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Projects and New Developments
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Concept: Technical review of the report “Huella Hidrica corporativa 2015 en Celsia S.A.E.S.P., Zona Franca Celsia S.A.E.S.P., y EPSA S.A.E.S.P”

Dear Sir,

The Water Footprint Network (WFN) was founded in 2008 to contribute to solving the world’s water crisis by advancing fair and smart water use. Water Footprint Network provides science-based, practical solutions and strategic insights that empower companies, governments, small-scale producers and individuals to transform the way we use and share fresh water within earth’s limits. As the global leader in Water Footprint Assessment, we find solutions using a common methodology that interlinks water related issues and leads to strategic action for water stewardship, resource efficiency, fair allocation and good governance. Our data, tools and Global Water Footprint Standard bridge sectors and viewpoints, illuminate the path towards integrated water resource management and accelerate progress towards sustainable development.

The WFN has reviewed the report **“Huella Hidrica corporativa 2015 en Celsia S.A.E.S.P., Zona Franca Celsia S.A.E.S.P., y EPSA S.A.E.S.P”**, prepared by Gaia Servicios ambientales, and acknowledges that the report follows the global Water Footprint Standard as established in “The Water Footprint Assessment Manual”, Arjen Y. Hoekstra et al 2011. The WFN has identified several strengths and weaknesses in the study, which have been provided as an annex to the above-mentioned report. The study builds on past water footprint assessments of the company showing a continued commitment from the side of Celsia to understanding and taking action on its water footprint.

Amongst its main strengths, the study is performs a detailed, full water footprint assessment, including all four phases of the standard,

from goal and scope definition to accounting, sustainability assessment and response formulation. The assessment is strengthened with a detailed water-related risk analysis that further informs the prioritization of actions and responses proposed. This allows the company to identify the sustainability and risk hotspots and prioritise key areas for the mitigation of water-related risks while improving the sustainability of its water use. The present work includes an assessment of the water footprint of five of Celsia's reservoirs under the influence of ENSO-El Niño and La Niña events. It also differentiates in the water-related risk and the sustainability assessments between average and dry years. This provides additional information in terms of variability of the results under scarcer situations that further help the company address potential risks.

The study includes also several improvements over past editions, particularly in terms of the estimation of the evaporation from EPSA's reservoirs, and the contextualization of the results helping compare with other similar, publicly available studies. In the sustainability assessment phase the work makes use of latest research in terms of blue and green water scarcity indicators from the Colombian institute for hydrology, meteorology and environmental studies (IDEAM). It also uses the latest water quality indexes published by IDEAM in its National Water study 2014, which was a recommendation of the 2014 water footprint assessment of Celsia.

In a similar way as to past work, the study places high importance and identifies potential engagement options with relevant stakeholders at the local and regional level as part of the proposed measures, which could much help address reputational and regulatory risks. In pursuing such strategies, Celsia positions itself as a forefront runner in the quest for sustainable water governance.

However, WFN also identified some weaknesses in the study. These are mainly related to the integration of the various analysis performed and the indicators used. For example, the multiple indicators used for the assessment of scarcity are based on various assumptions that need to be clearly clarified. It also poses a challenge when aiming at showing, explaining and extracting conclusions of the various information sources in order to obtain clear indications and recommendations for the company. The study on the effect of ENSO-El Niño and La Niña events in the water footprint of EPSA is focused on the variability of radiation over the evaporation from the water surface of the reservoir. A further improvement, although technically challenging, would be the estimation of these effects in terms of the hydrological balance of the river basins.

As part of future work, we would recommend as next steps to deepen in the delimitation of specific actions for the reduction and mitigation of the company's water footprint and water-risks. The study proposes specific lines of action derived from the results of the analysis which could be further developed into water footprint management plans with specific targets, goals and actions. Such plans could also be integrated with other sustainability areas of the company like carbon footprint mitigation, biodiversity or relations

with the local communities to identify synergies or trade-off among them.

Base on the aforementioned, WFN authorises the inclusion of the following paragraph in the final report: "The present report was reviewed by the Water Footprint Network, which confirms the correct application of the Global Water Footprint Standard, as established in "The Water Footprint Assessment Manual", Arjen Y. Hoekstra et al 2011".

Finally, we sincerely believe that following the Global Water Footprint Standard will help Celsia in its efforts for achieving a sustainable, fair and efficient water use. We encourage Celsia to pursue these studies and to continue to build on this work to develop its corporate water strategy and sustainability goals.

Please do not hesitate to contact us for any additional information required. We hope that the collaboration between Celsia, Gaia and Water Footprint Network is continued and would like to thank you for the trust you place in our organization.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Ruth Mathews".

Ruth Mathews
Executive Director
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