



GREEN BOND

IMPACT REPORT

..... As of June 2023



OFFERING MEMORANDUM EXTRACT

MAIN FEATURES

144^a/REG-S

US\$600 million

Bullet

Green Bond

10 year

Maturity 2032

Coupon 3.15%

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USE OF PROCEEDS

We estimate that the gross proceeds from the sale of the Notes will be approximately US\$598,956,000 before deducting the initial purchasers' discount and expenses associated with the offering. We intend to allocate an amount equal to the net proceeds from the offering of the Notes (the "Net Proceeds") to finance or refinance, in whole or in part, recently completed or future Eligible Green Projects (as defined below) with disbursements covering project expenditures for up to 24 months preceding the issuance date of the Notes and until and including the maturity date of the Notes, including the development and redevelopment of such projects. Pending the allocation of the Net Proceeds to such Eligible Green Projects, all or a portion of the Net Proceeds will be held on our balance sheet, invested in cash, cash equivalents and/or other liquid instruments, provided these investments are in accordance with the Green Financing Framework (as defined below).

We and the initial purchasers make no assurances as to (i) whether the Notes will meet investor criteria and expectations regarding environmental impact and sustainability performance for any investors, (ii) whether the Net Proceeds will be used for Eligible Green Projects or (iii) the characteristics of Eligible Green Projects, including their environmental and sustainability criteria of Eligible Green Projects.

Eligible Green Projects

"Eligible Green Projects" are investments and expenditures made by us or any of our subsidiaries up to 24 months preceding the issuance date of the Notes and until and including the maturity date of the Notes, in eligible "Green Projects" as defined in and aligned with the four core components of the Green Bond Principles, 2021, as administered by the International Capital Markets Association (use of proceeds; process for project evaluation and selection; management of proceeds; and reporting) (the "Principles"). The Principles are laid out in our Green Financing Framework (the "Green Financing Framework").

Eligible Green Projects include the following (the "Eligibility Criteria"):

Renewable Energy: *Expenditures related to the construction, development, expansion, production, acquisition, maintenance and operation of renewable including resources such as wind (onshore) and solar (photovoltaic and CSP) technology, including the processes of generation, storage, equipment and products to support such renewable energies; and*

Energy References: *Expenditures related to projects that improve energy efficiency of operations by at least 20% to 30%. Eligible projects may include: LED and other energy efficient lighting, energy storage systems, energy efficient heating, ventilation, air conditioning (HVAC), refrigeration and electrical equipment.*

We will not knowingly allocate Net Proceeds to (i) activities involving the exploitation of human rights or fossil fuel related or thermoelectric projects or to large-scale hydroelectric projects of more than 25 MW of installed capacity (the "Exclusionary Criteria").

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COMPANY OVERVIEW

ABOUT US:

Having more than 35 years of history, Colbun S.A. is one of the main energy companies in Chile, leader in power generation, commercialization and in the energy solution provision.

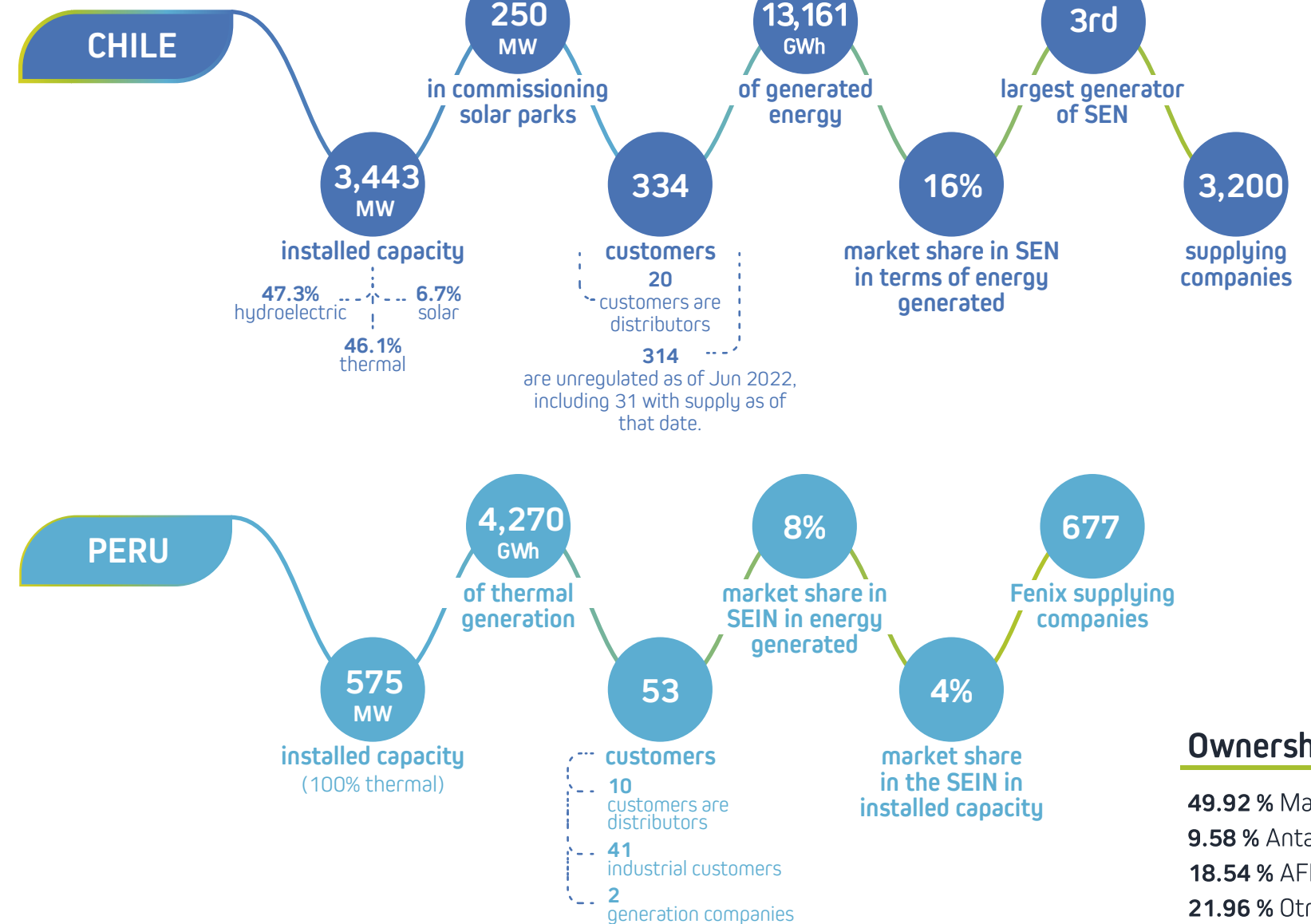
OUR ORIGINS:

The company originates from Colbun-Machicura Complex, built by the then state-owned Endesa S.A., which began operating in 1985. In 1997 Corfo tendered the entry of private shareholders, and in 2005 the Matte Group became its controller. Since last decade the Company has been one of the leaders in sustainability indexes

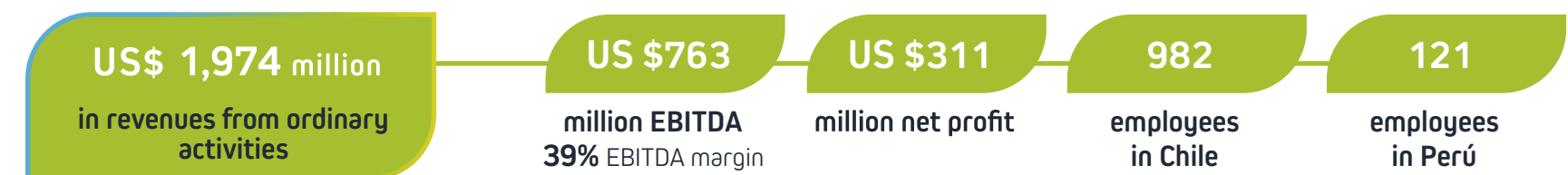
WHAT WE DO:

We supply safe, competitive and increasingly renewable energy to more than 350 customers in both countries with our 27 generation plants in Chile and Peru and an installed capacity of 4,000 MW. Our offer also includes infrastructure solutions for electro mobility, distributed energy, energy efficiency and storage, among others.

Our Company in Figures



2022 Consolidated Figures



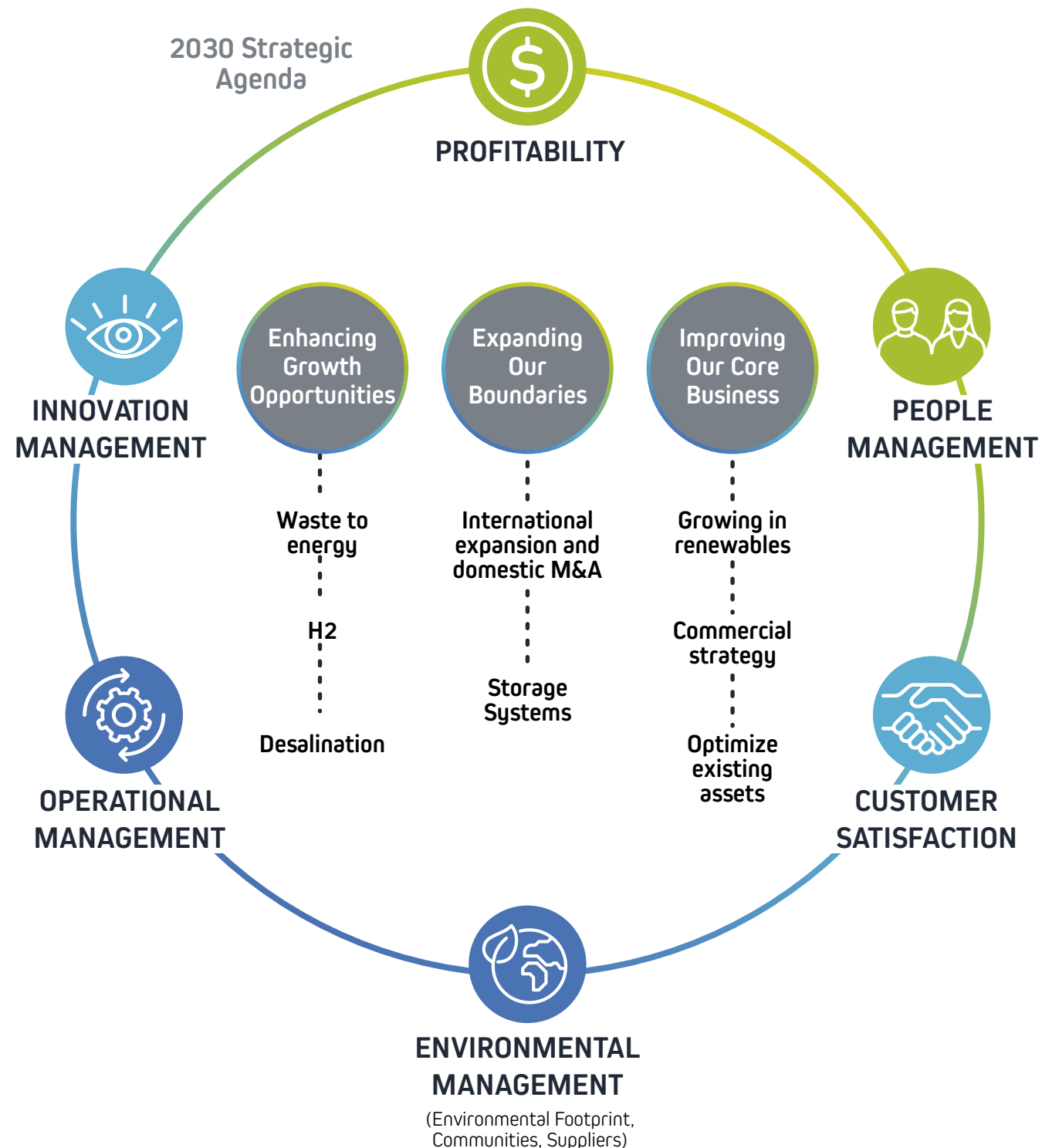
Ownership

- 49.92 % Matte Group
- 9.58 % Antarchile S.A.
- 18.54 % AFPs
- 21.96 % Otros

STRATEGIC AGENDA AND VALUE CREATION MODEL

Colbun has a Strategic Agenda with a time horizon to 2030, based on three main axes and eight focuses:

- STRENGTHENING OUR CORE BUSINESS**, with three focuses: optimization of existing assets ; growth in renewable energy and growth in unregulated customers by expanding the value proposition to them.
- EXPANSION INTO NEW BUSINESSES**, with two focuses: energy storage and inorganic growth opportunities
- EXPLORE GROWTH OPPORTUNITIES IN ADJACENT BUSINESSES** (energy intensive infrastructure) with three focuses: de-pollution, waste-to-energy and green hydrogen .



STRATEGIC ENABLERS AND SUSTAINABILITY FRAMEWORK

At Colbun, we are strongly convinced that it is not possible to generate good economic results if we do not have excellence in the management of our social and environmental performance.

Sustainability at Colbun is not a part of the business, but THE business itself. For the management and monitoring of the Strategic Agenda, we have identified a series of enablers that are key indicators for the sustainability of our business. Each enabler considers goals and objectives associated with our stakeholders: Company profitability (Investors), People Management (Employees), Environmental Management (Communities, Environment, Suppliers), and the Environment (Employees). (Communities, Environment, Suppliers), Customer Satisfaction (Clients), Operational Management and Innovation Management.

STRATEGIC AGENDA

ESG GOALS



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SDG INDICATORS	GOAL	INDICATOR/KPI/ MILESTONE	BASE LINE	2022 PROGRESS STATUS	LONG-TERM GOAL
7 ENERGÍA ACCESIBLE Y NO CONTAMINANTE	Growth in solar and wind Renewable Energies	Advances in the development of solar and wind projects	9 MW installed (2019)	- Three solar projects in operation (250 MW) and 1 wind farm under construction (812 MW), totaling the first 1,000 MW. - 2 solar initiatives environmentally approved (1,280 MW). - 2 renewable energy projects under environmental assessment (472 MW wind + 460 MW solar + 1200 MWh in batteries) - Other renewable projects in earlier development stages for more than 1,000 MW.	4,000 MW by 2030
13 ACCIÓN POR EL CLIMA	Carbon Footprint	% reduction of the net GHG emission factor, with respect to the 2018 baseline, in Chile**	0,286 ton CO ₂ e/ MWh (2018)***	0.326 ton CO ₂ e/ MWh in Chile, 14% higher than the baseline. The increase is explained by the drought, which forced to generate more thermal energy	0.200 ton CO ₂ e/ MWh (30% net reduction) by 2025; 0.172 ton CO ₂ e/ MWh (40% net reduction) by 2030; to be a carbon neutral company by 2050
6 AGUA LIMPIA Y SANEAMIENTO	Operational Water Footprint	% reduction in freshwater withdrawal intensity for operation, with respect to 2018 baseline	0,4 m ³ water /MWh (2018)***	0.34 m ³ /MWh, 15% lower than the baseline	0.24 m ³ water/MWh (40% reduction) by 2025; 0.22 m ³ water/MWh (45% reduction) by 2030
6 AGUA LIMPIA Y SANEAMIENTO	Non-Operational Water Footprint	% reduction in freshwater withdrawal intensity for non-operational consumption, compared to 2018 baseline	246 mil m ³ water (2018)	138,5 thousand m ³ , 44% lower than baseline	146 thousand m ³ water (40% reduction) by 2025
12 PRODUCCIÓN Y CONSUMO RESPONSABLES	Waste Footprint (Ash)	% ash recovery	61% (average 2017-2020)	78% of the ash was valorized, mainly through its use in cement plants and the recirculation of slag at the Santa María power plant	98% by 2025
12 PRODUCCIÓN Y CONSUMO RESPONSABLES	Environment: zero relevant environmental incidents*	No. of significant environmental incidents	0	0	0
12 PRODUCCIÓN Y CONSUMO RESPONSABLES	Occupational Safety and Health: safety management excellence and zero fatalities	Accident frequency rate (lost time) of workers and contractors (FI); and No. of fatalities	N.A.	IF 1,34; 0 fatality	IF 1,0 0 fatalities
8 TRABAJO DECENTE Y CRECIMIENTO ECONÓMICO	Unregulated Customer Net Recommendation Ratio*	Net Promoter Score (NPS) of Unregulated customers	63 points (2020)	75 points in 2022 in Chile and 80 points in Perú	> 50 points by 2025-2030
8 TRABAJO DECENTE Y CRECIMIENTO ECONÓMICO	Colbun's Employee Recommendation Index		88% (2019)	90%	> 88%
5 IGUALDAD DE GÉNERO	Diversity: increasing the workforce of women in the Company*	% women in Colbun's total workforce, with focus on male-dominated areas	18% (2018)	22.2%	25% by 2025

Regarding the Company's Sustainability Management in 2022, the areas where there was the greatest focus and progress in 2022 were the management of the environmental footprint, water in communities, security and continuous energy supply, deployment of renewable energy projects and the gender equality agenda.

The following table summarizes the sustainability indicators and goals that Colbun manages and its progress in 2022.

Notes:

* Consolidated figures for Chile and Peru.

** Subject to the development of the renewables growth plan.

*** Carbon Footprint and Operational Water Footprint targets consider a P80 hydrological scenario, equivalent to the average hydroelectric power of the last 10 years.

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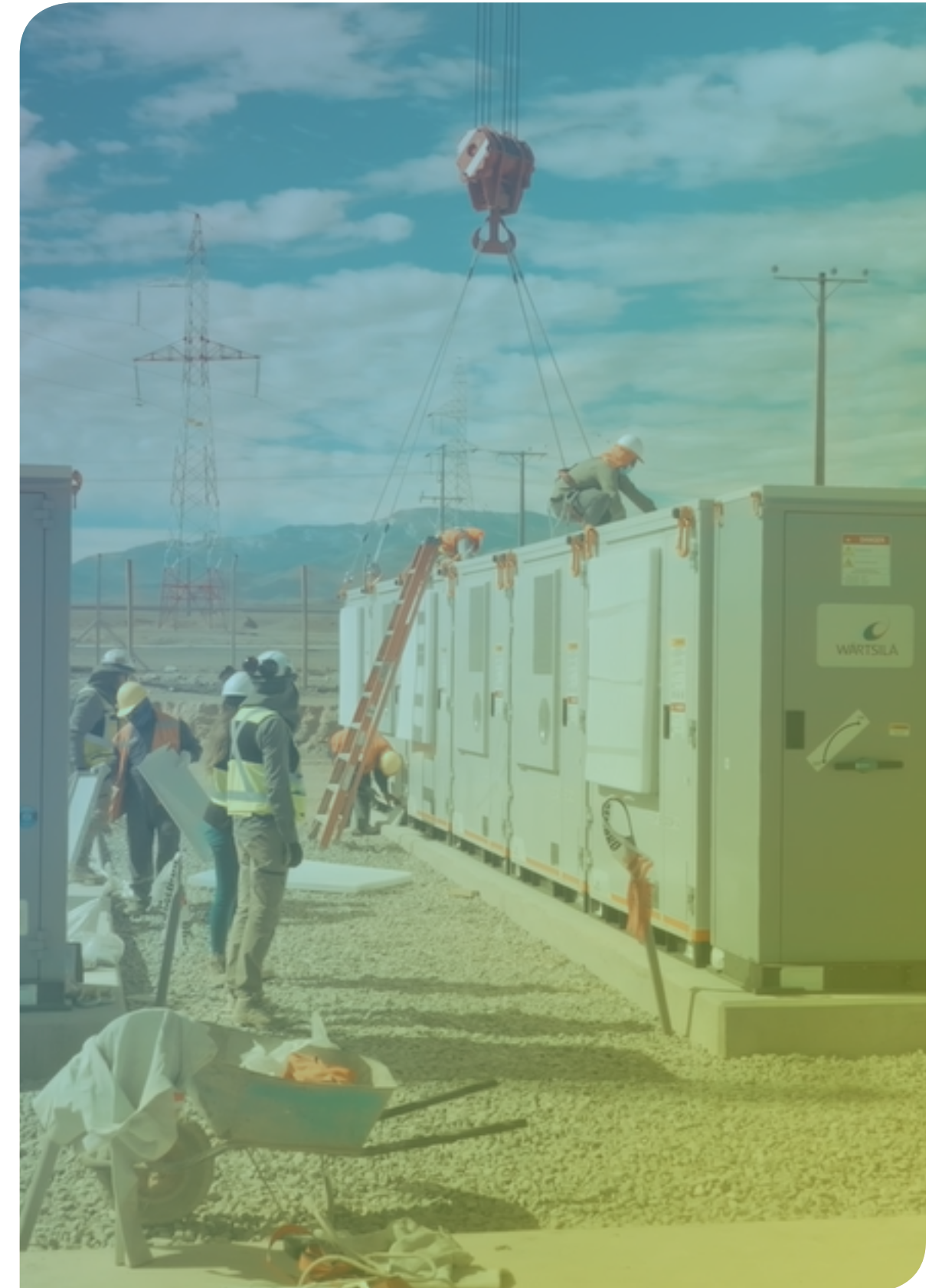
GREEN FRAMEWORK

RATIONALE TO ISSUE A GREEN FINANCING INSTRUMENT

Colbún is committed to generate long-term value to its stakeholders with a focus on the sustainable performance in every area of our business. Anchored in this vision, among the Company's sustainable-linked goals are:

- To incorporate 4,000 MW of renewable capacity by 2030 in Chile, with a special focus on solar and wind sources.
- To achieve operational, environmental and safety management excellence
- To perform a continuous community outreach work, developing a relationship of closeness and trust with local communities

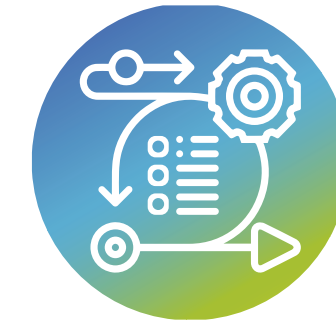
The issuance of a Green Financing Instrument (GFI) will allow the Company to fund initiatives the Company is developing to achieve these goals, at the same time expanding its investor base, attracting environmentally conscientious and socially responsible investors with a long-term view.



APPLICATION OF THE GREEN BOND PRINCIPLES

The Green Bond Principles (GBPs) 2021 elaborated by the International Capital Markets Association (ICMA) and the Green Loan Principles (GLPs) 2021 by the Loan Market Association (LMA) are voluntary procedural guidelines to ensure best practices in GFI, which include Green Bond, Green Loans and other debt instruments that fund green projects.

This Green Finance Framework has been created to facilitate transparency, disclosure, and promote the integrity of Colbún's GFI issuances. The framework is aligned with the four pillars of the GBPs:



1 Use of Proceeds

The Green Projects eligible to be funded with the proceeds of the GFI belong to the "Renewable Energy" category for being generation projects from renewable sources, including solar and wind energy.

The proceeds will be used to fund "Eligible Green Projects", which have had disbursements in the last 24 months prior to the issuances and/or will incur such expenditures in the future. The KPI of the "Eligible Green Projects" will be the CO2 emission prevention (ton/year).

For a list of the "Eligible Green Projects" from the Company's current pipeline of projects please refer to the Appendix.

Exclusionary Criteria: proceeds from Colbún's GFI will not be allocated to thermoelectric projects or to large-scale hydroelectric projects (of more than 25 MW of installed capacity).

2 Project Evaluation and Selection Process

Additionally, Colbún will establish a Sustainability Committee, which will meet on a semi-annual basis and will be comprised of representatives of the Finance Division, the Engineering and Projects Division and the Environmental Department. The Sustainability Committee will oversee the selection of "Eligible Green Projects" and acquisitions, reviewing the funds allocation.

3 Management of Proceeds

The Sustainability Committee will oversee the monitoring process of the selected Green Projects and of keeping track of the allocated resources. Proceeds not yet allocated to Eligible Green Projects will be held on the Company's balance sheet, invested in Cash, Cash Equivalents and/or other liquid instruments, in accordance with the Company's Investment Policy.

If any of the projects is not carried out, the funds raised will be divested from the project in question and used to finance other Eligible Green Projects, as determined by the Sustainability Committee.

4 Reporting

Until the maturity of the GFI, Colbún is committed to disclose, in an annual basis through the Company's website, the following information:

1. Update of the description of the Eligible Green Projects and amount of proceeds allocated to each one.
2. Amount of net proceeds that haven't yet been allocated.
3. Impact Report: where feasible, qualitative and quantitative environmental performance data relating to the Eligible Green Projects funded: the amount of CO2 emission (ton/year) prevented by the project or other relevant metrics.

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EXTERNAL REVIEW

1.1 Second Party Opinion

Colbún has appointed Sustainalytics to provide a Second Party Opinion on Colbún's Green Finance Framework. Sustainalytics applies its own methodology in line with market norms and the Green Finance Principles 2021 guidelines to carry out this assessment.

This Second Party Opinion, as well as the Green Finance Framework, will be published in the Investors section of the website of the Company.

1.2 External Verification

Annually, until the Net Proceeds are fully allocated to Eligible Green Projects, Colbún will contract an external auditor to deliver a report on the compliance in all material respects of the Eligible Green Projects with the criteria approved in Colbún's Green Finance Framework and by the Green Bond Principles.



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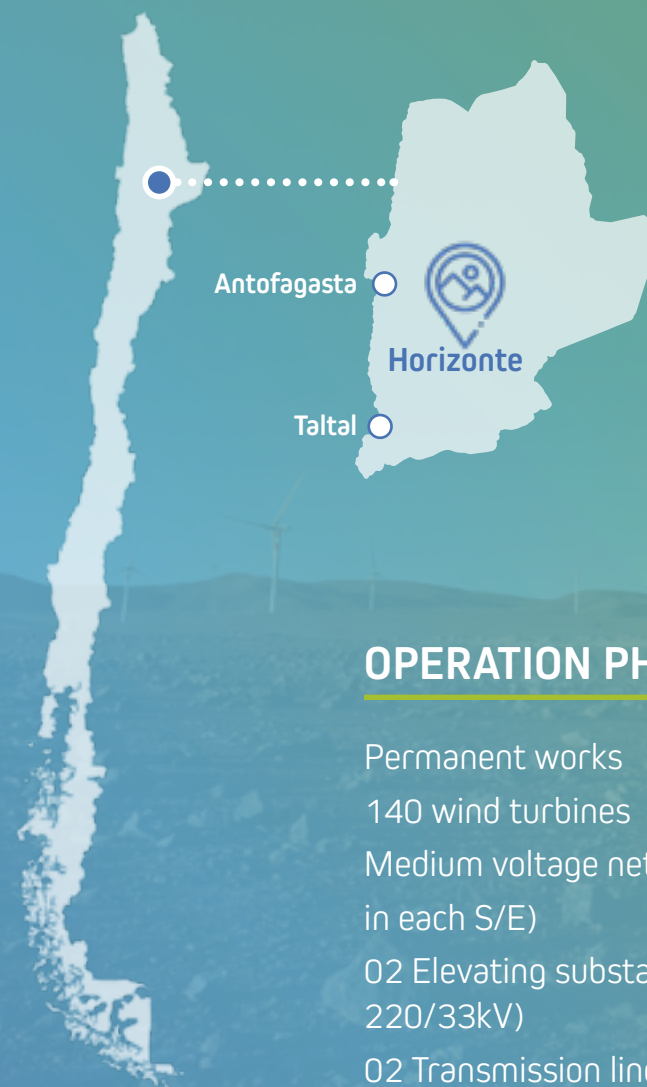
DESCRIPTION OF PROJECTS

HORIZONTE WIND FARM PROJECT



The project with an installed capacity of 816 MW, located 170 kilometers south of Antofagasta Region, 130 kilometers northwest of Taltal and 80 kilometers east of the town of Paposo. It is located in a wind reserve area defined by the Ministry of National Assets.

Area with high wind potential given the intensity, frequency and regularity of local winds. The property was awarded to Colbún for power generation purposes by the Ministry of National Assets, as a result of a public bidding process.



CONSTRUCTION PHASE

Temporary works
 Camp (1,200 people)
 2 site facilities
 Concrete plants, crushers, dumps, loans

OPERATION PHASE

Permanent works
 140 wind turbines
 Medium voltage network (48 circuits - 24 in each S/E)
 02 Elevating substations (2x220MVA - 220/33kV)
 02 Transmission lines (2x220kV - 9.9km and 19km)
 02 Panels connection S/S Parinas
 01 Operations building
 100 km of internal roads

DESCRIPTION OF PROJECTS

HORIZONTE WIND FARM PROJECT



It will generate approximately **2,500 GWh** of green energy per year



Generation equivalent to illuminate more than **660,000 homes**



Technical training of **101 students** from Taltal



It will displace more than **850,000 ton CO2e/year**



365 local recruitments



Treated water reuses **60%**

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DESCRIPTION OF PROJECTS

DIEGO DE ALMAGRO SOLAR PROJECT



Photovoltaic project with an installed capacity of 232 MW, located in the Commune of Diego de Almagro, Chañaral Province, Atacama Region, approximately 25 km south of the city of Diego de Almagro and 92.5 km northeast of the city of Copiapó.

The Project considers around 475,000 photovoltaic panels distributed in 331 ha.

The energy generated is conducted through 46 Inverters to a boosting substation, where the voltage is raised from 33kV to 220kV. Then, to inject energy into the National Electric System (SEN), the project has a 2.6 km transmission line that connects the project with the Illapa substation, which, in turn, transmits electricity to the SEN.



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DESCRIPTION OF PROJECTS

DIEGO DE ALMAGRO SOLAR PROJECT



Generates approximately **650 GWh** of green energy per year



Generation equivalent to illuminate more than **170,000 homes**



8 MW of batteries will provide flexibility to the SEN



Displaces more than **220,000 ton CO2e/year**



Offices Certification **LEED Silver**



Pallets in **community projects** reduce

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FUNDS DISBURSEMENT

Thousand of U.S. dollars

HORIZONTE WIND FARM PROJECT

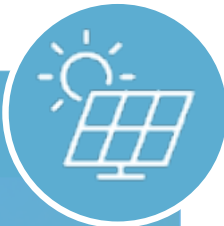


2020	2021	2022	As of June 2023
2,600	35,918	202,707	255,064

Total = 496,289



DIEGO DE ALMAGRO SOLAR PROJECT



2020	2021	As of June 2022
8,562	138,848	14,196

Total = 161,606



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FUNDS ALLOCATION SUMMARY

Thousand of U.S. dollars



Allocated funds 2020	11,162
Allocated funds 2021	174,766
Allocated funds 2022	216,903
Allocated funds 2023	197,169
To be allocated	0
Total	600,000

REPORT VALIDATION LETTER



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INDEPENDENT REVIEW REPORT GREEN BOND ISSUANCE 144a COLBUN S.A.

To: The Board of Directors of
Colbun S.A. (hereinafter the "Company")

We have undertaken a limited assurance engagement of management's assertion, included on Green Bond Impact report as of June 2023 (hereinafter the "Report"), that the proceeds from the Green Bond, were disbursed by the Company's for the financing of eligible assets (hereinafter the "Subject Matter Information") for the period ended June 30, 2023, in accordance with the Company's Green Bond Impact report (the "Framework").

Management's responsibility

Management is responsible for the preparation of the Subject Matter Information in accordance with the Framework as defined in management's assertion of the Report. Management is also responsible for such internal control as management determines necessary to enable the preparation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the Subject Matter Information based on the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements ("ISAE") 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information. As such, we planned and performed our work in order to provide limited assurance with respect to the Subject Matter Information. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our procedures included, but were not limited to:

- Interview key staff responsible for the Green Bond to understand the policies, processes, internal controls related to green project assessment and revenue management of screening, environmental benefits assessment, and reporting.
- Making enquiries of the Company's management, including those with responsibility of process of issuing the Green Bond 144a.

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- Verify the Green Bond accounting records, project approval documents, and other related project materials to assess whether projects funded by the Green Bond comply with the evaluation criteria.
- Understanding and analysis of the disbursed performed to its two projects, which include a wind project and photovoltaic project, both located in Chile.
- Reconciling values disbursed to the underlying records.
- For a limited sample, reconciling the disbursed amounts to the accounting records and validation of the disbursed performed to its two projects.

Our independence and quality control

We have complied with the relevant rules of professional conduct and code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

The firm applies International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Conclusions

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information is not prepared for the period ended June 30, 2023, in all material respects, in accordance with the Framework.

Restricted use

This report has been prepared to assist the Company's management to report to the Board of Directors (the "Board"), the Subject Matter Information in accordance with the Framework.

As a result, this report may not be suitable for another purpose. Our report is intended solely for the use of the Company. We neither assume nor accept any responsibility or liability to any third party in respect of this report. We acknowledge the disclosure of our report, in full only, by the Company at its discretion, in the Company's Report without assuming or accepting any responsibility or liability to the Board or any other third party in respect of this report.


October 13, 2023
Santiago, Chile

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