

## 2018 Grupo Argos Foundation Report







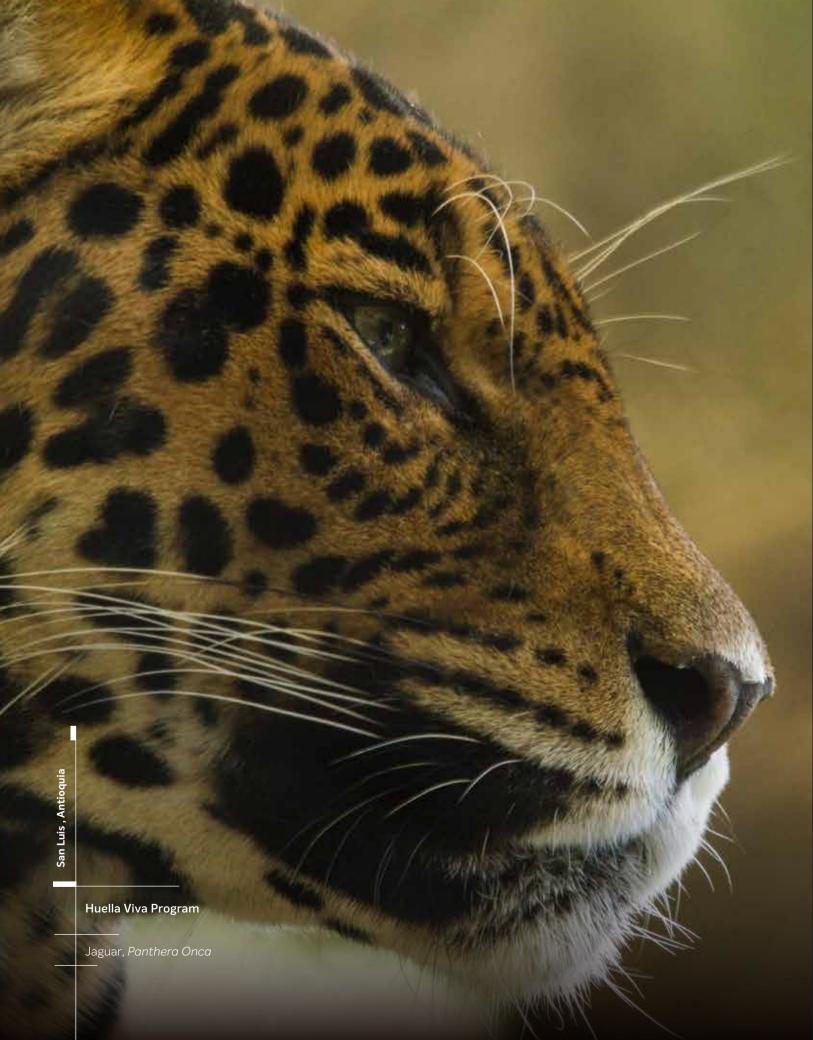
## 2018 Grupo Argos Foundation Report











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OUR ACTION FOCUSES



#### **OUR FOUNDATION**

The Grupo Argos Foundation, as an important part of the strategy and sustainability policy of Grupo Argos, focuses its work on environmental conservation through the protection of water resources and biodiversity, as well as the social and participative inclusion of communities in environmental education processes.

This year, seeking to provide continuity and increase the impact of conservation actions, the merger of the Grupo Argos, Celsia and Argos foundations was decided in order to articulate a single vehicle of voluntary corporate social responsibility of the companies that make up this Business Group. In this way, the Argos and Celsia foundations ceased to exist as of January 2019, to unite their assets and management capabilities to the new Grupo Argos Foundation.

The arguments to make the decision to merge the foundations are focused on:

- Increasing the management capacity Approaching related topics in a of projects, generating synergies and articulating the potentialities of each of the foundations.
- Having a greater scope and coverage of the work that is done with communities in the Colombian territory.
- joint manner.
- Managing alliances more efficiently, including issues of international cooperation.

Cuenca Verde Reforestation program in Belmira



2018 was a year of transition in which, in alliance with public and private organizations, the foundations of the Business Group worked in various programs, as follows:

- Grupo Argos Foundation: Biodiversity and water
- Argos Foundation: Infrastructure and educational auality
- Celsia Foundation: Educational quality and infrastructure in water and energy

As of 2019, we are all Grupo Argos Foundation.

#### **COMMITTED TO A LIVING PLANET**

#### **ACTION FOCUSES**



#### WATER

We are committed to the creation and management of long-term alliances and financial mechanisms for the conservation of water basins that supply population centers, seeking the restoration of forests, the conservation of biodiversity and the supply of drinking water.



#### BIODIVERSITY

In this component, we develop projects oriented to the protection of large mammals classified as "umbrella species", such as the Andean bear, the puma and the jaguar, which are key to the planning and conservation of ecosystems, due to their characteristics, the area required and the connectivity they demand for their habitat.



#### **SOCIAL INCLUSION**

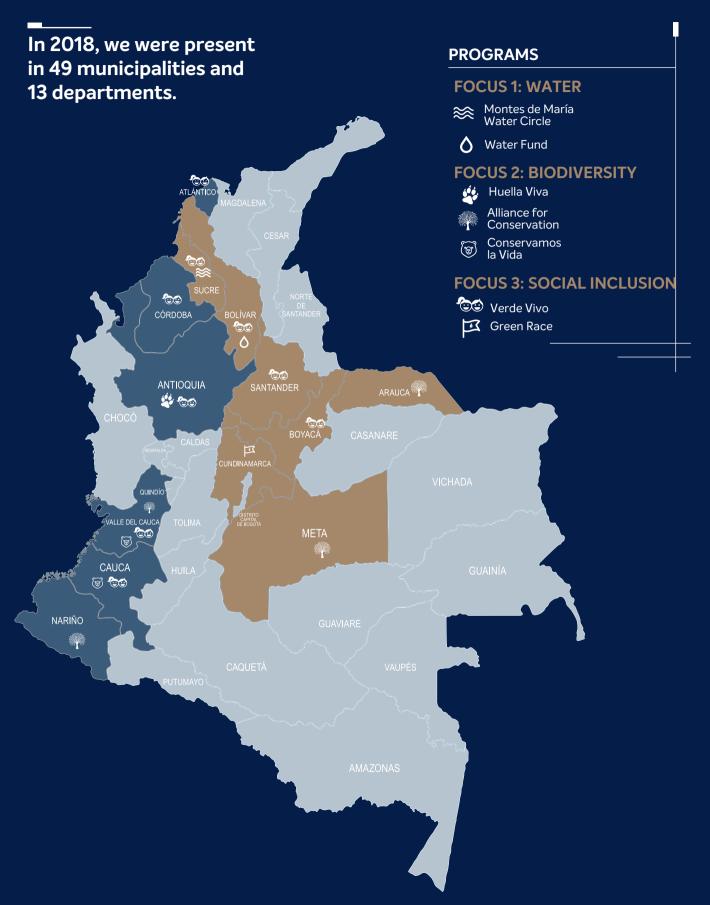
We generate social inclusion projects that encourage the participation of communities in the design, implementation monitoring of conservation initiatives. Likewise, we develop environmental education programs that strengthen the generation of awareness about the care for the environment and the strengthening productive organizations committed to the protection of water and biodiversity through the implementation of sustainable production practices.

#### MANAGEMENT MODEL

The intervention model of the Grupo Argos Foundation is aimed at the environmental conservation and preservation through the articulation of compensation actors and resources and volunteers that allow the development of integral, efficient, sustainable and high impact projects.







#### FIGURES THAT IMPACT



7.877 **BILLION PESOS** IN ENVIRONMENTAL AND SOCIAL **INVESTMENT** 

2018, we managed consolidate important efforts of the rural communities that participate in the environmental conservation programs of the Grupo Argos Foundation.



**MORE THAN** 

**PROTECTED** 

**CORRIDORS** 

**SPECIES IN OUR** 

**BIODIVERSITY** 



2,433<sub>ha</sub> BASINS **THAT SUPPLY** 

6,613,000 **PEOPLE** 

**MILLION** ha **NEW PROTECTED AREAS** 

**EDUCATIONAL CENTERS AND MORE THAN** 60,000 **STUDENTS PARTICIPATING IN OUR ENVIRONMENT AL EDUCATION PROGRAMS** 

> **ANDEAN BEAR**

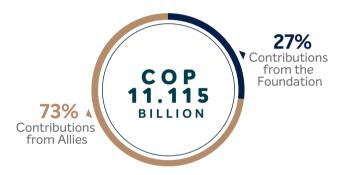
1,100,000 ha

**CORRIDOR** 

### WE LOOK FOR ALLIES FOR A GREATER IMPACT

Through our management model and our alliances, we have consolidated relationships of trust and impact with more than 30 international and national organizations committed to the conservation of natural capital. In 2018, we managed resources with allies for more than COP 8 billion for the development of our programs.

# Resources Managed for Environmental Conservation





### WE SUPPORT OTHER ENTITIES

We donated COP 1.35 billion to strengthen programs of other entities in education, health, social inclusion, institutional strengthening, culture and the environment.



ntion

Huella Viva

Basilisk

FOCUS 1: WATER

### CARTAGENA WATER FUND

One of the biggest concerns we have had since the conservation processes of the Foundation is the problem of contamination and sedimentation in the bay of Cartagena. According to the Basic project, it is estimated that the Dique Canal discharges around **2,000 tons of sediment per day into the sea**, a situation that affects the ecosystems and the health of the population. For this reason, the creation of the **Cartagena Water Fund** becomes relevant, as one of the solutions to channel the actions of green infrastructure required to improve the quality of the basin's water resource.

#### **ALLIES**

- ¬ Grupo Argos Foundation
- ¬ Fundación Promotora Canal del Dique
- ¬ Bavaria
- ¬ Cartagena City Hall
- ¬ Cardique

- ¬ The Nature Conservancy
- ¬ Chamber of Commerce of Cartagena
- ¬ Aguas de Cartagena Company
- ¬ Among others

#### **ACHIEVEMENTS**

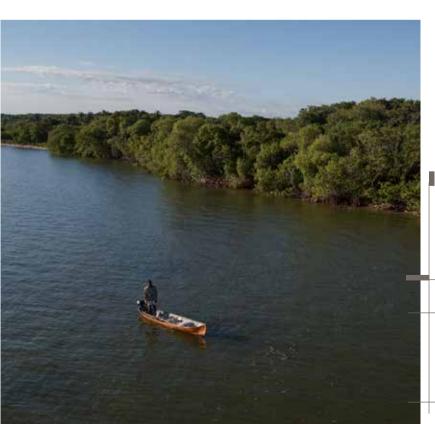
With the four communities of the Dique Canal area with which the Fund works, we achieved the strengthening of the mangrove nursery in which

60 families participate.

The creation of an ecotourism route with the identification of important trails and ecosystems for the area, and we signed an agreement for the restoration of

#### 28 hectares

of mangrove that will allow the conservation of the ecosystem and will help with water regulation.



olívar

#### Cartagena Water Fund

Fishing communities are benefited with this project

- Cartagena, Bolívar
- Rocha, Bolívar
- Puerto Badel, Bolívar
- Boca Cerrada, Bolívar



#### **MONTES DE MARÍA WATER CIRCLE PROGRAM**

This year, we created the Montes de María Water Circle ("Círculo del Agua de Montes de María"), an alliance between different organizations that seek the generation of innovative water supply projects for the populations and the conservation of the tropical dry forest. This initiative was born due to the great problem of water stress that exists in the region and the difficulties for the supply of drinking water to these communities.

#### **ACHIEVEMENTS**

We completed the diagnosis to know the drinking water situation of

> educational institutions

> > rural aqueducts

irrigation systems

and of the vegetation of the prioritized water sources.

# Montes de María, Bolívar and Sucre

#### Montes de María Water Circle

Water protection and conservation of the dry tropical forest

#### BENEFITED MUNICIPALITIES

- San Onofre, Sucre
- Ovejas, Sucre
- ¬ Tolú Viejo, Sucre
- ¬ Santiago de Tolú, Sucre

#### **ALLIES**

- ¬ Grupo Argos Foundation
- ¬ Ayuda en Acción Foundation
- ¬ Coltabaco
- Natural Heritage



Based on this information, we achieved the planting of

50,600 seedlings of tropical dry forest species

with farmers of the area for the care of water sources, and we began the implementation of rainwater catchment systems in

#### educational institutions

as well as the feasibility studies for the aqueduct of a settlement in Carmen de Bolívar.

- Boca Cerrada, Sucre

#### **CUENCA VERDE**

#### **PROGRAM:**

#### THE MEDELLÍN WATER FUND

**Cuenca Verde** is one of the most promising and innovative initiatives in the care for water resources in the country, directly impacting **4 million inhabitants of Medellín and the Valle de Aburrá.** Since 2015, we have been actively participating as partners of the Fund for the conservation of the main basins that provide the territory with **90%** of the water it consumes, through strategies for the protection, improvement and preservation of water and the ecosystem services of the basins.

#### **ALLIES**

- Grupo Argos Foundation
- Empresas Públicas de Medellín
- The Nature Conservancy
- ¬ Cornare

- Grupo Nutresa
- Postobón
- Medellín City Hall
- Valle del Aburrá Metropolitan Area
- Among others



Antioquia

#### Cuenca Verde

Protection of water sources in Belmira

#### **ACHIEVEMENTS**

In addition to participating as partners, we support the direct implementation of the planting of native species in riverbank areas in order to protect the water springs and sources through conservation agreements that the Fund makes with the neighboring farmers of the basin.

This year, thanks to this water alliance, we have managed to:

2,443
hectares

Plant 21,900 seedlings of native species



# Sign 86 conservation agreements for the reforestation and

for the reforestation and improvement of productive practices with communities.

#### **MUNICIPIOS BENEFICIADOS**

- Envigado, Antioquia
- El Retiro, Antioquia
- Caldas, Antioquia
- ¬ La Ceja, Antioquia
- La Unión, Antioquia
- " San Pedro de los Milagros, Antioquia
- Entrerríos, Antioquia
- Belmira, Antioquia

FOCUS 2: BIODIVERSITY

# ALLIANCE FOR THE CONSERVATION OF BIODIVERSITY, TERRITORY AND CULTURE

We participate in the alliance in order to preserve our natural capital through the declaration of new protected areas through processes concerted with the communities that inhabit these territories, increasing the conservation of ecosystems that are strategic for the country, that host the greatest biodiversity and water wealth.

#### **ALLIES**

- Grupo Argos Foundation
- ¬ WCS
- ¬ WWF
- ¬ Mario Santo Domingo Foundation
- National Natural Parks of Colombia

#### **ACHIEVEMENTS**

We have achieved the declaration of

3 new protected areas

under schemes such as the comprehensive management districts that allow a greater interaction with communities. And that amount to

3.2

#### million hectares,

exceeding the proposed goal of 2.4 million ha.

#### These areas are:

- Yuruparí-Malpelo National Integrated Management District
- Cabo Manglares, Bajo Mira and Frontera National Integrated Management District
- Cinaruco National Integrated Management District, in the Orinoco

The alliance achieves the expansion of two protected areas (Malpelo and Chiribiquete), which allow the incorporation of

hectares into the National System.

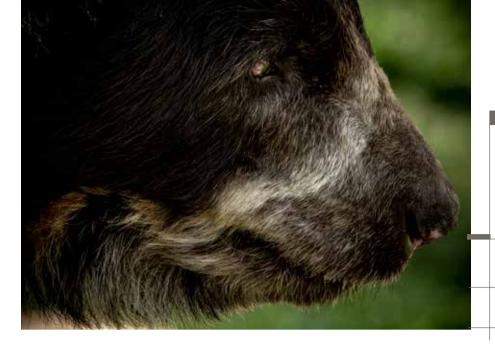
Arauca

Alliance for the Conservation of Biodiversity, Territory and Culture

In Cinaruco, 332,000 hectares of ecosystems are protected

- Arauca, Arauca
- Puerto Gaitán, Meta
- Tumaco, Nariño
- Isla de Malpelo, Valle del Cauca





Valle del Cauca

Conservamos la Vida Program

Andean Bear, Tremarctos ornatus

### CONSERVAMOS LA VIDA

We protect the habitat of the Andean bear in the western mountain range between the Farallones, Tatamá and Munchique national parks, a vital species for the Andean ecosystems in our country and that is currently vulnerable to extinction. After three years of work and thanks to the strategies developed within the framework of this program, the farmers of the area **have become guardians of the bear** and conceive it as an ally to protect their forests and water sources.

#### **ACHIEVEMENTS**

Families have understood that the Andean bear is their neighbor and that it is a species that allows the forest to renew itself and conserve the biodiversity of the place.

This year,

28 families

have committed to the conservation of the bear.

#### **ALLIES**

- ¬ Grupo Argos Foundation
- National Natural Parks of Colombia
- ¬ Wildlife Conservation Society
- Corporación Autónoma del Valle del Cauca
- ¬ Argos

5.023
hectares

of their farms to connect the corridor of the species, and converting their productive practices of coffee, livestock and agriculture into processes that are more efficient and friendly with the environment.



The children of the

settlements have also been allies to preserve the life of the Andean bear. 14 educational institutions have participated in our Verde Vivo environmental education program and take the message to their families and friends. In this way, working as a team with the farmers, we are creating a country model for the protection of large mammals such as the bear, which goes hand in hand with improving the quality of life of families.

- El Tambo, Cauca
- Yumbo, Valle del Cauca
- Dagua, Valle del Cauca
- El Águila, Valle del Cauca

#### HUELLA VIVA PROGRAM

Water, biodiversity and communities are the three pillars of our Huella Viva program, which is developed between the Samaná Norte and Cocorná (Río Claro) basins in Antioquia. We promote the conservation of more than

#### 9.000 hectares

of an area of great natural wealth and habitat of big cats such as the puma and the jaguar, which are threatened today by deforestation and agricultural expansion.

#### ALLIES

- ¬ Grupo Argos Foundation
- ¬ Celsia
- ¬ Argos
- ¬ Cornare
- ¬ Amazonas Foundation
- Technical support from the Alexander von Humboldt Biological Resources Research Institute

#### **ACHIEVEMENTS**

In the first year of execution of the program, we were able to identify a **portfolio of actions** and areas necessary for forest restoration, rehabilitation for productive use and around

156 properties

properties
that have a conflict
with felines.



# We implemented five models for the management of conflicts

with the puma and jaguar in the farms of farmers and breeders of the area, which have meant a relief for the families therein, allowing the protection of their animals, improving their productive practices and protecting the lives of felines.



One of the participants of this program, who also joined in leaving a **mark**, implemented a regenerative livestock model such as the one developed in Africa, which allows a more sustainable production and coexistence with felines.



Huella Viva Program

Jaguar, Panthera Onca

- San Luis, Antioquia
- Puerto Triunfo, Antioquia
- San Carlos, Antioquia
- Sonsón, Antioquia
- San Francisco, Antioquia
- San Rafael, Antioquia

FOCUS 3: SOCIAL INCLUSION

#### **VERDE VIVO**

### PROGRAM: ENVIRONMENTAL EDUCATION

Since 2016, we made an alliance with the Celsia Foundation and other organizations to develop Verde Vivo in different areas of the country, in order to seek to impact the greatest number of educational centers with our environmental education program, generating skills, good practices in educational institutions and in the territory for the sustainability of an environmental culture.

#### **ALLIES**

- Grupo Argos Foundation
- ¬ Celsia Foundation
- ¬ Argos Foundation

- ¬ Fundación Social
- Julio Mario Santo Domingo Foundation
- ¬ Argos

Valle del Cauca

#### **ACHIEVEMENTS**

We reached more than **60,000** students

2,275
teachers from 183
educational centers
in the county,
located in 9
departments and 33
municipalities.

The program has achieved that children and teachers establish environmental education committees in each of the educational centers, facilitating the implementation of environmental practices that respond to the needs of the environment.



Implementation of programs for the management of solid waste, which have allowed the recovery of more

5,800 kilos of waste.

The creation of school nurseries for the conservation of native species, allowing the planting of

4,700

trees

and the implementation of irrigation systems with renewable energies and rainwater in areas of water scarcity, as in the island of Barú, in Cartagena.

#### Verde Vivo

Thousands of children participate in environmental education

#### **MUNICIPIOS BENEFICIADOS**

¬ Bolívar: 8

¬ Valle del Cauca: 3

¬ Sucre: 5

¬ Antioquia: 11

Santander: 1

Córdoba: 2

Boyacá: 4

¬ Atlántico: 3

" Cauca: 1



Antioquia

#### Carrera Verde

3 trees were planted for each runner

#### **GREEN RACE**

In Colombia, an area similar to the Department of Atlántico (330,000 ha) is deforested each year, which represents **5%** of the global deforestation. In the last 3 years, together with the Natura Foundation, we have been carrying out the **Green Race**, within the Unidos por los bosques y el agua ("United for the Forests and Water") campaign, with which we seek to raise awareness and encourage action in families and people who want to contribute to the care of the planet.

#### **ACHIEVEMENTS**

7,000
people
massively joined the
Green Race in Bogotá
and Medellín

Achieving, with their participation, the planting of

24,000

#### native species

in the Encenillo Biological Reserve in Cundinamarca, El Silencio Biological Reserve and La Romera Ecological Park in Antioquia, and the Cachalú Biological Reserve in Santander.

#### RESTORATION OF FORESTS AND MANGROVES PROGRAM

Through the different programs of the Foundation and together with the companies of the Group.

we planted native and mangrove species in order to enrich biodiversity corridors and help preserve water resources in the northern area of Colombia, in the departments of Atlántico, Bolívar, Sucre and Córdoba.

#### **ACHIEVEMENTS**

In total, we planted:

**21,331** native species

of dry tropical forest and

1,071,000

mangrove species in the Dique Canal area.



These plantings were carried out through the different environmental conservation programs managed by the **Grupo Argos Foundation and Tekia**, to contribute to the creation of biological corridors.

# FORESTRY DEVELOPMENT

#### **PROGRAM**

We are convinced that the conservation of forests requires sustainable production schemes from which communities can obtain their sustenance. This is how we have developed the Forestry Development program with farmers of the areas of Sucre (San Onofre) and Córdoba (Puerto Libertador), that encourages the generation of agroforestry systems as a productive alternative and allows reducing the pressure on native forests.



#### **ALLIES**

¬ Grupo Argos Foundation ¬ Sena

¬ Tekia ¬ Incubar

#### **ACHIEVEMENTS**

60 farmers,

producers of the area, have joined this initiative with forest plantations that today reach

hectares
planted with
different species,
among which are
teak (tectona
grandis), corn, yam
and cassava.



# This year, nine plantations were registered with the

ICA, a milestone that allows providing a safe and sustainable market to the efforts made by these farmers today, who have found their sustenance and way of life in the productive and native forest.

### COMMUNITY STRENGTHENING IN MONTES DE MARÍA

In 2015, the Grupo Argos Foundation, as a commitment to the post-conflict in Montes de María, donated to the Crecer en Paz Foundation 6,600 hectares of land and 1,100 hectares of forestry plantation of teak, established in the municipalities of Carmen de Bolívar and Ovejas for the development of sustainable productive projects with the communities.

#### ACHIEVEMENTS

hectares
of land in the
municipality of
Ovejas, with
precision drip
irrigation, with a
fertigation system
for the cultivation
of sweet potato and
yam, destined for
the export market.

hectares
of lorena avocado
were sown with
sprinkler fertigation.

The model of association with farmer families will seek to be replicated in 2019, with the ultimate goal of generating management capacity for its subsequent transfer of property to farmers.

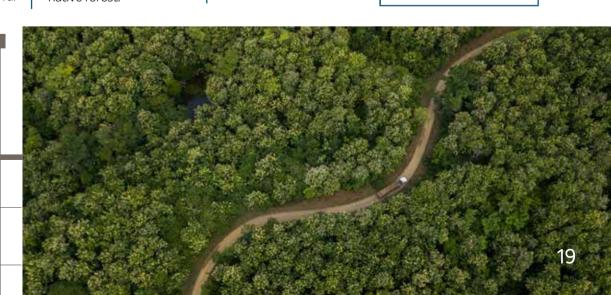
The Crecer en Paz Foundation is part of the regional strategy for the protection of the tropical dry forest and it is managing, with the Natural Heritage Fund, the declaration of

400 hectares as a reserve area for civil society.

Solivar

#### Forestry Development

We have reforested more than 200 hectares in Montes de María



OUR VISION FOR THE FUTURE

# OUR VISION FOR THE FUTURE

We want to thank our human team for its commitment and dedication, and our shareholders for the trust they placed in us, without whom it would not have been possible to obtain the results we present.

We will continue working and joining forces with allies and cooperators to protect the water and preserve a living planet that provides well-being to communities. Our actions will be framed in an integrated model of intervention in the territories defined, around the water basins, recognizing the social, environmental and economic dynamics that are established around water as an element of life.

Likewise, we will continue with institutional strengthening programs such as Grupo Argos Scholarships for regional development and the training of young people who stand out for their academic excellence and leadership. In the same way, we will consolidate our employees' corporate volunteering, which focuses on infrastructure, animal and environmental protection and knowledge transfer.

Arauca

Alliance for the Conservation of Biodiversity, Territory and Culture

Buteogallus meridionalis



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GRUPO ARGOS