

BIODIVERSITY STRATEGY



AWARE OF BIODIVERSITY VALUE, COLBUN S.A. STATES IN ITS SUSTAINABILITY POLICY THE IMPORTANCE TO “CONSIDER IN OUR ENVIRONMENTAL MANAGEMENT THE ACKNOWLEDGEMENT OF BIODIVERSITY, NATURAL HABITATS AND THE MANAGEMENT OF GREENHOUSE GAS EMISSIONS TO ACHIEVE ENVIRONMENTAL VIABILITY IN OUR ACTIVITIES”.

1. STRATEGY

This Strategy is defined within the framework of this commitment to address the challenge of biodiversity management in a comprehensive manner in the activities of Colbun S.A. and its subsidiaries, considering this element throughout the life cycle of our power plants and projects.

The Strategy is conceived as a dynamic management tool, considering in a first phase the implementation of a short-term action plan, based on the results achieved, the approaches of this tool will be reaffirmed and/or redefined to develop an action plan with a longer-term scope.

According to the aforementioned, the update of this Strategy, which first term was 2018-2020, currently considers a five-year action horizon (2022-2026) to materialize the following objectives:

- i) to establish standards for biodiversity management.
- ii) based on an evaluation of the results of actions carried out in the past, define approaches for new studies
- iii) to identify conservation possibilities in their own areas; and
- iv) consolidate the importance of biodiversity in the company's management.

To achieve these goals, the updated Biodiversity Strategy considers five fundamental guidelines or pillars:

2. ACTION PLAN 2022-2026

Guideline 1: Consider the impact of projects owned by Colbun S.A. and subsidiaries on biodiversity in their early stages, using methodologies that allow addressing biodiversity in a comprehensive manner and applying the mitigation hierarchy in all projects located in areas with environmental value. We thus seek to achieve at least Zero/Net Loss in all projects to be developed as of 2022.

A standardized methodology that incorporates the concept of “mitigation hierarchy” will be developed and implemented from the design stage of projects located in environmentally valuable land (prefeasibility and feasibility), aiming to reduce the residual impact. In cases where there is a residual impact on biodiversity, appropriate compensation will be sought, in accordance with applicable standards and legislation, to achieve at least Zero/Net Loss in all projects developed as of 2022. This consideration will be explicitly incorporated in new projects submitted to the SEIA (EIS/EIAs).

- **TARGET: 100% OF PROJECTS WITH NET/ZERO LOSS AS OF 2022**

Guideline 2: Promote awareness of endemic species or species in conservation categories, as well as their habitats in our current and future areas of operation, aligned with the Global Compact Principles and the International Union for Conservation of Nature (IUCN) in collaborative work with external partners.

We have a bibliographic survey of the relevant species and habitats of our territory. To define the focuses for new specific surveys, the singularities of each area will be prioritized, deepening the development of studies on certain relevant species that are present in the environments that are related to our facilities.

- **TARGET: 2022, COMPLETE THE ENDEMIC SPECIES STUDY IN THE RINCON DEL SUR CONSERVATION AREA.**

Guideline 3: Promote biodiversity conservation by protecting or rehabilitating areas of environmental value.

There is a first environmental assessment that describes and classifies the habitats present in the geographic areas where Colbun S.A. operates, to identify opportunities for biodiversity conservation among the most valuable of them. One of these most valuable habitats is the territory on the southeastern shore of Lake Chapo, where a Royal Right of Conservation (DRC) was established in partnership with the Tierra Austral Foundation, a legal tool that commits the company to its conservation in perpetuity.

- **TARGET: 2023, ESTABLISH A CONSERVATION AREA IN THE PRESERVATION FOREST OF THE BIOBÍO REGION, BELONGING TO THE ANGOSTURA HYDROELECTRIC POWER PLANT.**

In addition to the foregoing, we will prioritize the rehabilitation of natural areas as a measure to compensate and mitigate the impact of new projects, seeking new opportunities on our own territory or in partnership with our communities.

- **TARGET: 100% OF NEW PROJECTS WILL INCLUDE REHABILITATION OF NATURAL AREAS AS A COMPENSATION AND MITIGATION MEASURE WHEN APPROPRIATE.**

Guideline 4: Promote sustainable sourcing by sourcing materials from certified sustainable forests in accordance with our commitment to combat deforestation¹, including materials such as paper, wood, packaging or similar.

- **TARGET: IN 2022, 50% OF PURCHASES ASSOCIATED WITH STATIONERY (TISSUE AND PAPER) WILL BE FSC OR PEFC CERTIFIED.**

Guideline 5: Promote awareness and understanding of biodiversity among all company employees.

Employee education will be promoted in relation to biodiversity, approaching this concept in terms of its importance in the provision of ecosystem services and its intrinsic value, using a variety of instances and elements of dissemination and information that should be carried out at least once a year considering all employees of the Company.

- **TARGET: COLBÚN S.A. EMPLOYEES SHALL HAVE OPPORTUNITIES FOR DISSEMINATION RELATED TO BIODIVERSITY AND ITS PROTECTION AT LEAST ONCE A YEAR.**

¹FSC - Forest Stewardship Council - or Forest Stewardship Council certification, or PEFC - Program for the Endorsement of Forest Certification.

