



Management Report Grupo EPM 2022

Generating solutions that bring well-being,
we contribute to the achievement of the SDGs.



Grupo·epm



Our Group



Business

- Power Generation
- Power Transmission
- Energy Distribution and Commercialization
- Gas Distribution and Commercialization
- Water Supply and Commercialization
- Wastewater Management and Commercialization
- Solid Waste Management and Commercialization
- Commercialization of New Solutions

* EPM is the parent company of Grupo EPM and its subsidiaries:



16,789
employees



12,892
portfolio of
suppliers and
contractors



**More than
9 million**
customers
covered in Latin
America



47,041
external jobs
generated

Grupo·epm



¡With Hidroituango Colombia in evolution!

7 AFFORDABLE AND
CLEAN ENERGY



2 first units of the Hidroituango Power Plant

were duly **registered with the energy system** available for commercial operation.

12 GWh/day
of average generation

Equivalent to **5.5 %**
of national generation

EPM generates the 27 %
of the energy of Colombia



90.35%

Work progress at the end of 2022.



COP 14.4 billion

Cost advance to 2022.



COP 279 thousand million

Investment between 2018 and 2022 to aid families affected by the contingency.



Power Generation and Commercialization

epm[®]



COP 1.95 billion in investments

38.5% progress in the construction of the **Tepuy solar park**, a nonconventional renewable energy project.

COP 53,849 million of investment.

89 jobs were generated in civil works,
67 for people in the region.

300 solar photovoltaic solutions installed for isolated users in non-interconnected areas nationwide and in Antioquia with the **Cobertura project**.

Grupo **epm**

Extension of the water concessions for the Guadalupe hydroelectric complex and the Guatapé power plant for a term of **50 years** to continue generating energy for Colombia.

COP 138,938 million of transfers of the electricity sector for **47** municipalities in of the Regional Autonomous Corporations **Corantioquia, Cornare and Corpouraba**, which contribute to the sustainability and protection of the environment.

We are the leading energy producer in Colombia.



Grupo **epm**



COP 1.96 billion in investments

chec



2 MW of effective capacity of **Thermodorada**, thanks to condition-based maintenance, thus optimizing the temperature change and generating more capacity.



Power Transmission

epm



COP 5 thousand million in investment

Start of operation of the **Guadalupe IV substation modernization** project to provide greater reliability to the transmission of energy generated by the Guatran Chain.

Grupo **epm**

Grupo **epm**

 **COP 101** thousand million
in investments



7 AFFORDABLE AND
CLEAN ENERGY



Start of operation of the **Incienso substation** to ensure a more reliable power supply in the City of Buenos Aires of Guatemala for about **1.2 million inhabitants**, served by the distribution company Eegsa Grupo EPM.

Expansion of 7 power substations in Guatemala: Chácara, Papi Strachan, Llano Largo, Augusto Palma, Ciudad Quetzal, Sector Industrial and Palestina.



Energy Distribution and Commercialization

epm®

 **COP 553,000** thousand million in investments

 **97.67 %** universal market coverage in Antioquia

 **2,743,875** customers

13,434 customers with **prepaid Energy** services.
Accumulated: **311,844** active utility service.

60,092 customers in Urabá covered with the **Urabá - Nueva Colonia - Apartadó connection**, which strengthens regional energy reliability and availability to meet future demand for road and port infrastructure development.

Grupo **epm**

Grupo **epm**



COP 1.7 billion in investments



97.45 % universal market coverage Colombia*



9,109,302 customers



Quindío, first department in Colombia with **100%** of demanded coverage in electric energy service.



17% decrease in average customer/year interruption hours (15 hours), compared to 2021.

28% decrease in the average customer/year interruption frequency (20 times), compared to 2021.

* The percentage of universal market coverage corresponds to the companies that perform this measurement for Colombian: EPM, ESSA, CENS, CHEC and EDEQ.

* To date, Afinia and the international subsidiaries Eegsa, ENSA and Delsur do not keep such records.

7 AFFORDABLE AND CLEAN ENERGY



Gas Distribution and Commercialization

We are the first gas distributor to use Liquefied Natural Gas (LNG) technology in Colombia

epm



COP 16 thousand million in investments



87.35 % universal service in 92 municipalities of Antioquia



1,422,118 customers

180,285 people covered with savings of nearly **68 %** compared to liquefied petroleum gas (LPG) and **67 %** with respect to electric energy.

We reached **1,400,000** users of natural gas service with the Fundación Hermanos de los Desvalidos, a non-profit organization that serves people in vulnerable conditions.



Grupo **epm**



Water Supply and Commercialization



COP 458 thousand million in investments



98.09 % universal market coverage*



1,391,805 customers

57 thousand new customers covered in the municipalities of Rionegro and El Retiro covered with the commissioning of the fourth stage of the **Valle San Nicolás project**.

More than 500 thousand users enjoy reliable water service with the **Water Supply Intervention Program (PIPA)**, which takes into account the rapid growth of the Aburrá Valley and the deterioration of water sources.

Nearly 84 thousand customers covered with the commissioning of the first stage of the **Caldas - La Estrella Interconnection Project**.

* In the metropolitan area of the Aburrá Valley and in eastern Antioquia.
-Rionegro and El Retiro-



Grupo **epm**



COP 692 thousand million in investments



97.48 % universal market coverage Colombia



1,718,149 customers

aguas

nacionales

Optimization of the Playita 1 plant in Quibdó to increase hydraulics capacity

from 75 l/s to 175 l/s, in order to increase the continuity of the water service.

aguas
antofagasta

Start of the expansion of the Desalination Plant North Phase II, increasing the desalinated water production capacity from 1,000 to 1,400 l/s, satisfying the growth in water demand from Chilean customers.

Grupo EPM is a pioneer and one of the main promoters of **desalination** for human consumption in **Latin America**, with its subsidiary Aguas Antofagasta.

Grupo **epm**

6 CLEAN WATER
AND SANITATION


Wastewater Management and Commercialization



COP 226 thousand million in investments



96.19 universal market coverage Colombia*



1,374,055 customers

24 neighborhoods in Medellín benefited from the replacement and modernization of 16 km of sewerage networks and 21 km of aqueduct in the La Iguaná sector. thousand

347 wastewater spillways completed through the development of projects that contribute to the search for solutions for the decontamination of the Medellín River and its tributary streams with the sanitation and spillways management plan. 9 discharges completed during 2022.

* In the Aburrá Valley metropolitan area and in eastern Antioquia -Rionegro and El Retiro-.

Grupo **epm**



COP 297 thousand million in investments



94.41 % universal market coverage Colombia



1,675,516 customers

aguas

nacionalesTM PTAR Aguas Claras

99.9 % continuity of wastewater treatment service, contributing to improving the Medellín river's water quality and enabling the development of the area around the plant.

Reuse of 966,830 m³ of wastewater for internal use in activities such as irrigation of green areas, washing of structures, and process equipment, among others.



Grupo **epm**



Solid Waste



We started the operation of the waste, construction and demolition (WCD) recovery plant located in Girardota, Antioquia. This is a valuable solution to environmental care and reuse through the proper disposal of waste from public and private builders, and its use in recycled and certified products for reuse, contributing and strengthening the circular economy in the construction sector.



9 thousand million in investments



99.32 % universal market coverage in Medellín



932,683 customers

We obtained the **environmental license** for the **La Piñuela basin** at the **La Pradera sanitary landfill** for the disposal of solid waste for approximately 7 years.



50 new **natural gas vehicles (NGVs)** and **6** additional **diesel vehicles**, renewing Emvarias's vehicle fleet.



Circular economy

The actions of EPM and Grupo EPM are aligned with the **national circular economy strategy**, following this logic: *Produce by conserving and conserve by producing*

Energy Flow



Installation of **solar panels** for **self-sufficiency** in its own infrastructure.

1,193 MWh-year Grupo·epm | **541 MWh-year** epm®

Increased **participation of non-conventional renewable energies** in the generation matrix.

33.39 % Grupo·epm | **34.34 %** epm®

We participate in **city actions for sustainable mobility** such as: **electric and gas mobility**.

Materials and biomass



We use **plant residues** from logging, pruning and organic waste.

53,273 t Grupo·epm

14,410 t epm®

Water flow



We implemented actions to **protect forests and reduce water losses** in distribution networks.



Integrated management of water resources and biodiversity

Grupo·epm

13,705 hectares protected in the watersheds of Grupo EPM.

8,445 ha.
provided by EPM

120,478 ha.
accumulated since 2016



2,909 hectares of strategic ecosystems conserved for the protection of water and biodiversity.



167 families participating in the **voluntary environmental services payment scheme** in areas of influence of EPM, CHEC, CENS and ESSA for the conservation of **3,365** hectares of natural forests.



Climate Change



2,317,748 tCO₂e were reduced, **certified by ICONTEC**, from the external verification of the **reduction of greenhouse gas (GHG) emissions** from the Porce III hydroelectric project (2019-2020).

We generated **commercial offers** for a total of **COP 38,800 million** for the purchase of **2,318,257** carbon credits available from our projects.

3,721 vehicles in Antioquia between 100% **electric and plugin hybrid**.

1,912 correspond to users of EPM's government cargo services.

We made progress in electric mobility with the implementation of the **green corridor between Antioquia and the Eje Cafetero** with the installation of fast charging stations in La Pintada (EPM), Manizales (CHEC), Pereira (EEP), and Filandia (EDEQ).

The number of vehicles dedicated to **natural gas** increased by **nearly 6 %** **700** vehicles by the end of 2022.





Innovation management



COP 78,725 million innovation investment by Grupo EPM:

↑ 162% more than in 2021

Grupo **epm**

Innovate Grupo EPM

Grupo EPM Innovation Program

Entrepreneurship category

Companies that participated:



Countries:



29 projects

Entrepreneurship category

21 educational institutions **70** teacher

1000 students **22** mentors

Energy transformation

We have a **hydrogen roadmap**.

We are making progress in the **construction of the plan**, which will allow us to position ourselves as a business group at a national and international level.

Digital transformation

COP 2 thousand million of **avoided costs**, thanks to **controlled testing** of different **AMI technologies**, in the **sandbox*** environment, by managing free commercial samples from several AMI vendors. *Sandbox: testing environment.

Grupo **epm**



EPM People and Grupo EPM

8 TRABAJO DECENTE
Y CRECIMIENTO
ECONÓMICO



epm[®]

8,182
direct employees

25,031
external jobs

Grupo·epm

16,789
direct employees

47,041
external jobs



Diversity and inclusion

10 REDUCED
INEQUALITIES



epm[®]

Since 2019, we started the **Inclusion of People with Disabilities program** with **20 employees**, of which, as of December 2022, **8** are **employed** under permanent employment contracts.

20 temporary positions to maintain and expand program coverage.

Total jobs: **40**

Grupo·epm

epm[®]
Guatemala

Award for the **Labor Inclusion program** at the **VIII Forum "Iberoamérica Incluye"**.



National Decent Work Award granted by the Ministry of Labor and Social Wellbeing.

Ranked 11 in the **ranking of the best employers** in Central America and the Dominican Republic.

Grupo·epm

10 REDUCED INEQUALITIES



Customer-focused organization



44 % of the transactions received are digital.

↑ 31 % more than in 2021.

350 thousand families benefited by the **Somos** program.

COP 167 thousand million was disbursed in **Somos credits**.

8 DECENT WORK AND ECONOMIC GROWTH



17 PARTNERSHIPS FOR THE GOALS



Christmas Lighting



Medellín

55 years illuminating **Christmas in Medellín**.

Theme 2022 inspired by **Walt Disney's Enchantment**

More than 7,500,000 visiting tourists

360 direct jobs

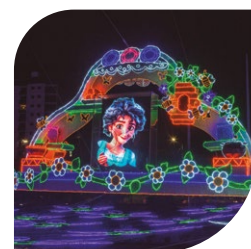
980 indirect jobs

USD 36.9 million in economic benefits for Medellín

Antioquia

The **"Encendamos la Alegría"** contest is **10** years old.

26 municipalities and **2** townships of Antioquia enjoyed the **EPM Christmas Lighting**.





**EPM
Foundation**



Fundación **epm**[®]

More than 2.5 million people benefited from activities.
COP 30,433 million in investments.



We held the **sixth version of the contest "More Water, More Smiles"** with the application of **28 municipalities** in the area of influence of Grupo EPM, of which **10** will receive our **purification solutions**.



Contributions to the Development Plan for the Municipality of Medellín



Water and sanitation solutions

Connections for Life

5,390 homes covered.
11 neighborhoods intervened.
Cumulative: **10,896** homes since 2020.

Gap closure

1,695 homes covered.
Cumulative: **7,113** homes since 2019.



LED streetlamps in Medellín's public lighting systems

Modernization of Medellín's **public lighting system**.

89,884 streetlamps installed.
58 % of the total number of streetlamps in the municipality.

Solar self-generation solutions for homes and businesses

17 systems (9.87 MWp) installed.
Cumulative: **23** systems (13 MWp).

14 projects are currently in the assembly stage.

Grupo **epm**

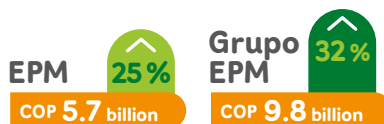


Financial performance 2022

Revenues



Ebitda



Results for the period



Transfers to the Municipality of Medellín



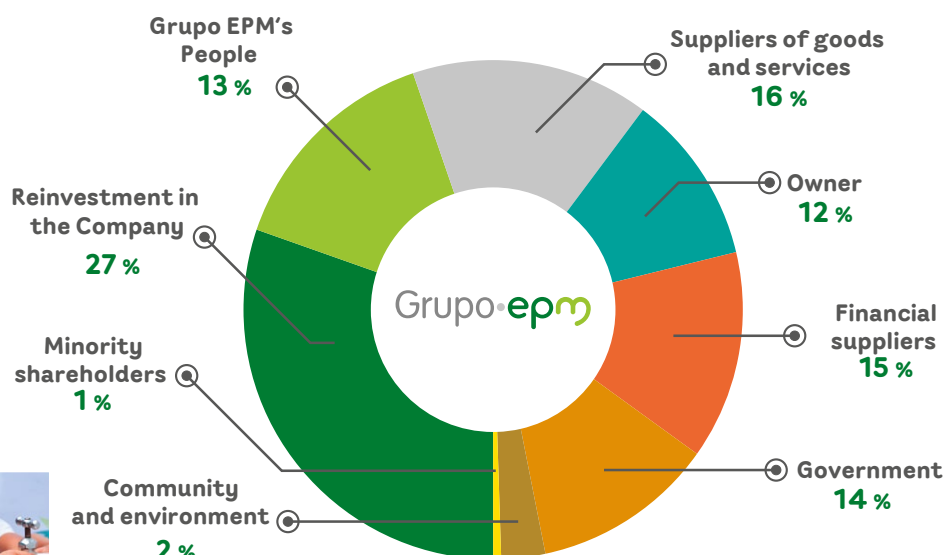
State of the financial situation in EPM Group



Stakeholder value generation

COP 15.8 billion
26 % More than in 2021

Increased benefits for stakeholders



Grupo·epm