

Decree No. 774

January 11, 2024

**Whereby the Regulations of the Sustainability, Strategy and Investment Committee of the Board of Directors of Empresas Públicas de Medellín E.S.P. are issued.**

**THE BOARD OF DIRECTORS OF EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P.**, exercising the power provided in Article 12 of its Rules of Procedure, contained in Decree 645 of April 26, 2022 *"Whereby the Rules of Procedure of the Board of Directors of Empresas Públicas de Medellín E.S.P., Annex 5 of the Corporate Governance Code, are amended,"* and

**WHEREAS**

Article 12 of the Rules of Procedure of the Board of Directors establishes that *"The Board of Directors shall create such committees as it deems necessary, whether standing or temporary, depending on the subject matter involved. When it creates committees, the Board shall regulate their operation."*

2. For the execution of EPM's growth strategy, it is necessary to develop new businesses that promote its growth at a national or international level, which requires the technical and timely evaluation of each investment project and the express determination of those that are considered feasible.
3. It is the responsibility of the Board of Directors, for the sake of EPM's consolidation and sustainability, to watch over the development of its approved businesses and projects, make the sustainability model visible as a fundamental pillar in the corporate strategy's implementation, generate value for stakeholders, and define strategies and manage risks in corporate sustainability matters, so as to help EPM continue as a reference in terms of sustainability for other companies and business groups on a national and international level.
4. That, in accordance with the best Corporate Governance practices and with the needs of EPM, as a legal entity and Holding Company of the EPM Group, it is advisable for the Board of Directors to have a committee to advise it on its

strategic planning, sustainability, investment, growth, new businesses, innovation and Stakeholder engagement.

5. In view of the above, the Board of Directors, by means of Minutes 1552 of September 11, 2012, decided to create the Strategy Committee, currently called "Sustainability, Strategy and Investments."
6. That, in a meeting held on January 11, 2024, the Board of Directors approved assigning the functions associated with EPM's innovation strategy to this committee, which translates into *"executing EPM's innovation strategy, as well as being at the forefront of innovation in the provision of services."* This function was transferred from the IT and Cybersecurity Committee. It also defined the number of members of this committee as four (4).
7. That, in accordance with the considerations above, the Board of Directors of EPM proceeds to issue the Regulations of the Sustainability, Strategy and Investment Committee, as follows:

## DECREEES

**Article 1. OBJECTIVE.** These Rules of Procedure define the regulations and procedures that regulate the operation of the Sustainability, Strategy, and Investment Committee, as well as the rules of conduct of its members.

**Article 2. SCOPE OF APPLICATION.** These Rules of Procedure are directly applicable to the Sustainability, Strategy and Investment Committee, as a collegiate body, and to its members who, individually considered, contribute to forming the will of said body.

**Article 3. BINDING NATURE.** It is the duty of the members of the Sustainability, Strategy, and Investment Committee to understand, comply with and enforce compliance with these Rules of Procedure.

**Article 4. INTERPRETATION.** These Rules of Procedure are complementary and supplementary to the provisions established for the Board of Directors in the Bylaws of EPM, the Rules of Procedure of the Board of Directors and the commercial rules that, in each case, may be applicable.

The Board of Directors is responsible for resolving any doubts regarding the interpretation and application of these Rules of Procedure, pursuant to the legal and statutory regulations that apply and the principles and recommendations derived from EPM's Code of Corporate

## Governance.

**Article 5. APPROVAL AND AMENDMENT.** The Rules of Procedure of the Sustainability, Strategy and Investment Committee shall be approved by the EPM Board of Directors, and it is up to the Board to amend them when required.

**Article 6. NATURE OF THE COMMITTEE.** The Sustainability, Strategy and Investment Committee is a permanent advisory body to the Board of Directors and shall be governed by the EPM Bylaws, Rules of Procedure of the Board of Directors and these Rules of Procedure. The main objective of the Sustainability, Strategy and Investment Committee is to provide support and advice to the Board of Directors, facilitating and enriching the discussion, deliberation, and prior guidance for the Board's decision-making in matters of strategic planning, sustainability, investment, growth, new business, innovation and stakeholder engagement.

**Article 7. DUTIES AND POWERS.** The Sustainability, Strategy and Investment Committee shall have the following duties:

1. Studying and recommending the reports EPM must submit on the work developed in terms of strategic planning, sustainability, investment, growth, new businesses, innovation, and stakeholder engagement, for the Board to consider and make decisions.
2. Analyzing, evaluating, and monitoring the EPM Group's strategy jointly with Management and recommending strategic guidelines for its development to the Board of Directors.
3. Making sure there is adequate coordination for implementing the EPM Group's unity of purpose and direction, as well as defining the necessary instruments for regular monitoring.
4. Analyzing corporate policies and recommending their approval to the Board of Directors.
5. Analyzing and evaluating the relevant aspects - administrative, financial, and others - of the topics assigned to its knowledge, as well as those expressly requested to be considered by the Board of Directors related to investments and new businesses, as well as business and commercial development projects, to be presented to the Board of Directors with the recommendations it deems pertinent.

In compliance with this duty, the Committee shall monitor the risk map of investments, new businesses and the mentioned projects, and propose actions aimed at responding in a preventive and corrective manner to the impact of the risks identified during the course of the projects, businesses and investments. It shall seek to ensure the reliability of the information on its development and progress, as well as provide timely communication to the Board of Directors.

6. Analyzing EPM's information technology, cybersecurity and innovation strategy and submitting its recommendation to the Board of Directors. In order to define the strategy, the

following aspects should be considered: technologies to be developed, improved and incorporated; technological drivers and differentiators; competitive advantages; possible strategic partnerships, and main references and trends.

7. Analyzing EPM's innovation strategy, making sure to follow up on the implementation of the company's innovation strategy and the evolution of overall innovation, with the purpose of presenting it to the Board of Directors with a recommendation.
8. Periodically reviewing new opportunities for development and innovation and monitoring the progress of the implementation of new initiatives.
9. Understanding, promoting, guiding, and supervising EPM's performance and agenda in sustainability matters, including corporate social and environmental management, as well as environmental, social and governance (ESG) factors, to submit its recommendations to the Board of Directors. To fulfill this purpose, they must make sure reference standards, global trends and the main tools for developing these issues are considered in EPM's strategy and management, and ensure enforcement of the Corporate Social Responsibility Policy.
10. Studying and recommending the annual sustainability report or equivalent document, as well as the reference standards for its preparation, for consideration and decision-making by the Board.
11. Reviewing, analyzing, and following up on the stakeholder engagement plans, the commitments agreed upon with each one of them and the results of this management, as well as EPM's performance in terms of corporate reputation, using the Sustainability Policy and EPM's Strategy as a frame of reference.
12. When, in the framework of the Committee's duties, engagement plans or issues related to the stakeholder of customers and users are addressed, members of the Board of Directors who are supervisory voting members may be invited to enrich their study and analysis.
13. Any matter entrusted to it by the Board of Directors and, in general, all other functions that correspond to it, in accordance with the legal regulations applicable to EPM by the nature and purpose of the committee.

**Paragraph.** The scope of the support committees of EPM's Board of Directors does not cover the entire Business Group. However, the Typical Agenda of each Committee meeting should include information on matters of their interest, with a Group-wide scope.

**Article 8. COMPOSITION.** The Sustainability, Strategy and Investment Committee shall be comprised of four (4) members of EPM Board of Directors, preferably independent. EPM's General Secretary shall participate in the Committee, with voice but without vote.

The Committee's members shall have knowledge, skills and experience related to the issues

and functions of the Committee, to understand the scope and complexity these matters entail in EPM.

**Paragraph.** Depending on the agenda or the nature of the specific topics addressed in meetings, the Committee may invite members of EPM's Senior Management and those it considers necessary for the meeting's good performance to participate in meetings through the secretary. The Committee must approve guests' participation at the meetings and shall leave a record of it in the minutes.

Those who participate as guests and are external to EPM must sign a confidentiality agreement before participating in any Committee meeting, which shall only be signed once.

**Article 9. CHAIRPERSON AND SECRETARY.** The members of the committee shall appoint one of them as its chairman, who shall be independent, with sufficient capacity and availability to exercise said function. In the event of the temporary absence of the Chairperson of the Committee, they shall be replaced by the member appointed for said purpose by the other members present at the meeting.

EPM's Vice President of Strategy and Planning shall be the Secretary of the Committee. The Secretary shall appoint a person to replace them in the event of temporary absences and shall inform the Committee in advance.

**Article 10. DUTIES OF THE CHAIRPERSON OF THE COMMITTEE.** The Chairperson of the Committee shall be responsible for:

1. Presiding over meetings and organizing the discussion of the topics submitted for consideration by the Committee, promoting the other members and attendees' participation.
2. Presenting the Committee's reports and recommendations regarding the issues and topics submitted to its consideration in all meetings of the Board of Directors, after analysis and review.
3. Presenting a consolidated report once (1) a year to the Board of Directors with the topics the Committee analyzed and with the secretary's support.
4. Making sure committee meetings address issues and discussions in depth and generate agreements, conclusions, and recommendations for the Board of Directors.

**Article 11. DUTIES OF THE SECRETARY OF THE COMMITTEE.** The secretary of the committee shall perform the following duties:

1. Calling for ordinary meetings according to the work plan and the availability of the members of the Committee, as well as extraordinary meetings, if necessary.
2. Preparing and publishing the agenda for the Committee's meetings.
3. Inviting employees or advisors who must present the Committee's topics, in order to support or elaborate on the information on each item on the agenda.
4. Coordinating the timely delivery of documentation to members of the Committee and standing guests.
5. Preparing the minutes of the meeting in which the topics discussed, reports and recommendations to be submitted to the EPM Board of Directors are recorded.
6. Coordinating any other logistical aspects necessary for the Committee's normal operation.

**Article 12. APPOINTMENT AND CESSATION OF DUTIES OF MEMBERS.** The Committee members shall be appointed by the Board of Directors to perform their duties for the same period corresponding to each one of them as a member of the Board of Directors. They may be removed at any time. They shall cease to perform their duties in the following cases:

1. When they lose their status as members of the Board of Directors.
2. When they are no longer independent members (when it applies).
3. By decision of the Board of Directors.
4. By resignation accepted by the Board of Directors.

**Article 13. CALL FOR MEETINGS.** The call for Committee meetings shall be carried out through the Board of Directors' information system and taking the following parameters into account:

1. At the beginning of each fiscal year, the Committee shall approve a schedule of ordinary meetings, which shall consult the agenda of the EPM Board of Directors and the availability of the members of the Committee.

If changes are made to the planned agenda, the secretary shall coordinate the required adjustments to the Committee's agenda, as well as the necessary logistics for its development.

2. When necessary, extraordinary meetings shall be called, for which the secretary of the Committee shall report the date and time of the meeting. However, Committee meetings shall also be valid when all its members are present and agree to hold the meeting.
3. The Committee's face-to-face meetings shall be held at EPM's headquarters or where indicated in the notice of meeting, although its members may designate another place for a meeting. The Committee may also meet remotely, through the mechanisms established in the Rules of Procedure of the EPM Board of Directors.
4. The agenda shall be submitted to the Committee through the Board of Directors' information system at least three (3) calendar days in advance.

**Article 14. QUORUM AND MINUTES.** A Committee meeting shall be considered validly constituted when the majority of its members are present.

The Committee's recommendations to the Board shall be adopted by a simple majority and be recorded in minutes.

Committee meetings must be documented in minutes signed by the Chairperson and Secretary of the Committee or the people acting in their stead, and held in a minutes book of the Committee, to be kept by the Secretary. Minutes must be approved and signed at the end of the ordinary meeting of the month after their completion. A copy of the minutes shall be sent to all members of the Board of Directors.

**Article 15. CONFLICTS OF INTEREST.** When the matters to be discussed at Committee meetings directly affect any of its members or a party related to it and, in general, when such a member could find themselves in a conflict of interest (in the terms established in the Rules of Procedure of the Board of

Directors and the Conflict-of-Interest Manual), they shall state it at the beginning of the meeting, to temporarily withdraw while the matter is being discussed. This situation shall be recorded in the corresponding minutes.

Doubts regarding the configuration of a situation that implies a conflict of interest related to a given topic does not exempt the Committee member from the obligation to abstain from participating in the respective deliberations.

**Article 16. ACCESS TO AND CONFIDENTIALITY OF INFORMATION.** The members of the Committee may have free access, through the Secretary of the Committee, to the information or documentation that is available at EPM and is considered necessary for the compliance of its duties.

It is the duty of Committee members to preserve the reservation and/or confidentiality of the information or documentation submitted for their consideration, especially when so indicated in the respective document or as advised by the area responsible for the information, and they may only use it for the Committee's own purposes in compliance with their duties.

**Paragraph.** The Committee may determine that the information to be presented to the Board of Directors with respect to a matter shall not be previously published on the Board's information system or subsequently provided to members of the Board. In this case, the decision shall be reported to the other members of the Board of Directors prior to the respective meeting.

**Article 17. OPERATION OF THE COMMITTEE.** The Committee shall meet at least every two (2) months when called by its secretary and, extraordinarily, at any moment, at the request of at least two (2) of its members or the Chairperson of the Committee.

At the first meeting of each year, the Committee shall approve its typical agenda, in accordance with its functions and the typical agenda of EPM's Board of Directors.

**Article 18. OPERATIONAL RULES OF THE MEETINGS:** The Committee must observe the following operational rules to optimize times and ensure compliance with its functions:



1. Listening to presenters before speaking. Committee members may question presenters when formulating questions or to request clarification of an aspect related to the topic being presented.
2. Being concise, clear, and constructive in the interventions, always with the spirit of enriching the deliberations and analysis of the matter in question.
3. Not repeating what other Committee members already stated.
4. The following must be taken into account during discussions: (i) The Chairperson's prior authorization is required to take the floor; (ii) The Chairperson shall give the floor in the order it was requested; (iii) The discussion shall be ended when the Committee Chairperson decides the topic has been sufficiently presented and analyzed; (iv) Committee members shall only refer to the topic currently under discussion.
5. Once the Committee has analyzed and concluded a topic, it shall only discuss it again if new elements arise.

**Article 19. EXTERNAL ADVISORS.** The Committee may request contracting external and independent advisors at its discretion and with the approval of the Board of Directors, to effectively fulfill its functions.

**Article 20. PRINCIPLES APPLICABLE TO THE COMMITTEE'S ACTIONS.** The Committee's actions must be in accordance with EPM's values and principles.

**Article 21. EVALUATION OF THE COMMITTEE.** The members of the Committee shall conduct an annual review of their work in the form of a self-evaluation and report the results to EPM's Board of Directors.

**Article 22. REMUNERATION OF THE COMMITTEE.** Committee members shall have a right to receive remuneration for attending and participating in meetings, according to the current provisions.

**Article 23. COMMITMENTS TO ACT.** In addition to their duties and responsibilities as members of the Board of Directors and those established in these Rules of Procedure, Committee members must attend

meetings, prepare the topics to be discussed and maintain the confidentiality of the Committee's discussions.

**Article 24. TERM.** This decree is effective as of its date of issuance, and repeals any regulations to the contrary, and in particular Decree 705 dated February 1, 2023.

Issued in Medellín on January 11, 2024.

CHAIRMAN,



FEDERICO GUTIÉRREZ ZULUAGA

SECRETARY,



GABRIEL JAIME VELÁSQUEZ