.99	1,978,200.00	37,177.50	579,349.38

\*In 2016 Mariscal Sucre Airport did not have a gray water footprint.

ODINSA WATER FOOTPRINT m <sup>3</sup> /año			
Component	Blue	Gray	Indirect
2015	75,730.72	1,565,004.20	733.43
2016	241,978.02	1,741,358.47	3,630.91
2017	269,786.51	2,605,197.79	29,255.35

\*Includes consolidated road and airport concessions and administrative offices.

**We measured the water footprint of Odinsa, its road concessions in Colombia, and airport concessions for the years 2015, 2016, and 2017.**



## LOOKING FORWARD

(103-2)

### El Dorado Airport

- Maintain water consumption per passenger using 2016 as the baseline year.
- Use of 100% of rainwater collected in the cover terminal cover for sanitary use in Terminal 1.

### Mariscal Sucre International Airport

- Expand the wastewater treatment plant.

### Autopistas del Café

- Implement a system that allows the utilization of rainwater.



Body or water

# Waste and Effluents

(103-1) In large road and airport Infrastructure projects, it is necessary to work to mitigate any negative impacts that may be caused on the water, soil or air as a result of an inadequate management of solid waste and discharges. It is also necessary to reduce costs associated with the treatment, disposal, and purchase of raw materials and supplies.

Because of this, we identified an opportunity related with productive projects with communities based on the commercialization of waste. These projects also generate economic benefits and improve the quality of life of people in these communities, while reducing adverse effects on the environment.

## HOW WE MANAGE IT (103-2) (103-3)

Waste and effluents are managed mainly in the pre-construction, construction, and operational stages of projects. However, the company manages these aspects during all stages with the purpose of reducing the amount of waste generated, reducing the use of resources, achieving a high rate of waste utilization, and reducing the volume of discharges.



Plant for waste management at El Dorado Airport

## WASTE MANAGEMENT

Road Concessions				
(306-2) Total weight of waste by type and method of disposal (tons)	Malla vial del Meta	Autopistas del Café	Conexión Pacífico 2	Total
	2017			
<b>Total waste generated by the company</b>	<b>846.54</b>	<b>6</b>	<b>158</b>	<b>1,010.2</b>
<b>Total hazardous waste by method of disposal</b>	<b>1.24</b>	<b>5</b>	<b>91</b>	<b>97.3</b>
Internal or external reuse	0.0	0.0	49.0	49.0
Recycling	0.2	0.2	0.0	0.4
Incineration	0.0	1.2	39.6	40.8
Security landfill	1.1	3.5	2.6	7.2
<b>Total non-hazardous waste by method of</b>	<b>845.30</b>	<b>1</b>	<b>66.8</b>	<b>912.8</b>
Recycling	0.3	0.2	13.2	13.7
Landfill	50.4	0.6	53.6	104.6
Dump	794.6	0.0	0.0	794.6
<b>Total waste disposed</b>	<b>846.05</b>	<b>5</b>	<b>96</b>	<b>947.13</b>

### Malla Vial del Meta

- The concessionaire plans the policies, strategies, programs, and resources required based on the Comprehensive Management System and environmental regulations.
- These strategies include training for contractors and suppliers with the purpose of having them align their actions with the concession's policies.
- During 2017, the concession generated a total of 846.54 tons of waste, including hazardous (0.15%), ordinary, and special waste. The total amount of waste was disposed of with the support of public utility companies and specialized operators.

### Conexión Pacífico 2

- Final disposal of solid hazardous and non-hazardous waste through operators with valid environmental permits.
- Verification, through a chain of custody plan, that the waste provided by the company reaches its destination and is separated, used, or disposed of in an adequate manner that complies with Colombian regulations.



## Airport Concessions

### El Dorado Airport

- Sorting and Utilization Station where waste is received from ground operators who clean aircraft that fly domestic and international routes, and waste from passenger terminal T1, T2 (shops and restaurants), and the cargo terminal.
- Out of the 4,478 tons generated during the year, 1,938 tons of recyclable material and organic matter for compost were recovered. This represents 43% of the waste.
- New temporary storage centers for solid waste were implemented during the expansions of the north and south passenger docks in the airport's terminal 1 (T1).
- As of March 2017, solid waste is managed through a scheme that includes activities based on the provision of public utilities. This system consists on a process of selective, door-to-door collection from space holders.

### Mariscal Sucre Airport

- Waste Management Program that sets forth the actions for the proper management of waste and effluents.
- The Policy of Effluent Quality and the Waste Management Plan are binding for commercial operators.
- The airport has the process and the facilities to manage waste from ground and air operations. It includes separation at the source, temporary storage, transport and final disposal through authorized operators, as established by current environmental laws. There is also an incinerator for waste from international flights, as per airport regulations.
- (103-3) As a result of this management work, the amount of waste destined for recycling increased by 8% compared with 2016.
- It received the Punto Verde certification granted by the Ministry of the Environment to the firefighter building and airport maintenance.

Waste management (tons)	Mariscal Sucre	El Dorado	Total
	2017		
<b>Total waste generated by the company</b>	<b>649</b>	<b>5,377</b>	<b>6,027</b>
<b>Total hazardous waste by method of disposal</b>	<b>25</b>	<b>885</b>	<b>911</b>
Internal or external reuse	0	0	0
Recycling	10.9	0.9	11.8
Incineration	12.8	824.9	837.7
Security landfill	1.7	59.3	61
<b>Total non-hazardous waste by method of disposal</b>	<b>624</b>	<b>4,492</b>	<b>5,116</b>
Recycling	233.5	1,066.0	1,299.5
Compost	0	872.3	872.3
Landfill	348.2	2,539.9	2,888.1
Dump	0	14.0	14.0
Incineration	42.2	0	42.2
<b>Total waste disposed</b>	<b>405</b>	<b>3,438</b>	<b>3,843.1</b>

### Odinsa Consolidated

Waste management (tons)	2017
<b>Total waste generated by the company</b>	<b>7,039</b>
<b>Total hazardous waste by method of disposal</b>	<b>1,010</b>
Internal or external reuse	49.0
Recycling	12.2
Incineration	878.5
Security landfill	68.2
<b>Total non-hazardous waste by method of disposal</b>	<b>5,116</b>
Recycling	1,314.4
Compost	872.3
Landfill	2,993.7
Dump	808.6
Incineration	42.2
<b>Total waste disposed</b>	<b>4,791.2</b>



WASTE AND EFFLUENTS

**DISCHARGE MANAGEMENT**

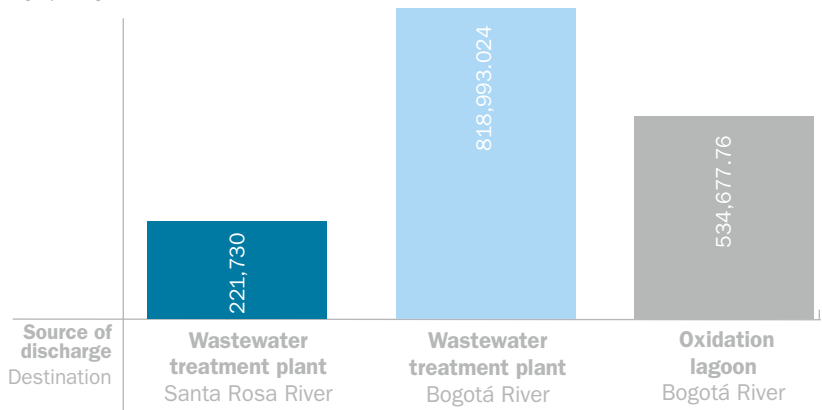
Prior to making discharges in road and airport concessions, non-domestic wastewater is led to treatment plants where the concentration of pollutants is reduced in order to comply with environmental laws. Additionally, physicochemical, microbiological, and hydrobiological monitoring is conducted periodically in order to corroborate the compliance and efficiency of the implemented treatment systems.

 **Airport Concessions**

**El Dorado Airport**

A new discharge permit was obtained, which allowed the installation and commissioning of a wastewater treatment plant with a capacity of 57.1 liters per second, that is, the volume of water required to fill an Olympic pool in 12 hours. The value of this investment was close to COP 6,400 million.

**(306-1)** Discharge of water by quality and destination

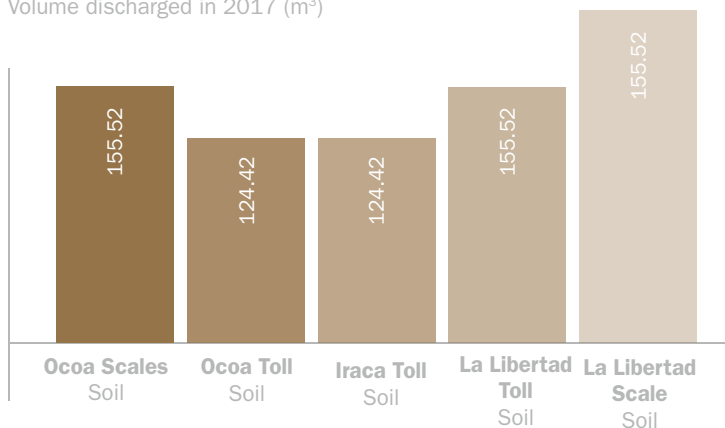




Oxidation lagoon at El Dorado Airport

## Road Concessions

Volume discharged in 2017 (m³)



## LOOKING FORWARD

(103-2)

### Mariscal Sucre Airport

- Annual adjustment of the targets of the Waste Management Plan.

### El Dorado Airport

- Run a pilot test to treat gray water from bathrooms (sinks) to be reused later in toilets.
- Increase the percentage of utilization in the long term by means of proper separation at the source by an average of 43% to 65% by 2021.

### Conexión Pacífico 2

- Install a new industrial wastewater treatment system to modify the existing one in functional unit 4 - exploit construction materials and improve the quality of water discharged to the water source.
- Train workers on the correct separation of the waste generated in order to increase the percentage of reutilization. Similarly, utilize organic waste so that it can be transformed into fertilizer for the plants in the project's greenhouse.

### Autopistas del Café

- Decrease the generation of waste in offices and increase the rate of recycling.

### Malla Vial del Meta

- Once the construction phase starts, suppliers and contractors will be informed of the policies defined by the company to manage waste so that it can be done efficiently.

# Energy and Carbon Emissions

(103-1) Like in every industry, road and airport infrastructure is facing a number of transformations associated with the gradual increase in temperature, changes in rainfall, increase of sea level, extreme events of climate variability, and modification of ecosystems and characteristic of soils, all of which can generate closures and costs of reparations and mobility of people and goods.

In order to make balanced progress and in balance and respond to the challenges of climate change and take advantage of the opportunities offered by smart mobility, we bet on the development of a smart, sustainable, and climate-resilient infrastructure.

## HOW WE MANAGE IT

(103-2) (103-3)

In 2017, with the support of Gaia Servicios Ambientales, we measured the carbon footprint for the years of 2015, 2016, and 2017. In order to do so, the methodology followed the guidelines of Standard ISO 14064-1 and of the Greenhouse Gas Protocol. The quantification of Scope 3 was done under Category 15 - investments referred to in said guide in the organizational carbon footprint. The consolidation and monitoring of our emissions and those of our concessions allow us to be aware of our impacts and to have the necessary information to make decisions about the emission reduction and offset plans.



## Road Concessions

### Conexión Pacífico 2

- The impact is associated mainly with the consumption of energy, fuel, and materials from non-renewable natural sources.
- The carbon footprint was measured in 2017.
- During 2017, we developed awareness campaigns about topics related to the good use of materials and the importance of reducing consumption of energy in offices and administrative areas.

### Malla Vial del Meta

- The maintenance and revision plan for the entire automotive plant was completed in order to ensure the good condition of the vehicles.
- Implemented a global positioning system (GPS) for operations, maintenance and Highway Patrol vehicles in order to monitor their location and length of travel.

### (305-1) (305-2) Direct and Indirect GHG Emissions (tonCO<sub>2</sub>eq)

	Year	Scope 1	Scope 2
Autopistas del Café	2015	1244	72
	2016	1431	72
	2017	2,211.4	48.6
Conexión Pacífico 2	2015	273	1
	2016	413	11
	2017	9,599.5	17.0
Malla Vial del Meta	2015	61	1
	2016	388	43
	2017	423.1	25.4

\*The increased emissions of Conexión Pacífico 2 correspond to the start of the construction phase.

### (302-1) Internal consumption of energy Gj

Consumption of energy (gj)	2015	2016	2017
Internal consumption of energy	7,994	11,471	157,869
Consumption of energy from non-renewable sources	7,347	10,531	156,288
Purchased energy	647	941	1,580

### Energy intensity

Intensity of emissions of Scope 1 and 2 GHG for 2017 tonCO <sub>2</sub> e/concessioned km	16.64	Energy intensity for 2017 gj/concessioned km	160.84
Intensity of emissions of Scope 1 and 2 GHG for 2016 tonCO <sub>2</sub> e/passanger	1.02	Energy intensity for 2017 gj/passanger	0.0072

## Airport Concessions

The carbon footprint has been measured at airport concessions for the purpose of achieving the Level 3 Accreditation + Neutrality of the Airport Carbon Accreditation (ACA) program of Airports Council International.

### El Dorado Airport

- First airport in Colombia to receive the ACA Level 1 - Mapping accreditation. In 2015, greenhouse gases were measured using the Greenhouse Gas Protocol methodology and the ACA's ACERT quantification tool. The quantification was audited by To70 as an independent third party.
- El Dorado Airport has a GHG Reduction Policy. Within the framework of this policy, systems have been optimized to enable the reduction of Scope 2 emissions in the measurements of the years 2015 and 2016.
- Energy savings:
  1. The DALI (Digital Addressable Lighting Interface) system has led to a savings of 12% in energy.
  2. Montecarlo System, which regulates the speed, temperature, and quantity of air that enters the terminal.

### Mariscal Sucre Airport

- It has a Carbon Footprint Management Plan to carry out the accreditation process of the ACA's Neutral Carbon program.
- In 2017, Mariscal Sucre Airport reached Level 2 (Reduction) of the ACA program by demonstrating, through external verification, a reduction of their carbon footprint in 2016 of 584 tons of CO<sub>2</sub> less than in 2014.



## LOOKING FORWARD (103-2)

### Mariscal Sucre International Airport

- Reach Level 3 - Optimization of the ACA program.

### El Dorado Airport

- Measure Scope 3 within the GHG quantification process.
- Include placeholders, contractors, and subcontractors in the airport's climate change project.
- Obtain Level 2 - Reduction certification from ACI.
- Implementation of the Solar Photovoltaic System (SSFCR, for its acronym in Spanish).

### Conexión Pacífico 2

- The implementation of solar energy during the maintenance and operation stages for tolls, tunnels, and electric charging sources is being evaluated.

### (305-1) (305-2) Direct and Indirect GHG Emissions (tonCO<sub>2</sub>eq)

	El Dorado		Mariscal Sucre	
	2015	2016	2015	2016
Scope 1	1,535	1,759	733.4	996.2
Scope 2	13,528	11,472	3,890.7	3,953.2

(302-1) Internal consumption of energy	2015	2016	2017
Internal consumption of energy	237,767	272,550	255,495
Consumption of energy from non-renewable sources	7,072	64,370	42,650
Purchased energy	230,695	208,180	212,845
Odinsa Consolidated Total GHG emissions	2015	2016	2017
(305-1) Scope 1	516.54	404.33	406.22
(305-2) Scope 2	116.38	118.12	44.84
(305-3) Scope 3*	688.41	1,177.62	8,916.98

\*Odinsa's Scope 3 corresponds to Scope 1 and Scope 2 of airport and road concessions multiplied by the percentage of participation.

\*Scope 3 was quantified under Category 15 - the investments referred to by the Calculation-Oriented Technical Guide and Scope 3 Management in the organizational carbon footprint.



Conexión Pacífico 2 employee

## Road safety

**(103-1)** Our commitment to road safety is evidenced by strategies that cover everything from the design and structure of the projects to the coordination with road agencies in the operation and maintenance stage.

Our aim is for employees, users, communities, suppliers, and other stakeholders to return home safe and sound. In order to do so, we evaluate and prioritize possible effects on users that circulate through the concessioned roads and airports and we promote a culture of good road etiquette through spaces for participation, information, training, guidance, and awareness of users, entities, neighbors, and communities in our areas of influence.

### HOW WE MANAGE IT (103-2) (103-3)

In road concessions, we are committed to the preventive maintenance of the corridor in order to ensure smooth and safe travels.

We train our employees to provide guidance and to ensure timely attention. We also have road assistance, basic mechanics, towing, and pre-hospital services.

Road safety is also very relevant to the operation of airport concessions due to their extension and the variety of actors that intervene in the internal and external roads. These include aircraft, vehicles, automobiles, machinery, equipment, drivers, pedestrians, visitors, passengers, merchants, suppliers, and cyclists.



 **Road Concessions**

  
**MANAGEMENT SYSTEMS**

**Malla Vial del Meta**

Progress was made in the collection and evaluation of information for the structure of the General Road Safety System. Organizational and technical instruments implemented in 2016 continued to be used to fulfill the obligations related with the inspection and determination of incident-concentration sites or segments.

**Conexión Pacífico 2**

100% compliance with the indicators of the Road Safety Strategic Plan and of the concession.

  
**INFRASTRUCTURE AND SIGNAGE**

**Green Corridor**

Over 600 vertical traffic signs were installed as well as 50,000 linear meters and 300 crossings that meet the highest standards of local laws.

**Green Corridor**

Road safety inspections were conducted in which the roads covered by the contract were inspected in order to identify risk factors.

**Autopistas del Nordeste y Boulevard Turístico del Atlántico**

These concessions have traffic monitoring plans since 2016 and 2014, respectively. These plans include regular evaluations and registration of incidents, the conditions in which they occurred, and analyses of the conditions of the areas in the road where most accidents occur. In 2017, thanks to corrective actions, incidents were reduced to zero in four critical points, two in each concession.

  
**INSPECTIONS**

**Malla Vial del Meta**

The first road safety audit was carried out to feed the General Road Safety System.

**Conexión Pacífico 2**

Road safety audits are conducted annually and inspections occur constantly. There are monthly committee meetings held with the Highway Police and the technical supervision firm to formulate plans of action to respond to any identified challenges.

 **Airport Concessions**

  
**INFRASTRUCTURE AND SIGNAGE**

**El Dorado Airport**

A Strategic Road Safety Plan was implemented and filed with the Superintendency of Ports and Transportation. 100% of infrastructure-related action plans were executed with

demarcation, signaling, and maintenance activities on the concessioned roads. Thus, 37% of the findings identified within the appraisal of road risks were corrected.

  
**INSPECTIONS**

**El Dorado Airport**

Contractors underwent 37 audits within the framework of the third party management pillar of the Strategic Road Safety Plan. Criteria for the evaluation of this matter were included in the cargo terminal and joint work groups were formed with spaceholders.

OAD SAFETY

Culture

Fostering a culture of road safety promotes the creation of environments of prevention through the education and awareness of road actors so that their decisions are governed by self-care and respect for life and for the health of those who are on the road. With the help of institutional partnerships with local authorities, we implemented awareness strategies for concession employees, drivers, and pedestrians.



Road Concessions

**Malla Vial del Meta**

- It has a Road Culture Program as part of the Contractual Social Management Plan.
- 6,571 people participated in 84 prevention activities as part of the Road Culture Program of the Contractual Social Management Plan. It included 57 prevention days, four quarterly campaigns, and 23 pedagogical days at educational institutions.

**Autopistas del Nordeste and Boulevard Turístico del Atlántico**

- There has been an ongoing road safety campaign in the media since 2015, which intensifies during holidays and key dates.

**Autopistas del Café**

- 4,200 people were reached, including 100% of students in the area.
- Items such as tents, flyers, traffic cones, and banners were contributed to the road education and prevention processes.

**Conexión Pacífico 2**

- 17,432 users, 59 campaigns, and 30 educational workshops at 13 schools together with the National Police Force, the Superintendency of Transportation, and the National Infrastructure Agency.



Number of road culture awareness campaigns

Malla Vial del Meta

84

Autopistas del Café

140

Autopistas del Nordeste

1

Boulevard Turístico del Atlántico

12

Conexión Pacífico 2

89

Total

326



Airport Concessions

**El Dorado Airport**

- 90% of direct personnel who drive corporate vehicles were evaluated on their knowledge of and aptitude for driving. 99% passed.
- 5 awareness campaigns aimed at the airport community.

## Technology



### Road Concessions

#### Autopistas del Café

- Mobile app by the ayudame.com.co system. Autopistas del Café is a pioneer of projects of this nature, in which we have made progress with sophisticated technologies applied to mobility from a cell phone anywhere on the road.
- REV (Registration of Events on the Road) platform that supports the registration of events on the corridor.
- Management of communications of the Operations Control Center.
- Toll-free line #850.

#### Autopistas del Nordeste and Boulevard del Atlántico

- Road intervention programs for both maintenance and the implementation of new devices and technologies to reduce incidents and accidents.



Road culture awareness day at schools, Autopistas del Café.



## LOOKING FORWARD (103-2)

#### El Dorado Airport

- Focus on safe infrastructure strategies in accordance with the Strategic Road Safety Plan.
- Assess 100% of internal and external roads.
- Work on road safety with spaceholders and contractors.
- Promote road culture campaigns with all road actors.
- In the long term, consolidate a road safety management model for international airports, to which national airports can attach to as well.

#### Concesión Vial de Los Llanos

- In short term, implement a Road Safety Management System based on a diagnosis

of the current situation.

- Monitor contractual obligations, identify potential risks and sensitive spots.
- In the medium term, audit these processes.

#### Green Corridor

- Have zero road accidents and carry out operational and risk analysis controls to ensure such a result.

#### Autopistas del Café

- Train all the students of the schools in the rural areas of the corridor in road culture.
- Participate in the training processes traffic agencies hold in the schools in the urban areas of the corridor.
- Maintain the institutional partnerships.

#### Autopistas del Nordeste and Boulevard del Atlántico

- Continue with the “Go Slow” campaign, not just during the holidays but year-round.
- Raise awareness among young people and transport unions, who are the populations most likely to suffer incidents.
- Implement devices and technology to reduce accident rates and improve user experience.

#### Conexión Pacífico 2

- Achieve the ISO 39001 certification of the Road Safety Management System.
- Launch an impact campaign aimed at users.



Fire station at El Dorado airport

## Occupational Health and Safety

(103-1) The protection of lives, health, and safety are a necessary condition for the achievement of sustainable results. We manage these aspects both among the employees of the concessionaire and among contractors, subcontractors, and commercial operators. This way, we have an impact on the quality of life of employees and we go beyond their family nucleus and community.

We promote a self-care culture that favors the management of risks through the prevention and minimization of incidents and occupational illnesses associated with unsafe acts and conditions in each of the activities and stages of the projects.

Our priority will always be the protection of life, health, and safety as the main condition for the fulfillment of the company's strategic and sustainable growth goals.

### HOW WE MANAGE IT (103-2) (103-3)

In order to manage Occupational Health and Safety (OHS), we have a management system designed in accordance with the local legislation of each operation. Additionally, every year a plan is prepared to strengthen the culture of self-care and reduce risks. During 2017 at Odinsa:

- We evaluated the OHS Management System in accordance with the parameters established by local regulations.
- We updated our OHS, Road Safety, and Prevention of Consumption of Psychoactive Substances policies.
- We created the Emergency Policy.
- We reviewed and updated the hazards and risk appraisal matrices, emergency plans, and the matrix of OHS legal requirements.
- We strengthened brigades with monthly training sessions.
- We conducted promotion and prevention activities such as: The Happiness Circuit, Health and Safety Week, the flu immunization campaign, business spa, and physical and cognitive active breaks, among others.



## Airport Concessions

### El Dorado Airport

- 2,182 occupational health and safety inspections conducted on spaceholders, contractors, subcontractors, and employees.
- 80% of employees attended the “Knowing Yourself” talks on psychosocial risks.
- 100% of ergonomic inspections of work stations and training on office ergonomics for new employees.
- 1,139 active breaks with a compliance of 105%.
- Update of physical conditioning technical sheets and medical sports assessment of all firefighters.
- Mentoring workshop for managers and directors focused on safety. Attendance of 95%.
- Zero serious accidents related to high-risk activities.
- 48,995 people who entered the concessioned area to carry out different tasks were trained in HSEQ.

96,8%

of compliance with the audit of the Occupational Health and Safety System. Because of this score, we were nominated for an Emerald Cross. We received an honorable mention from the Colombian Safety Council for the “self-care” poster.

### Mariscal Sucre Airport

- The Occupational Health and Safety Policy is part of the company's internal Health and Safety Regulations.
- The Health and Safety Manual, the General Matrix for the Identification of Risks, and an accident investigation and notification process are all mandatory for commercial operators.
- The health and safety process applies to all employees, commercial operators, and contractors.



## Road Concessions

### Autopistas del Café

- Daily 5-minute talks on health and safety.
- Occupational Health and Safety Week and healthy lifestyle campaigns aimed especially at good nutrition habits.
- Access to sessions with a clinical psychologist is provided.
- The OHS Management System reached a progress of 82% with the support of the Occupational Risks Administrator.
- The hazards and risk appraisal matrix and the emergency plan were updated.
- In 2017, accidents and absences related to common illnesses were reduced compared to 2015 and 2016.

### Malla Vial del Meta

- The accident rate went down from 10.69% to 7.71%.
- The rate of incapacitating injuries went down from 0.52 to 0.13.
- Accidents went from 19 events in 2016, to 15 in 2017.
- The first 7 employees were trained in the 50-hour virtual OHS course.
- 100% of staff who perform work at heights and confined spaces were trained.


### Conexión Pacífico 2


- The procedure for the transport, storage and handling of chemical substances was put into operation.
- Safe work standards and procedures were updated.
- The OHS Management System applies to all contractors and subcontractors.

### Boulevard Turístico del Atlántico and Autopistas del Nordeste

- A monthly Occupational Health and Safety Committee was held with representatives of the company and employees from all departments.
- Two category 5 hurricanes did not affect any employees thanks to the contingency plan.

OCCUPATIONAL HEALTH AND SAFETY

 <b>Airport Concessions</b>	El Dorado			Mariscal Sucre		
	2015	2016	2017	2015	2016	2017
Frequency Rate	21.69	28.75	23.27	7.35	1.92	9.64
Severity Rate	466	348	150	22	9	39

 <b>Road Concessions</b>	Malla Vial del Meta			Autopistas del Café			Conexión Pacífico 2
	2015	2016	2017	2015	2016	2017	2017
Frequency Rate	12.84	34.07	26.08	60.56	37.68	29.51	4.9
Severity Rate	49.23	150.61	53.89	149.07	157.86	233.83	77.4

<b>Odinsa</b>	2016	2017
Frequency Rate	0	5.33
Severity Rate	0	0

**100%** of workers are represented in OHS committees. (403-1)



Contractor  
Conexión Pacífico 2



## LOOKING FORWARD (103-2)

### Conexión Pacífico 2

- Continue the timely identification, evaluation, and establishment of the risks factors that are inherent to the work environment in order to determine the appropriate control measures and promote an organizational culture in a safe and healthy environment.

### Boulevard Turístico del Atlántico

- Maintain the OHS certification granted by the Ministry of Labor of the Dominican Republic.

### Autopistas del Nordeste

- Maintain the OHS certification granted by the Ministry of Labor of the Dominican Republic.
- Continue to raise awareness among staff about the importance of complying with all the provisions issued by the OHS Committees.

### Autopistas del Café

- Continue to implement the Occupational Health and Safety System.
- Continue with the activities related to welfare, promotion of health and prevention of work accidents.

- Minimize absences of work and common origin.
- Continue to strengthen self-care and commitment towards the prevention of work incidents and accidents.
- Have 0 accidents.

### Green Corridor

- Consolidate a culture of safety at work during the maintenance or availability stage. During this stage, there will be a greater exposure of staff to traffic due to the fact that the roads will be fully operational.

### Malla Vial del Meta

- Obtain the OHS system certification under the standard NTC 18001-2007.
- Continue to promote self-care to strengthen the prevention of occupational incidents and illnesses and to achieve a timely identification and treatment of unsafe acts and conditions.
- Comply with 100% of the standards of the OHS system.

### El Dorado Airport

- Implement the safety program to promote a culture of self-care.
- Implement strategies aimed at controlling hazardous energy.
- Implement the management system for chemical hazards.
- Airport adaptation plan for people with disabilities or reduced mobility.

### Mariscal Sucre International Airport

- Measure the level of psychosocial risk in 100% of employees.

### Corporate Areas

- Reintroduction to the OHS system for 100% of employees.
- Include a feature in the Odinsa app to report incidents, accidents (link to ARL) and unsafe conditions.
- Integrated system to manage and monitor the indicators of Odinsa and its subsidiaries.
- Generate a virtual learning community to share lessons learned, best practices, synergies, and new trends, among other things.
- Strengthen the self-care culture among employees, contractors, and subcontractors so that in the medium term it will transcend the work sphere into other spheres such as family and communities.







# OUR LEGACY

■ We always have a service attitude ■ We work today for the future



Autopistas del Café

## Innovation

(103-1) We use infrastructure as a platform to develop strategic corridors through a business model that allows us to take advantage of gaps in the sector, strengthen regional development, and capture a portion of the economic value generated by its construction. We implement and adopt the best practices in the industry and we leverage technologies capable of creating or developing the best tools to achieve such an objective.

We understand innovation as the development of new initiatives or applications that have not yet been implemented in our field and that cause a positive impact on asset management, greater user satisfaction, or that represent optimizations. This is why innovation is such an important component of our growth strategy, as it will allow us to face the different challenges in the sector, exploit and develop new business opportunities, and remain competitive.

## HOW WE MANAGE IT (103-2) (103-3)

During 2017, together with Grupo Argos, we made progress in the definition of an innovation strategy to support the evolution of the organization and the continuous learning demanded by the industry. Said strategy is based on three investment theses:

- Identify and adopt or develop innovative ideas and initiatives that are complementary and establish synergies among the companies in the group.
- Improve processes and obtain internal efficiency.
- Develop new and more efficient materials that have less impact on the environment.

The goals of these theses are:

- To apply digital technology to monitor and capture infrastructure and user data for simulations and optimization.
- To identify technologies and processes that allow us to develop new poly-functional and eco-friendly materials.
- To integrate the transport, communications, energy, and water infrastructure as well as monitoring and climate management systems, among other aspects.



### (103-2) Mariscal Sucre Airport

- The Passenger Improvement Project was implemented to reduce wait times and improve user experience.
- Like the smart business platform Smart Airports, which allows us to analyze trends and make decisions, a line monitoring and management system was implemented to measure service times in the emigration area.
- The self-check-in process for passengers and baggage was put into operation in coordination with five airlines.
- Ten automatic boarding gates were installed.

### El Dorado Airport

- A passenger interaction app was put into service.
- Close to 100 m<sup>2</sup> of vertical gardens were installed to improve the visual experience and to help regulate temperature and reduce noise.
- Feasibility studies were conducted for the installation of the photovoltaic systems on the airport's roofs.

## Identified Opportunities

We have identified initiatives in the digital and materials areas, as well as in the field of sustainability. From the perspective of information management, there are opportunities aimed at improving user excellence and supervising collections and security. We are determined to evaluate improvements to the mechanical characteristics of materials by involving local and international cutting-edge technology, such as smart pavement. As for sustainability, we will install equipment to generate photovoltaic energy to supply part of the consumption of the national interconnected grid, and we will build the control center building with LEED features and electric vehicle charging stations. All identified initiatives will be analyzed and evaluated with cost-benefit criteria over different periods of time and in accordance with how actually feasible it is to apply them to different projects.



## LOOKING FORWARD (103-2)

### El Dorado Airport

- In 2018, it is expected that 15% of the airport's energy consumption will be generated through photovoltaic panels installed in certain sectors of the roof.

### Mariscal Sucre International Airport

- In 2018, it is expected the biometric Fly to Gate system will be implemented to process and serve passengers.
- Service levels will be measured throughout the entire terminal.



## Supplier Management

(103-1) Our suppliers and contractors are strategic allies that allow us to fulfill our contractual obligations and thus build and operate high-quality road and airport infrastructure projects in a safe manner. The selection, monitoring, and development of suppliers based on the principles of transparency and trust has allowed the company to fulfill its contractual obligations and generate value for its stakeholders by carrying out projects that favor connectivity and local development in the different geographical regions where we operate. Supplier management with criteria that promote the sustainability of the chain of supply allows the prevention of associated risks, saves implementation time and costs, ensures a higher administrative efficiency, consolidates institutional relationships, and promotes trust from stakeholders.

**100% of Mariscal Sucre Airport suppliers rated at levels 1 and 2 of criticality obtained their certifications taking into account environmental, social, and economic criteria, among others.**

### HOW WE MANAGE IT (103-2) (103-3)

In order to promote fair processes and a healthy competition in the market, we have selection criteria that must be followed during processes to contract goods and services to ensure an objective and transparent election under the principles of efficiency, quality and responsibility, which in turn favors the creation of collaborative bonds with our allies as well as the sustainability of the chain of supply. In order to implement these guidelines, our staff is trained in the selection of suppliers and contractors.

They also analyze criteria such as experience, service background, performance and transparency, financial capacity, and price and quality of raw materials. The above, aside from ensuring the fulfillment of the contractual obligations, also favors compliance with sustainability standards that prevent associated risks; reduce environmental impacts; protect the life, health, and safety of everyone who is part of our projects; and good relationships with local stakeholders.

### Selection Process

Our strategies to manage contractors are focused on purchase planning and promoting long-term strategic partnerships that guarantee quality and give the company a greater capacity for negotiation and thus reduce costs. In this regard, the development of a supplier database systematized by commodities associated with the different goods and services provided allowed El Dorado Airport to increase its negotiation capacity and obtain savings of 13.31% on its total purchases. These negotiations include a strategic five-year partnership for the maintenance service of the baggage handling system (BHS), one of the most important in the airport's operation, which resulted in savings of 16%. Leveraged by the implementation of the Comprehensive Management System, the supplier management process begins with purchase planning, formalization of the contractual relationship, and is followed by the verification



Mulatos Tunnel, Conexión Pacífico 2

of products and services, with monitoring and evaluation of suppliers. The airport operations of El Dorado and Mariscal Sucre include the JD Edwards ERP (Enterprise Resource Planning) software, which enables a better administration and management

of contractors. In regards to the control and administration of contracts, a process was carried out in the ERP which notifies supervisors, contract directors, and Purchasing 90 days before contracts are set to expire.

### Monitoring and Evaluation

The standards of quality and sustainability of our suppliers generate trust, both in our financiers and in our users. This is why, aside from having the aforementioned selection criteria, these standards are monitored and certified through audits performed by independent third parties. This has allowed disbursements to take place as planned, thus ensuring the continuity of the project. The certification is supported in a Quality Management System (ISO 9001) whose main focus is to review the joint correlation between the quality of the product, the requirements, technical specifications, any tests performed, and the documentation of the manufacture processes. It is important to point out that Mariscal Sucre Airport has been implementing additional controls since 2017

in regards to the rating of contractors in order to improve purchasing processes. In this sense, the quarterly supplier evaluation indicator showed a rate of compliance pursuant to the standard established (95%) throughout the year. It is also important to point out that 100% of suppliers rated by levels 1 and 2 of criticality obtained their certifications taking into account environmental, social, and economic criteria. In order to control risks associated with corruption, money laundering, and terrorism financing, the airport evaluated its suppliers with the help of programs, such as Risk Mitigation in Contracting, through the insurance broker Delima Marsh, and the LAFT Validation System through the use of the Datalaft Inspektor platform.

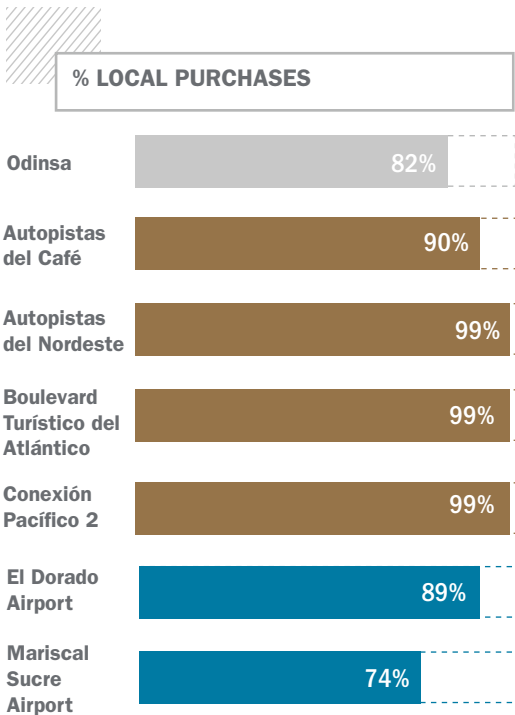
SUPPLIER MANAGEMENT

Development

At Odinsa, we know that partnerships with our suppliers generate joint growth. For example, during the construction of Mariscal Sucre Airport, we promoted the training of local companies with the manufacturers of critical airport systems and promoted agreements among said companies for representation in Ecuador.

As a result, today we have local companies that have grown and developed by providing specialized services to the airport.

The purchasing volume has served as an engine for the growth and motivation of all our suppliers, which favors local development through companies that promote sustainable models of development.



LOOKING FORWARD (103-2)

At Odinsa, we will continue to work for a sustainable chain of supply that is in line with the best social, economic, and environmental standards. To do so, in 2018 we will design a hiring manual that ensures our selection, monitoring, and evaluation processes include sustainability criteria.

El Dorado Airport

- Develop a new procedure in the JD Edwards software for macro negotiations that allows us to optimize recurring processes.

Mariscal Sucre Airport

- Have a finalized supplier rating process that is applicable to all purchases and start the supplier evaluation process for the compliance matrices.
- Continue the development programs with more local suppliers specialized in airport products and services.
- Find synergies with other actors in the industry in the medium and long term.

Autopistas del Café

- Obtain a higher number of suppliers with responsible activities in terms of the environment and the community to allow us to maintain and improve the profitability of the company.

Green Corridor

- Consolidate long-term relationships with suppliers that master the engineering specialties the project requires.

Malla Vial del Meta

- An ERP system to control and automate the purchasing process and to control corruption risks associated with suppliers. In terms of development, for the purpose of promoting and recognizing excellence, the implementation of an award to the supplier of the year has been considered.



Sanitary services contractors at El Dorado Airport

# Community Relationships

(103-1) We believe in the positive impact of road and airport infrastructure on economic development. That is why we have decided to participate in regions with opportunities for growth, where private individuals and the government share a commitment to investment in infrastructure.

Beyond fulfilling our social and environmental obligations derived from the concession contracts, our purpose is to make balanced progress and make our mark by being allies of local development. We understand the importance of maintaining good relationships with the communities where we have influence.

**Open, direct, and transparent communication to:**

Manage our impacts adequately	Establish trusting relationships with communities we influence
-------------------------------	--



Our Legacy

Suroeste compra  
Suroeste Program Conexión  
Pacífico 2










## HOW WE MANAGE IT

(103-2) (103-3)

Fulfilling our contractual obligations and the commitment to implementing the Ecuador Principles favors the social license to operate and ensures the development of responsible operations. Our concessions establish local relationship plans focused on the following aspects:

-  Recognition of the organizational forms of the communities.
-  Local hiring for the execution of the work.
-  Relationships with local actors.
-  Project impact management.
-  Social capital
-  Road Safety
-  Mechanisms for filing claims and complaints
-  Partnerships with key actors to contribute to local development and social inclusion.

## Identified Impacts (413-2)

-  Increased vehicular traffic
-  Property valuation
-  Noise
-  Hiring of local labor
-  Acquisition of properties
-  Environmental impacts
-  Economic development
-  Connectivity
-  Revitalization of local economy



## Dialogue

We promote trusting relationships by establishing direct and close communication, and providing communities timely and clear information in participative spaces.

### Road Concessions

#### Malla Vial del Meta

- 17 work groups with 109 leaders of Community Action Councils in Puerto López, Puerto Gaitán, San Martín, Guamal, Granada, and Villavicencio.

#### Autopistas del Café

- 38 informative meetings. During the construction of La Paz relief road in Chinchiná and the Bosques de la Acuarela pedestrian bridge in Dosquebradas, bimonthly meetings were held with authorities and social leaders.

#### Boulevard Turístico del Atlántico

- The Community Relationships Plan establishes yearly relationship goals with social leaders.

#### Green Corridor

- Direct contact with communities for the solution of doubts, questions or claims.

#### Conexión Pacífico 2

- 14 sustainability training sessions. 29 civic-environmental days. 40 community participation committees.

### Airport Concessions

#### Mariscal Sucre Airport

- 4,191 participants in permanent processes related to the Public Consultation and Participation Plan.
- 3,000 youngsters and children visited the airport facilities.

#### El Dorado Airport

- Meetings with leaders in Engativá and Fontibón about the infrastructure projects, employment, and channels of communication.

## Skills and Local Development

The construction of infrastructure implies the demand of labor that develops skills in those who participate as employees, contractors or suppliers. This strengthens local competitiveness and local employability.

### Road Concessions

#### Malla vial del Meta

- 92% of labor hired from the local community.

#### Conexión Pacífico 2

- 543 unskilled laborers (66%) from the direct area of influence.
- 133 merchants, hoteliers, institutions, banks, and 44 brands of coffee in the region participated in the first round of the program “Suroeste compra Suroeste” (“The Southwest Buys from the Southwest”).

### Airport Concessions

#### El Dorado Airport

- 98% of labor hired locally.

#### Mariscal Sucre

- The shop Nuestra Huerta was opened, which is a space to commercialize agricultural products from the area closest to the operations.
- 504 people from nearby communities were trained in English and improve their work profile.

## Social capital


### Road Concessions

#### Malla Vial del Meta

- 37 community leaders and municipal officials attended the First Participation and Leadership Congress organized with the support of SENA.

COMMUNITY RELATIONSHIPS

Social Investment/Donations

 **Road Concessions**

**Autopistas del Café**

- 1,000 school packs were donated to students in 20 educational institutions.

**Autopistas del Nordeste**

- 150 families affected by the hurricanes of 2017 received basic necessity items.
- 925 children received school supplies.

**Conexión Pacífico 2**

- 96 children and teens in La Pintada were benefited by the strengthening of the music school and the maintenance of the instruments.

 **Airport Concessions**

**Mariscal Sucre Airport**

- 126 scholarships given to children and teens in vulnerable conditions, with catastrophic illnesses, and low economic resources.
- 2016 talks in six neighboring communities about biodiversity, environmental pollution, adequate use of water, and global warming.
- 420 children receive support to practice soccer in seven schools in nearby communities.

Protection of Historic and Cultural Heritage

 **Road Concessions**

**Autopistas del Café**

- During the execution of the preventive archeology program “Archaeological Monitoring and Rescue in La Paz Relief Road”, evidence was found of ancient settlers, bone remains, and C-14 dated carbon samples that permitted the corroboration and broadening of chronological inferences. Findings were delivered to the Museum of Archeology and History of the University of Caldas.

**Conexión Pacífico 2**

- 368 deposits evidenced during the prospecting process.
- 36 rescues of sites with high archaeological potential.



**LOOKING FORWARD (103-2)**

We will continue to strengthen relationship mechanisms with local communities based on the mapping of key actors and on timely, transparent, and constructive communication with local authorities and communities.

We will continue to report to users and neighboring communities the events at concessions in real time, through digital platforms and social media, and we will facilitate communication with them.

We will prioritize direct relationships with communities to identify and address questions or claims in a timely manner.

**Mariscal Sucre Airport**

- A training center will be created to offer training in skills related to airport operations.

**El Dorado Airport**

- Participation in the Social Responsibility Airport Committee will be strengthened. Said committee is created and led by Civil Aviation.

**Conexión Pacífico 2**

- Institutional strengthening and training activities will be ongoing in order to promote employability and the generation of jobs through entrepreneurial initiatives.

**Autopistas del Café**

- Participation committees will be strengthened and the strengthening of social capital will be promoted through participation and leadership conferences.



VIP lounge, International terminal, El Dorado Airport

# User Satisfaction

(103-1) Transport infrastructure is a way to facilitate the delivery of goods and services that promote economic growth and the mobility of people, because well-planned, designed, and operated road and airport infrastruc-

re translates into connectivity, growth, competitiveness, and development.

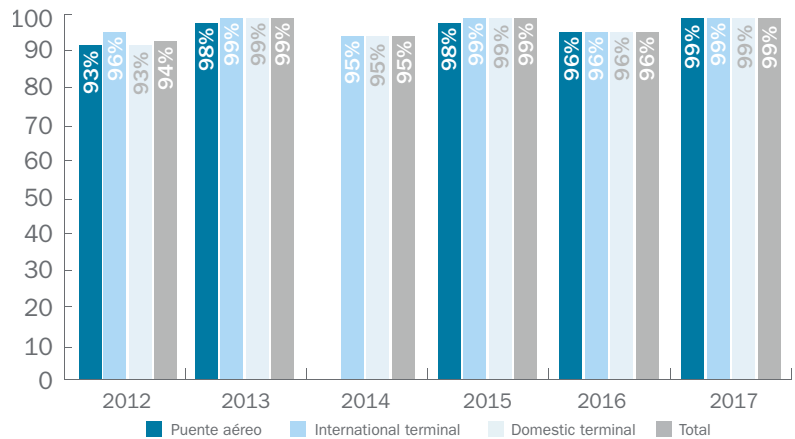
At Odinsa, we are committed to providing users safe and efficient infrastructure that also offers the best experience to our passengers and travelers.

## HOW WE MANAGE IT (103-2) (103-3)

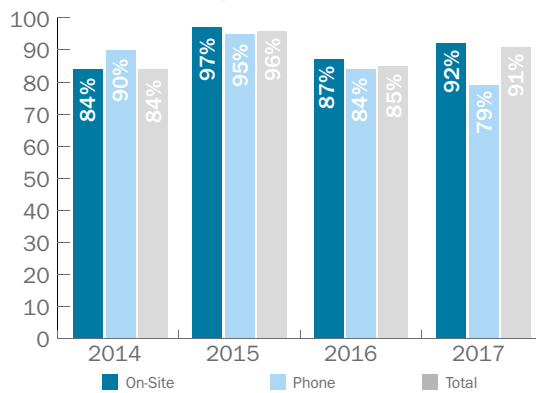
### Airport Concessions

#### El Dorado Airport

El Dorado Airport got a five-star rating in the International World Airport Awards ranking and was recognized as the best in South America for the third consecutive year by Skytrax. Among more than 3,400 passengers surveyed, El Dorado obtained a user satisfaction level of 99% and four stars out of five.



#### Cargo Terminal



With a voluntary and supplementary investment of COP 420,000 million, in 2017 the expansion of El Dorado will provide millions of users greater comfort, new services, and shopping areas. As of December 31, 75 commercial spaces were authorized, which is equivalent to 23 contracts, compared to the 21 that were planned, that is, 128% of the planned 100%.

### El Dorado Today

With the expansion of the terminal, **223,700 m<sup>2</sup>** are now complete

Close to **24,000 m<sup>2</sup>** of commercial areas

Over **30** commercial brands

  
Capacity for **40** million passengers

  
**47** domestic routes and **49** international routes

  
**6** VIP lounges

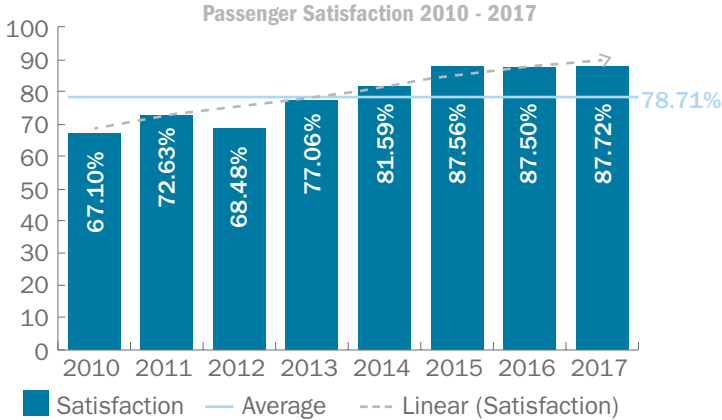


**In 2017, El Dorado ranked 42nd in the Top 100 Airports and it is the number one Latin American airport on the list.**

VIP lounge, International terminal, El Dorado Airport

**Mariscal Sucre Airport**

It obtained third place among the airports of Latin America and the Caribbean in the Airport Service Quality (ASQ) Awards, given out by Airports Council International (ACI), after having obtained second place for two consecutive years. Skytrax named it the best regional airport in South America for the second consecutive year and it was recognized as having the best staff in the region. It also maintained the four-star rating for quality of service. Additionally, it received the World Travel Award for leading airport in South America for the fourth year in a row, and the Mayor of Quito recognized Corporación Quito as an honorary ambassador of the city. The level of user satisfaction with Mariscal has increased: it went from 68.48% in 2012 to 87.72% in 2017. The opinions of the citizens of Quito, Cuenca, and Guayaquil confirm the perception about the positive impacts caused by the airport on the touristic and economic dynamics of the city of Quito and the region.



Additionally, a citizen perception survey was conducted, which yielded the following results:

2017 CITIZEN PERCEPTION SURVEY

- The airport contributes to development** (increase of 11% vs. 2016)

89%
- The airport attracts more international tourists** (increase of 11% vs 2016)

89.7%
- The best airport in the country** (increase of 21% vs. 2016)

92%

USER SATISFACTION



**Road Concessions**  
(103-3)

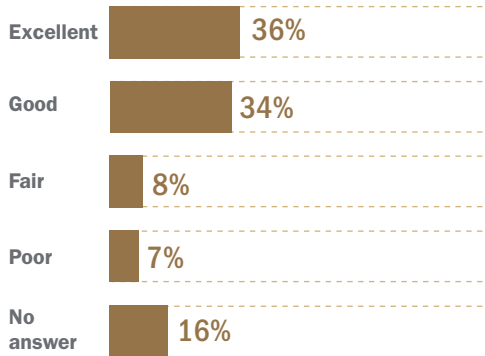
**Malla Vial del Meta**

It is in the pre-operational phase. However, because it has the so-called functional unit 0, it is the object of measurement of the compliance index associated with user service. In accordance with the provisions of the contract, it has conducted satisfaction surveys among the users of the road in order to determine their perception. In 2017, 70% of respondents had a favorable perception. The positive result has allowed the concession to receive 100% of the compensation, with no discounts for non-compliance, which is equivalent to 23% of the compensation it is entitled to by virtue of functional unit 0.



**2017 USER SATISFACTION SURVEY**

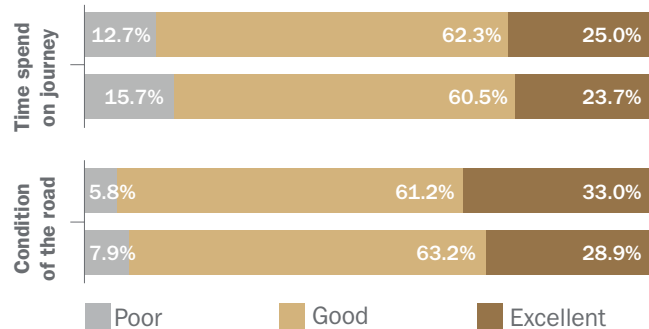
Surveyed: 1,200



In order to ensure user satisfaction supported by efficient, safe, and high-quality operations, Conexión Pacífico 2 promotes a work culture through a series of training strategies, assignment of necessary tools for the operation, monitoring and compliance with the Management System and of the monitoring committees held jointly with the technical supervisors and the Highway Police in order to provide greater safety and efficiency to the services provided to users of the road.

**Conexión Pacífico 2**

The survey conducted in 2017 yielded the following results:



The results of the 2017 level of service showed operational excellence with 100% compliance with the operation indicators of the National Infrastructure Agency. Additionally, 100% of estimated response times and road operation indicators were met. By the end of the year, 3,291 events had been reported, all of which were dealt with within contractual times. Autopistas del Café has app-type interactive systems available to download on cell phones, computers and tablets. These systems are used to manage the entire road corridor and to maintain contact with users. Thanks to these tools, 100% of reaction and response times to incidents reported on our road during 2017 were met.

Resolved incidents: **164** (100%)

New communications and customer service channels have been made available to users. El Dorado, Autopistas del Café, and Conexión Pacífico 2 have mobile apps that provide information on the following:

- Condition of roads
- Attractions: tourist sites and shopping
- News
- Reports of events
- Flight status
- Maps and directories
- Tolls
- Service requests
- Weather



El Dorado Airport



## LOOKING FORWARD (103-2)

### Mariscal Sucre Airport

- Reach the highest level of satisfaction both in process measurement surveys and in the ASQ.
- Maintain the four-star Skytrax rating.

### El Dorado Airport

- Continue to be recognized as the best airport in South America.
- Offer innovative solutions to achieve a seamless travel process with passengers.

### Malla Vial del Meta

- In 2018, the concession will have to obtain certification in all three systems, thus starting the continuous improvement of the company's processes.

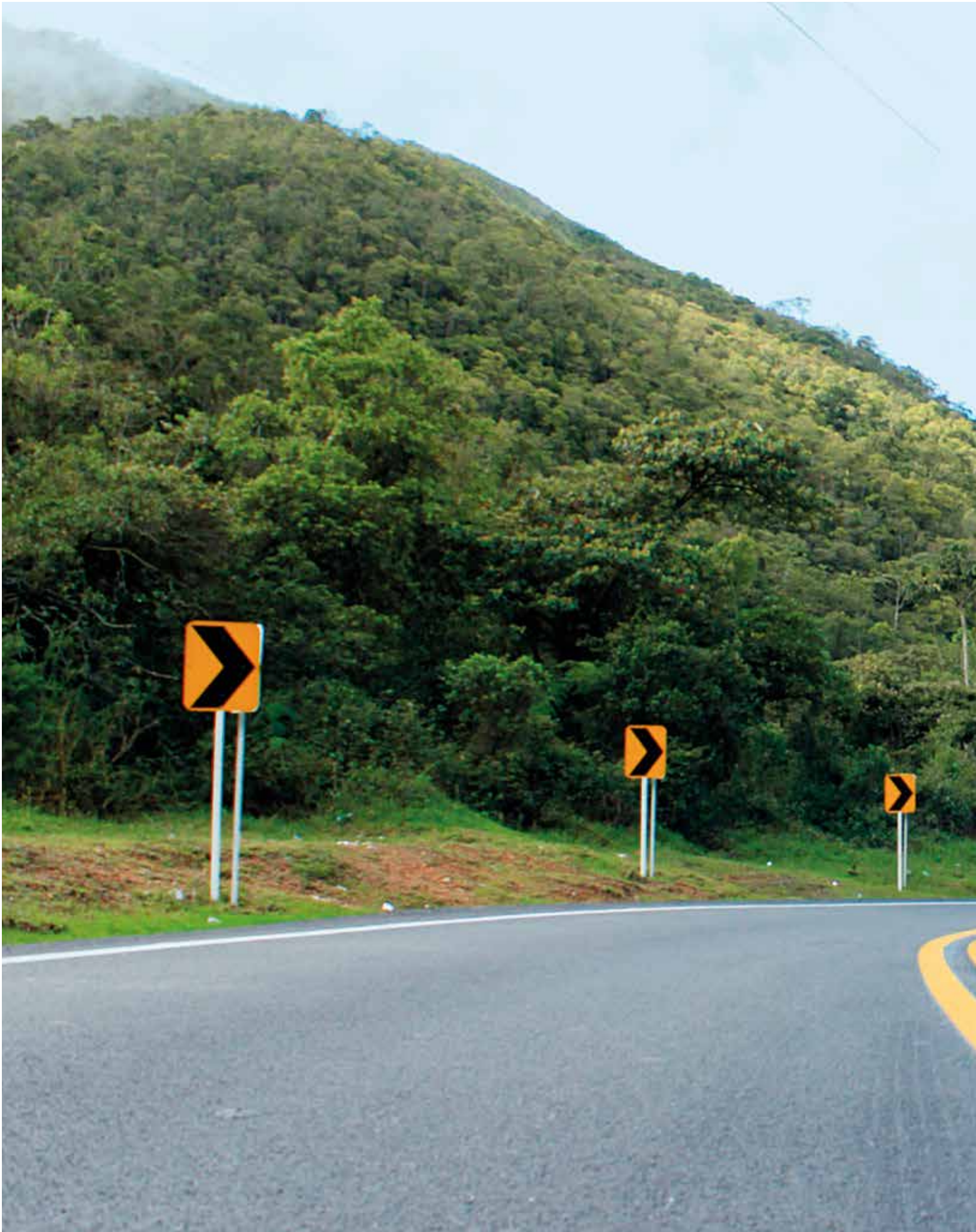
- In the long term, we will have a more robust system for the operational stage so that it ensures compliance with the contractual indicators and thus avoid penalties in compensation and maintain the IMS certification.

### Conexión Pacífico 2

- Improve the efficiency of interactions from the Operations Control Center and with users through the improvement of the communications systems in the segments of road under the responsibility of the concession.

## HUMAN RIGHTS

- Respect for and the promotion of human rights are crucial to our vision of sustainability. We will align with the UN's Guiding Principles on Business and Human Rights. We will begin by adopting a policy that reflects our commitment, and includes the identification of risks and their appraisal for the development of due diligence and the establishment of measures for timely attention and reparation measures.







**CONSOLIDATED**

**FINANCIAL STATEMENTS**



***Statutory auditor's report on the consolidated financial statements  
(Free translation from the original in Spanish)***

To the Shareholders of  
Odinsa S. A. (formerly known as Grupo Odinsa S. A.)

February 21, 2018

I have audited the accompanying consolidated financial statements of Odinsa S. A. (formerly known as Grupo Odinsa S. A.), which include the statement of financial position as at December 31, 2017, and the statements of income, changes in the shareholders' equity and cash flows for the year then ended, and the summary of the main accounting policies and other explanatory notes.

***Management's responsibility for the financial statements***

The Management is responsible for the adequate preparation and fair presentation of the consolidated financial statements in accordance with the Accounting and Financial Reporting Standards Accepted in Colombia and for the internal control and risk management policies as Management determines are necessary to enable the preparation of financial statements that are free from material misstatement, due to fraud or error. The Management is also responsible for the selection and application of appropriate accounting policies and for making accounting estimates that are reasonable in the circumstances.

***Statutory auditor's responsibility***

My responsibility is to express an opinion on such consolidated financial statements based on my audit. I conducted my audit in accordance with the Auditing Standards on Financial Reporting accepted in Colombia. Those standards require that I comply with ethical requirements and plan and perform my audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the financial statements due to fraud or error. In the assessment of those risks, the statutory auditor considers the internal control relevant to the entity for the preparation and presentation of the financial statements, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I obtained is sufficient and appropriate to provide a basis for my audit opinion.



*To the Shareholders of  
Odinsa S. A. (formerly known as Grupo Odinsa S. A.)*

*February 21, 2018*

***Opinion***

In my opinion, the accompanying consolidated financial statements, faithfully taken from the consolidated records, present fairly, in all material respects, the financial position of Odinsa S. A. as at December 31, 2017, and the results of its operations and cash flows for the year then ended, in accordance with the Accounting and Financial Reporting Standards Accepted in Colombia.

***Emphasis of matter***

Based on my unqualified opinion, I emphasize the fact described in the following note to the consolidated financial statements:

Note 35 describes the current status of the arbitration filed by the National Infrastructure Agency, and the tax responsibility process managed by the Comptroller General's Office against Autopistas del Café S. A. and whose decision is expected in March 2018.

*(Original in Spanish signed by:)*

Jorge Eliécer Moreno Urrea  
Statutory Auditor  
Professional Card No. 42619-T  
Appointed by PricewaterhouseCoopers Ltda.

CONSOLIDATED FINANCIAL STATEMENTS

# ODINSA S.A.

## Consolidated Financial Position Statements

As of December 31, 2017 and 2016  
(Figures in thousands of Colombian Pesos)

	NOTE	2017	2016
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	9	192,265,788	311,590,615
Restricted cash	9	646,872,140	523,647,103
Trade receivables and other accounts receivable	10	309,816,511	398,378,258
Inventories	11	133,240	247,653
Other non-financial assets	12	8,316,070	13,338,480
Other financial assets	14	-	2,257
Tax assets	19	41,508,395	28,054,602
Assets classified as held for sale	20	41,738,047	342,358,651
<b>TOTAL CURRENT ASSETS</b>		<b>1,240,650,191</b>	<b>1,617,617,619</b>
<b>NON-CURRENT ASSETS</b>			
Investments in associates and joint ventures	13	1,258,486,061	990,742,935
Property, plant and equipment	17	24,075,667	40,417,435
Investment properties	18	7,262,912	39,117,421
Deferred income tax assets	19	48,888,938	49,684,944
Other financial assets	14	317,324	422,079
Intangible assets, net	16	131,079,269	137,410,325
Trade receivables and other accounts receivable	10	2,411,499,725	2,325,691,501
Other non-financial assets	12	7,291,697	7,334,458
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,888,901,593</b>	<b>3,590,821,098</b>
<b>TOTAL ASSETS</b>		<b>5,129,551,784</b>	<b>5,208,438,717</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY ATTRIBUTABLE TO THE OWNERS</b>			
Share capital	29	19,604,682	19,604,682
Issue premium		354,528,587	354,528,587
Year results		670,201,765	670,201,765
Other comprehensive income		121,023,458	121,023,458
Accumulated earnings		(229,121,173)	(229,121,173)
Reserves	29	1,072,633,626	499,067,792
Other components of equity		(6,541,592)	(6,541,592)
Non-controlling interest		382,476,273	382,476,273
<b>TOTAL EQUITY</b>		<b>1,906,116,966</b>	<b>1,811,239,792</b>

	NOTE	2017	2016
<b>CURRENT LIABILITIES</b>			
Loans and obligations	21	374,246,957	501,667,201
Trade payables and other accounts payable	26	167,374,418	149,209,692
Tax liabilities	19	20,567,896	22,858,916
Other non-financial liabilities	24	53,617,185	71,108,882
Employee benefits	25	11,900,995	7,239,304
Other provisions	23	-	2,552,524
Securities issued	28	135,538,084	40,885,749
Liabilities classified as held for sale	20	-	190,874,829
Other financial liabilities	356,943	-	-
Income received in advance		-	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>764,860,793</b>	<b>986,397,097</b>
<b>NON-CURRENT LIABILITIES</b>			
Loans and obligations	21	1,097,892,495	1,303,120,406
Trade payables and other accounts payable	26	148,228,966	231,362,367
Other non-financial liabilities	24	218,015,168	203,823,225
Employee benefits	25	2,772,273	4,935,525
Other provisions	23	96,678,020	112,321,091
Deferred tax liabilities	19	119,707,675	50,761,915
Securities issued	28	775,279,428	504,477,299
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>2,458,574,025</b>	<b>2,410,801,828</b>
<b>TOTAL LIABILITIES</b>		<b>3,223,434,818</b>	<b>3,397,198,925</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>5,129,551,784</b>	<b>5,208,438,717</b>

The accompanying notes are integral parts of the financial statements.



MAURICIO OSSA ECHEVERRI  
Legal Representative  
(see attached certification)



MARIO ALONSO GARCÍA ROMERO  
Accountant PC. 69852-T  
(See attached certification)



JORGE ELIÉCER MORENO URREA  
Tax Auditor PC. 42619 T  
Member of PricewaterhouseCoopers Ltda.  
(See attached report)

CONSOLIDATED FINANCIAL STATEMENTS

**ODINSA S.A.**  
**Consolidated Income Statement**

For the years ended Dec. 31, 2016 and Dec. 31, 2017

(Figures expressed in thousands of Colombian pesos)

	NOTE	2017	2016
<b>CONTINUOUS OPERATIONS</b>			
Revenue from regular business activities	30	740,709,514	1,360,747,519
Share in the gains (losses) of associates and joint ventures posted using the equity method	13	110,210,681	124,846,930
Cost of sales		(244,759,300)	(244,759,300)
<b>GROSS PROFIT</b>		<b>1,240,835,149</b>	<b>1,240,835,149</b>
Other revenues	32	73,562,410	20,238,361
Administrative expenses	31	(189,898,271)	(163,164,466)
Other expenses, net	32	(24,133,579)	(67,607,579)
<b>OPERATING GAIN</b>		<b>1,030,301,465</b>	<b>1,030,301,465</b>
Financial income and expenses, net	33	(182,032,539)	(140,511,981)
<b>GAINS BEFORE TAXES</b>		<b>889,789,484</b>	<b>889,789,484</b>
Tax expense	19	(85,523,870)	(50,112,580)
<b>GAINS OF THE GROUP FOR CONTINUOUS OPERATIONS</b>		<b>198,241,425</b>	<b>839,676,904</b>
<b>DISCONTINUED OPERATIONS</b>			
Net gains (losses) of the Group for discontinued operations	20	1,345,488	(329,797,731)
<b>NET GAINS FOR THE YEAR</b>		<b>199,586,913</b>	<b>509,879,173</b>
<b>GAINS (LOSSES) ATTRIBUTABLE TO NON-CONTROLLING INTEREST</b>		<b>55,580,835</b>	<b>(160,322,592)</b>
<b>GAINS ATTRIBUTABLE TO THE OWNERS OF THE PARENT</b>		<b>144,006,078</b>	<b>670,201,765</b>
<b>EARNINGS PER SHARE (IN PESOS)</b>			
From continuous operations		1,011	4,283
From discontinued operations		7	(1,682)

Las notas que se acompañan son parte integral de los estados financieros.



MAURICIO OSSA ECHEVERRI  
 Legal Representative  
 (see attached certification)



MARIO ALONSO GARCÍA ROMERO  
 Accountant P.C. 69852-T  
 (See attached certification)



JORGE ELIÉCER MORENO URREA  
 Tax Auditor P.C. 42619 - T  
 Member of PricewaterhouseCoopers Ltda.  
 (See attached report)

## ODINSA S.A.

### Consolidated Statement of Comprehensive Income

For the years ended Dec. 31, 2016 and Dec. 31, 2017

(Figures expressed in thousands of Colombian pesos)

	NOTE	2017	2016
<b>GAINS ATTRIBUTABLE TO THE OWNERS OF THE PARENT</b>		<b>144,006,078</b>	<b>670,201,765</b>
Equity method	13	(14,098,072)	863,621
Difference from exchange rates	13	(24,970,590)	7,571,426
Employee benefits		17,215	-
Difference from exchange rates - discontinued operations	20	1,116,630	(1,116,631)
<b>ITEMS RECLASSIFIED AFTER INCOME</b>		<b>(37,934,817)</b>	<b>7,318,416</b>
<b>COMPREHENSIVE GAINS (LOSSES) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS</b>		<b>(94,439)</b>	<b>(2,862,269)</b>
<b>COMPREHENSIVE INCOME ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		<b>105,976,822</b>	<b>674,657,912</b>

The accompanying notes are integral parts of the financial statements.



MAURICIO OSSA ECHEVERRI  
Legal Representative  
(see attached certification)



MARIO ALONSO GARCÍA ROMERO  
Accountant RC. 69852-T  
(See attached certification)



JORGE ELIÉCER MORENO URREA  
Tax Auditor RC. 42619 - T  
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(See attached report)

## CONSOLIDATED FINANCIAL STATEMENTS

**ODINSA S.A.****Consolidated Statement of Changes in Equity**

For the years ended Dec. 31, 2016 and Dec. 31, 2017  
(Figures expressed in thousands of Colombian pesos)

	SUBSCRIBED AND PAID SHARE CAPITAL	SHARE ISSUE PREMIUM	LEGAL RESERVE	RESERVE FOR INVESTMENTS AND DONATIONS	RESULTS OF THE FINANCIAL YEAR	ACCUMULATED INCOME	OTHER COMPREHENSIVE INCOME	OTHER COMPONENTS OF EQUITY	NON-CONTROLLING INTEREST	TOTAL EQUITY
OPENING BALANCE AS OF JAN. 1, 2016	19,604,682	354,528,587	78,498,174	291,479,351	133,190,039	(274,446,164)	113,705,042	(2,245,480)	259,716,978	974,031,209
CHANGES IN EQUITY:										
Appropriations	-	-	-	133,190,039	(133,190,039)	-	-	-	-	-
Gains for the year	-	-	-	-	670,201,765	-	-	-	(160,322,591)	509,879,174
Non-controlling interest	-	-	-	-	-	-	-	-	285,944,156	285,944,156
Other comprehensive income	-	-	-	-	-	-	7,318,416	-	(2,862,270)	4,456,146
Tax on wealth	-	-	-	(4,099,772)	-	-	-	-	-	(4,099,772)
Other movements	-	-	-	-	-	45,324,991	-	(4,296,112)	-	41,028,879
BALANCES ON DECEMBER 31, 2016	19,604,682	354,528,587	78,498,174	420,569,618	670,201,765	(229,121,173)	121,023,458	(6,541,592)	382,476,273	1,811,239,792
CHANGES IN EQUITY:										
Appropriations	-	-	-	575,201,395	(575,201,395)	-	-	-	-	-
Non-controlling interest	-	-	-	-	-	-	-	-	44,475,588	44,475,588
Other comprehensive income	-	-	-	-	-	-	(37,934,817)	-	(94,439)	(38,029,256)
Gains for the year	-	-	-	-	144,006,078	-	-	-	55,580,835	199,586,913
Tax on wealth	-	-	-	(1,635,561)	-	-	-	-	-	(2,248,603)
Other movements	-	-	-	-	-	(13,907,098)	-	(613,042)	-	(13,907,098)
Transfers from other comprehensive income to accumulated earnings	-	-	-	-	-	-	-	-	-	-
Ordinary dividends distributed in cash	-	-	-	-	(95,000,370)	-	-	-	-	(95,000,370)
FINAL BALANCE ON DECEMBER 31, 2017	19,604,682	354,528,587	78,498,174	994,135,452	144,006,078	(243,028,271)	83,088,641	(7,154,634)	482,438,257	1,906,116,966

The accompanying notes are integral parts of the financial statements.

*Mauricio Ossa*  
MAURICIO OSSA ECHEVERRI  
Legal Representative  
(see attached certification)

MARIO ALONSO GARCÍA ROMERO  
Accountant RC. 69852-T  
(See attached certification)

JORGE ELÍECER MORENO URREA  
Tax Auditor RC. 42619 - T  
Member of PricewaterhouseCoopers Ltda.  
(See attached report)



# ODINSA S.A.

## Consolidated Cash Flow Statements

For the years ended Dec. 31, 2016 and Dec. 31, 2017

(Figures expressed in thousands of Colombian pesos)

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>NET GAINS FOR THE YEAR</b>	<b>199,586,913</b>	<b>509,879,173</b>
Adjustments to reconcile the net profits of the year with the (used) cash provided by operating activities:		
Income tax expense	85,523,870	18,761,170
Share in the income of associates and joint ventures	(110,210,681)	(124,846,931)
Financial expenses recognized in the results of the period	197,971,089	-
Interest income recognized in the results of the period	(203,887,062)	-
Expenses recognized in relation to employee benefits and provisions	(13,125,293)	46,856,596
Profit (loss) from purchases in advantageous terms	-	(665,093,736)
Net profits (losses) from the sale of property, plant and equipment	(56,185)	811,697
Net Profits (losses) from the sale of investments	(37,837,239)	(64,506,306)
Net profits (losses) of the fair value arising from investments	-	(10,893,067)
Net profits (losses) of the fair value arising from investment properties	(1,231,838)	-
Profits (losses) from the valuation of financial instruments measured at fair value through profits and losses	-	383,403,807
Net losses arising from the sale of non-current assets available for sale and other assets	3,146,581	-
Net losses (profits) from the valuation of financial instruments measured at fair value	102,905	-
Net impairment on non-current assets recognized in the results of the period	1,979,193	-
Depreciation and amortization of non-current assets	49,494,530	37,202,706
Exchange difference recognized in income of financial instruments	128,467	-
Other adjustments to reconcile the gains (losses)	(4,725,899)	(15,785,799)
	<b>166,859,351</b>	<b>115,789,310</b>
<b>CHANGES IN ASSETS AND LIABILITIES:</b>		
Trade receivables and other accounts receivable	(62,186,100)	89,550,294
Inventories	110,343	7,283,873
Other assets - taxes, expenses paid in advance	6,028,139	(21,281,193)
Other financial assets	84,011,997	3,041,098
Current tax assets	4,825,333	382,982
Investments in associates and joint ventures	-	151,725,448
Trade payables and other accounts payable	19,587,763	16,171,411
Provisions	(2,623,677)	2,265,681
Deferred revenues	1,258,314	140,402,403
Employee benefits	4,662,960	(8,430,855)
Securities issued	-	40,545,738
Other liabilities	(19,088,429)	(104,198,507)
Interests received	12,824,117	1,330,849
Tax paid on wealth	(2,381,946)	-
Income tax paid	(37,872,490)	(23,412,353)
Dividends received	59,719,993	3,936,180
<b>NET CASH FLOW USED IN OPERATING ACTIVITIES</b>	<b>235,735,668</b>	<b>415,102,359</b>



MAURICIO OSSA ECHEVERRI  
Legal Representative  
(see attached certification)



MARIO ALONSO GARCÍA ROMERO  
Accountant P.C. 69852-T  
(See attached certification)



JORGE ELIÉCER MORENO URREA  
Tax Auditor P.C. 42619-T  
Member of PricewaterhouseCoopers Ltda.  
(See attached report)


CONSOLIDATED FINANCIAL STATEMENTS

	DEC-31-17	DEC-31-16
<b>CASH FLOWS BY INVESTMENT ACTIVITIES</b>		
Acquisition of properties, plant and equipment	(6,784,675)	(56,695,289)
Product of the sale of properties, plant and equipment	2,149,603	1,033,567
Product of the sale of investment properties	4,000,000	-
Acquisition of intangible assets	(67,188,074)	40,595,207
Increase/decrease of interests in associates and joint ventures	(102,360,434)	292,217,547
Product of the sale of interests in associates and joint ventures	66,347,157	37,336,063
Increase/decrease of other assets	80,223,036	(111,868,378)
<b>CASH FLOWS GENERATED BY INVESTMENT ACTIVITIES</b>	<b>(23,613,387)</b>	<b>202,618,717</b>
<b>CASH FLOWS BY FINANCE ACTIVITIES</b>		
Bond issue	400,000,000	-
Payment of bonds and commercial papers	(38,554,300)	(56,737,058)
Increase/decrease of other financing instruments	(247,425,485)	-
Dividends paid	(131,066,151)	-
Interests paid	(188,815,582)	(89,888,825)
Increase/decrease of other liabilities	-	(17,900,344)
<b>CASH FLOWS GENERATED (USED) BY FINANCING ACTIVITIES</b>	<b>(205,861,518)</b>	<b>(164,526,227)</b>
<b>NET INCREASE (NET DECREASE) OF CASH AND CASH EQUIVALENTS</b>	<b>6,260,764</b>	<b>453,194,849</b>
Cash and cash equivalents at the beginning of the period	835,237,718	382,042,869
Effects of exchange rate variation on cash and cash equivalents held in foreign currency	(2,360,554)	-
<b>CASH AND CASH EQUIVALENTS AS OF DECEMBER 31</b>	<b>839,137,928</b>	<b>835,237,718</b>

The accompanying notes are integral parts of the financial statements.



MAURICIO OSSA ECHEVERRI  
Legal Representative  
(see attached certification)



MARIO ALONSO GARCÍA ROMERO  
Accountant PC. 69852-T  
(See attached certification)



JORGE ELIÉCER MORENO URREA  
Tax Auditor PC. 42619 - T  
Member of PricewaterhouseCoopers Ltda.  
(See attached report)

The image shows the interior of an airport terminal with a blue overlay. In the foreground, a man sits on a bench with a suitcase, talking on a mobile phone. In the background, there are airport signs, including one for 'BOSTON' and another for 'Baños / Toilets', '36-56' (7 min), and 'Restaurantes / Food & beverages'.

**SEPARATE**

**FINANCIAL STATEMENTS**



***Statutory auditor's report on the separate financial statements  
(Free translation from the original in Spanish)***

To the Shareholders of  
Odinsa S. A. (formerly known as Grupo Odinsa S. A.)

February 21, 2018

I have audited the accompanying separate financial statements of Odinsa S. A. (formerly known as Grupo Odinsa S. A.), which include the statement of financial position as at December 31, 2017, and the statements of income, changes in the shareholders' equity and cash flows for the year then ended, and the summary of the main accounting policies and other explanatory notes.

***Management's responsibility for the financial statements***

The Management is responsible for the adequate preparation and fair presentation of the separate financial statements in accordance with the Accounting and Financial Reporting Standards Accepted in Colombia and for the internal control policies as Management determines are necessary to enable the preparation of financial statements that are free from material misstatement, due to fraud or error. The Management is also responsible for the selection and application of appropriate accounting policies and for making accounting estimates that are reasonable in the circumstances.

***Statutory auditor's responsibility***

My responsibility is to express an opinion on such financial statements based on my audit. I conducted my audit in accordance with the Auditing Standards on Financial Reporting accepted in Colombia. Those standards require that I comply with ethical requirements and plan and perform my audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the financial statements due to fraud or error. In the assessment of those risks, the statutory auditor considers the internal control relevant to the entity for the preparation and presentation of the financial statements, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I obtained is sufficient and appropriate to provide a basis for my audit opinion.



*To the Shareholders of  
Odinsa S. A. (formerly known as Grupo Odinsa S. A.)*

*February 21, 2018*

### **Opinion**

In my opinion, the accompanying separate financial statements, faithfully taken from the accounting books, present fairly, in all material respects, the financial position of Odinsa S. A. as at December 31, 2017, and the results of its operations and cash flows for the year then ended, in accordance with the Accounting and Financial Reporting Standards Accepted in Colombia.

### **Emphasis of matter**

Based on my unqualified opinion, I emphasize the fact described in the following note to the separate financial statements:

Note 33 describes the current status of the arbitration filed by the National Infrastructure Agency, and the tax responsibility process managed by the Comptroller General's Office against Autopistas del Café S. A. and whose decision is expected in March 2018.

### **Report regarding other legal and regulatory requirements**

The Management is also responsible for complying with certain regulatory requirements in Colombia, related to the management of accounting documentation, the preparation of management reports, and the timely and proper payment of contributions to the Integral Social Security System. My responsibility as statutory auditor in these matters is to perform review procedures to issue an opinion on appropriate compliance with them.

Accordingly, in my opinion:

- a) The Company's accounting records have been kept during 2017 in conformity with legal regulations and accounting technique, and transactions therein recorded conform to the Company's bylaws and the decisions of the Shareholders' Meeting.
- b) The correspondence, accounting vouchers and books of minutes and share register are properly kept and safeguarded.
- c) Due concordance exists between the accompanying financial statements and the management report prepared by the Management. The administrators have stated in such management report that they did not hinder the free circulation of invoices issued by the vendors or suppliers.
- d) The information contained in the returns for self-computation of contributions to the Integral Social Security System, particularly regarding the affiliates and their income basis for contribution, has been taken from the accounting records and supporting documents. As at December 31, 2017, the Company is not in arrears regarding payment of contributions to the Integral Social Security System.



*To the Shareholders of  
Odinsa S. A. (formerly known as Grupo Odinsa S. A.)*

*February 21, 2018*

- e) The Company has implemented the self-control and risk management system for asset laundering and terrorism financing in conformity with the External Circular Letter 062 of 2007 issued by the Superintendency of Finance.

***Other matters***

In compliance with the statutory auditor's responsibilities stated in items 1 and 3 of Article 209 of the Colombian Code of Commerce, in connection with assessment of whether the acts of the Company's Management conform to the bylaws, and to the orders and instructions of the Shareholders' Meeting, and whether appropriate measures of internal control, and of conservation and custody of the Company's assets or those of third parties in its possession are in place, I have issued a separate report dated February 21, 2018.

*(Original in Spanish signed by:)*

Jorge Eliécer Moreno Urrea  
Statutory Auditor  
Professional Card No. 42619-T  
Appointed by PricewaterhouseCoopers Ltda.

# ODINSA S.A.

## Separate Financial Position Statements

As of December 31, 2017 and December 31, 2016

(Figures in thousands of Colombian Pesos)

	NOTE	DEC-31-17	DEC-31-16
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	7	7,667,512	47,421,427
Trade receivables and other accounts receivable	8	137,182,134	269,980,598
Tax assets	9	21,434,929	9,204,364
Other non-financial assets	10	430,047	236,996
Assets classified as held for sale	11	41,738,047	11,947,474
<b>TOTAL CURRENT ASSETS</b>		<b>338,790,859</b>	<b>338.790.859</b>
<b>NON-CURRENT ASSETS</b>			
Investments in subsidiaries, associates and joint ventures	12	1,863,707,731	1,460,262,900
Property, plant and equipment	13	4,930,788	18,369,659
Investment properties	14	-	33,159,080
Intangible assets other than capital gain	15	1,523,201	850,633
Deferred tax assets	9	22,156,668	36,203,351
Other financial assets	16	315,146	418,049
Other non-financial assets	10	7,063,964	7,264,682
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,556,528,354</b>	<b>1.556.528.354</b>
<b>TOTAL ASSETS</b>		<b>2,108,150,167</b>	<b>1,895,319,213</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Subscribed and paid share capital	23	19,604,682	19,604,682
Issue premium	23	354,528,587	354,528,587
Year results	23	144,006,078	670,201,765
Accumulated earnings	23	(243,028,271)	(229,121,173)
Reserves	23	1,072,633,626	499,067,792
Other comprehensive income		83,088,641	121,023,458
Other components of equity		(7,154,634)	(6,541,592)
<b>TOTAL EQUITY</b>		<b>1,423,678,709</b>	<b>1,428,763,519</b>

The accompanying notes are integral parts of the financial statements.



MAURICIO OSSA ECHEVERRI  
Legal Representative  
(see attached certification)



MARIO ALONSO GARCÍA ROMERO  
Accountant PC. 69852-T  
(See attached certification)



JORGE ELIÉCER MORENO URREA  
Tax Auditor PC. 42619 - T  
Member of PricewaterhouseCoopers Ltda.  
(See attached report)

SEPARATE FINANCIAL STATEMENTS ● SEPARATE STATEMENT OF FINANCIAL POSITION

	NOTE	2017	2016
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Financial obligations	17	59,628,129	146,461,118
Trade payables and other accounts payable	18	63,037,699	68,052,632
Employee benefits	19	8,918,926	5,019,282
Current tax liabilities	9	14,449,132	282,018
Other non-financial liabilities	20	3,112,825	4,511,308
Securities issued	21	84,512,182	332,449
Liabilities classified as held for sale	22	-	6,758,784
<b>TOTAL CURRENT LIABILITIES</b>		<b>233,658,893</b>	<b>231,417,591</b>
<b>NON-CURRENT LIABILITIES</b>			
Financial obligations	17	16,569,060	131,328,474
Trade payables and other accounts payable	18	-	456,970
Employee benefits	19	2,287,842	4,593,818
Deferred tax liabilities	9	37,179,283	19,648,978
Securities issued	21	394,776,380	79,000,000
Other non-financial liabilities	20	-	109,863
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>450,812,565</b>	<b>235,138,103</b>
<b>TOTAL LIABILITIES</b>		<b>684,471,458</b>	<b>466,555,694</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>2,108,150,167</b>	<b>1,895,319,213</b>

The accompanying notes are integral parts of the financial statements.



MAURICIO OSSA ECHEVERRI  
Legal Representative  
(see attached certification)



MARIO ALONSO GARCÍA ROMERO  
Accountant PC. 69852-T  
(See attached certification)



JORGE ELIÉCER MORENO URREA  
Tax Auditor PC. 42619 - T  
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(See attached report)



## ODINSA S.A.

### Separate Statement of Comprehensive Income

As of December 31, 2017 and December 31, 2016

(Figures in thousands of Colombian Pesos)

	NOTE	DEC-31-17	DEC-31-16
<b>CONTINUOUS OPERATIONS</b>			
Revenue from regular business activities	24	67,010,941	117,367,757
Share in gains (losses) of associates and joint ventures posted using the equity method		193,784,792	651,045,609
Cost of sales		(1,614,277)	(4,348,854)
<b>GROSS PROFIT</b>		<b>259,181,456</b>	<b>764,064,512</b>
Other revenues	25	19,205,101	10,297,390
Administrative expenses	26	(68,360,680)	(49,641,576)
Other expenses	27	(8,131,358)	(10,255,445)
<b>GAINS (LOSSES) ON OPERATING ACTIVITIES</b>		<b>201,894,519</b>	<b>714,464,880</b>
Financial income	28	16,815,662	11,994,771
Financial costs	28	(43,625,696)	(41,928,632)
<b>FINANCIAL COST, NET</b>		<b>(26,810,034)</b>	<b>(29,933,861)</b>
<b>GAINS (LOSSES) BEFORE TAXES</b>		<b>175,084,485</b>	<b>684,531,019</b>
Income tax expense	9	(30,168,384)	(5,628,070)
<b>GAINS (LOSSES) FOR THE YEAR FROM CONTINUOUS OPERATIONS</b>		<b>144,916,101</b>	<b>678,902,949</b>
<b>DISCONTINUED OPERATIONS</b>			
Net (losses) from discontinued operations	29	(910,023)	(8,701,184)
<b>NET GAINS (LOSSES) OF THE YEAR</b>		<b>144,006,078</b>	<b>670,201,765</b>
Gains (losses) per share of continuous operations		0.74	3.46
Gains (losses) per share of discontinued operations		(0.005)	(0.04)

The accompanying notes are integral parts of the financial statements.



MAURICIO OSSA ECHEVERRI  
Legal Representative  
(see attached certification)



MARIO ALONSO GARCÍA ROMERO  
Accountant PC. 69852-T  
(See attached certification)



JORGE ELIÉCER MORENO URREA  
Tax Auditor PC. 42619 - T  
Member of PricewaterhouseCoopers Ltda.  
(See attached report)

SEPARATE FINANCIAL STATEMENTS

**ODINSA S.A.**  
**Separate Statement of Other Comprehensive Income**

As of December 31, 2017 and December 31, 2016

(Figures in thousands of Colombian Pesos)

	DEC-31-17	DEC-31-16
NET PROFITS	144,006,078	670,201,765
OTHER COMPREHENSIVE INCOME		
Difference from exchange rates	(24,970,590)	7,571,426
Equity method	(14,098,072)	863,621
Employee benefits	17,215	-
Difference from exchange rates - Discontinued operations	1,116,630	(1,116,630)
OTHER COMPREHENSIVE INCOME TOTAL	(37,934,817)	7,318,416
TOTAL COMPREHENSIVE INCOME	106,071,261	677,520,181

The accompanying notes are integral parts of the financial statements.



MAURICIO OSSA ECHEVERRI  
 Legal Representative  
 (see attached certification)



MARIO ALONSO GARCÍA ROMERO  
 Accountant PC. 69852-T  
 (See attached certification)



JORGE ELIÉCER MORENO URREA  
 Tax Auditor PC. 42619 - T  
 Member of PricewaterhouseCoopers Ltda.  
 (See attached report)

# ODINSA S.A. Separate Statement of Changes in Equity

As of Sunday, December 31, 2017

(Figures in millions of Colombian Pesos)

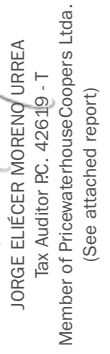
	SUBSCRIBED AND PAID SHARE CAPITAL	SHARE ISSUE PREMIUM	LEGAL RESERVE	RESERVE FOR INVESTMENTS AND DONATIONS	RESULTS OF THE FINANCIAL YEAR	ACCUMULATED INCOME	OTHER COMPREHENSIVE INCOME	OTHER COMPONENTS OF EQUITY	TOTAL EQUITY
FINAL BALANCE ON DECEMBER 31, 2016	19,604,682	354,528,587	78,498,174	291,479,351	133,190,039	(274,446,164)	113,705,042	(2,245,480)	714,314,231
<b>COMPREHENSIVE INCOME:</b>									
Appropriations	-	-	-	133,190,039	(133,190,039)	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	7,318,416	-	7,318,416
Gains for the year	-	-	-	-	670,201,765	-	-	-	670,201,765
Tax on wealth	-	-	-	(4,099,772)	-	-	-	-	(4,099,772)
Other movements	-	-	-	-	-	45,324,991	-	(4,296,112)	41,028,879
FINAL BALANCE ON DECEMBER 31, 2016	19,604,682	354,528,587	78,498,174	420,569,618	670,201,765	(229,121,173)	121,023,458	(6,541,592)	1,428,763,519
<b>COMPREHENSIVE INCOME:</b>									
Appropriations	-	-	-	575,201,395	(670,201,765)	-	-	-	(95,000,370)
Other comprehensive income	-	-	-	-	-	-	37,934,817	-	37,934,817
Gains for the year	-	-	-	-	144,006,078	-	-	-	144,006,078
Tax on wealth	-	-	-	(1,635,561)	-	-	-	-	(1,635,561)
Other movements	-	-	-	-	-	(13,907,098)	-	(613,042)	(14,520,140)
FINAL BALANCE ON DECEMBER 31, 2017	19,604,682	354,528,587	78,498,174	994,135,452	144,006,078	(243,028,271)	83,088,641	(7,154,634)	1,423,678,709

The accompanying notes are integral parts of the financial statements.



MAURICIO OSSA ECHEVERRI  
Legal Representative  
(see attached certification)

MARIO ALONSO GARCIA ROMERO  
Accountant RC. 69852-T  
(See attached certification)

  
JORGE ELIECER MORENO URREA  
Tax Auditor RC. 42619 - T  
Member of PricewaterhouseCoopers Ltda.  
(See attached report)

## SEPARATE FINANCIAL STATEMENTS

# ODINSA S.A.

## Separate Cash Flow Statements

As of December 31, 2017 and December 31, 2016

(Figures in thousands of Colombian Pesos)

	DEC-31-17	DEC-31-16
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>NET GAINS FOR THE YEAR</b>	<b>144,006,078</b>	<b>670,201,765</b>
Adjustments to reconcile the net profits of the year and the used in operating activities:		
Income tax expense recognized in profits or losses	30,168,384	5,628,070
Share in the income of associates and joint ventures	(193,784,792)	(653,726,415)
(Losses) profits from the sale of property, plant and equipment	1,355,618	824,585
Net (losses) profits from the sale of investments	(37,837,239)	(78,124,596)
Net profits/losses from the fair value arising from investment properties	-	(2,310,489)
Profits/losses from the valuation of investments measured at fair value through profits and losses	102,905	(10,828,749)
Financial costs recognized in profits	39,879,896	34,022,177
Interest income recognized in the results of the period	(26,463,735)	-
Expenses recognized in relation to employee benefits and provisions	-	4,593,818
Net profits/losses arising from the sale of non-current assets available for sale and other assets	776,326	10,692,795
Net losses from discontinued operations	(36,962)	(1,991,611)
Net profits/losses of the value of the amortized cost of financial instruments	-	4,832,000
Net impairment on non-current assets recognized in the results of the period	(6,036,176)	-
Depreciation and amortization of non-current assets	3,709,217	3,193,276
Exchange difference recognized in income of financial instruments	69,463	(1,260,340)
Other adjustments to reconcile the (losses) gains	(4,725,899)	198,514
	<b>(48,816,916)</b>	<b>(14,055,200)</b>
<b>CHANGES IN THE WORK CAPITAL OF:</b>		
Trade receivables and other accounts receivable	22,112,649	13,185,230
Other assets	11,163,605	1,944,369
Trade payables and other accounts payable	(70,714,935)	13,405,475
Employee benefits	1,593,669	1,130,345
Other liabilities	(6,758,784)	(4,404,171)
Interests received	-	1,217,569
Tax paid on wealth	(1,635,561)	(4,099,772)
Tax paid on wealth	(8,560,957)	(8,949,148)
<b>NET CASH FLOW USED IN OPERATING ACTIVITIES</b>	<b>(101,617,230)</b>	<b>(625,303)</b>



MAURICIO OSSA ECHEVERRI  
Legal Representative  
(see attached certification)



MARIO ALONSO GARCÍA ROMERO  
Accountant P.C. 69852-T  
(See attached certification)



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Tax Auditor P.C. 42619 - T  
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(See attached report)

	DEC-31-17	DEC-31-16
<b>CASH FLOWS BY INVESTMENT ACTIVITIES</b>		
Dividends received from associates and joint ventures	66,502,350	94,830,666
Acquisition of properties, plant and equipment	(3,587,500)	(11,480)
Product of the sale of properties, plant and equipment	561,335	339,277
Acquisition of intangible assets	(2,590,616)	(666,915)
Product of the sale of intangible assets	-	3,090
Acquisition of shares in subsidiaries, associates and joint ventures	(116,336,939)	(23,815,270)
Product of the sale of interests in associates and joint ventures	60,624,189	28,843,113
<b>NET CASH FLOW GENERATED BY INVESTMENT ACTIVITIES</b>	<b>5,172,819</b>	<b>99,522,481</b>
<b>CASH FLOWS BY FINANCE ACTIVITIES</b>		
Payment of bonds and commercial papers	(9,833,121)	-
Bond issue	400,000,000	-
Increase/decrease of other financing instruments	(219,719,259)	(40,235,647)
Dividends paid	(94,977,335)	-
Interests paid	(18,779,789)	(15,885,195)
Return of retainage and other liabilities	-	(13,645,025)
<b>NET CASH FLOWS USED IN FINANCING ACTIVITIES</b>	<b>56,690,496</b>	<b>(69,765,867)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(39,753,915)</b>	<b>29,131,311</b>
Cash and cash equivalents at the beginning of the year	47,421,427	18,290,116
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>7,667,512</b>	<b>47,421,427</b>

The accompanying notes are integral parts of the financial statements.



MAURICIO OSSA ECHEVERRI  
Legal Representative  
(see attached certification)



MARIO ALONSO GARCÍA ROMERO  
Accountant PC. 69852-T  
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JORGE ELIÉCER MORENO URREA  
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