

2022

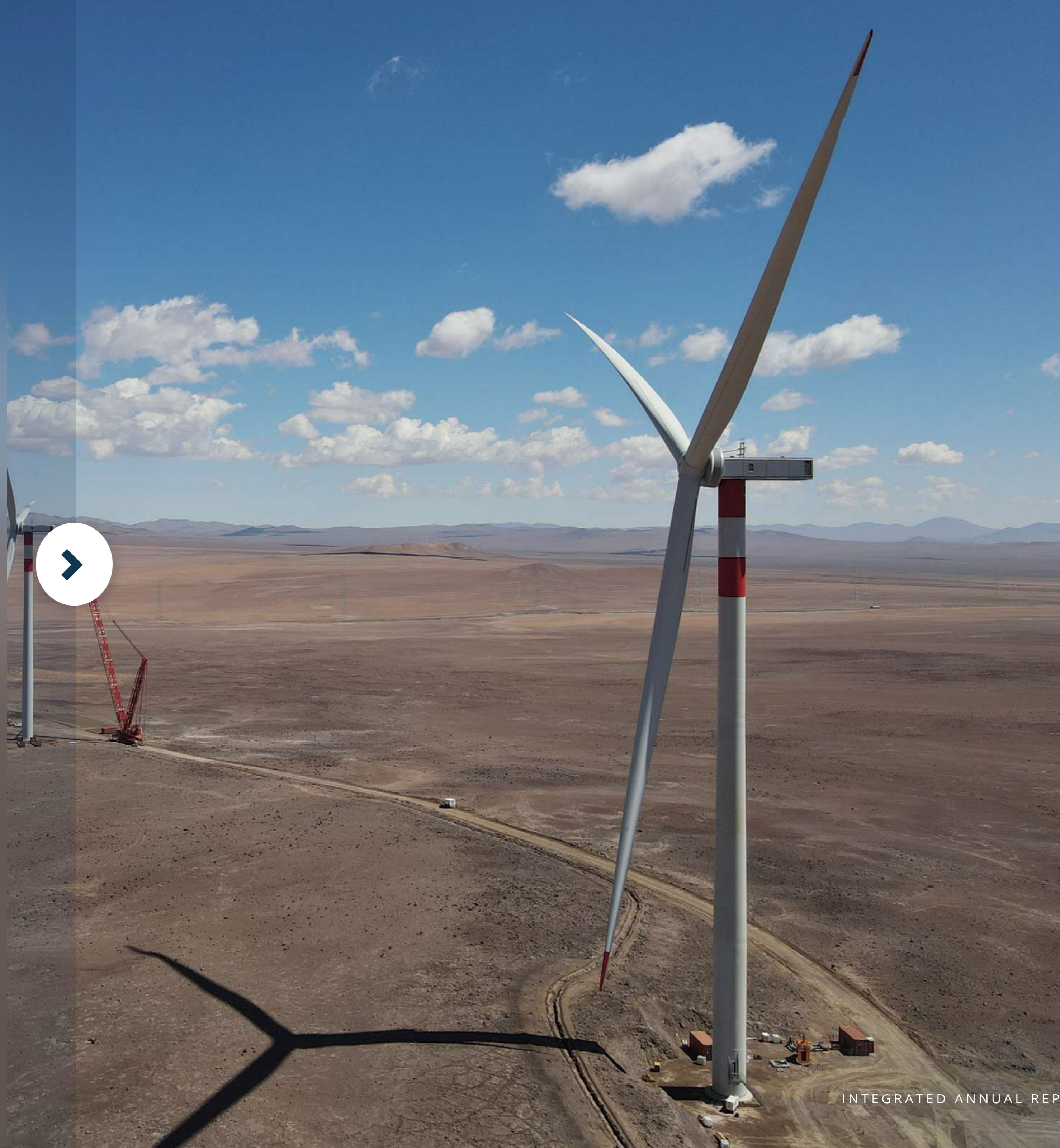


Our
Integrated
Annual Report





We are here to contribute with the **best energy** to the future of our region



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Letter from the Chairman



GRI 102-14

Dear shareholders, clients, employees, suppliers, communities and stakeholders of Colbun:

The electric power industry, now a fundamental pillar in addressing climate change, kept advancing in 2022 along the path of the great transformation it has undergone in recent years, triggering important challenges and opportunities. Given this context, Colbun strived to anticipate and adapt to these changes, establishing a roadmap that has guided the actions of our Company and that during the last fiscal year allowed us to achieve a good performance in economic, social, and environmental management.

Colbun's Integrated Annual Report 2022 accounts for this management, including the progress of our Strategic Agenda and the challenges we face. The Company's results demonstrate the focus we have placed on making Colbun a sustainable company in the long term in all its dimensions. This comprehensive view of our business, given the concerns of our various stakeholders and the requirements of the market and the countries where we operate, has allowed us to evolve without losing focus on our clients, always anticipating their needs and promoting a prudent commercial policy that adequately weighs the risks of the electricity system with efficient operational management, with particular emphasis on the safety of our workers and the company's social and environmental management. This is our vision, as presented below.

Results

In terms of our financial management, Colbun's operational revenues totaled US\$1,974 million in 2022, representing a 37% increase compared to 2021, driven by an increase in generation and higher sales to unregulated customers and in the spot market. Operating income before depreciation, interest, and taxes (EBITDA) reached US\$ 763.4 million, 47% higher than in 2021.

Concerning our Strategic Agenda, during the past year we continued progressing in the medium and long-term roadmap we have drawn up for our Company.

Considering the challenging conditions faced by the National Electric System, a very relevant focus for Colbun is the **Optimization of Assets in the context of the energy transition**, which aims to maintain an efficient, continuous, and

sustainable supply of electricity for our customers and the country. Hence, in 2022, it is worth mentioning the management achieved by our company to access a supply of natural gas under competitive conditions and the execution of major maintenance in Unit 1 of the Nehuenco Complex, which was carried out with a very high level of safety and management. The reliability of our power plants, their growing need for flexibility, and the operation of these assets with the highest safety and environmental standards are key pillars for the sustainability of our Company and the National Electric System.

Another key aspect is the growth in **Renewable Energy Generation**, where I would like to stress the start-up last year of the Diego de Almagro Sur (230 MW) and Machicura (9 MW) solar plants, as well as the progress in the construction of the Horizonte wind project - the largest of its kind in Chile and one of the largest in Latin America (812 MW) - which reached 47% progress at the end of the first quarter of 2023. In addition, during 2022 we entered two new projects for environmental assessment: the first, in August, was the Celda Solar solar power plant in the Arica and Parinacota Region, with an installed capacity of up to 420 MW and a battery system of up to 240 MW and five hours of supply; the second, in December, was the Junquillos wind park in the Biobío Region, with a capacity of up to 472 MW. Additionally, we have several renewable projects in earlier stages of development for more than 1,000 MW that the Company is preparing, and that will allow us to have the best options to support Colbun's growth in the second half of this decade.

We are also promoting this vision in Peru, where, through our subsidiary Fenix, we are evaluating a portfolio of wind and solar projects to incorporate at least 400 MW of renewable energy in the next five years.

Regarding the storage business development, in 2022 we completed the construction of the Diego de Almagro Sur battery project, which, with 8 MW of installed capacity and 32 GWh of energy, is the first energy storage system of its kind in the Atacama Region and the first of Colbun. We are also working on new storage initiatives for more than 600 MW, to ensure that most of our renewable projects can store energy, thus providing greater flexibility to our

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electricity system, offering 24/7 renewable energy to our customers and advancing on the path towards carbon neutrality that the country and our Company have set for the year 2050. In this way, the energy stored in our reservoirs in the south, complemented with the storage systems that we will deploy in the north, will allow us to have a secure, diversified, and competitive supply from Arica to Puerto Montt.

Focusing on our customers has been key in our **Commercial Policy**, anticipating a significant growth in energy demand from unregulated customers. Indeed, in 2022 we reached 310 unregulated customers in Chile -compared to the four we had 10 years ago-, while in Peru we increased to 34 unregulated customers, versus the three existing when we acquired Fenix in 2015. Among the many relevant milestones of the past year, it is worth pointing out the commencement of renewable energy supply to BHP -one of the largest contracts of its kind in force in Chile- and the agreement we reached with Codelco to start 100% renewable supply as of 2026.

Regarding the Company's value proposition expansion, in 2022 we will continue to strengthen the development of sustainable energy solutions through Efizity, to strengthen links and advisory services for our clients and help them achieve their sustainability and energy efficiency goals. This area includes the construction of self-consumption photovoltaic plants for industrial clients, energy management systems, sustainable building certifications, and infrastructure for electromobility. During 2022, Efizity was awarded the development of almost 80 energy solutions, and we expect to continue moving in this direction in 2023.

Green Hydrogen and Adjacent Businesses

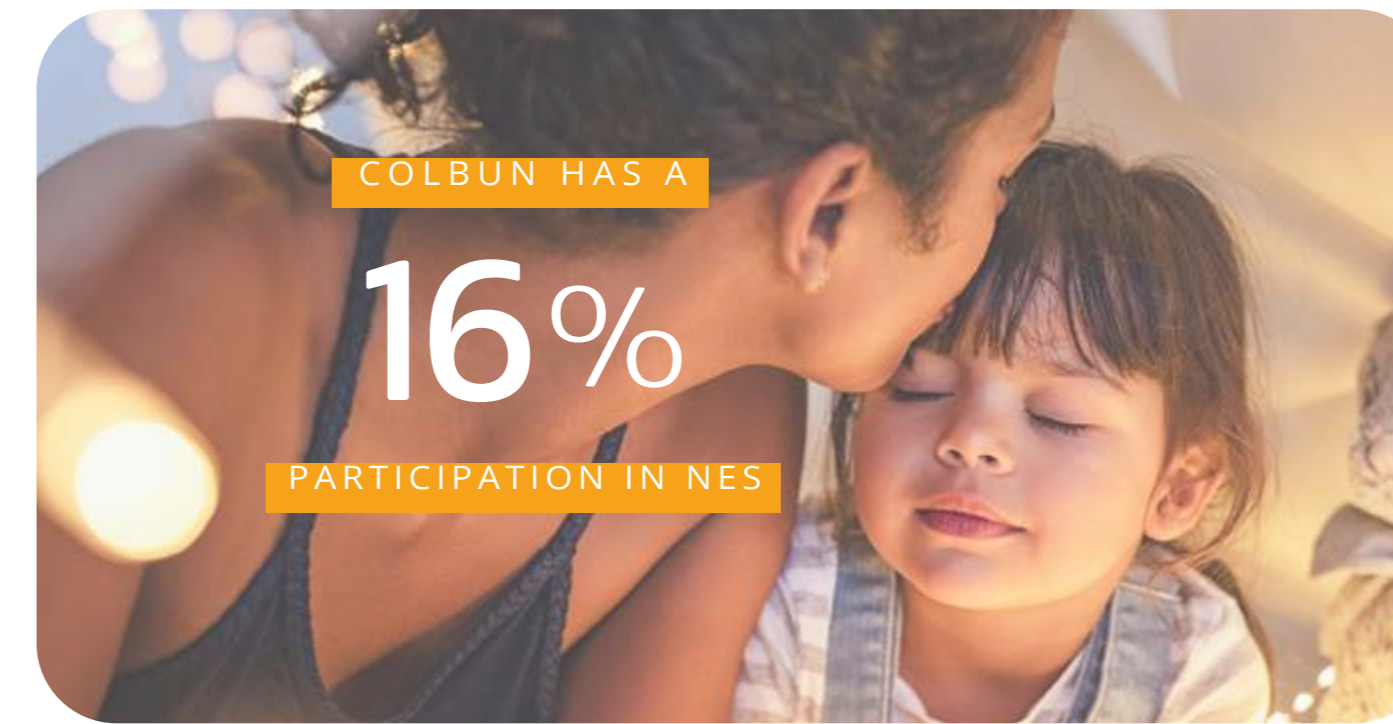
Entering into **Adjacent Businesses** that have energy as a relevant input and allow us to leverage the advantages that our company has to develop large-scale infrastructure projects is key to the growth of the Company. Thus, regarding Green Hydrogen, we materialized the implementation of an area focused on this industry at the beginning of 2022. Additionally, in June we signed an agreement to participate in a consortium seeking to implement the use of this fuel at the Santiago Airport - and thus become the first in Latin America to operate with Hydrogen - and more recently we sealed an alliance with Sumitomo Corporation to develop projects for the production of hydrogen and green ammonia in Antofagasta and Magallanes. Although this is a technology that still has a long way to go to reach technological and commercial maturity, today it is one of the best alternatives for decarbonizing industries where electrification is not feasible. For this reason, and consistent with this vision, the Company is making decisive progress in this new technology.

A second area where we see an attractive opportunity for the Company is in the desalination and industrial water treatment and conduction business, where we see the need for many companies to achieve water infrastructure solutions that allow them to replace inland water consumption. In this sense, Colbun has experience in the development, construction, and operation of large infrastructure projects, a competitive advantage that we are channeling through the creation of a new Water Management Department and where we expect to soon be materializing investment opportunities that will add value to the Company.

Sustainability Indicators

Colbun not only focuses on what we do but also on how we do it, and we have defined a series of indicators and corporate objectives that place sustainability at the center of our business.

One of these indicators is our **Environmental Footprint**, which includes goals for reducing water consumption, greenhouse gas emissions, and waste by 2025 and 2030. Thus, in 2022 we achieved a reduction in operational water consumption of 15% for each unit of energy generated, while in non-operational water (offices, gardens, and other administrative uses) we accumulated as of last December a reduction of 44% over the 2018 baseline, three years ahead of the goal we had set for 2025.



Concerning the Company's atmospheric emissions factor, this indicator decreased by 12% in 2022, while progress was made in waste management, achieving that 78% of the ash generated by Central Santa María -which represents 98% of our waste- was used as an input for other industries (versus 61% in 2021).

Regarding **People Management**, the accident frequency rate was reduced from 2.5 to 1.3 between 2021 and 2022, consistent with our corporate goals, while we continue to make progress in increasing the number of women in the company, which reached 22.2% in December 2022, compared to 20.4% in December 2021. However, we still face the challenge of advancing more strongly in the incorporation of women in the head office and in executive positions, which will be a focus of our management in the coming years.

In terms of **Community Relations**, for the past seven years, the Company has been measuring the perception that communities have of its management through a standardized instrument developed by third parties, achieving a significant increase in this area in 2022. Although we still have a long way to go, it is important to note that this indicator is an integral part of the performance evaluation of each employee and, in that sense, it is a transversal management of the Company. Consistent with this vision, in 2022 we implemented citizen participation mechanisms in all our investment projects before the presentation of the environmental impact studies, to inform the communities promptly about the characteristics of our projects, gather their comments, and establish work agreements that allow us to promote local value.





Innovation is also key to the Company's development and future growth. Beyond the work I have already mentioned in Green Hydrogen and Storage, Colbun has defined that innovation must be a transversal value that (i) helps us to optimize the operation of our assets and reduce our environmental footprint, (ii) allows us to be more efficient in project development and (iii) adds value in the relationship with our customers. In addition to this, the **Digital Transformation** program on which Colbun continued to progress last year, both to make its internal processes more efficient and to offer a better service to its clients.

That being said, we are aware that good results are not guaranteed. It is a fact that companies are increasingly challenged: we have more demanding customers, more empowered communities, a public opinion more concerned about the environmental sustainability of our planet, and greater scrutiny from citizens, and at the same time we face a more volatile world. In this challenging context, the greatest contribution we can make in the electricity sector is to continue advancing in the energy transition, seeking the increasing deployment of renewable energies and creating value for all our stakeholders.

The Regulatory Challenge

Within this perspective, a regulatory framework and clear and stable rules of the game are essential for the healthy development of this industry. There is no doubt that the energy transition forces us to continuously think about the best regulatory conditions to continue progressing in the consolidation of renewable energies together with storage and, at the same time, preserve the safety of the electric service, reduce its emissions, and guarantee the most economical operation of the system. Any regulatory update must be done with the support of solid technical foundations and a sense of reality that allows weighing the challenges without falling into voluntarism or slogans, preserving the principles of safety and economic operation of the system, maintaining clear, stable, and transparent investment signals, and where the general interest of consumers and the country is always ensured.

In this sense, regarding the discussion that has been generated on the regulatory design for the short-term market in the electricity system, to solve financial imbalances of some actors, it is very important to preserve the aforementioned principles. The margining system, be it under an audited cost scheme or with a bidding system, has proven to have a fundamental role in achieving an adequate development of the electricity market, since it is the most accurate and objective price signal. As several academics have already warned, the proposed modification to the marginalist system proposed by some generating companies could create important distortions, deepening the current problems of the system, producing higher costs for end users, and affecting the development of investments in storage that will be decisive for sustainable growth of the system. Furthermore, and as has already happened in the past, there is a real risk that the solutions that today are presented as transitory may end up becoming permanent changes.

Given this situation, and aware that our regulatory framework needs to be reviewed and updated, we appeal for these changes to be promoted with a sense of responsibility through reforms that preserve an integral vision of the system and its necessary balances, rather than favoring particular solutions to risks that were known and where the proposed changes could end up generating greater damage.

Final Words

Before concluding these words, I would like to emphasize the dedication and professionalism of the nearly 1,200 people who work at Colbun in Chile and Peru, as well as our more than 500 permanent contractors and our entire network of suppliers and advisors. The good results achieved in 2022 are the result of the strategic alignment that our Company has deployed in recent years, and the effort and commitment of our people, so on behalf of the Board of Directors I would like to express my appreciation to all the people in the Company who have made this performance possible.

I would also like to acknowledge the very valuable work of Thomas Keller as General Manager of Colbun, who after eight years, left that position in 2022 to become director of some of our subsidiaries. For his part, Jose Ignacio Escobar, our CEO as of last May, has quickly integrated into the Company, outstanding for his leadership and human and professional skills to enhance Colbun's growth path and the integration of sustainability in all the Company's activities, as is reflected in this Integrated Report.

As you can appreciate, 2022 was a year in which we continued to address the signs of change in a sector in continuous transformation, such as the energy industry, and the challenges that emerge from society. This is part of the philosophy that drives our entire organization. Because we work to be part of the solution to Chile's challenges, offering the best energy through a competitive, sustainable, and reliable offer.

I close these words in the hope that this Integrated Report - which was prepared following the principles of General Standard 461 of the Financial Market Commission, the United Nations Global Compact, and the standards of the Global Reporting Initiative (GRI) - will provide an in-depth understanding of the progress and challenges faced by Colbun in 2022.

Thank you very much
Hernán Rodríguez W.

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1.1



About Colbun

GRI: 2-1, 2-2, 2-7,2-9, 2-10, 2-11
NCG 461: 2.2

Who are We

With a 37-year history, Colbun S.A. is one of Chile's main power generation companies, the leader in generating and commercializing electricity and providing energy solutions. In Peru, where we have been operating since 2015, we are the fifth-largest generator in the market.

What We Do

We operate 27 power plants in Chile and Peru with an installed capacity of 4,018 MW¹ for 374 clients. Our goal is to supply safe, competitive electric energy with a growing share of renewable sources, which also includes providing infrastructure solutions for electromobility, distributed energy, energy efficiency, and storage, among other systems.

Our Origins

Our company was born from the Colbun-Machicura Complex, which was built by the then state-owned Endesa S.A. and began operating in 1985. In 1997 Corfo carried out a bidding process that allowed the entry of private shareholders and, in 2005, the Matte Group became the controlling shareholder.

How to Read Our 2022 Integrated Annual Report

Over the last 10 years, we have taken solid steps towards the sustainability of our operations and we have prepared ourselves to face this and the next decade with the conviction of being able to provide energy and solutions to support the sustainable development of the country, without compromising the security of supply or the competitiveness of the sector. We not only support our clients in their energy transformation but also seek to be part of the solution to Chile's challenges in this area.

This Integrated Annual Report is a tool to account for our management, the milestones achieved in 2022 and the steps to come, with the objective of being a sustainable company in all its dimensions.

(1) Figures include the Machicura and Diego de Almagro Sur solar parks.



1.1

About Colbun

GRI: 2-1, 2-6 NCG 461: 2.2

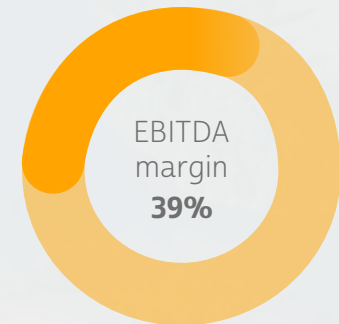
Our Company in figures

Consolidated figures

2022

● **US\$ 1,974 million**
in revenues from ordinary activities

US\$ 763
Million EBITDA



US\$ 311
Million net income

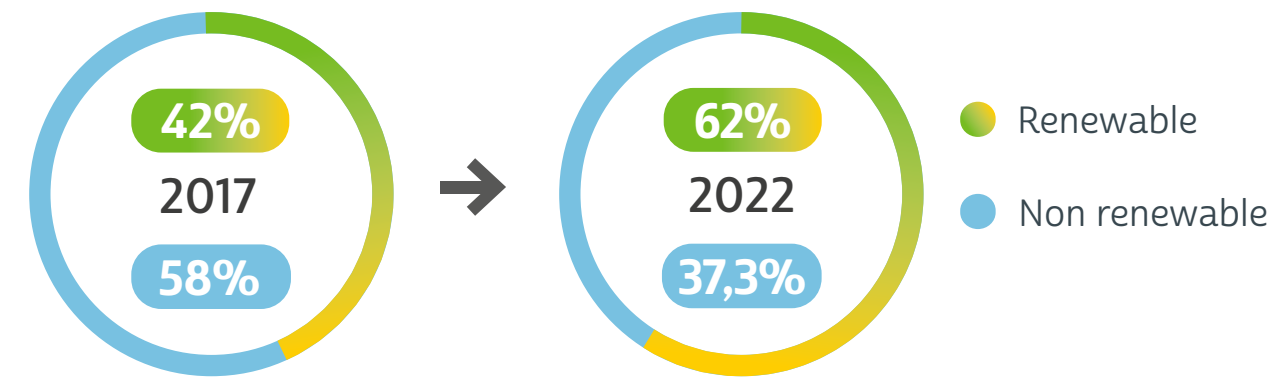


982
Employees in Chile

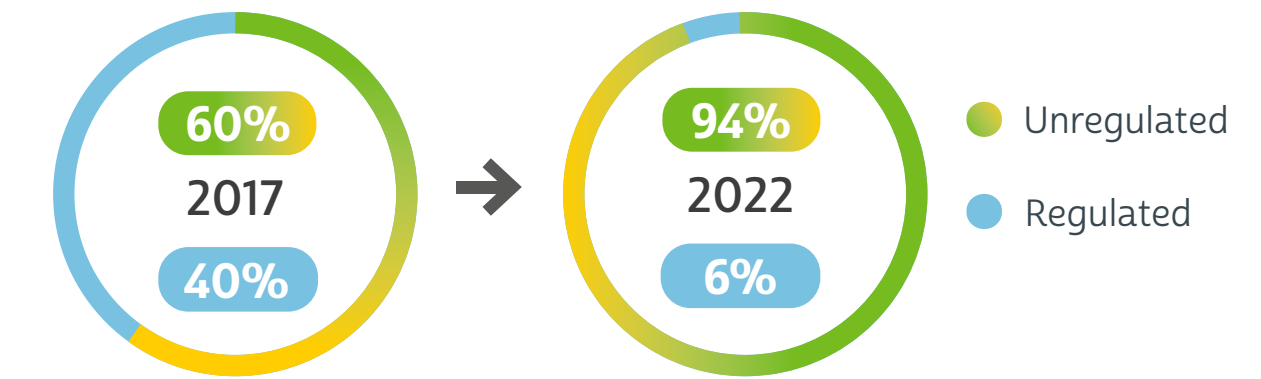
121
Employees in Peru

Type of Energy

As measured by installed operational and under construction capacity



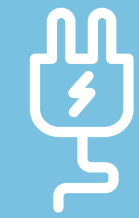
Type of clients



Chile

3,443 MW
Installed capacity

13,161 GWh
of energy generated



3rd
largest generator of NES

16%
of market share in the NES in energy produced

250 MW
in three solar parks in operation

3.200
Supply Copanies



334
generation clients

11%
of MW participation in the NES

Peru

575 MW
Installed capacity

4,270 GWh
of energy generated



5th
place in the ranking of generators

8%
of market share in the NEIS in energy produced

100% MW
of thermal generation

677
Supply Copanies



40
generation clients

4%
market share in the NEIS market in terms of installed capacity

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1.1



About Colbun

2022 Milestones

(NCG 461: 2.2)

This year we made concrete progress in our challenge to **contribute with renewable energies and to strengthen our ties with the communities** where we operate.



We strengthened our structure to face upcoming challenges and welcomed a new Chief Executive Officer.

May

José Ignacio Escobar, Industrial Civil Engineer, Master in Economic Regulation, who has extensive knowledge in renewable energies, was appointed as the new CEO. [More](#)

June

We created the Water Resources Management and Green Hydrogen Management Departments, focused on the development and implementation of solutions aimed at efficient water management and the promotion of new business opportunities. [More](#)



Investment deployment and customer support: the key to our Strategic Agenda

June

Santiago Airport launched a plan to be the first in Latin America to operate with green hydrogen and accelerate its decarbonization goal. In this project, our Company will provide renewable energy from photovoltaic panels, as well as other renewable energy plants. [More](#)

August

- The photovoltaic and battery project Celda Solar with an installed capacity of up to 421 MW plus 240 MW of batteries (Arica and Parinacota Region) was submitted for environmental evaluation. [More](#)
- CCU signed a contract with Colbun to be supplied with 100% renewable energy. [More](#)

October

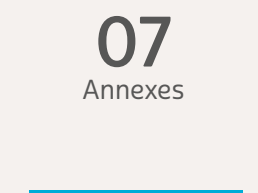
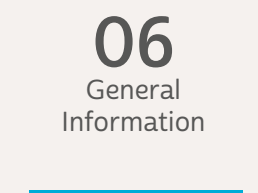
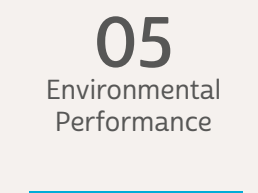
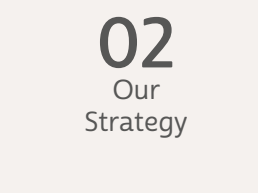
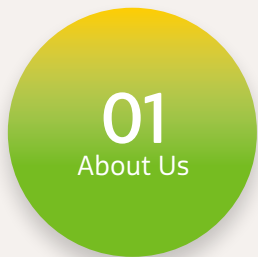
- Starting in 2025, Codelco is expected to start using 100% renewable energy after agreeing to a contract modification with our Company, which will provide it with emission-free energy for 1,000 GWh per year until 2044. [More](#)
- Colbun introduced a new virtual branch for its clients, operating under the concept of an energy consumption dashboard.

November

Diego de Almagro Sur Solar Power Plant in Atacama, a 230 MW project that also includes a battery system with a capacity of 8 MW and 32 MWh of energy, began operating. [More](#)

December

- The Horizonte Wind Farm project located in Taltal, Antofagasta Region, Chile's largest wind farm project and one of the largest in the region, closed the year with 38% construction progress.
- Junquillos Wind Farm project, an initiative with up to 422 MW of projected power in the commune of Mulchén, was submitted for environmental assessment. [More](#)





1.1



About Colbun

2022 Milestones



Territory development in the areas where we operate

April

Colbun's Community Apiculture Program harvested 350 kilos of honey at the Hornitos and Blanco power plants. This program covers eight communes and more than 400 hectares and seeks to make forests available on Company land for local beekeepers. [See More](#)

July

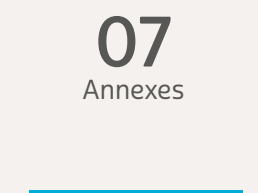
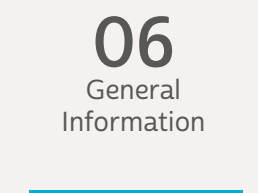
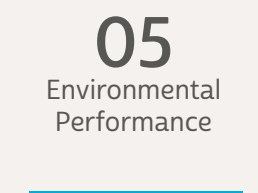
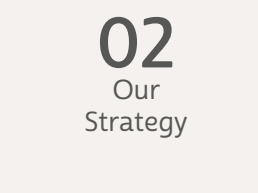
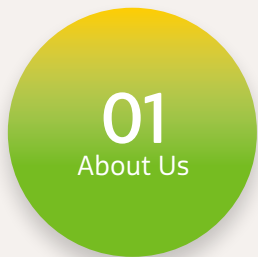
Generadoras de Chile awarded an initiative promoted by Colbun and Fundación Huella Local, enabling the implementation of 54 community infrastructure projects that have improved the quality of life of more than 95 thousand people in several districts of the Biobío Region. [See More](#)

October

The Regional Governor of Maule and Colbun signed an agreement to work with the Chambers of Commerce of Colbun to promote economic development, capacity building and the promotion of trade in the town of Colbun. [See More](#)

December

The new Chapo Lake House, a tourist information center and cafeteria, was opened under the sponsorship of the Chapo Lake Tourism Board, an initiative in which Colbun participates. [More](#)



1.2

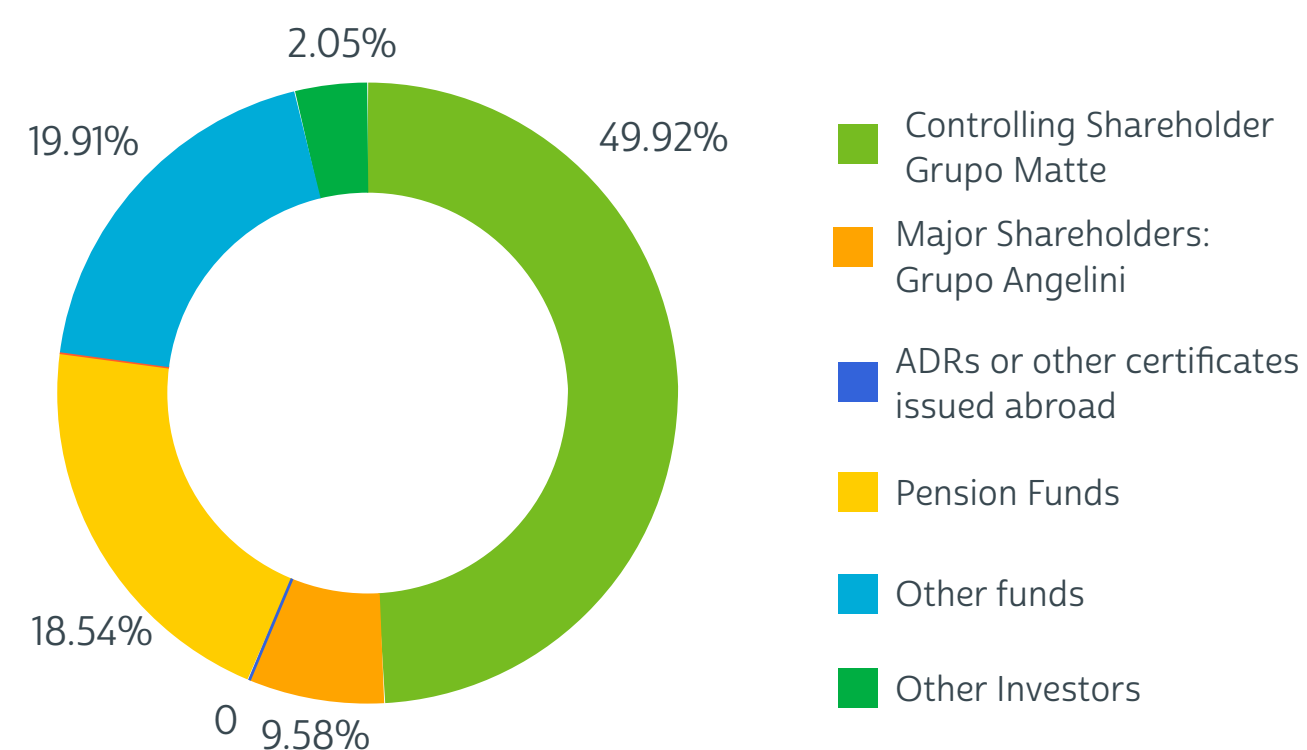


Ownership and Shareholder Structure

GRI: 2-1, 2-2
NCG 461: 2.3.2, 2.3.3, 2.3.4, 2.3.5

As of December 31, 2022, the Company's capital stock consisted of **17,536,167,720 single series shares**, subscribed and paid, with no par value. The number of shareholders was **2,803**. The Company has no other securities issued other than its shares.

Shareholders' equity



TOP 10 SHAREHOLDERS

Shareholder	% ownership
Minera Valparaíso S.A.	35.17
Forestal Cominco S.A.	14.00
AntarChile S.A.	9.58
Banco de Chile por cuenta de State Street	4.38
Banco de Chile por cuenta de CITI N.A New York.	1.99
Fondo de Pensiones Habitat A	1.99
Fondo de Pensiones Habitat C	1.93
Fondo de Pensiones Habitat B	1.77
Banco Santander - JP Morgan	1.70
Banchile Corredores de Bolsa S.A.	1.61
Total	74.10

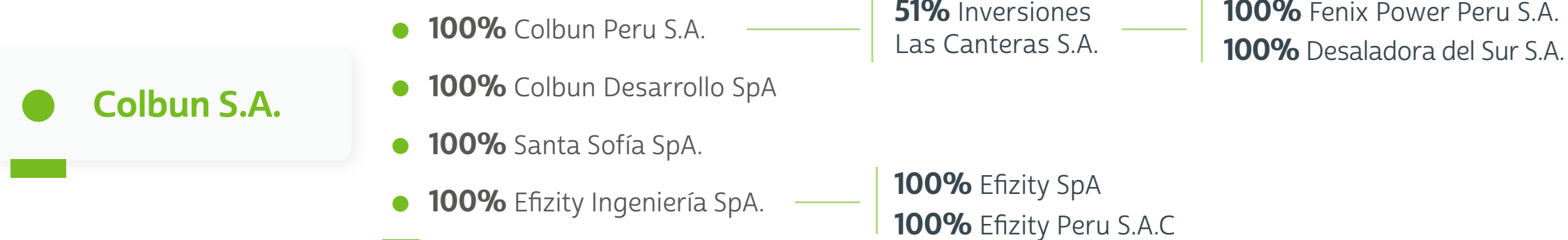
Matte Group directly and through other subsidiaries, holds control of the **Company (49.92%) through shares**. This investor has a presence in the electricity, financial, forestry, real estate, and telecommunications sectors.

The second largest shareholder, AntarChile S.A. (RUT 96.556.310-5), **owns 9.58% of Colbun's property**, thus being able to appoint a member of the Board of Directors.

The only important changes in ownership in the last year correspond to the increase in Banco de Chile's shareholding on behalf of State Street, which went from 2.42% to 4.38%, the exit of AFP Cuprum from the list of the 12 largest shareholders, and the entry of AFP Provida, with 2.58% of the shares considering all its funds.

Shareholder Structure

Subsidiaries



Associates



1.3



Our Facilities

GRI: 2-1
NCG 461:



Our Brands

Colbun
Soluciones by Efizity
Fenix



Renewable Energy Power Plants

- DIEGO DE ALMAGRO SUR SOLAR POWER PLANT** 230 MW / PHOTOVOLTAIC
 - Diego de Almagro, Atacama Region
- CUENCA DE ACONCAGUA** 210,3 MW / RUN OF RIVER
 - Los Andes, San Esteban, Valparaiso Region
 - Los Quilos (39.9 MW)
 - Chacabuquito (25.7 MW)
 - Blanco (53 MW)
 - Juncal (29.2 MW)
 - Juncalito (1.5 MW)
 - Hornitos (61 MW)
- OVEJERÍA SOLAR POWER PLANT** 9 MW / PHOTOVOLTAIC
 - Til Til, Metropolitan Region
- CARENA POWER PLANT** 10 MW – RUN OF RIVER
 - Curacaví, Metropolitan Region
- MACHICURA SOLAR POWER PLANT** 9 MW / PHOTOVOLTAIC
 - Colbun, Maule Region
- CUENCA DEL MAULE** 661.8 MW / RESERVOIR / RUN OF RIVER
 - Colbun, Yervas Buenas, San Clemente, Maule Region
 - San Clemente (5.9 MW)
 - Chiburgo (19.4 MW)
 - La Mina (37.2 MW)
 - Colbun (467.3 MW)
 - Machicura (95 MW)
 - San Ignacio (37 MW)
- CUENCA DEL LAJA** 249.2 MW / RUN OF RIVER
 - Antuco, Quilleco, Biobio Region
 - Rucúe (178.4 MW)
 - Quilleco (70.8 MW)
- ANGOSTURA** 323.8 MW / RESRVOIR
 - Santa Bárbara, Quilaco, Biobio Region
- CANUTILLAR** 172 MW / RESERVOIR
 - (Lago Chapo), Cochamó, Los Lagos Region

Thermoelectric Power Plants

- FENIX POWER** 573 MW / GAS
 - Chilca, Lima Department, Peru
- COMPLEJO NEHUENCO** 854.6 MW / DIESEL / GAS
 - Quillota, Valparaiso Region
 - Nehuenco I (335.7 MW)
 - Nehuenco II (411.2 MW)
 - Nehuenco III (108.0 MW)
- CANDELARIA** 249.7 MW / DIESEL / GAS
 - Mostazal and Codegua, O'Higgins Region
- LOS PINOS** 107.7 MW / DIESEL
 - Cabrero, Biobio Region
- SANTA MARÍA** 350 MW / COAL
 - Coronel, Biobio Region

Renewable Energy Projects

- HORIZONTE** 812 MW / WIND FARM
 - Taltal, Antofagasta Region
 - Under construction
- JARDÍN SOLAR** 437 MW / PHOTOVOLTAIC
 - Pozo Almonte, Tarapacá Region
 - Under development
- INTI PACHA** 486 MW / PHOTOVOLTAIC
 - María Elena, Antofagasta Region
 - Under development
- BATERÍAS DIEGO DE ALMAGRO SUR** 8 MW / PHOTOVOLTAIC
 - Diego de Almagro, Atacama Region
 - In commercial commissioning
- SOLAR PHOTOVOLTAIC PROJECT CELDA SOLAR** 420 MW / PHOTOVOLTAIC
240 MW DE ALMACENAMIENTO
 - Camarones, Arica y Parinacota Region
 - Under environmental assessment
- WIND FARM PROJECT LOS JUNQUILLOS** 360 MW / WIND FARM
 - Mulchén, Biobio Region
 - Under environmental assessment

All facilities and water rights are owned by Colbun and its subsidiaries. Colbun does not own any patents. For more information about our properties and facilities, see Chapter 8, FS.

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1.4



Structure, Strategy and Corporate Governance Framework

GRI: 2-9, 2-12, 2-23, 2-24, 2-27
 NCG 461:2.3.1, 2.3.3, 6.5.1.v 3.1.i, 3.5, 3.6.vi

Corporate Governance Framework

Colbun's Corporate Governance is comprised of a set of principles, rules and mechanisms aimed at creating sustainable value for shareholders and stakeholders.

Policies and procedures, in addition to external regulations, define how Corporate Governance operates. Although Colbun does not adhere to a specific Corporate Governance standard, the Company has a Corporate Governance Code that formalizes the governance practices of Colbun and its subsidiaries, based on strict national and international standards and best practices of ethics, transparency and compliance. [See More](#).

Approvals and/or updates of the organization's policies are proposed by senior management, led by the Chief Executive Officer, and submitted to the Board of Directors for approval.

We have a Corporate Policies and Procedures Portal called Colbunpedia, which provides access to the Company's relevant documentation to all employees. In this portal, it is possible to find the crime prevention manual, which points to how the company faces behaviors that could affect free competition, fair competition, prevention of corruption, money laundering, and financing of terrorism.

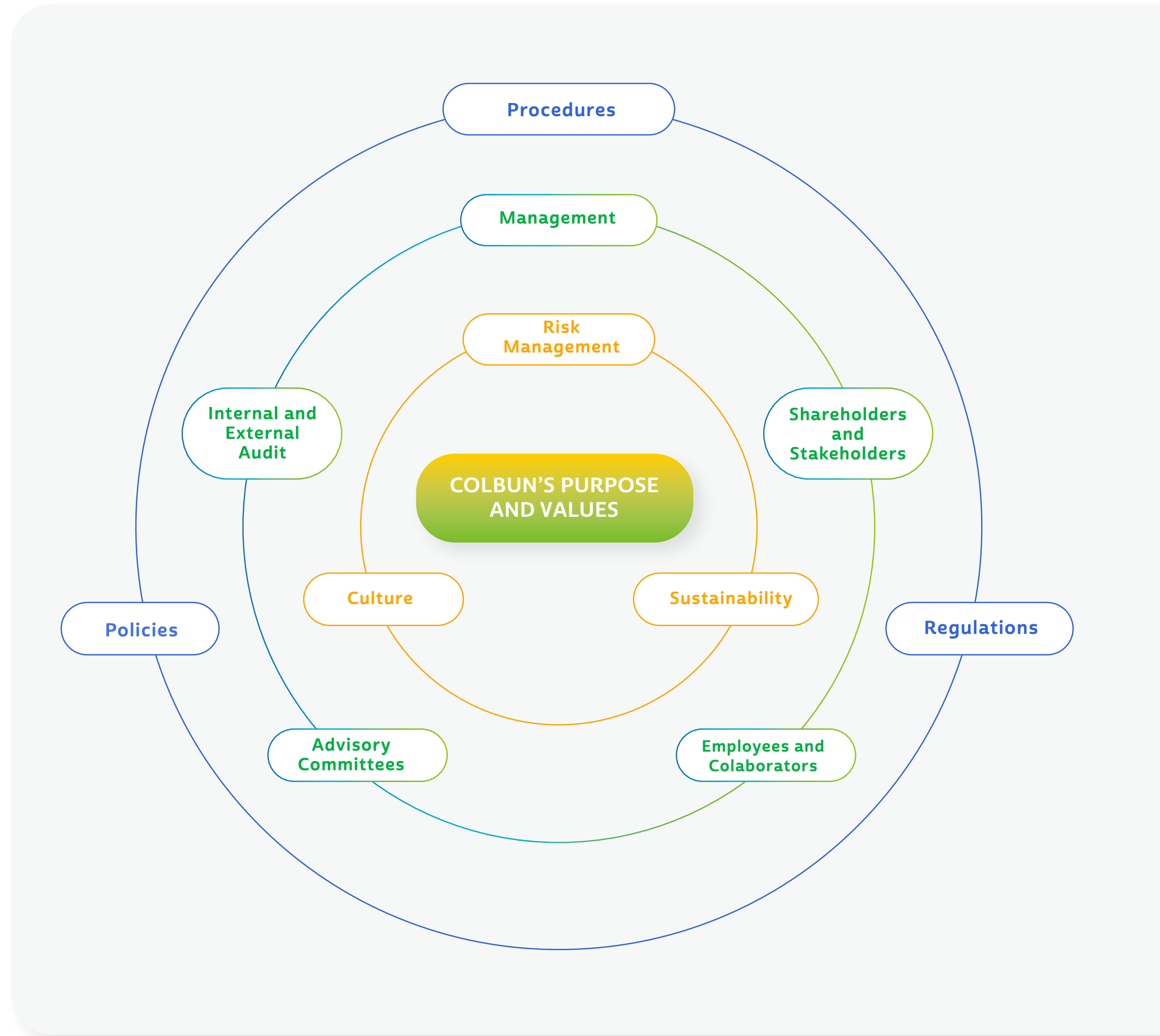
Corporate Governance Structure

The Board of Directors, its Advisory Committees, Management, employees, and collaborators are responsible for Colbun's governance. Shareholders and other stakeholders are impacted by the governance strategy. The independent Internal Audit unit is responsible for verifying the effectiveness of and compliance with the policies, procedures, controls, and codes implemented for risk management, which reports to the Board of Directors and also participates in the evaluation of the functioning of Colbun's governance structure.

Corporate Governance Pillars

The Company's sustainability strategy, Risk Management, and Organizational Culture are fundamental and main elements interrelated to promote adequate governance of the Company and its subsidiaries.

The Corporate Governance Code formalizes the governance practices of Colbun and its subsidiaries, based on strict standards of ethics, transparency, and compliance.

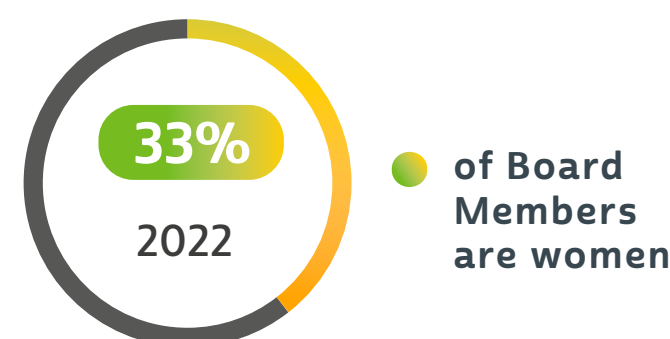


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Board of Directors

GRI: 2-11, 2-12, 2-13, 2-14, 2-15, 2-16, 2-17, 2-18
 NCG 461: 3.2.v, 3.2.viii, 3.2.ix



Hernán Rodríguez Wilson
Chairman
 Industrial Civil Engineer
 PUC - MBA UCLA
 7.051.490-7
 Chilean



Bernardo Larraín Matte
Vice President
 Commercial Engineer PUC
 MSC in Finance London
 School of Economics
 7.025.583-9
 Chilean



Juan Carlos Altmann Martin
Director
 Industrial Civil Engineer PUC
 MBA Michigan Ross
 11.807.905-1
 Chilean



Marcela Angulo González
Independent Director
 Civil Engineer U. de Concepción.
 Doctor Environmental Sc. UdeC
 7.804.559-0
 Chilean



Vivianne Blanlot Soza
Director
 Economist PUC.
 Master in Applied
 Economics
 American University
 6.964.638-7
 Chilean



María Emilia Correa Pérez
Independent Director
 Lawyer U. de Los Andes
 Bogota. Master Sociology
 New School for Social
 Research
 21.667.056-6
 Colombian



Rodrigo Donoso Munita
Director
 Commercial Engineer U. de
 Los Andes. MBA Universidad
 de Berkeley
 15.363.942-6
 Chilean



Jaime Maluk Valencia
Independent Director
 Industrial Engineer PUC,
 Master of Science London
 Business School
 10.608.502-1
 Chilean



Francisco Matte Izquierdo
Director
 Abogado PUC.
 MBA Chicago University
 16.612.252-K
 Chilean

It is integrated by nine members appointed by the Board of Shareholders, none of whom hold executive positions, are renewed every three years, and are eligible for reelection indefinitely (with the exception of those representing the AFPs) and may or may not be shareholders. The last renewal was in 2021. During 2022, Andrés Lehuedé Bromley and Bernardo Matte Larraín resigned and were replaced by Jaime Maluk Valencia and Francisco Matte Izquierdo, correspondingly, until the next Ordinary Shareholders' Meeting, when the Board of Directors will be completely renewed.

The Company's shareholders elect the directors who will represent them, based on their abilities.

Colbun does not have Alternate directors.

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Board of Directors

GRI: 2-11, 2-12, 2-13, 2-14, 2-15, 2-16, 2-17, 2-18
 NCG 461: 3.2.ii, 3.2.xii.f, 3.3iii

About the Board of Directors



Board of Directors Role

Designing and monitoring, alongside management, the company's strategy, ensuring its long-term sustainability; meeting fiduciary expectations, as well as providing the organization with a transcendent and mobilizing sense of purpose; making inquiry, self-criticism and leadership a collective standard, beyond the individual responsibility of each director.



Functioning

It meets on an ordinary basis once a month and on an extraordinary basis when there is a need to deal with a specific or contingent matter. Annually validates the Corporate Objectives for the Administration, and delegates some of its authority to the management of the Company, through the Board's Delegation of Authority Policy.



Induction of New Directors

The Chief Executive Officer provides all new directors with information on current regulations, internal documentation and on the company and its environment, as established in the Corporate Governance Code (NCG 461 3.2.iv).



Information Systems for Directors

The Board of Directors has an Information System that allows remote, secure, and permanent access to information on the meetings of the Board of Directors and the Committees in which they participate, such as the monthly Board Report, minutes, relevant documents, and the table of matters to be discussed and their historical record. The minutes are uploaded to the system on the Thursday before the meeting, and directors can submit their comments by e-mail to the Secretary of the Board or directly on the minutes uploaded to the CONVENE system. Directors have access to the detail of the complaints received and managed through the Audit Committee. However, directors do not have online access to the system that supports the management of complaints (NCG 461 3.2.xii).



Visits to Facilities

Colbun's Board of Directors, either collectively or individually, visits the Company's facilities at least once a year. In November 2022, all of its members visited the Diego de Almagro Photovoltaic Project and on two occasions, in June and December, Chairman Hernán Rodríguez and Director Rodrigo Donoso visited the Horizonte Wind Farm Project. The General Manager and senior executives also participated in these visits.



Self-Assessment

The Board of Directors has an annual performance self-assessment procedure, led by the Chairman of the Board, based on a survey on different topics and areas of activity of the Board and its advisory committees. The conclusions and measures to be taken as a result of this process are discussed at a Board meeting.

Through this procedure, opportunities for improving the management of the highest governance body are detected, including areas that the directors believe could be strengthened or improved, and the detection and reduction of barriers that may be inhibiting the natural diversity of capabilities, visions, characteristics and conditions that would have existed in the Board if those barriers had not existed.

The Board, for the time being, has decided not to rely on an external advisor for this procedure.



Training

During 2022, as part of the Board's training policy, a training on "International Geopolitics and Electricity Market" was held, with a presentation by Andes Risk Group representative Jaime Baeza Freer.

BlackRock's Director of Investment Strategy for Latin America, Axel Christensen, also gave a talk to the Board on ESG investment criteria.

Each year the Board of Directors defines the relevant matters to update knowledge and those determined for the 2022 period were the above.



Regulatory Bodies

Regarding matters of approval and/or updating of regulatory bodies or key statements related to Colbun's economic, environmental and social issues, senior management (C-suite) proposes and the highest governance body (Board of Directors) approves.

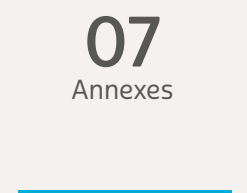
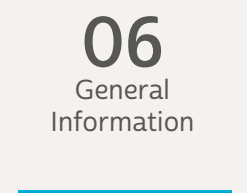
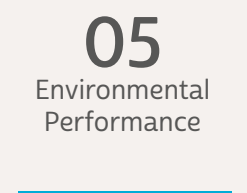
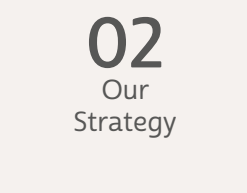
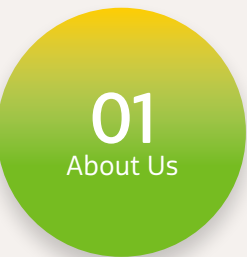


Management Reporting

The officers who report directly to the Board of Directors are the Chief Executive Officer and the Internal Audit Officer. Notwithstanding the above, the Energy Officer, the Chief Financial Officer, and the General Counsel, who also acts as Secretary of the Board of Directors, regularly attend the Board meetings. Other managers who report directly to the Chief Executive Officer may also participate, depending on the subject matter.

At Board meetings, the CEO reports on the monthly management of the Company. He submits special or relevant situations, issues, or transactions for information or approval, including the main steps taken with stakeholders (employees, community, etc.). Along with his team, he also reports on risk issues and the Company has other securities issued other than its shares.

Furthermore, and in accordance with the provisions of General Rule (NCG) 461 of the Financial Market Commission, the Board of Directors has a procedure to identify improvements in disclosures and dissemination of market information.



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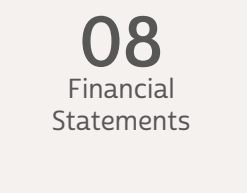
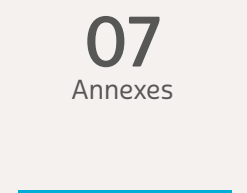
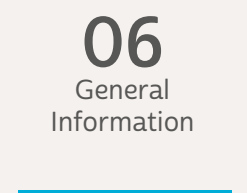
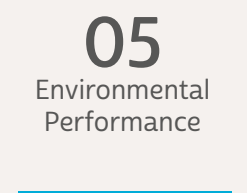
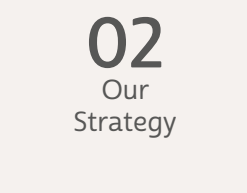
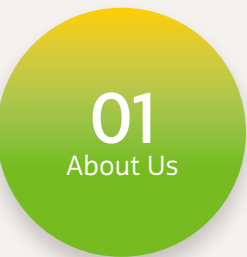
Board of Directors Remuneration of the Board of Directors

GRI 2-19, 2-20
NCG 461: 3.2.ii, 3.2.xii.f

It considers the payment of a fixed monthly remuneration for the equivalent in pesos of 150 gross Unidades de Fomento for each month or a fraction of a month during the time the director is in office **and variable remuneration for the amount in pesos equivalent to 0.75% of the net distributable profit of the previous year.**

The directors' per diem is established at the Ordinary Shareholders' Meeting and is paid in equal parts to all directors, except for the Chairman, who receives double the amount. The members of the Directors' Committee will receive a fixed monthly remuneration of 50 additional Unidades de Fomento. [More](#)

Members	Position	2021				2022			
		Fixed Remuneration US\$Million	Variable Remuneration US\$Million	Director's Committee US\$Million	Sub-total US\$Million	Fixed Remuneration US\$Million	Variable Remuneration US\$Million	Director's Committee US\$Million	Sub-total US\$Million
Hernán Rodríguez Wilson	Chairman	142	100		242	129	305		434
Vivianne Blanlot Soza	Director	71	50		121	67	153		220
Juan Eduardo Correa García	Director	25	50		75				
María Emilia Correa Pérez	Director	71	50	24	145	67	153	22	242
Rodrigo Donoso Munita	Director	71	50	24	145	67	153	22	242
Luz Granier Bulnes	Director	25	50	8	83				
Bernardo Larraín Matte	Vice-president	71	50		121	67	153		220
Andrés Lehuedé Bromley	Director	71	50		121	34	77		111
Francisco Matte Izquierdo	Director		33		33	6	12		18
Bernardo Matte Larraín	Director	71	17		88	61	134		195
Marcela Angulo González	Director	46		16	62	67	153	22	242
Juan Carlos Altmann Marín	Director	46			46	67	158		225
Jaime Maluk Valencia	Director					34	75		109
TOTAL		710	500	72	1,282	666	1,526	66	2,258



1.5



Board of Directors

GRI: 2-9,2-16, 2-22, 2-23, 2-24, 2-26
 NCG 461: 3.2.vi, 3.3.i, 3.3.ii, 3.3.iv, 3.3.v, 3.3.vi 3.3.vii,

Board of Director's Advisory Committees

Three committees advise the Board of Directors:

- Director's Committee
- Board of Directors
- Ethics and Audits Committee

The Board of Directors - integrated by the Chairman, Vice Chairman, and Chief Executive Officer - oversees the implementation of the Company's Strategic Agenda. The agenda is developed through enablers and managed through indicators of the environmental footprint, diversity and inclusion, and human rights, among others.

Director's Committee

It meets monthly and extraordinarily when necessary

It is integrated by three directors, two of whom must be independent of the controller, to review matters such as financial statements, related party transactions (verifying that they are in line with prevailing market conditions), the work of external auditors, and executive compensation and remuneration plans..

- All matters are submitted to the Board of Directors. After each Committee meeting, a summary of the issues discussed is included in the information that goes to the Board of Directors every month and is recorded in the minutes of the meeting.

- In 2022 this committee met 10 times

Members:

- **2022:** Rodrigo Donoso Munita, María Emilia Correa (independent Director) y Marcela Angulo (independent Director).
- **2021:** Rodrigo Donoso Munita, María Emilia Correa (independent Director) y Marcela Angulo (independent Director).

Management:

External Auditors attend the Directors' Committee and the Board of Directors on two occasions to present the results of audits as of June 30 and December 31.

The Directors' Committee does not meet with the Risk Management, Internal Audit, and Social Responsibility units, or with the individuals responsible for the equivalent functions. However, these units meet periodically with other committees and with the Board of Directors as a whole.

Details of operations analyzed in annex Chap. [More](#)

Expences:

During 2022, the Directors' Committee did not hire external advisors nor did it incur expenses in addition to the remuneration of its members, amounting to 50 UF per month for each of them.

Board of Directors

The Committee is integrated by the Chairman and Vice-Chairman and meets every two weeks, with the assistance of the Chief Executive Officer. Other directors and executives are also invited depending on the subject matter.

Reviews:

- Implementation of the Company's strategy; contingent matters; and implementation of policies and guidelines for people management and succession plans.
- Several issues have a sustainability component, such as the use of water in reservoirs, relations with communities, environmental standards, etc., which are subsequently presented to the Board of Directors.

Members:

- **2022:** Hernán Rodríguez Wilson and Bernardo Larraín Matte.
- **2021:** Hernán Rodríguez Wilson and Bernardo Larraín Matte.

Matters discussed at the Board of Directors Meeting are presented to the Board of Directors every month.

Participation in the Board of Directors is not remunerated.

Ethics and Audit Committee

It is integrated by the Chairman and two directors nominated by the Board of Directors. Two of its members are independent of the controller. The secretary is the Internal Audit Manager.

The main matters of the Committee are presented quarterly to the Board of Directors and it meets every three months and extraordinarily if necessary.

Participation in the Ethics and Audit Committee is not remunerated.

Duties:

- Oversee the Internal Audit work,
- Oversee complaints channel management and the status of compliance with Law No. 20,393.

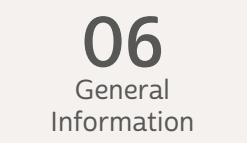
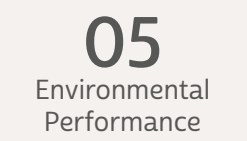
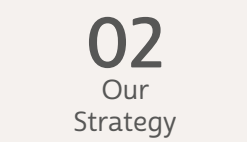
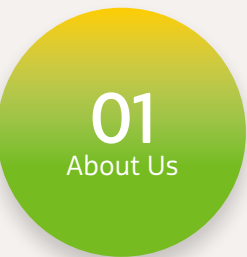
Members:

- **2022:** Hernán Rodríguez Wilson, María Emilia Correa (independent Director) and Marcela Angulo (directora independiente).
- **2021:** Hernán Rodríguez Wilson, María Emilia Correa (independent Director) and Marcela Angulo (independent Director).

Operation:

The Audit Committee met five times and, in general terms, took cognizance of the internal audit plan, the management of the whistle-blower channel, and compliance with the crime prevention model, as required by Law No. 20,393.

Quarterly, the main matters dealt with are submitted by the president of the Ethics and Audit Committee to the Board of Directors.



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Board of Directors

GRI: 2-9,2-16, 2-22, 2-23, 2-24, 2-26
NCG 461: 3.2.iii, 3.2.vi, 3.3.i, 3.3.ii,
3.3.iv, 3.3.v, 3.3.vi, 3.3.vii

Contracting Policy of Advisory Services for the Board and Committees

Advisors' engagement is defined in the Corporate Governance Code and establishes that both the Board of Directors and its Committees may engage them when circumstances so warrant and when required by a majority of the members in office of the Board of Directors or each Committee. The advisors' reports must be delivered equally to all directors. Regarding the hiring by the Board of Directors of expert advisors in accounting, tax, financial, legal, or other matters, two auditing services were contracted with the auditing firm EY in 2022. The disbursements for these services were UF 5,330 and UF 70, respectively, and were associated with the review of Colbun's Financial Statements by International Financial Reporting Standards.

Sustainability Approach

The sustainability agenda is transversally present in all the Company's activities and its progress and challenges are reviewed at all Board meetings.

Our main coordinating body for the sustainability approach by which the Company manages its business is the Sustainability and Regulatory Committee. It is regularly attended by the Chairman, Vice Chairman, and some directors, and oversees the integration of good social, environmental, and corporate governance practices in the different areas of the business and regulatory matters.

It meets at least every three months with representatives from the Public Affairs, Environment and Organization, and People areas to review progress in these matters. More information on the functioning of this committee is described later in this chapter, as well as a more in-depth look at the sustainable approach to environmental, social, and human rights issues (chapters 4 and 5 of this Integrated Report).

In addition, Corporate Governance periodically reviews sustainability goals.



1.6



Management

NCG 461 3.4.i

The Chief Executive Officer, his direct reports and the Internal Audit Manager -who reports directly to the Board of Directors through the Ethics and Audit Committee- constitute the Management Committee and represent the first line or senior executives of the Company's management.

(1) The positions reflect the corporate structure as of December 2022.

** In 2023, he was appointed Development Manager and replaced by Miguel Alarcón.*

*** In 2023, he was appointed Innovation, Planning and New Business Manager.*

**** In 2023, the management changed its name, and new units were incorporated.*

Its members are ⁽¹⁾:



José Ignacio Escobar Troncoso
13.332.998-6
Chief Executive Officer
Industrial Civil Engineer,
Pontificia Universidad Católica.
Appointment: May 2022.



Juan Eduardo Vásquez
7.868.160-8
Energy Manager Electric Civil
Engineer, Universidad de Chile
Appointment: Chief Executive
Officer of the Company since
July 2008; this position was
created in October 2021.



Sebastián Moraga*
12.026.836-8
**Finance and Administration
Manager**
Commercial Engineer,
Universidad Adolfo Ibáñez.
Appointment: April 2014.



Eduardo Lauer
6.994.492-2
**Engineering and Projects
Manager**
Mechanical Civil Engineer,
Fachhochschule de München
(Alemania).
Appointment: November 2010.



Rodrigo Pérez
10.313.675-K
Legal Manager
Lawyer, Pontificia Universidad
Católica de Chile.
Appointment: December 2007.



Paula Martínez
14.449.738-4
**Organization and People
Manager**
Psychologist, Universidad
Diego Portales.
Appointment: January 2012.



Juan Salinas
10.104.329-0
Commercial Manager
Electric Civil Engineer
Universidad de Chile
Appointment: November 2022.



Daniel Gordon***
8.866.967-3
**Sustainability and Environmen-
tal Manager**
Industrial Civil Engineer,
Pontificia Universidad Católica
Appointment: October 2018.



Heraldo Álvarez
12.369.371-K
Internal Audit Manager
Certified Public Accountant and
Bachelor in Auditing, Universidad
de Talca.
Appointment: August 2015.



Pedro Vial Lyon
7.034.342-8
Corporate Affairs Manager
Environmental Law Degree
Appointment: June 2022.



Heinz Müller Court**
16.212.408-0
**Innovation, Development
and New Business Manager**
Industrial Civil Engineer,
Pontificia Universidad Católica
Appointment: October 2021.



Juan Miguel Cayo
DNI:07817313
General Manager Fenix Power
Economist, Universidad Católica
de Peru
Appointment: December 2015.

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Management

Management Advisory Committees



Committees with the participation of **Board members**

The company has management support committees for matters that, although under the responsibility of management, due to their complexity, multidimensionality, and potential impact, require the integration of the perspectives of management and the Board of Directors.

These committees are integrated by two directors and executives. These are instances of deliberation, analysis and discussion, but not resolutions.

› **Sustainability and Regulatory Committee:**

Supervises the integration of good social, environmental and corporate governance practices in the different areas of the business and - in regulatory matters - identifies the necessary modernizations or adjustments to the regulatory and institutional frameworks of the sector and monitors legislative changes, regulations and decrees that have an impact on their development and monitors legislative changes, regulations and decrees that have an impact on its development. It meets monthly. The Sustainability and Regulatory Committee meets at least quarterly with representatives from the areas of Public Affairs (including the Sustainability unit), Environment, Organization and People (including the Change Management & Diversity unit) to specifically review progress in the plans of these areas. The recommendations and observations of this committee are presented by the CEO at Board meetings.

› **Risks Committee:**

It meets every two months and detects, quantifies, monitors, and communicates the Company's risks. It is composed of the Chief Executive Officer, senior executives, and the Chairman of the Board of Directors. Its secretary is the Risk Management Officer. Other directors also participate (for more details see the Risk Management section). The Chief Executive Officer reports to the Board on these matters for discussion and analysis and, depending on the issues to be discussed, may decide to include other members of the executive team on the Board.

› **Project and Growth Options Committee:**

Performs monitoring of the company's portfolio of growth options, as well as their development and execution. It meets monthly. The recommendations and observations of this committee are presented by the general manager at Board meetings.



Committees without the participation of **Board members**

› **Managers Committee:**

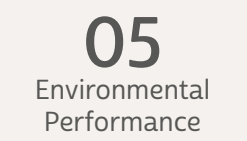
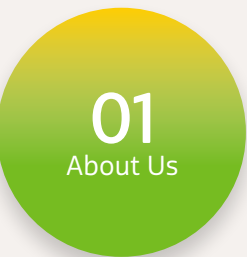
Senior executives share and report on the state of progress of the plans, actions, and strategies of their respective areas. It meets weekly.

› **Information Security Committee:**

Oversees the Company's information security process, ensuring that appropriate resources and access are in place for continuous monitoring. It meets quarterly.

› **Tax Committee:**

Oversees and monitors the Company's tax affairs and the risks associated with these matters. It meets at least quarterly

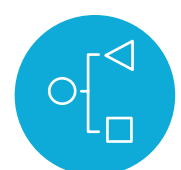


1.7



Risk Management

GRI: 102-15, 102-16, 102-17, 102-19, 102-25, 102-29, 102-30, 102-31, 102-34, 103-2 y 103-3, 205-1, 205-2, 205-3, 206-1
 NCG 461: 3.6.i, 3.6.ii, 3.6.ii.c, 3.6.ii.e, 3.6.iii, 3.6.iv, 3.6.v, 3.6.vi, 3.6.vii., 3.6.viii, 3.6.ix, 3.6.xiii



MODEL

Colbun has a model to recognise situations and events that may represent risks to its objectives.

Control and Corporate Risks Management is responsible for the design and methodological implementation of the model based on the ISO 31,000 standard. It also supports the other Colbun units in its implementation and monitoring.

Risk management is considered an integral part of the business and the CEO reports on this matter to the Board.



RESPONSIBILITIES

Management is responsible for developing and implementing policies and procedures for proper risk management and control. This is a dynamic and continuous process that flows throughout the organization and is reviewed periodically.

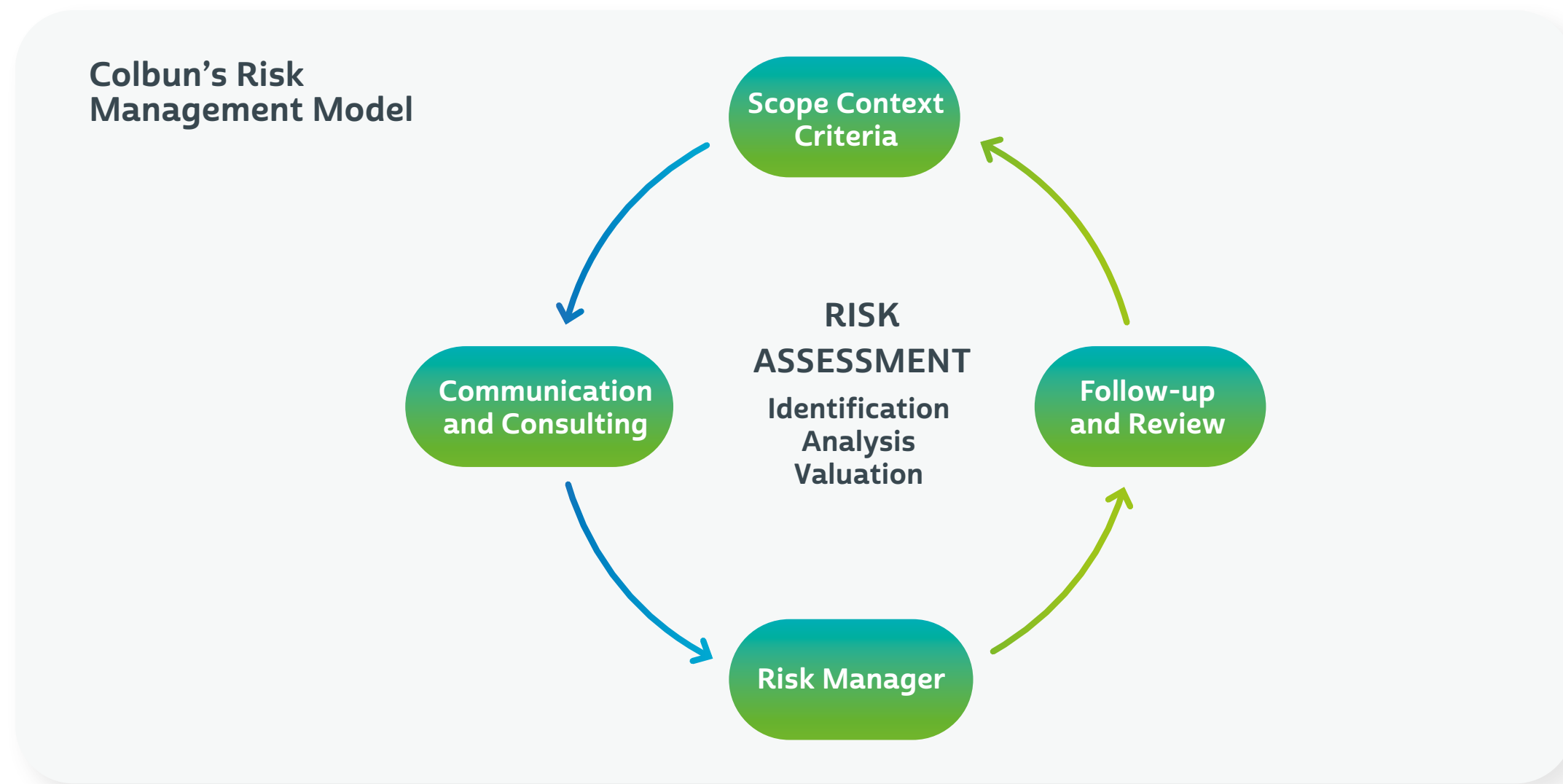


POLICIES

The Company has a Risk Control and Management Policy which establishes the principles and general framework of action in this area. [More](#)

In addition, the Company's policies enable it to identify and monitor the risks, and this information is available on the Colbun website.

The company also has a Risk Committee to monitor these matters.



Key Risk Management Guidelines

The Board of Directors has established general guidelines to safeguard against risk.

- 1 Safeguarding the sustainability of the business, defining mitigating actions to prevent impacts that could arise from the adverse behavior of any variables that affect the results or the Company's capital of trust.
- 2 Integrate risk vision into corporate management in each business area.
- 3 Develop an organizational structure and a management methodology to handle the Company's risks.
- 4 Cost-effectively minimize risks to respond to the changing environment in which the business operates.
- 5 Monitor compliance of agreed mitigation plans and the level of the resulting residual risks.



1.7



Risk Management

NCG 461: 3.6.vii, 3.6.ix
GRI: 2-26

Risk Management of the Corporate Governance

Ethics - Based Culture

› Ethic Code

Colbun’s Code of Ethics includes the purpose, values, ethical principles and practices that should guide the actions and decision-making of employees, contractors and suppliers, applicable to all operations of the Company and its subsidiaries. Fenix’s Code of Ethics in Peru replicates Colbun’s Code of Ethics.

Colbun’s Board of Directors is responsible for supervising and approving the Code of Ethics and its updates.

Claim Management

› Claim Channel

Colbun has a communication channel available called the Whistleblower Line, which can be used by any person or stakeholder to make complaints involving the Company.

› How does it work

Direct or anonymous reports can be received through this channel, related to compliance with the standards of ethical conduct, conflicts of interest and any possible non-compliance with regulations. Complaints can be made through an electronic form (available on Colbun’s website and intranet), e-mail, or physical mail.

› Who receives Complaints

They are channeled through the Ethics Committee, composed of Internal Audit Management, Legal Management, and Organization and People Management. Its role is to investigate and perform the operational analysis of the complaints, independently, confidentially, and without consequences for the issuers. The investigation is presented to the Ethics and Audit Committee of the Board of Directors, the body ultimately responsible for this communication channel.

› How the Channel is broadcast

Employees are informed of the whistleblowing mechanisms through the intranet. The external public is informed through different communication media.

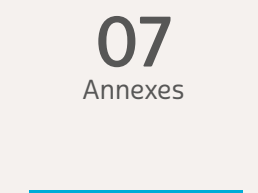
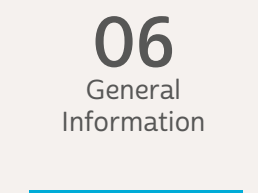
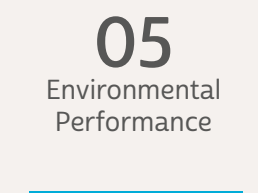
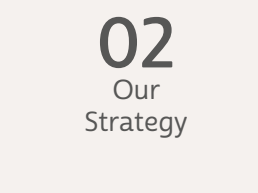
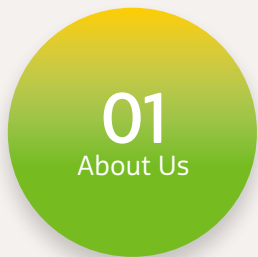
COMPLAINTS RECEIVED ON THE COLBUN CLAIM CHANNEL IN CHILE IN 2022

NCG 461: 6.1.iv
GRI: 2-26

Complaint	Stakeholder	Subject	Status	Resolution
1	Community and Society	Conflicts with third parties	Closed	Accredited
2	Anonimous	Other	Closed	Not t Accredited
3	Anonimous	Infringement of Internal regulation	Closed	Accredited
4	Suppliers and Contractors	Labor Practices	Closed	Not t Accredited
5	Anonimous	Safety & Health	Closed	Partially Accredited
6	Community and Society	Conflicts with third parties	Closed	Not t Accredited
7	Suppliers and Contractors	Conflicts with third parties	Closed	Not t Accredited
8	Community and Society	Conflicts with third parties	Closed	Not t Accredited
9	Employees	Infringement of Internal regulation	Closed	Partially Accredited
10	Anonimous	Other	Closed	Accredited
11	Employees	Infringement of Internal regulation	Closed	Partially Accredited
12	Employees	Labor Practices	Closed	Accredited
13	Suppliers and Contractors	Infringement of Internal regulation	Closed	Accredited
14	Community & Society	Other	Closed	Accredited
15	Suppliers and Contractors	Infringement of Internal regulation	Closed	Accredited
16	Anonimous	Safety & Health	Closed	Not t Accredited
17	Employees	Labor Practices	Closed	Not t Accredited
18	Anonimous	Conflicts with third parties	Closed	Not Accredited
19	Anonimous	Safety & Health	Closed	Accredited
20	Anonimous	Infringement of Internal regulation	Closed	Accredited
21	Suppliers and Contractors	Labor Practices	Closed	Not Accredited
22	Employees	Labor Practices	Closed	Partially Accredited
23	Employees	Infringement of Internal regulation	In progress	n/a

Of the 23 complaints received in the Chilean Complaints Channel, 6 were associated with workers, 4 with communities, 5 with contractors, and 8 were anonymous. Of these, 3 were related to labor harassment (and they were not presented to the Labor Inspectorate; one of them was partially accredited). There were none associated with sexual harassment. Of the 5 complaints associated with Conflicts with Third Parties, one of them was related to Conflicts of Interest with Contractors and Suppliers (which was accredited).

Regarding Peru, no complaints of any kind were received by the Ethics Line in 2022.



1.7



Risk Management

Risk Management of the Corporate Governance

Management of Potential Conflict of Interest

› Goal

For Colbun it is essential to act consistently and transparently, avoiding conflicts of interest that may arise, or managing them appropriately.

› How it is defined

We define in the Code of Ethics that a conflict of interest arises in any situation in which an employee uses his or her contacts or position in the Company for the benefit of his or her own interests, indirect relatives or third parties.

› Who is responsible

Each employee is responsible for avoiding or adequately managing them and for notifying any potential conflict of interest between his or her direct supervisor and the Internal Audit Manager. In the case of a Director, he/she must notify the Board of Directors and refrain from participating in discussions in which decisions related to the reported fact are made, as provided by law.

› Follow-up

In 2022, the Annual Survey of Potential Conflicts of Interest was again applied to all Colbun Employees and the Board of Directors, with a response rate of 66% of the Board of Directors and 94% of the Employees. It was also applied to Efizity's Employees, with a response rate of 88%

The result of this survey was presented to the Ethics and Audit Committee, whose chairman subsequently reported a summary to the Board of Directors.





Our Strategic Agenda

02

- > 2.1 Purpose and Values
- > 2.2 Strategic Agenda and Value creation Model
- > 2.3 Commercial Excellence and Customer Experience
- > 2.4 Growth in Renewable Energies
- > 2.5 Other Growth Opportunities
- > 2.6 Innovation Management
- > 2.7 Progress in Objectives and Goals of Sustainability

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2.1



Purpose and Values

GRI: 2-1, 2-2, 2-7,2-9, 2-10, 2-11
NCG 461: 2.2

Our Mission

Generate and commercialize continuous and safe electrical energy for our customers, at competitive prices for the market in an environmentally sustainable manner.

Our Ambition

Colbun aspires to be a leading energy company focused on commercial and industrial customers, providing tailored energy solutions through a competitive, sustainable and reliable 24/7 energy portfolio, while flexibly and selectively entering new growth paths (international expansion and energy-related infrastructure opportunities), creating value for our people and our communities.

Our Purpose

We exist to contribute with the best energy for the future of our region.

Our Values

- ✓ Passion
- ✓ Excellence
- ✓ Colaboration
- ✓ Innovation
- ✓ Integrity



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2.2



Strategic Agenda and Value Creation Model

NCG 461: 4.2

Strategic Agenda

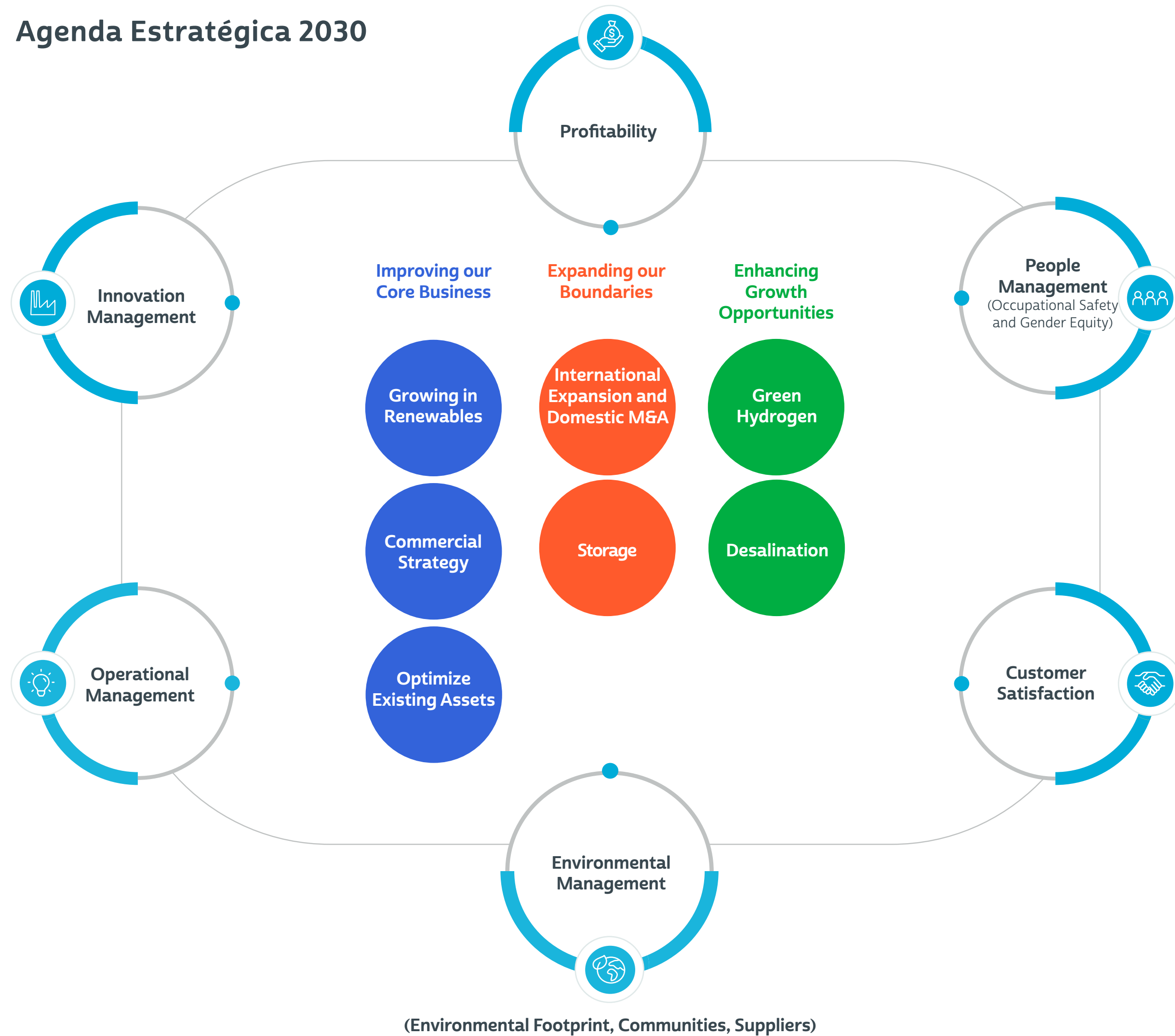
Colbun has a Strategic Agenda with a time horizon to 2030, based on three main axes and eight focuses:

- 01** 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.
- 02** Expansion into new business, with two focuses: energy storage and inorganic growth opportunities.
- 03** Explore growth opportunities in adjacent businesses (energy-intensive infrastructure) with three focuses: depollution; waste-to-energy; and green hydrogen.

Strategic Enablers

We have identified six groups of key enablers to manage and monitor the Strategic Agenda for the sustainability of our business.

Agenda Estratégica 2030



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2.2



Strategic Agenda and Value Creation Model

NCG 461 3.1.ii, 3.1.iv

Sustainability: Our Management Framework

Sustainability is not a business area for Colbun: IT IS THE BUSINESS. Thus, all members of the organization must approach their work with this perspective.

Objective

Colbun's Sustainability Policy commits us to create long-term value, not only economically, but also socially and environmentally, for all our shareholders and other stakeholders, and with appropriate corporate governance.

Vinculación a la Agenda Estratégica

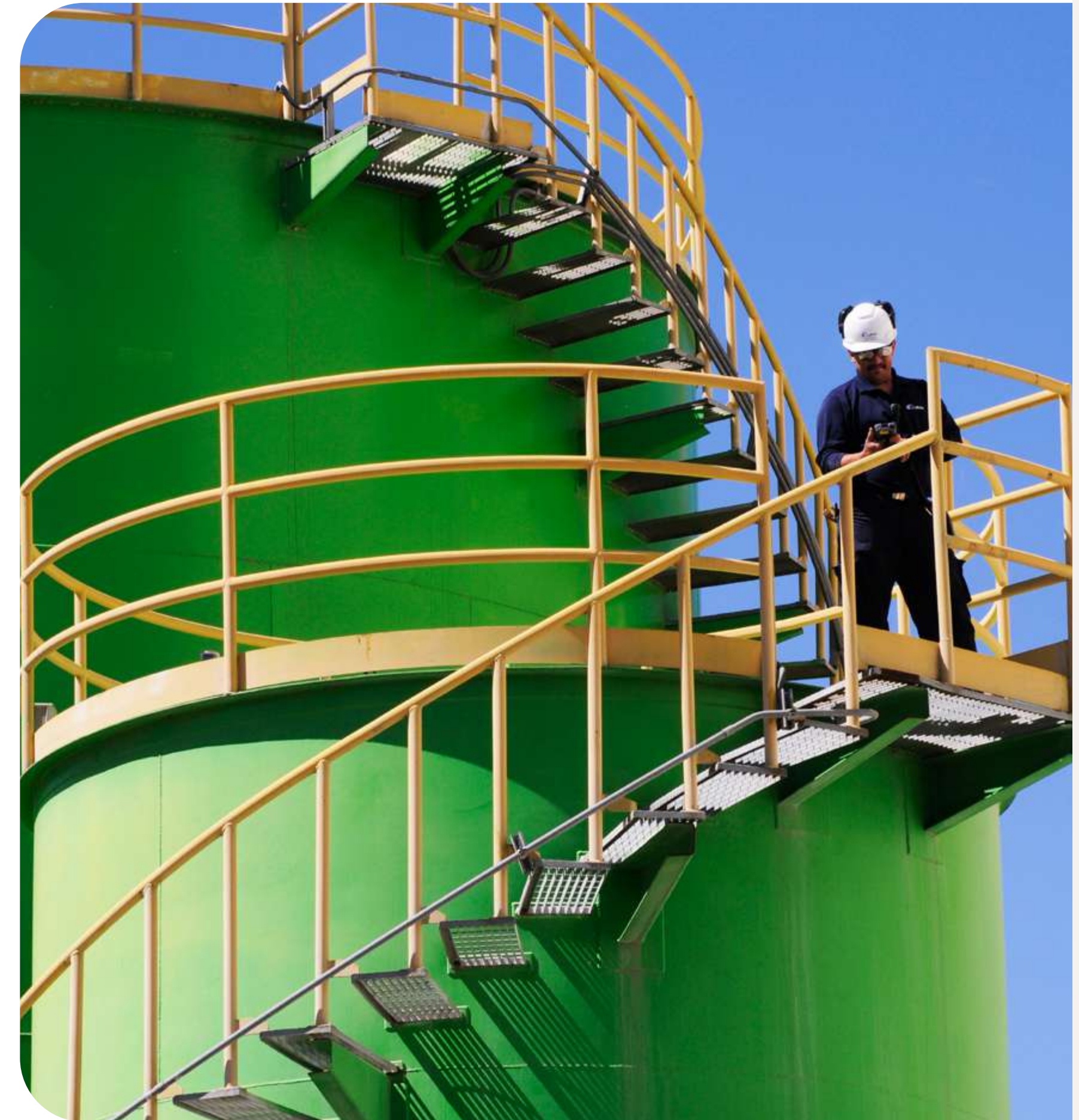
Value generation is only possible if levels of excellence are achieved in commercial and operational management as well as in environmental, social and governance management. Consequently, this integrated approach to business management and sustainability is at the heart of our 2030 Strategic Agenda.

To fulfill the work focuses defined in the Strategic Agenda, we consider six enablers, which have goals and objectives that involve all the Company's employees and are associated with our stakeholders:

- ✔ **Company Profitability** (Investors)
- ✔ **People Management** (Employees)
- ✔ **Environment Management** (Communities, Environment, Suppliers)
- ✔ **Customer Satisfaction** (Customers)
- ✔ **Operational Management**
- ✔ **Innovation Management**

Responsibilities

Sustainability is transversal to the Company and is the responsibility of each area of the company. Sustainability and Environment Management, represented by the Sustainability Deputy Management, is in charge of promoting the application of the sustainability framework criteria in all activities, conducting the annual survey of the main gaps, and following up and reporting on sustainability goals. In turn, the integration of sustainability issues in the Company is reviewed by the Sustainability and Regulation Committee every quarter (see description in Chapter 1, about Corporate Governance).



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2.2



Strategic Agenda and Value Creation Model

ESG Focuses



Environmental

- ✓ Renewable Energy Project Portfolio
- ✓ Mitigation and Adaptation to Climate Change
- ✓ Efficient Water Use
- ✓ Waste Reduction and Valorization
- ✓ Biodiversity Management
- ✓ Local Emissions



Social

- ✓ Customer-Centric Culture
- ✓ Diversity and Inclusion (focus on gender)
- ✓ Health and Safety
- ✓ Respect for Human Rights
- ✓ Community Engagement
- ✓ Community Development
- ✓ Sustainable Supply Chain



Governance

- ✓ Board of Directors' and Management's Committees Performance
- ✓ ESG Risk Management
- ✓ Cybersecurity
- ✓ Innovation and Digital transformation
- ✓ Ethical Conduct
- ✓ Information Transparency

The goals, targets, and activities associated with each of these focuses are developed in detail throughout this Integrated Annual Report.



Major initiatives promoting and reflecting the Integration of ESG Management in Colbun's Business:

- Strategic Agenda aligned with sustainability and ESG management. [More](#)
- Board of Directors and Senior Management commitment. [More](#)
- Diverse channels for stakeholder engagement. [More](#)
- Establishment of medium and long term Public Sustainability Goals. [More](#)
- Ongoing and systematic gap analysis and management. [More](#)
- Inclusion of sustainability goals in determining executive and employee compensation. [More](#)
- Active participation in external organizations that promote sustainable development and the promotion of open innovation. [More](#)
- Connecting sustainability to our clients' business. [More](#)



2.2 Strategic Agenda and Value Creation Model

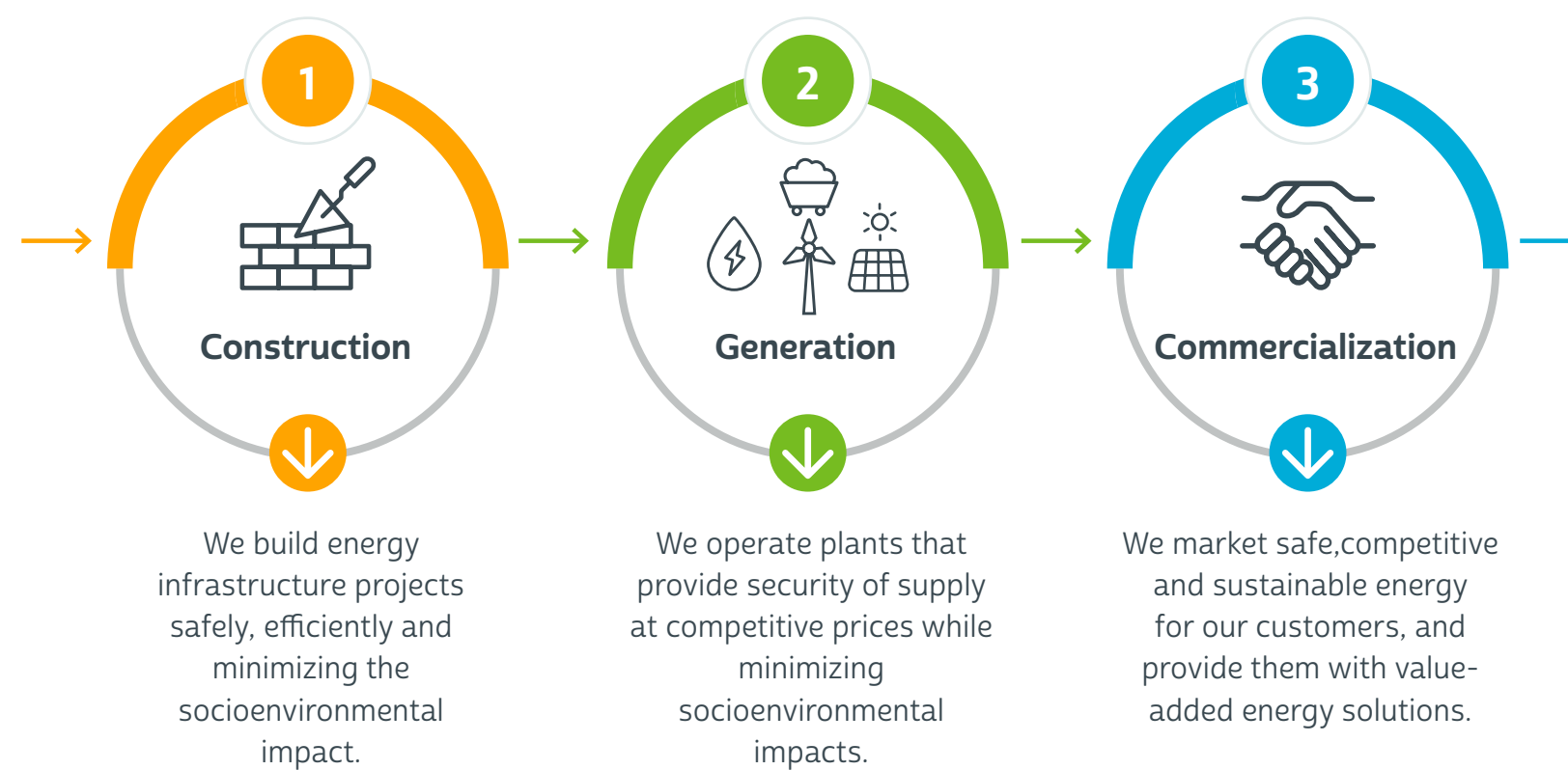


Value Creation Model

INPUTS	
	<p>FINANCIAL CAPITAL</p> <ul style="list-style-type: none"> › Million Assets US\$ 6,606 › Million Cash US \$ 1,155 › Million of VColbun's Net Equity US\$ 2,953 › Million Gross Financial Debt US\$ 2,138
	<p>INDUSTRIAL CAPITAL</p> <ul style="list-style-type: none"> › Power Plants 27 › Wind Project Under Construction 1 › Battery System in Commissioning 1 › Photovoltaic Projects Environmentally Approved 2 › Corporate Offices in Santiago (Headquarters) and Lima › Renewable Energy Projects under Environmental Assessment 2
	<p>INTELLECTUAL CAPITAL</p> <ul style="list-style-type: none"> › Million in R&D US\$ 2,5 › 1 Energy Solution Subsidiary (Efizity) 1 › R&D Alliances with Innovation Center, CORFO, and Universities* › Cybersecurity › Digitalization
	<p>HUMAN CAPITAL</p> <ul style="list-style-type: none"> › Employees* (includes Efizity) 1,178 › Suppliers (including fuel, energy and tolls)* 3,746 › Expertise in construction and Operation of Energy Projects › Million in Salaries and Employee Benefits US\$ 72.2 › Million in Supplier Spending US \$ 255,4
	<p>SOCIAL CAPITAL</p> <ul style="list-style-type: none"> › Unregulated and Regulated Cutomers (Supplied)* 374 › Million Community Investment* US\$ 4,6 › Communes with Community Engagement with Neighborhood Councils, Functional Organizations, Schools, Irrigators, Entrepreneurs, etc.* 22
	<p>NATURAL CAPITAL</p> <ul style="list-style-type: none"> › Million m³ Freshwater Turbined for Hydrogeneration 24,3 › Millions m³ Freshwater Extracted for Thermal Generation 4,6 › Million m³ Seawatr for Thermal Generation* 295,1 › Million m³ Natural gas* 4,966 › Million Tons of Coal 2,352 › Million m³ Diesell* 216 › MW Solar Energy 248 › Ha of Reforestation 444 › Ha of Native Forest 6500

Colbun's value creation model considers activities that bring our Strategic Agenda to life, taking certain inputs to generate value, associated with each of our stakeholders.

The following diagram summarizes this Model, linked to Our Strategy.



*Consolidated Figures Chile and Peru

RESULTS	
	<p>FINANCIAL CAPITAL</p> <ul style="list-style-type: none"> › Million of Energy and Power Sold US \$ 1,932.9 › Million in EBITDA* US \$763.4 › Million in Dividends Paid* US \$150.4 › Million in Tax Paid* US \$232.3
	<p>INDUSTRIAL CAPITAL</p> <ul style="list-style-type: none"> › GWh of Energy Generated* 17,904 › Averag Availability of Power Plants 90.53% › MW of Renewable Energy Projects Under Commissioning or Construction 812 › MW od Environmentally approved Renewable Energy Projects (First Phase) 923 › Accredited Power Plants to Issue carbon Credits 6 › Parque Angostura, Balneario Machicura y Paseo Costero Lago Chapo › Certified Power Plants and Headquarters ISO 14,001 and OHSAS 18,001 24
	<p>INTELLECTUAL CAPITAL</p> <ul style="list-style-type: none"> › Energy Solutions for Customers in Chile 79 › Innovation in Operational and Environmental Issues* › Significant Cybersecurity Incidents 0 › Telecontrol at Aconcagua Complex › New Services for Customers
	<p>HUMAN CAPITAL</p> <ul style="list-style-type: none"> › % Satisfaction with Work Environment* 84 › % Female Staffing* 22.2% › % of Workers Trained in Chile 87 › Minimum Taxable and Net Income of \$500 thousand for Contractors › % of Suppliers are SMEs 91 › Prompt Payment Protocol for Suppliers and SMEs
	<p>SOCIAL CAPITAL</p> <ul style="list-style-type: none"> › Customers with Renewable Energy Certification in their Contracts 111 › NPS Customers 77.5 › Entrepreneurs Benefited by Colbun's Entrepreneurship Center 800 › Thousand Visits to Colbun Resorts During Season 2022-2023 275 › Thousands Total Community Beneficiaries 556 › Number of beneficiaries with potable water programs* 15,860 › Colbun Included in Dow Jones Sustainability Index MILA and Chile*
	<p>NATURAL CAPITAL</p> <ul style="list-style-type: none"> › Tons of CO2 Emissions Reduced with Accredited Power Plants Accredited Plants 249,663 › GWh od Renewable Energy Generated (Hydro+ERFV) 5626 › % Reduction in Non-Operational Water Use 44 › % Reduction in Operational Water Use 15 › Thousand Tons of CO² Reduced in CDM and VCS Plants 12 › % Ash Recovered 78.3% › Environmental Footprint Reduction Program 2025-2030



2.3



Commercial Excellence and Customer Experience

2.5 EU3
GRI: 103-2, 418-1
NCG 461: 3.6.2.b, 6.2.i., 6.2.ii, 6.2.v, 8.1.1

Our Goal

One of the pillars of Colbun's Strategic Agenda is to consolidate its position in the segment of free customers. Therefore, we seek to fully satisfy their energy needs, ensuring that our customers achieve greater competitiveness in the markets where they develop and reach their sustainability goals, through a comprehensive value proposition, with continuous and sustainable energy, complemented with energy solutions.

Value Proposal



Competitive Continuous Energy

Colbun is committed to providing its customers with secure, competitive and sustainable energy 24 hours a day, seven days a week. Our renewable assets (hydro and solar), complemented by our thermal power plants, enable us to supply this energy.



Optimal Commercial Policy

Our commercial policy considers an optimal level of contracting, based on production capacity with efficient generation sources, establishing hedges for situations of hydrological risk, price variations in the fuel market and managing the effects on the spot market.



Energy Solutions Partners

We aim to meet the main energy needs of our customers, through sustainable and innovative solutions provided by Colbun Soluciones by Efizity, which accompany them in their challenges of energy savings, compliance with the Energy Efficiency Law, and sustainability goals, among others.

Customer Experience Excellence

01 › Consulting and Technical Expertise

A multidisciplinary team of professionals specialized in the electricity market and energy solutions.

02 › Legal and Regulatory Support

The expert regulatory and legal advisory team is available to assist in the management of requirements and claims with electricity distributors.

03 › Personalized Service

Customer service provided by a team of sales representatives dedicated to solving their requirements.

04 › Direct and Simple Service Channels

Digital platforms such as Virtual Branch, Web page, CRM, as well as Advanced Reporting, which allows customers to monitor consumption, view and pay invoices, among other requirements.

05 › Information and Transparency

Permanent delivery of relevant and transparent information on the operation and regulations of the electricity market, trends, and new developments.

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2.4



Growth in Renewable Energies

Our Focus

Colbun's Strategic Agenda considers growing in renewable energies to maximize the company's value through projects that cost-efficiently meet the electricity demand of our customers and the markets where we operate, contributing to a low-carbon matrix.

2030 Vision

By the end of this decade, we will build close to 4,000 MW in renewable energies, doubling our current size to have consolidated options for growth as the needs of our customers and the country so demand.

Future Options

In addition, Colbun is promoting a portfolio of wind, solar, and battery project options that are in the early stages of development, totaling a little over 1,000 MW.

Scope

Provided that regulatory conditions and market opportunities exist, we also want to take this focus to Peru, where we currently operate the Fenix power plant.

Development Portfolio

Five projects at an advanced stage of development, totaling more than 3,000 MW and over 1,200 MWh in batteries:

- 1 Wind Project under construction(812 MW)
- 2 Solar Initiatives Environmentally Approved (1.280 MW)
- 2 Renewable energy projects under environmental assessment (472 MW wind + 460 MW solar + 1.200 MWh battery)

These energies, along with our stand by power plants, **give us a competitive position to offer 24/7 renewable energy**

Our project portfolio implies a very relevant contribution to the fulfillment of SDG N°7 on Affordable and Clean Energy and SDG N°13 on Climate Action.



Renewable Strategy

Considers three pillars

- 01 A first class technical team and experience in the development of renewable projects.
- 02 A rigorous and systematic analysis for the options offered by the market considering key logistical variables for the success of the projects.
- 03 A portfolio of initiatives supported with all the relevant information to develop highly competitive projects.

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Growth in Renewable Energies

Our Projects Under Development

Projects under Construction

Parque Eólico Horizonte

Located 70 km northeast of Taltal and 170 km southwest of Antofagasta, Horizonte has a capacity of 812 MW and an estimated annual generation of approximately 2,490 GWh. This project starts at the end of 2017 with the award of a tender from the Ministry of National Assets for a 30-year concession of onerous use for 30 years, on a fiscal land of 8,000 hectares. In September 2021 the Environmental Evaluation Service issued the Environmental Qualification Resolution (RCA) of the project and works began at the end of that year. The approved investment amounts to US \$898 million and its installed capacity makes it the largest wind power project in Chile and one of the largest in Latin America. The project is scheduled to start operations in the fourth quarter of 2024.



Proyecto Baterías Diego de Almagro

It involves the installation of a battery block with a capacity of 8 MW for four hours (32 MWh) at the Diego de Almagro Sur photovoltaic park facilities. The project is at the final commissioning stage, awaiting authorization to energize the batteries for operational tests, and its investment amounts to US \$11 million.



Environmentally approved projects

Parque Fotovoltaico Inti Pacha

This solar park is located 75 km east of Tocopilla, in the commune of María Elena, Antofagasta Region. The project considers the installation of a solar power generation park in three phases of approximately 250 MW each, together generating 2,000 GWh per year once completed. The project originates from the award of two concessions for onerous use called by the Ministry of National Assets and since November 2020 it has had its RCA.



Parque Fotovoltaico Jardín Solar

It considers the installation of a solar park with a capacity of approximately 537 MW, planned in two stages. Located approximately 8 km southeast of the town of Pozo Almonte, in Tarapacá Region, using a total area of approximately 1,000 ha. The energy generated will be injected through a transmission line that will have an approximate length of 3 km, connecting to the Nueva Pozo Almonte substation. Its environmental approval was obtained in September 2021.



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Growth in Renewable Energies

Our Projects Under Development

Projects under environmental assessment

Proyecto Solar Fotovoltaico Celda Solar

Located 76 km south of Arica, in the commune of Camarones, Arica, and Parinacota Region, the project arises from the award of three concessions of one-ous use tendered by the Ministry of National Assets and contemplates the installation of a solar energy generation park with an installed capacity of up to 420 MW and 1,200 MWh in batteries (240 MW for five hours). The Environmental Impact Study was entered for processing in the third quarter of 2022 and as of December was in the stage of issuance of Addendum 1.



Proyecto Eólico Los Junquillos

This wind project is located 15 km northwest of Mulchen, in the commune of Mulchen in the Biobío Region. It contemplates the installation of a maximum of 63 wind turbines of 7.5 MW each, which will result in an installed capacity of up to 472.5 MW. In December 2022 the project re-submitted its EIA to the Environmental Assessment System (SEA).



Other Projects

By the end of 2022, Colbun decided not to continue with the San Pedro Hydroelectric Power Plant project to focus its growth on the portfolio of solar, wind, and storage projects it is developing, with which it seeks to raise more than 4,000 MW by 2030.

To this end, it has a portfolio of projects in the early stages of development and is highly competitive, as they are distributed throughout the country and located in areas with quality energy resources, low socio-environmental conflict, and lower capital expenditure costs.



2.5



Other Growth Opportunities

Storage

Our Focus

Storage is one of the growth drivers in Colbun's Strategic Agenda, where we aspire to be a relevant stakeholder to contribute to the stability and sustainability of the Chilean electricity system

The Company seeks to develop storage systems in the north of the country to complement the stored energy we have in the southern reservoirs, allowing us to have a safe, diversified, and competitive supply for our customers from Arica to Puerto Montt.

2022 Progress

✓ DAS Bateries

Construction of the Diego de Almagro Sur (DAS) battery system was completed, including 24 batteries with a total capacity of 8 MW for four hours (32 MWh). This is the first battery system in the Atacama Region and the first on an industrial scale to be developed by Colbun.

✓ Solar Cell

A battery initiative (BESS) for 240 MW for four hours (1,200 MWh of energy) associated with the Celda Solar photovoltaic project in the Arica and Parinacota Region was also submitted to the Environmental Impact Assessment System (Sistema de Evaluación de Impacto Ambiental).

✓ Other Storage Technologies

Colbun is also working on storage projects with other technologies, currently in earlier stages of development and totaling about 600 MW.

✓ Regulatory Progress

A relevant institutional advance during the year was the enactment of the Storage Law, promoted by the Ministry of Energy, which defined a regulatory framework for the remuneration of this type of project.

Storage will be key to increasing the presence of renewable energy from variable sources, contributing to the fulfillment of SDG 7 on Affordable and Clean Energy and SDG 13 on Climate Action.



In its Strategic Agenda, Colbun considers evaluating businesses adjacent to the power business, which offer potential opportunities to generate sustainable and environmentally responsible solutions to customer and societal problems. These are infrastructure businesses with a high energy component.

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Other Growth Opportunities

Green Hydrogen

Our Goal

Colbun wants to undertake a relevant role in the development of the Green Hydrogen industry, which is considered today the best alternative to decarbonizing industries where it is not possible to electrify energy consumption.

Strategy




Hydrogen production is a natural extension of Colbun's core business and highly synergistic with the development of renewable projects, considering that energy is the principal input in the production of H2V.

Colbun has experience in development, construction, and operation of large projects, not only from the more technical dimensions but also in environmental and social management.

The Company's strategy considers the development of projects for domestic consumption and the export market. Collaboration with our clients and/or partners through alliances is fundamental in both cases.







2022 Progress

- 
New Management
 A new Green Hydrogen Management was created in June, to promote this new business opportunity, in line with Colbun's growth strategy.
- 
Airport Consortium
 Also in June, Colbun, along with Nuevo Pudahuel and the companies Air Liquide and Copec, established a consortium to enable Santiago Airport to become the first in Latin America to incorporate the use of hydrogen in Memorandum operations.
- 
Partnership with Sumitomo
 Colbun signed an Memorandum with the Japanese firm Sumitomo Corporation to assess the feasibility of developing industrial projects in the regions of Antofagasta and Magallanes to produce green ammonia based on hydrogen produced with renewable energy.

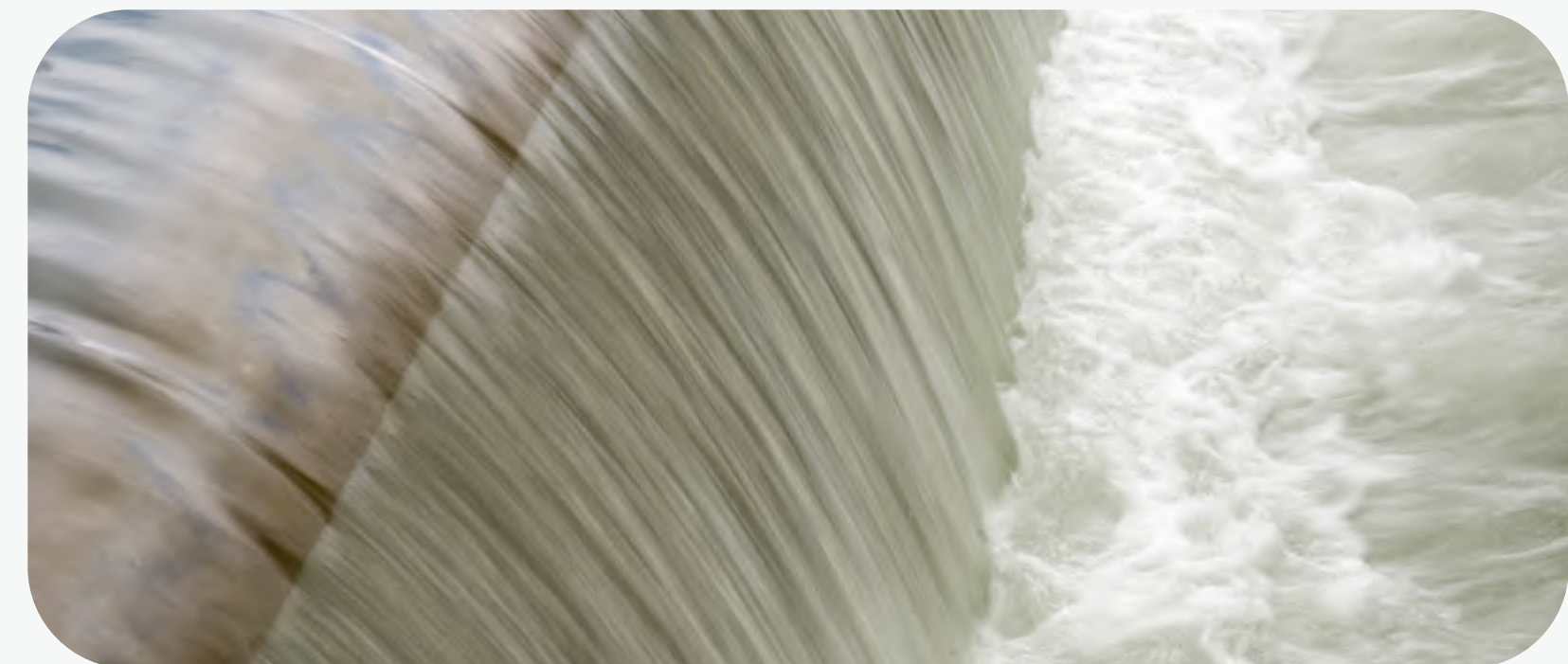


Desalination and Water Management

Our Company envisions a growth opportunity in the water treatment and desalination business based on the following pillars:

-  High water demand at the corporate level for their industrial processes, especially mining companies, due to climate change, prolonged drought, and pressure.
-  Need for water infrastructure solutions to replace inland water: desalination, wastewater reuse, and seawater conveyance.
-  Colbun's experience in the development, construction, and operation of large-scale infrastructure projects..
-  The customer base is similar to our core business.

A new Water Division was created **at the beginning of 2023**, focused on identifying and developing growth opportunities in the desalination and water treatment sector.



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Innovation Management

NCG 461 3.1.v

Innovation is promoted transversally by Colbun with emphasis on four objectives:

-  **Optimization of existing assets** or support to the current operation, both in the power plants and in the development of projects.
-  **Adding value to customers**, by seeking solutions for their processes through co-innovation with them.
-  **CO2 Storage and Capture** as focus of other new businesses.
-  **Consistent support in sustainability issues**, including support and management for compliance with Environmental Footprint goals and value creation for the communities.

This work has led to the development of projects such as green hydrogen, which resulted in the creation of a vertical line of new business for Colbun.

By the end of the year, as part of the continuous review and updating of the strategy and work methodology, MIC Innovation, **a consulting firm specializing in innovation strategies**, was hired.

In addition, as part of the activities to encourage a culture of innovation, a communications plan was launched and the Innovation Value Award was presented to the innovative 'Cross Audit' project of Matías Cartes of Audit, an initiative that consisted of implementing a model that allows permanent and proactive monitoring of the company's risks and controls through indicators.

Investment in R&D
US\$ 2,5 million

(Does not consider investment in battery development)

2022 Innovation Cases

● Asset Safety Project at Nehuenco Power Plant

Installing smoke, noise, and temperature sensors, cameras, and motion sensors in the power plant's electrical, POI, and operations control rooms, and managing the information from the OCTOBERUS platform. It is a multi-area work focused on people safety and supports the optimization of critical assets and regulatory issues. In 2022, all the components and the system configuration were installed. A white run is expected in 2023. As a technology pilot, it meets the requirements of critical asset security, by the NERC-CIP standard.



● Santa Maria Power Plant Ashes



To reduce its waste footprint, the Santa María power plant developed a project to recirculate the slag to the coal claim, transforming it into fly ash. As a result, it is possible to deliver up to 100% of the waste to cement companies in the area most of the time, almost eliminating the entire volume of waste to be deposited at the ash site.

● Electric Vehicle Charging Management System Pilot Project



Colbun adds the electric car charging network service to Walmart supermarket customers and at its plants through a platform developed jointly with the company Dhemax. This allows the management of electric vehicle charging, and the review and validation of monthly technical progress reports, among other activities.



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Innovation Management

Vibration Monitoring at Canutillar Power Plant

At Canutillar power plant, we installed a monitoring system with wireless triaxial vibration and temperature sensors, as well as a gateway for automatic data collection and vibration monitoring of the equipment. This system allows online monitoring of auxiliary equipment and prevents the occurrence of accidents and incidents associated with noise exposure by our workers and contractors, in addition to simplifying maintenance work and improving the quality and frequency with which data is obtained for decision-making.



Replacement of Vertical Francis Turbine Blades without Total Unit Disassembly

At the Biobío Complex (Rucue Power Plant), the team designed and implemented a solution that allowed the replacement of the turbine's moving blades without the need for complete disassembly. This reduced the unit's downtime, extended its useful life and improved reliability, among other benefits.



Reuse of Membranes from the Nehuenco Reverse Osmosis Power Plant (POI)

Another step was taken in 2022 in the project to reuse discarded membranes from the Reverse Osmosis Plant (POI) of the Nehuenco Power Plant. To avoid taking these membranes to a landfill, two pilots were implemented in the Quillota area: one in Santa Rosa de Colmo, to improve the water received by the neighbors associated with an APR, and another near the El Molino canal, to improve water for irrigation.



AntofalInnova Open Innovation (AI) Challenge



An open innovation exercise was carried out in partnership with the Innovation Club and Corfo Local de la Región de Antofagasta to prevent the wooden pallets that package the cables of the Horizonte project from going to the landfill. More than 12 proposals were received and the jury chose a winning project, which was outside the scope of the budget allocated to this exercise, so it served as an experience that generated new competencies.

Automatic and Autonomous Pyranometer Cleaning System Project

Continuing with the project started in 2021, understanding that the cleaning of the pyranometers is essential to have accurate data regarding the energy generated in the solar farms, the company continued with the innovation and piloting to automate this process. This robotic cleaner for the pyranometers is a joint development with the Chilean startup INTI-TECH and during 2022 it has operated in the test stage at the Ovejería and Diego de Almagro solar farms to consolidate this innovation in 2023.



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Innovation Management

Rainwater Harvesting for Pocihuen Alto Rural School



The project, which provides a complementary water supply to the San Antonio school, benefits an educational community of 31 people, who will have access to approximately 46 liters per person per day. It is carried out through rainwater collection technology, which includes treatment, purification and connection to the school's network. This project was developed jointly with the Amulen Foundation, Aguas Coihuin and the Municipality of Cochamo, demonstrating a collaborative spirit. It is the first rainwater harvesting project to receive approval from the Ministry of the Environment. The plant was built between May and July and was inaugurated at the end of November 2022.



Sediment Retention System in Aconcagua

Carrying on with the 2021 project, and to reduce the volume of sediment that enters the Hornitos Reservoir to recover the reservoir's regulation capacity and reduce the erosion that this causes in the turbines, a Lamellar System with automatic purge was implemented to achieve greater settling of fine sediment and evacuate it to the Juncal River. This is expected to reduce the amount of dredging removed from the reservoir and approach the normal concentration of sediment in the river. The Lamellar System was commissioned in November and its performance is expected to be reviewed during the 2022 - 2023 snowmelt period.



Wildlife Monitoring Using Environmental DNA

This project genetically identifies vertebrate species using environmental DNA from water and soil samples collected in the Rincón del Sur conservation area, Lake Chapo, Los Lagos Region. This study was developed by ECOGEN, and its main objective was to complement existing information on the subject to promote the protection of biodiversity, within the framework of the Company's Biodiversity Strategy. A total of 48 vertebrate species were recorded in the Rincón del Sur conservation area and the environmental DNA study included twenty new records in the conservation area when compared to traditional wildlife studies.



Employee Onboarding Process Agility Project (first phase)

The initiative uses innovation, agility, and employee journey methodologies to improve the new employee's experience upon joining the company. It was carried out with the support of Evolution Labs and, in its first phase, a minimum viable product (MVP) was structured along with workflows and communication, mailings, identification of roles and responsibilities of the different areas involved in receiving a new employee in the company. It supports the corporate objective of People, with the KPI of Internal Service Satisfaction, which was completed in October 2022.



Pilot with Particulate Matter Reducing Equipment in Coronel homes

Thirty-seven pieces of equipment were installed to reduce particulate matter in the use of conventional household stoves in Lagunillas 1, developing awareness-raising workshops with neighborhood councils, and maintaining sensors to evaluate ignition and temperature practices. It is a project developed with the companies MPZero and Ecoturbo, local entrepreneurs from the south of Chile, and in association with the Universidad de Concepción as validator and certifier of the solutions. This project meets the sustainability and social impact goals of the company, a stage of validation of performance and effectiveness of the use of equipment in homes was carried out, delivering results in which old stoves have better performance than new stoves, having to make a comparison between the cost of a new stove and the cost of this equipment, versus the use of less firewood and the associated costs in each case.



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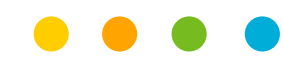
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Progress in Objectives and Goals Sustainability

↓ SDG Indicators	↓ Goal	↓ Indicator/KPI/Milestone	↓ Base Line	↓ 2022 Pogress Status	↓ Long-term Goal
	Growth in solar and wind Renewable Energies	Advances in the development of solar and wind projects	9 MW installed (2019)	<ul style="list-style-type: none"> 3 solar projects are in operation (248 MW) and one wind farm is 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 stages of development for more than 1,000 MW. 	4,000 MW al 2030
	Carbon Footprint	% reduction of the net GHG emission factor, with respect to the 2018 baseline, in Chile**	0,286 ton CO2e/ MWh (2018)***	0.326 ton CO2e/ MWh in Chile, 14% higher than the baseline. The increase is explained by the drought experienced in central and south-central Chile, which has been worsening, forcing generators to dispatch more thermal energy due to lower hydroelectric generation. However, thanks to the rainfall in the central zone during 2022 and the entry of the Machicura and Diego de Almagro Sur photovoltaic plants, a 12% reduction in the emission factor was achieved in 2021.	0.200 ton CO2e / MWh (30% net reduction) by 2025; 0.172 ton CO2e / MWh (40% net reduction) by 2030; to be a carbon neutral company by 2050.
	Operational Water Footprint	% reduction in freshwater withdrawal intensity for operation, with respect to 2018 baseline.	0,4 m³ water /MWh (2018)***	0,34 m³/MWh, 15% lower than baseline.	0.24 m³ water/MWh (40% reduction) by 2025; 0.22 m³ water/MWh (45% reduction) by 2030
	Non-Operational Water Footprint	% reduction in freshwater withdrawal intensity for nonoperational consumption, compared to 2018 baseline.	246 Th m³ water (2018)	138.5 ths m³, a 44% reduction over the 2018 baseline, three years ahead of the proposed 2025 target.	146 ths. m³ water (40% reduction) by 2025
	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 Maria power plant.	98% by 2025
	Environment: Zero relevant environmental incidents*	No. of significant environmental incidents	0	0	0
	Occupational Health and Safety: 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 (consolidated figures)	IF 1,0 0 fatality
	Unregulated Customer Net Recommendation Ratio	Net Promoter Score (NPS) of Unregulated customers	66 points (2020)	75 points in 2022 in Chile y 80 points in Perú	>50 points by 2025-2030
	Colbun's Employee Recommendation Index	% favorability	88% (2019)	90%	> 88%
	Diversity: Increasing Women Staffing in the Company	% women in Colbun's total workforce, with focus on male-dominated areas	18% (2018)	22,2%	25% by 2025

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Progress in Objectives and Sustainability Goals

Contribution to the Sustainable Development Goals (SDGs),

The following table summarizes the contribution of Colbun's performance to the achievement of the SDGs. The contribution of each project or initiative of the Company is described in greater detail throughout the Integrated Annual Report.

SDG	Goal Description	Goals	Contribution from Colbun S.A.
3	Ensure healthy lives and promote well-being for all at all ages.	3.4 / 3.8	Occupational health and safety programs for Colbun workers, including COVID-19 control; Mental health support from the Wellness area. Las Salinas Polyclinic (Peru); Zero Anemia Program (Peru); Breast Cancer Prevention Program with FALP in Coronel; Community support initiatives in the pandemic.
4	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	4.1 / 4.4 / 4.5 / 4.7 / 4.b	Colbun employee training programs; support for the education of employees' children; education programs (FORCOM, Enseña Chile); Cuido Mi Planeta Program; Protagonistas Corporate Volunteer Program.
5	Achieve gender equality and empower all women and girls	5.1 / 5.5	Colbun Gender Equity Plan; Female Leadership Program; Female Workforce Goal; Inter-company mentoring program (Club 30%).
6	Ensure availability and sustainable management of water and sanitation for all.	6.1 / 6.3 / 6.4 / 6.6	Drinking water Chilca (Peru); Nehuenco reverse osmosis plant; efficient water use agreements with irrigators in Maule; efficiency projects in hydroelectric power plants; Colbun reservoir and Chapo Lake; activities to meet water footprint reduction goals.
7	Ensure access to affordable, reliable, sustainable and modern energy for all.	7.1 / 7.2 / 7.b	Stabilization of electricity tariffs; hydro, solar generation and growth with ERFV; storage; LED luminaires in several municipalities; energy solutions for customers..
8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	8.3 / 8.5 / 8.6 / 8.8 / 8.9	Minimum wage of \$500 thousand for permanent contractors; support for permanent contractor companies; Entrepreneurship Centers; Gender Equity Plan; Inclusion Initiatives for People with Gender Equity Plan; Inclusion Initiatives for People with Disabilities; SOFOFA Protagonists Volunteering; Colbun Internship Program; Angostura Park, Machicura Spa and Chapo Lake Coastal Promenade; Colbun SSO Standards; Safety Leadership Program.
9	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.	9.4 / 9.5 / 9.a / 9.b	Decarbonization Program; Open Innovation Programs in Colbun; Alliance with CORFO, Innovation Centers and Universities.
10	Reduce inequality within and among countries.	10.1 / 10.2 / 10.4	Stabilization of energy tariffs; Colbun Energy for Entrepreneurship Program; Salaries of permanent contractors over US \$500.000.

SDG	Goal Description	Goals	Contribution from Colbun S.A.
11	Make cities and human settlements inclusive, safe, resilient and sustainable.	11.3 / 11.4 / 11.5 / 11.7	Birdwatching Center in Angostura; Safety programs for neighbors in central areas (Aconcagua, Maule, Angostura). (Aconcagua, Maule, Angostura); Angostura Park, Balneario Machicura and Paseo Costero Lago Chapo.
12	Ensure sustainable consumption and production patterns.	12.2 / 12.5 / 12.6 / 12.8 / 12.b	Ash valorization with cement companies; Waste Footprint reduction goal; Open innovation challenges for waste valorization; Cuido Mi Planeta program; Recycling at Colbun's plants and offices; Angostura Park, Machicura Spa and Chapo Lake Coastal Promenade.
13	Take urgent action to combat climate change and its impacts.	13.2	CO ₂ emission factor reduction target; Active participation in CLG and other organizations that promote strategies against climate change; Annual measurement of the Carbon Footprint; Annual report to the Carbon Disclosure Project (CDP).
15	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.	15.1 / 15.2	Royal Right of Conservation (DRC) in Chapo Lake; Yumbel Community Beekeeping Project; Reforestation projects.
16	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.	16.1 / 16.5 / 16.7 / 16.b	LED luminaires in different communities where we are present; Integrity Plan (Gender Equity, Human Rights); Crime Prevention Model (Law 20.393), PEP Policy, Donations Policy; Transparency of memberships on the web; Transparency of meetings by Lobby Law; Citizen Participation in Horizonte Wind Project; Local infrastructure projects and social programs developed in a participatory manner.
17	Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.	17.14 / 17.16 / 17.17	Active participation in associations that promote sustainable development (Global Compact, Acción Empresas, SOFOFA, ICARE, AMCHAM, etc.) with public-private alliances; Colbun's community investment, managed in alliance with municipalities, NGOs, etc.; Leverage of government funds for local sustainable development projects; Participation in Global Compact Committee and Human Rights Group and other SDGs.

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- > 3.3 Consolidated Financial Management
- > 3.4 Risk Management

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3.1

The Power Industry in 2022

Chile

Background
NCG 461: 6.2.viii

Three political-economic factors marked 2022 in Chile

- 01.** On March 11, Gabriel Boric, the candidate of Pacto Apruebo Dignidad, took the oath of office as President of the Republic.
- 02.** On July 4, after nine months of work, the Constitutional Assembly presented the proposal for a new Political Constitution of the Republic, which was rejected in the plebiscite held on September 4.
- 03.** The Chilean economy continued its adjustment process after the imbalances it accumulated in 2021. While GDP grew by **2.4%** during the year, annual inflation reached **12.8%**, the highest since 1991.

Evolution of the Power System

The National Electric System and the electric companies in Chile faced a challenging year, among other factors, due to:

01. Hydrological conditions remained at minimum levels early this year, a situation that began to improve in May 2022.

As a preventive measure, this condition led to extending the Rationing Decree (issued by the Ministry of Energy in August 2021) and creating a Water Reserve for the System.

02. Thermoelectric power plants maintained their fundamental role in meeting demand. This was mainly due to the dry hydrological conditions of the system, especially in the early months of the year. At the end of 2022, thermal generation accounted for nearly 44% of total 2022 production.

03. During the year, fuel prices reached historic peaks and were highly volatile due to the international context, resulting in higher operating costs for the system's thermal power plants.

04. There were transmission infrastructure bottlenecks in several sections of the power system, which implied that there were uncouplings in marginal costs due to transmission limitations and works that took place in some areas.

05. Some suppliers with existing contracts with distributors ceased payment in the power system's short-term market.

- The addition of new wind and solar projects means that energy from these renewable sources increased by 22% and 35% respectively in 2022, contributing 28% of the system's total energy production in 2022.
- Power demand, on the other hand, increased by 2.5% in 2022 compared to the previous year, mainly due to the reactivation of the economy after the pandemic.
- The demand of regulated and unregulated clients in the distribution sector had a growth of nearly 5%, while the rest of the unregulated clients had no relevant growth compared to the previous year.

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The Power Industry in 2022

Chile

Evolution of the Power System



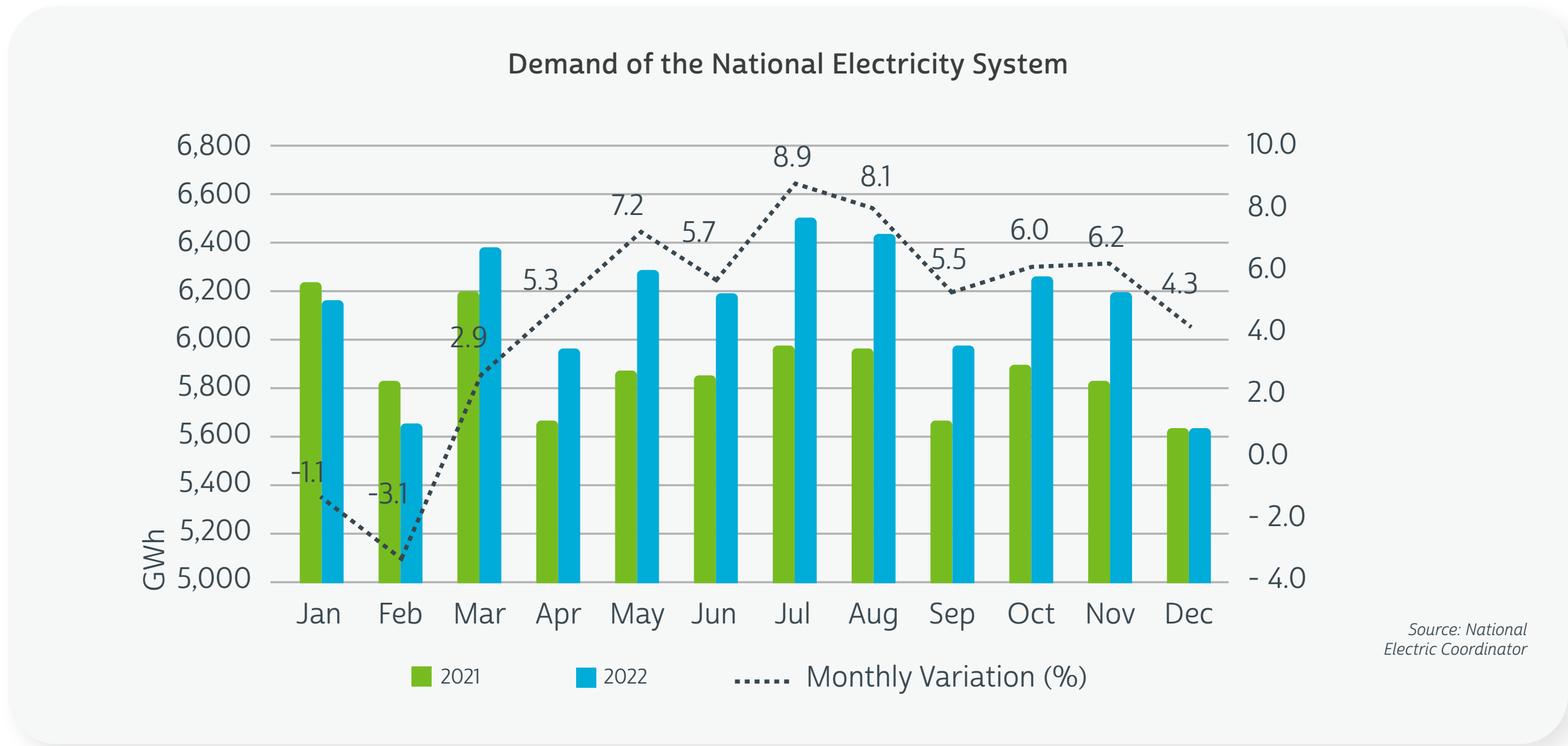
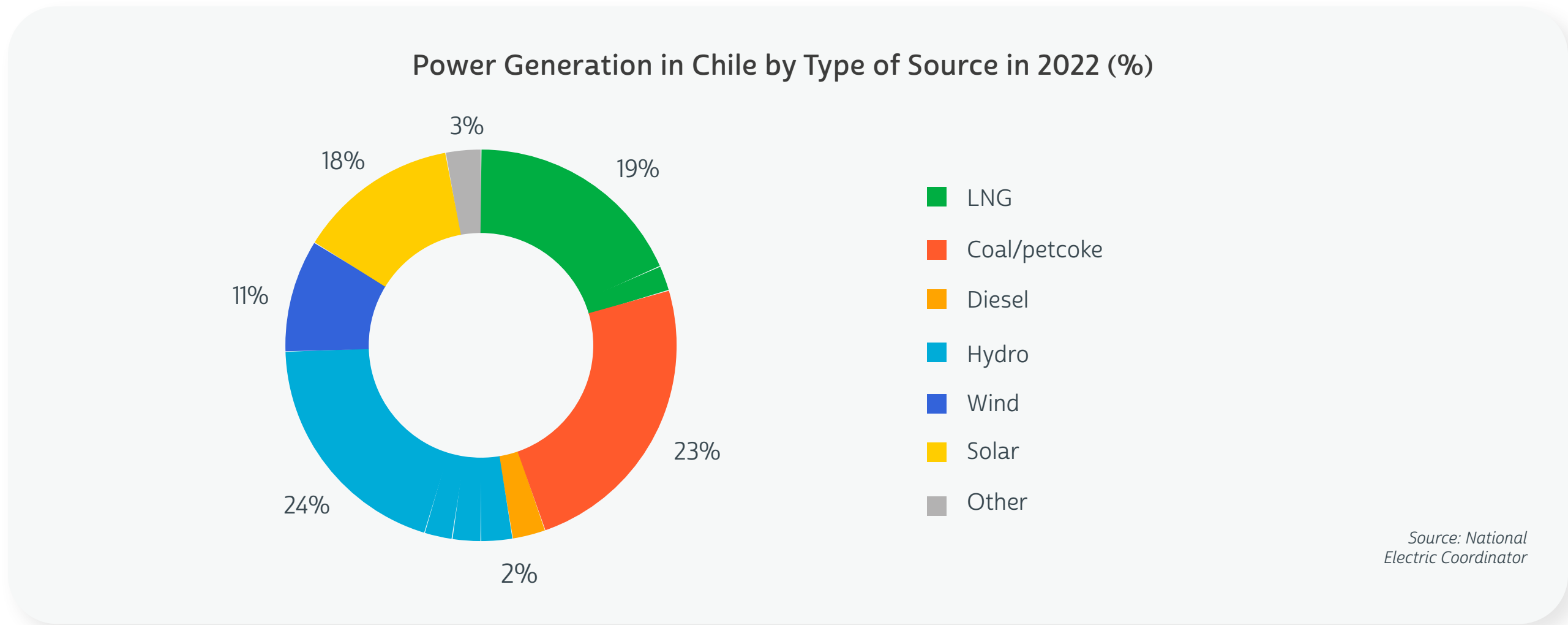
↑ **29%** of the energy matrix by 2022

22% of the energy matrix in 2021

As a result of the entry of new wind and solar projects, energy from these renewable sources in 2022 accounted for 29% of the energy matrix, compared to 22% in 2021.

2,5% Power demand increased 2.5% over the previous year, mainly due to the post-pandemic economic recovery.

5% Regulated clients supplied by distributors grew by nearly 5%, while unregulated clients remained unchanged from the previous year.



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The Power Industry in 2022

Chile

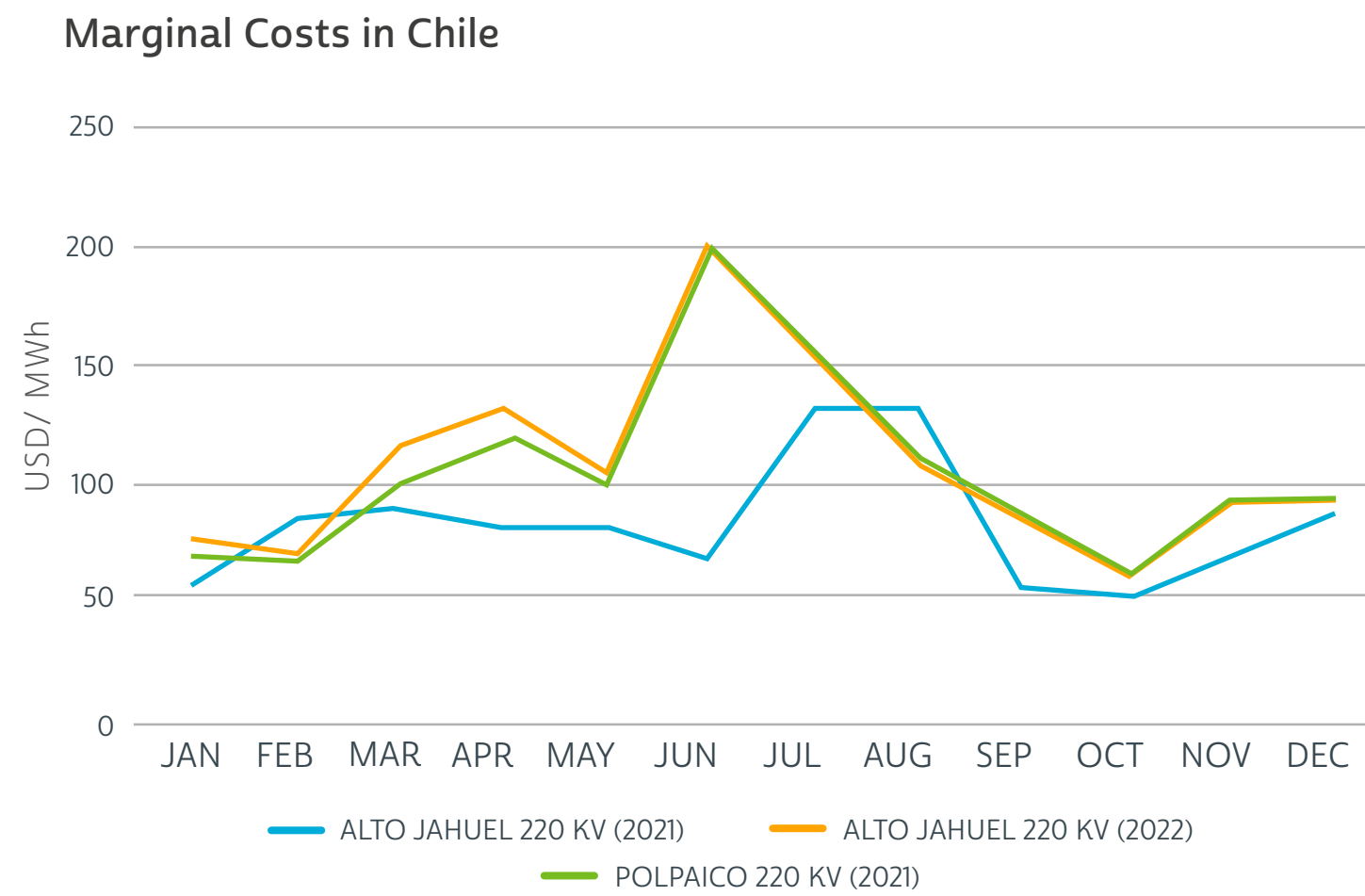
Marginal Costs



The average marginal cost for 2022 (Alto Jahuel) increased by almost 25% over the previous year.



Average marginal costs were above US\$100/MWh for most of the year (Alto Jahuel).



Source: Electric National Coordinator

System decoupling was observed throughout the year as a result of restrictions in the SEN transmission system and ongoing works. The main decoupling occurred between 9:00 am and 6:00 pm, with gaps that reached more than US\$ 150 per MW. This variation was mainly due to the difference in marginal costs between the areas of Puerto Montt and Cardones, which marked the trend of higher and lower marginal costs respectively in the aforementioned hourly period.

Colbun's Management

To tackle these challenging supply conditions, the Company focused on:

- ✓ Flexibility in its gas contracts, through programmed LNG purchases, LNG purchases in the spot market and Argentine gas supply.
- ✓ An adequate maintenance program.

Entities with Competencies in the Energy Sector

NCG 461: 6.1.iv

ENTITIES WITH COMPETENCIES IN THE ENERGY SECTOR IN CHILE

Ministry of Energy	<ul style="list-style-type: none"> Public and Sector Policies Advisory to the Government Long-term planning"
National Energy Commission (CNE)	<ul style="list-style-type: none"> Rates Regulatory function Expansion plans"
Superintendency of Electricity and Fuels (SEC)	<ul style="list-style-type: none"> Overseeing legal compliance
National Electric Coordinator	<ul style="list-style-type: none"> Coordination of system operation Economic dispatch Competition monitoring"
Expert Panel	<ul style="list-style-type: none"> Conflict resolution
Ministry of Environment	<ul style="list-style-type: none"> Design and implementation of public and sectoral policies Advising the Government SEA: Environmental approval SMA: Monitoring Legal Compliance"
General Directorate of Water	<ul style="list-style-type: none"> Water rights / Project approval Control Measurement and control of water resources Surveillance of the operation of water users' organizations

ENTITIES WITH COMPETENCIES IN THE ENERGY SECTOR IN PERÚ

Ministry of Energy and Mining	<ul style="list-style-type: none"> Sector Policies Housing titles Regulations"
Energy and Mining Supervisory Agency (OSINERGMIN)	<ul style="list-style-type: none"> Tariffs Regulatory function Dispute resolution Complaint handling"
Environmental Assessment and Control Agency (OEFA)	<ul style="list-style-type: none"> Legislation compliance Supervision"
Economic Operation Committee of the National Interconnected System	<ul style="list-style-type: none"> SEIN transmission plan and procedures Coordination of SEIN operation"
National Institute for the Defense of Competition and Intellectual Property (INDECOPI)	<ul style="list-style-type: none"> Free and fair competition Ex-ante merger control"

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The Power Industry in 2022

Regulatory changes in Chile

› Price Stabilization Mechanism

During 2022 the electricity tariffs paid by final regulated clients remained stabilized during 2022, a measure promoted by the government in 2019 to avoid increases in electricity tariffs. On August 2, Law No. 21,472 was enacted, creating a new transitory price stabilization mechanism, a mechanism that will be in force until December 31, 2032.

Main stabilization tools:

01. A **US\$ 500 million Tariff** Stabilization Fund, to which all clients -regulated and unregulated- will contribute through an additional public service charge
02. A Client Protection Mechanism, with resources with a **limit of US\$ 1,800 million** for the payment to generators of the differences that occur between the stabilized tariff of clients and the respective contract price.

Coordination and Operation of the System

› Technical Standard for Coordination and Operation of the System

During 2022 two chapters of the System Coordination and Operation technical standard were submitted for public consultation. Between June and August, the chapter on Operation Programming was consulted. The final version of this chapter is currently under development.

Between September and November, the chapter on the Statement of Variable Costs was submitted for consultation, the final version of which is also under development.

› Modification of the Capacity Transfer Regulation

In 2021, the final proposal of the Power Transfer Regulation was submitted for public consultation, with relevant changes in the system sufficiency power mechanism, such as the redefinition of peak hours and the use of a probabilistic methodology for power recognition, among others.

In February 2022, the final version of the new regulation was submitted to the Comptroller General of the Republic but was withdrawn by the new administration to make adjustments. These modifications are focused on making the transition to the new mechanism more flexible, and the objective of the Ministry of Energy is to submit the final document to the Comptroller's Office, after the public consultation, between May and June 2023.

Preventive Rationing Decree

GOAL

During 2022, the “Preventive” Rationing Decree (DS N°51/2021) of the Ministry of Energy, which established the framework for measures aimed at preserving the security of supply of the system, remained in force.

VALIDITY

This Decree was originally effective until March 31, 2022, but in March 2022 the Comptroller approved the new Decree No. 01/2022, which amends the “Preventive” Decree and extended its effectiveness until September 30, 2022. Subsequently, the validity was extended until March 31, 2023. The last modification reduced the water reserve to 66 GWh.

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The Power Industry in 2022

Regulatory Changes in Chile

Legislative Progress

WATER CODE REFORM

In January 2022, the National Congress approved this initiative after 11 years of processing. The text emphasizes the establishment of the temporary nature of the new water rights, the prioritization of human consumption, subsistence and sanitation over other uses of the resource, and the total or partial extinction of the rights in certain circumstances.

FRAMEWORK LAW ON CLIMATE CHANGE

On June 13, 2022, the Climate Change Framework Law was published, creating a legal framework to implement climate change mitigation and adaptation measures, establishing carbon neutrality by 2050.

STORAGE AND ELECTROMOBILITY LAW

On November 21, the Storage and Electromobility Law was made public, a major advance for greater renewable energy integration into the system. This law allows “pure” or “isolated” storage systems (which are not part of a power plant) to be remunerated for the energy and power injected into the system. It also enables the efficient connection of “generation-consumption” systems and seeks to encourage the sale of electric vehicles.

BOOSTING PARTICIPATION OF RENEWABLE ENERGIES

The new law grants the Ministry of Energy one year from its publication to issue the necessary regulations for its implementation.

Entered to Congress by the executive in 2021, in 2022 the current administration established urgency to the processing of this bill and introduced indications. The main objectives of the bill are:

- Increase renewable generation goals, setting a global goal of 60% of NCRE by 2030.
- Establish a traceability system of the renewable nature of the energy that is marketed.
- Facilitate and streamline the process of connecting distributed generation.

NEW DRAFT LAWS

During 2022, two bills related to sectoral issues were submitted:

1 Fair Social-Ecological Transition.

This bill, introduced by parliamentary motion in June, aims to establish the elements that should be contained in a fair social-ecological transition. Parliament’s Environment and Natural Resources Committee sent the initiative to the Chamber for its consideration, with various modifications.

2 Aerogeneration Complexes and Photovoltaic Power Plants

In October, a motion was introduced in the Chamber of Deputies that modifies Law No. 19,300 and regulates the installation and coexistence with neighboring communities of aerogeneration complexes and photovoltaic plants. The bill covers design and construction aspects, such as minimum distance between towers, type of soil permitted, and restrictions on the location of neighboring projects.



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The Power Industry in 2022

Peru

General Context

Highlights of the Year

- 01.** President Pedro Castillo, who **took office in 2021**, was dismissed by Congress at the end of 2022 after announcing the dissolution of the Chamber and the establishment of a **“government of exception”**. He was replaced by then-Vice President Dina Boluarte, who faced growing demonstrations in the country.
- 02.** Meanwhile, Peru’s gross domestic product (GDP) grew by **2.7%** in 2022, driven by domestic demand and an increase in exports. Inflation, on the other hand, rose to **8.46%**, the highest in 26 years.



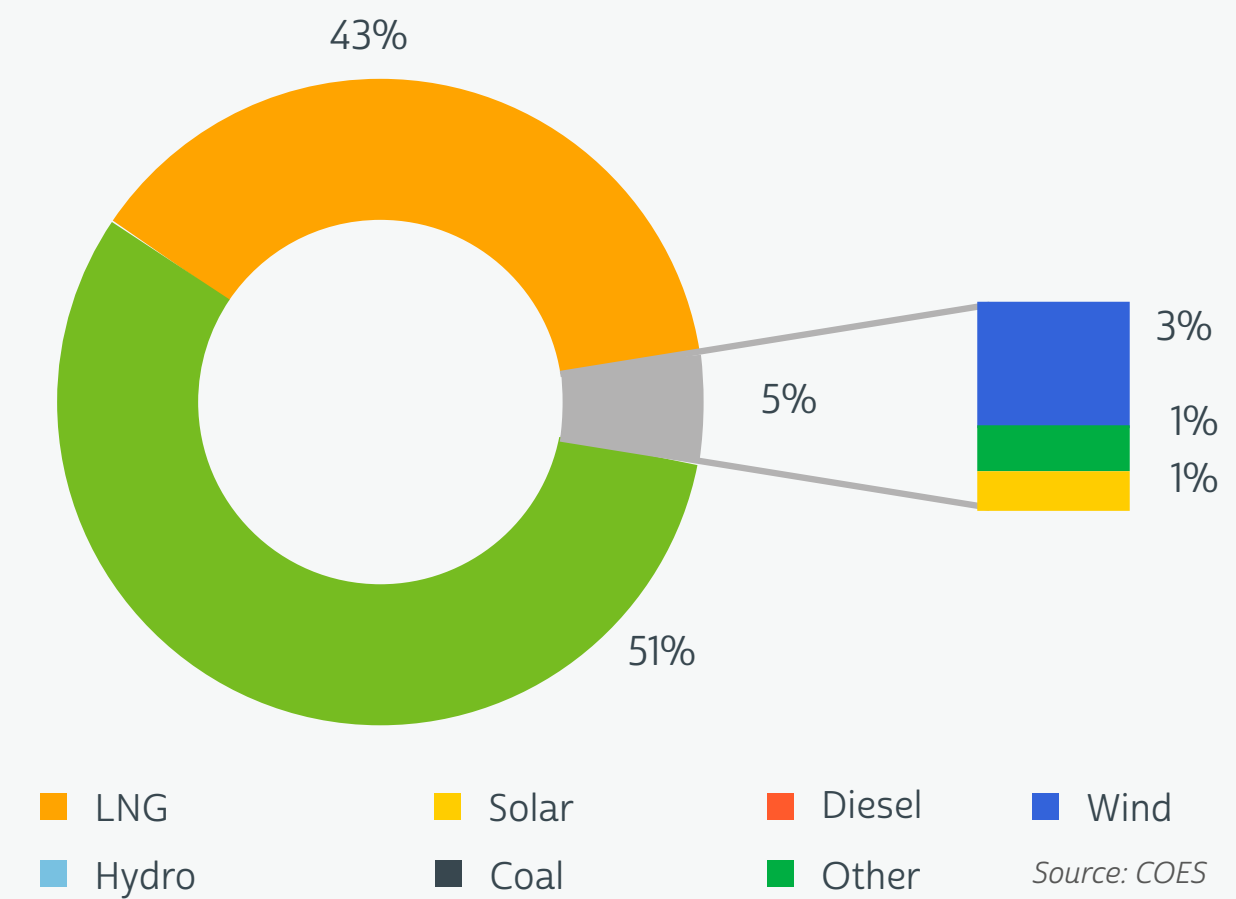
Evolution of the Power Industry

Hydraulic generation during 2022 was the most relevant in Peru, with **51% of the total**, followed by natural gas **43%**. Wind and solar energy contributed **5%**, practically the same percentage as in 2021.

The higher GDP growth had its correlate in the electricity market, where:

- ↑ demand in the National Interconnected Electricity System (SEIN)
 - **Increased 3.9% in 2022**

Power Generation in Peru by Type of Source 2022 (%)



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The Power Industry in 2022

Peru

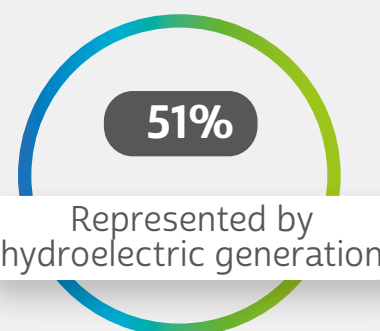
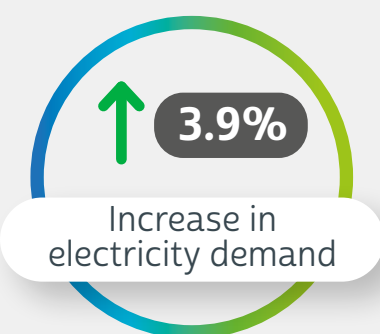
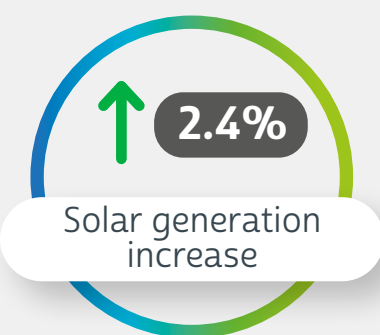
Support Measures in the Electricity Sector

> Marginal Costs

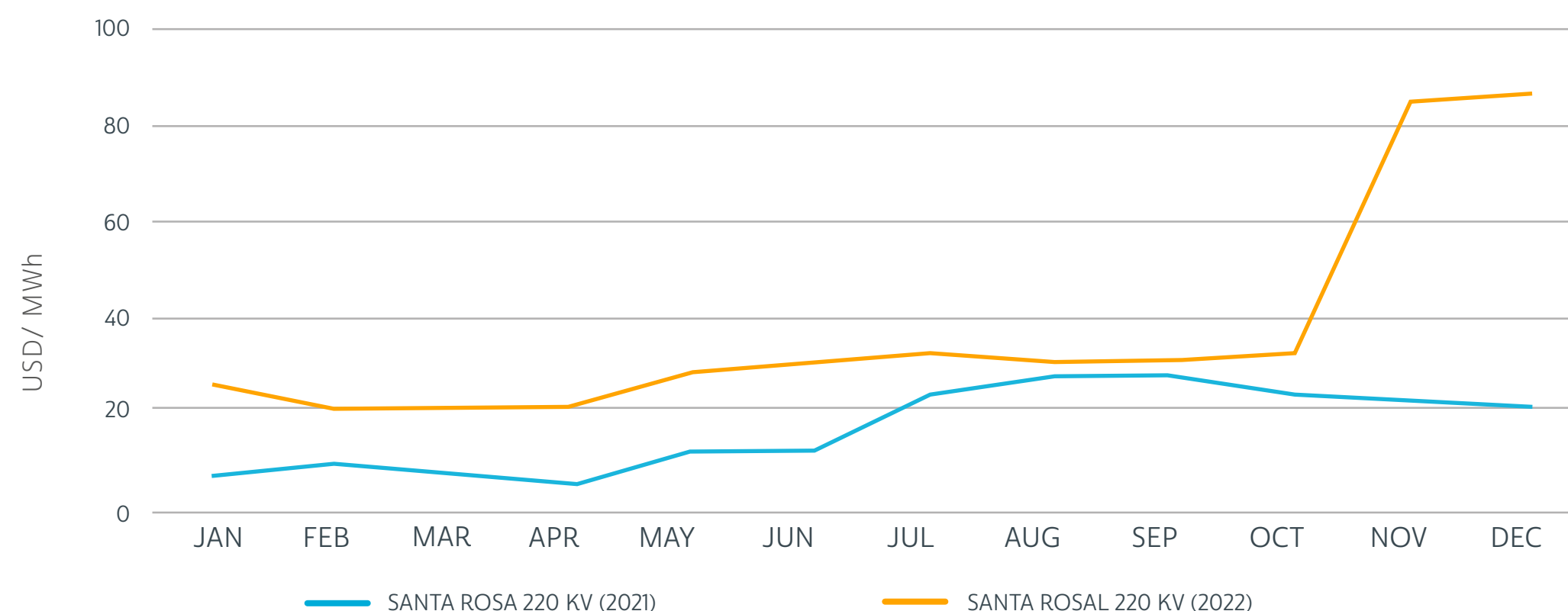
The average marginal cost for 2022 **increased by 117%** (37.5 US\$/MWh vs. 17.3 US\$/MWh) mainly due to three factors:

- 01.** Ending the declaration of natural gas prices in June 2021 means having real marginal costs throughout 2022.
- 02.** Lower hydrology in recent months, with well below average surplus levels.
- 03.** Restrictions on natural gas from the Camisea field during November and December 2022.

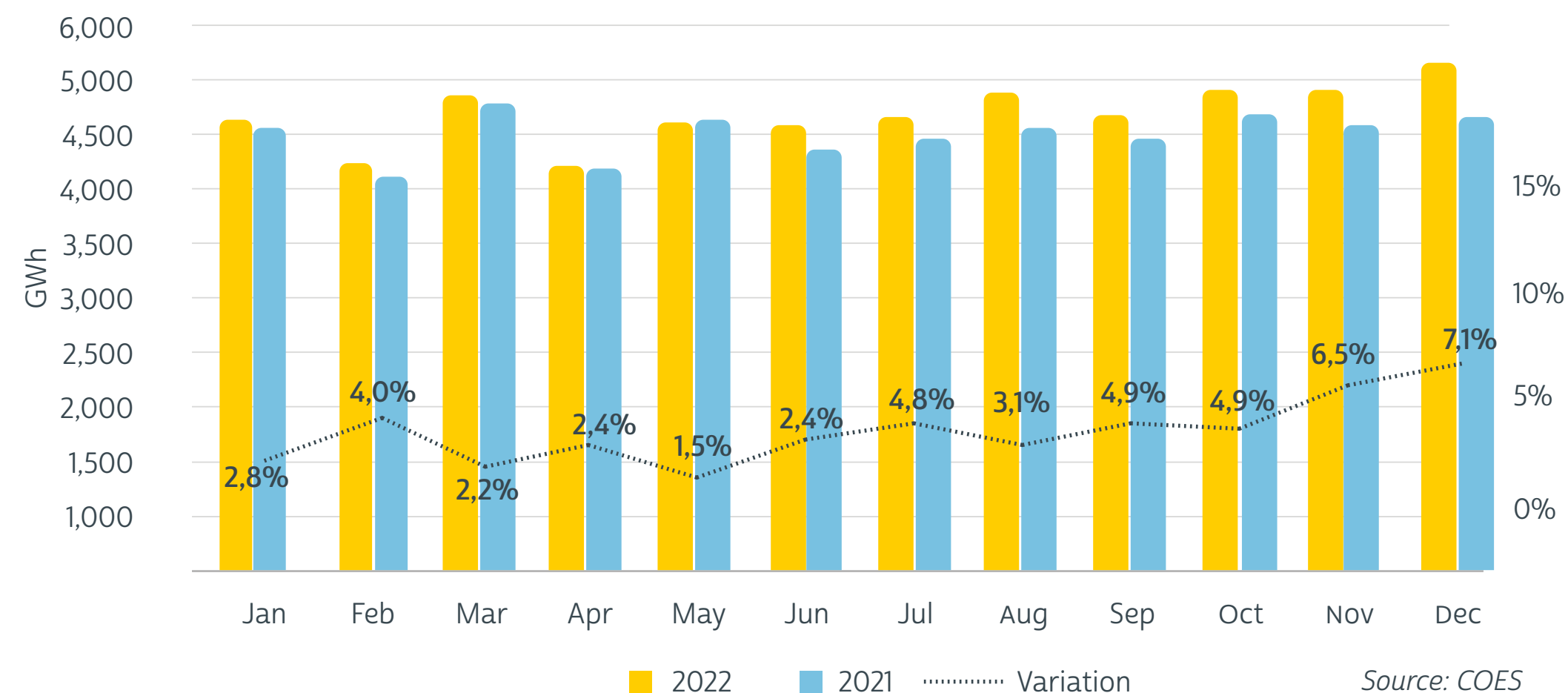
In recent months, we have observed that the system's low hydro production has required higher thermal production from open-cycle plants such as Santa Rosa, even though they have interruptible gas contracts. The seasonally higher regulated and industrial gas consumption, combined with higher gas exports, resulted in the rationing of interruptible volumes, resulting in marginal diesel costs that translated into marginal costs of US\$85 and US\$86/MWh in the last two months.



Marginal Costs Peru



Monthly Power Energy Demand Peru (VARIATION %)



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The Power Industry in 2022

Regulatory Changes in Peru

Regulatory and Legislative Agenda

GAS PRICE DECLARATION

On May 4, 2021, a Resolution of the Energy and Mining Investment Supervisory Agency (OSINERGMIN) was published, officializing the change in the methodology to calculate the Marginal Costs in the short-term market and making it possible to better recognize the real cost of generation based on natural gas. Using a resolution of the same agency published on September 2, 2022, these modifications were complemented concerning the costs related to the maintenance of thermoelectric generation units before the COES.

NATURAL GAS SECONDARY MARKET

On May 19, 2021, a Supreme Decree N°012-2021-EM was published, which implemented and modified regulations for the creation and operation of a secondary gas market. On September 21, 2021, the publication of the drafts of the “Operating Procedure for the electronic market of the Auctions for the Transfer of supply volume and/or transportation capacity of natural gas (MECAP)” and the “Operating Procedure for the Transfer of Information in the Natural Gas Market” was ordered. Opinions and suggestions were received until September 29, 2021, but the issuance of the final procedures is still pending.

AMANDMENTS TO FOSE LAW

On October 28, 2022, Law No. 31,598 was published, which brought forward to November 2022 the effective date of Law No. 31,429, which created the Electric Social Compensation Fund (“FOSE Law”).

This law mainly provided for:

- An increase in the range of beneficiaries of the FOSE to those users with a monthly consumption equal to or less than 140 kWh/month (previously it was a consumption equal to or less than 100 kWh/month).
- The inclusion of unregulated clients in the universe of affected users with a surcharge for the financing of the FOSE (previously only regulated users paid).



COMMISSION FOR THE REFORM OF THE POWER SUB-SECTOR

In June, 2019, the Multisector Commission for the Reform of the Electricity Subsector, under the Ministry of Energy and Mines, was created. Initially, this commission addressed four areas:

- 1 Reinforcement of the institutional framework.
- 2 Transformation of the wholesale market.
- 3 Innovation in distribution and retail marketing.
- 4 Simplification of regulation and transmission management.

In July, 2021, the validity of this commission was extended for 18 months and again, in January 2023, its validity was extended for an additional 18 months.

In June, 2022, the Ministry of Energy and Mines ordered the publication of the proposed legislative initiative “Law that modifies Law No. 28,832, Law to ensure the efficient development of Electricity Generation”, in order to receive contributions and/or comments from interested parties and citizens, within a period of 30 days.

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3.2



Energy Management and Commercialization

Generation and Sales in Chile

Generation

- The Company's power generation in 2022 rose 21% over the previous year to 13,570 GWh, for three reasons:

↑ more
21%

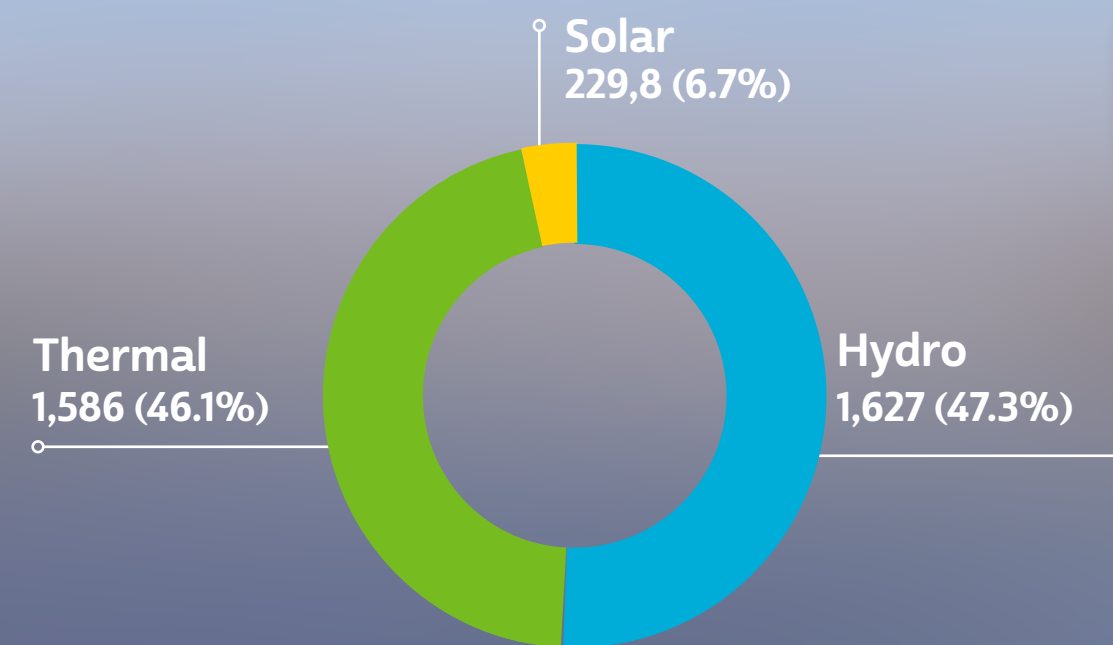
• 13,570 GWh

- 01. Increased hydroelectric generation** due to better hydrological conditions (+ 1,258 GWh),
- 02. Increased gas-fired generation** due to larger LNG purchases and greater availability of Argentinean gas (+1,001 GWh), and
- 03. Increased solar generation** after the commissioning of the Diego de Almagro Sur solar plant.

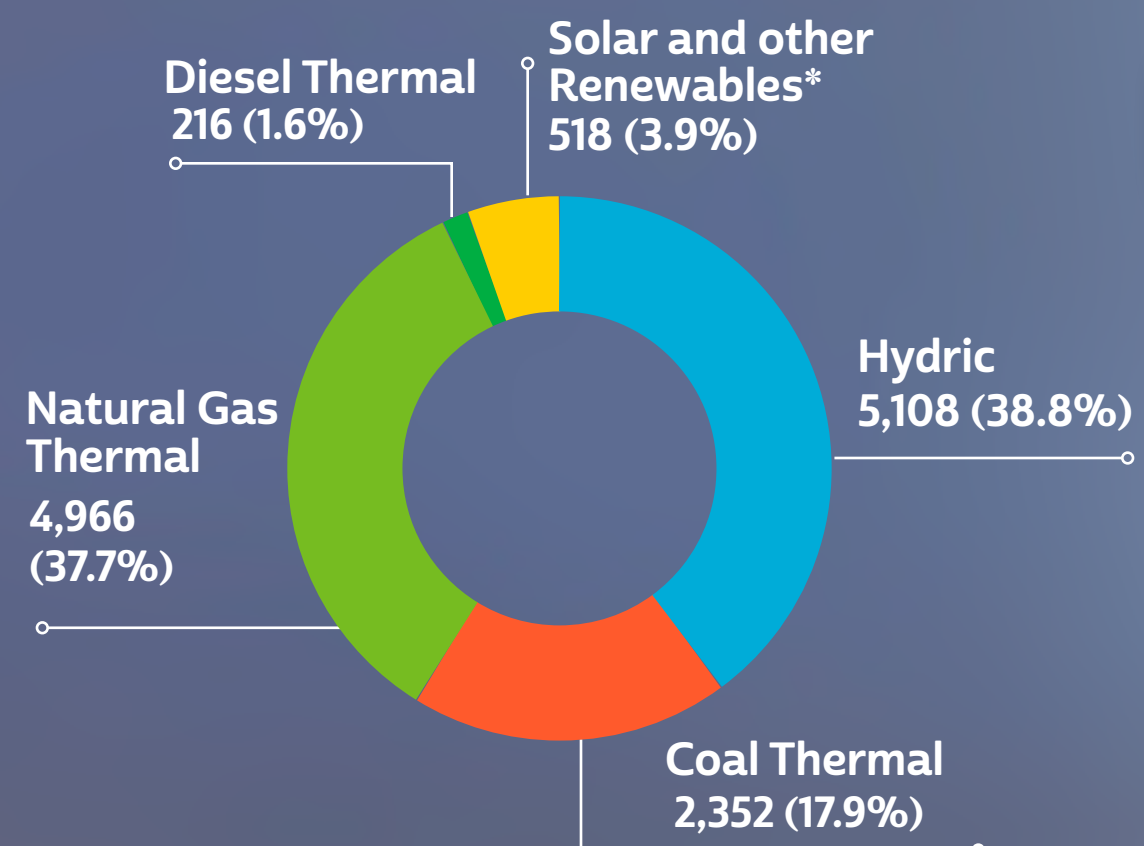
This offset a drop in coal-fired generation due to a lower economic dispatch (-168 GWh).

Colbun's Installed and Generation Capacity in Chile

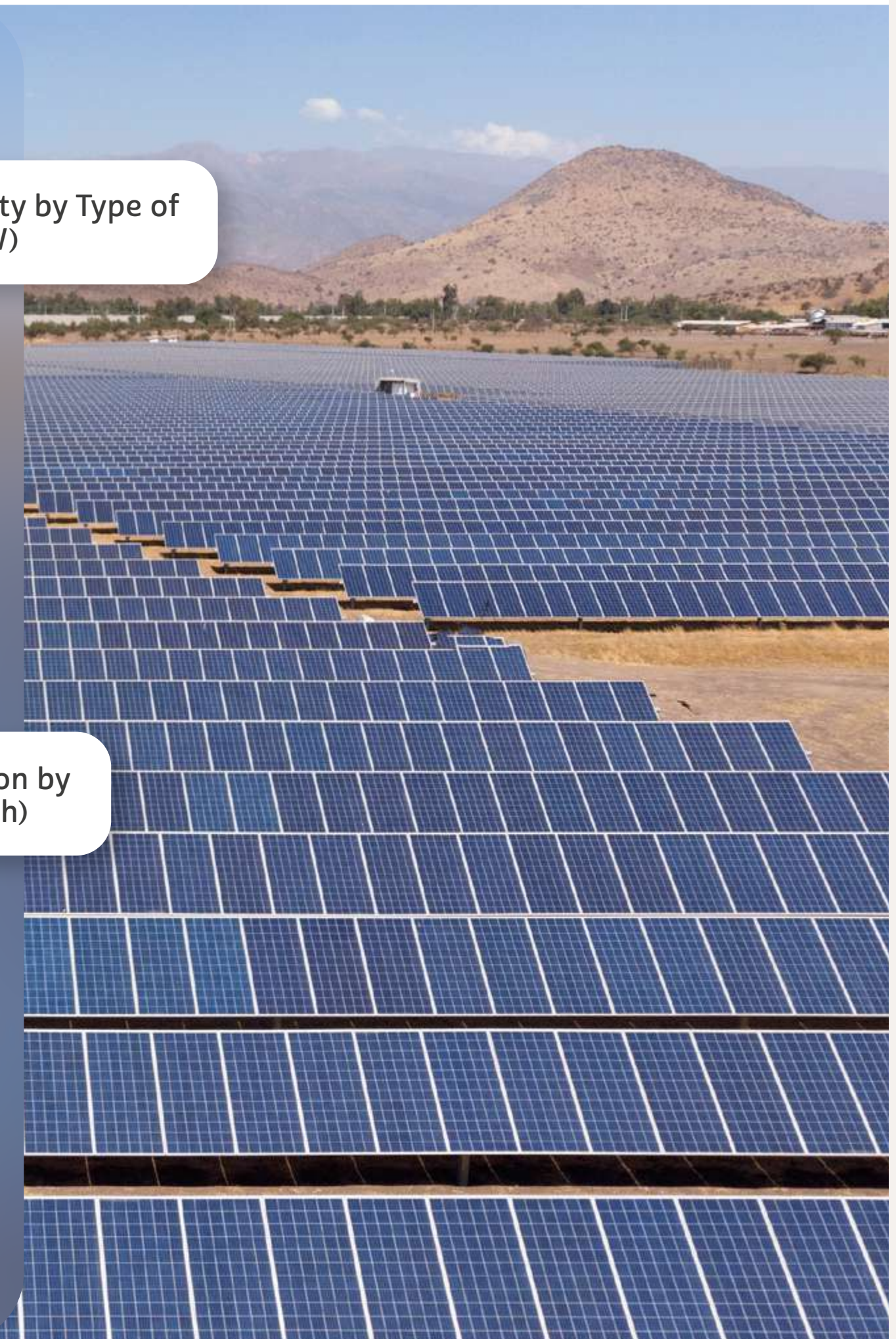
Installed Capacity by Type of Technology (MW)



Power Generation by Technology (GWh)



* Run of river Power Plant <10 MW 13,160 GWh



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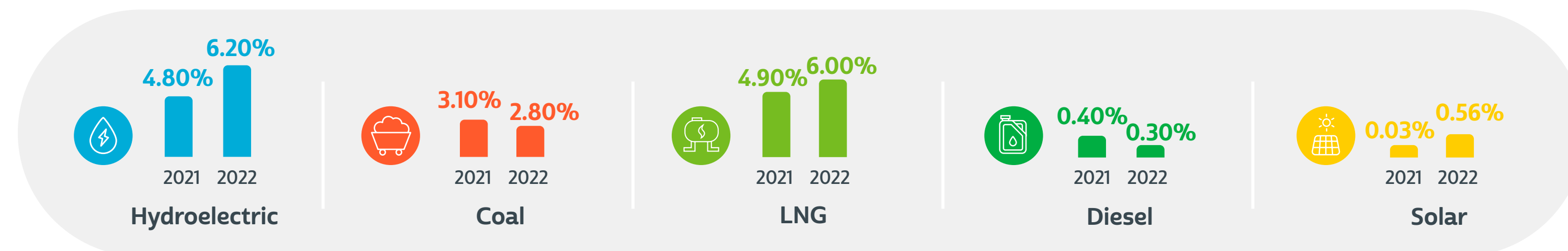


3.2

Energy Management and Commercialization

Generation and Sales in Chile

Participation of Colbun in Total Generation in SEN, by Technology



Physical Sales

Colbun's physical sales in 2022 **increased 22%** to 13,325 GWh, as a result of:

- 01. Commencement of the BHP supply contract in January 2022, and
- 02. Increased sales in the spot market due to higher generation in the period.

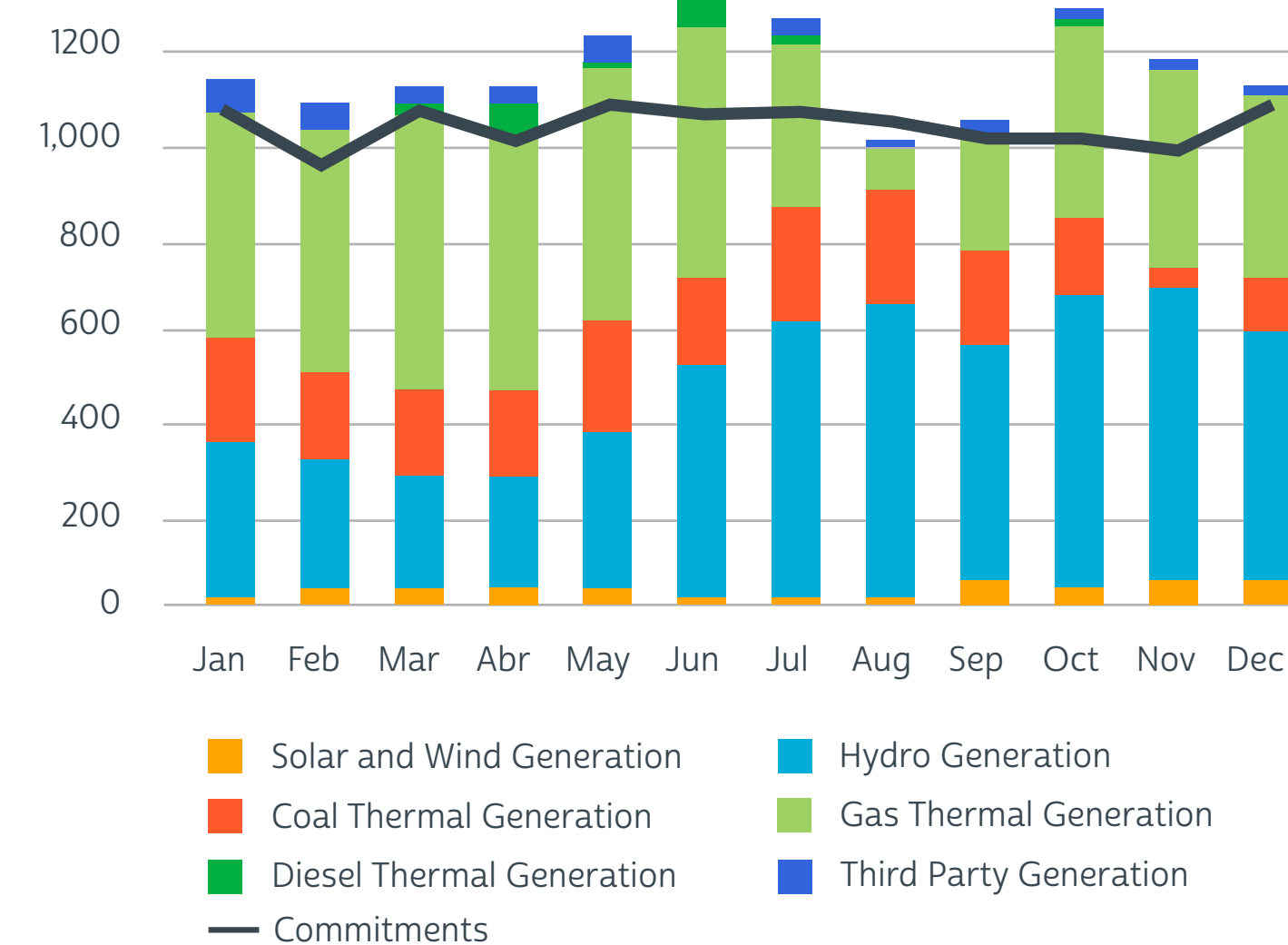
AVERAGE POWER SALES (MW)	2021	2022
Distributors (regulated clients)	544	402
Industrial (unregulated clients)	770	1,183
Sales to the SEN (spot market)	175	0
Total	1,489	1,585

ENERGY SALES BY TYPE OF CLIENT (GWH)	2021	2022
Distributors (regulated clients)	2,358	3,105
Industrial (unregulated clients)	9,424	6,685
Sales to the SEN (spot market)	1,426	1,154
Total	13,208	10,944

Contracts Coverage

By 2022 Colbun met its contractual commitments by maintaining a surplus position in the spot market.

Generation Versus Commitments Colbun - 2022 (GWh)



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Energy Management and Commercialization

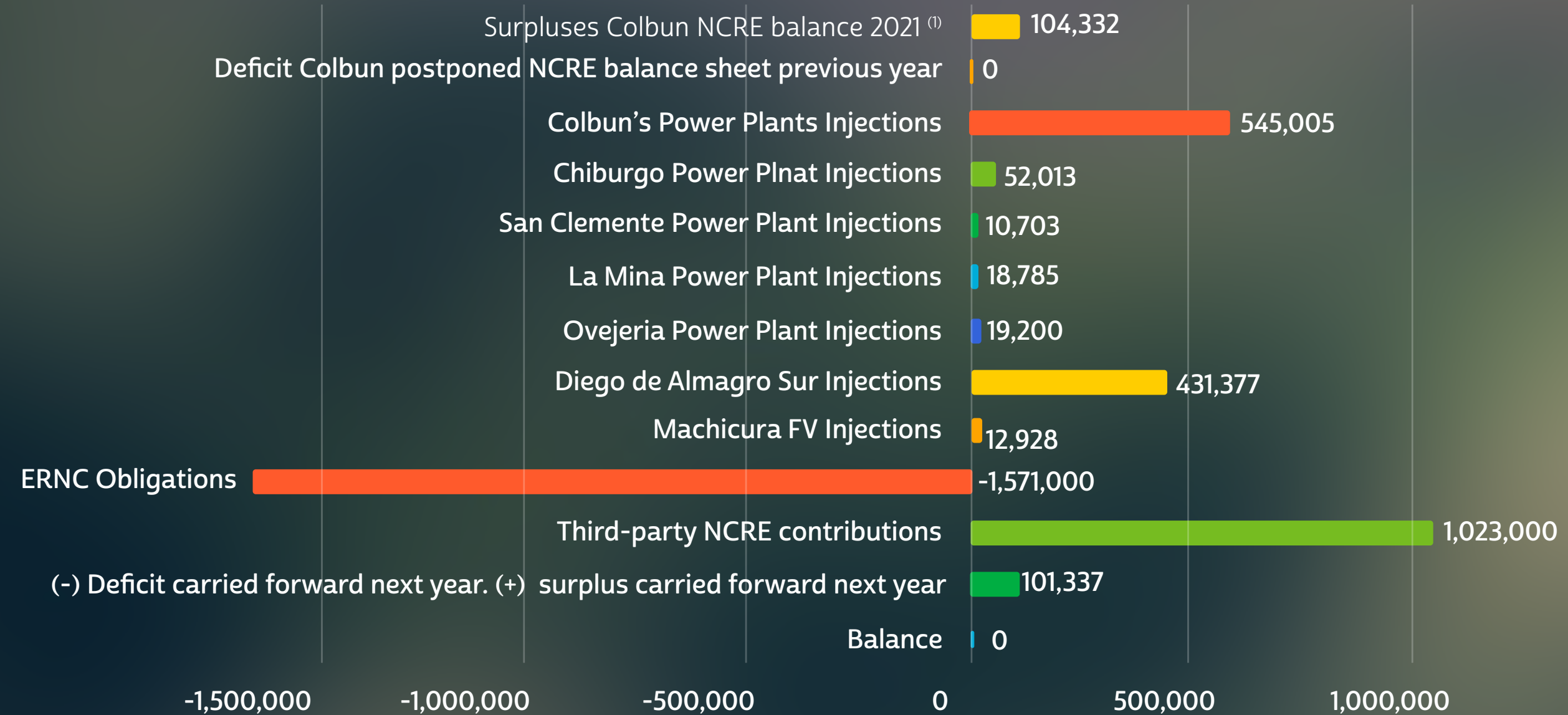
Generation and Sales in Chile

NCRE Balance

In addition to its renewable hydroelectric power plants, Colbun has 310.5 MW of installed capacity under the NCRE Law, plus energy purchases from third parties to comply with the NCRE Law's injection obligations.

The Company operates six other mini-hydropower plants that were built before the NCRE Law and are not officially qualified as such.

NCRE Balance (MWh) 2022



⁽¹⁾ Annual NCRE balance sheet 2021 of CEN preliminary version and transfers reported by commercial management.

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Energy Management and Commercialization

Generation and Sales in Peru

Generation

In Peru, the generation of the subsidiary Fenix reached **4,334 GWh**, an increase of **26%** compared to 2021, due mainly to:

- 01. Increased power plant availability
- 02. Increased energy demand in the system

Fenix Own Generation and Energy Purchases in the Spot Market (GWh)	2022	2021
Natural Gas	4,334	3,429
Diesel	0	0
Market Purchases	44	311

Sales

Sales in Peru increased by **21%**, with a **volume of 4,279 GWh**, mainly due to:

- 01. Stronger sales in the spot market due to higher generation level
- 02. Stronger sales to regulated clients

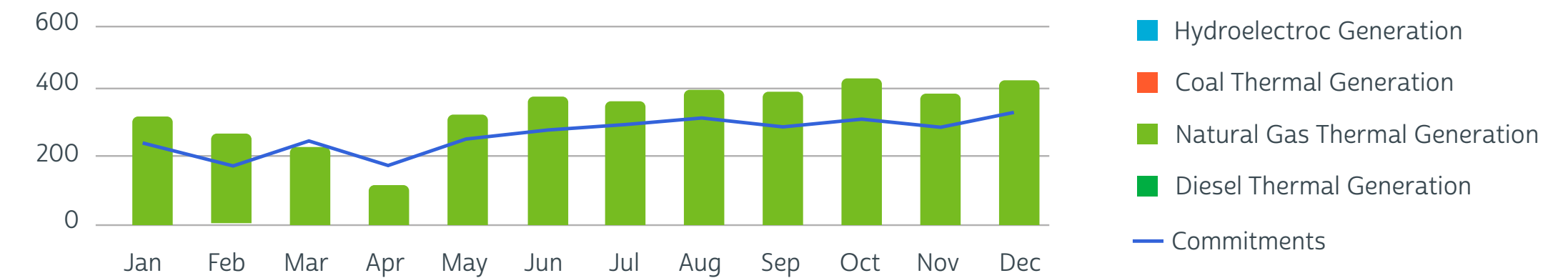
Energy Sales by Type of Client - Fenix (GWh)	2022	2021
Distributors	1,957	1,548
Industrials	466	319
to SEIN	1,007	886
Generators	849	897
Total	4,279	3,650

Average Power Sales - Fenix (MW)	2022	2021
Distributor	303	237
Industrials	51	57
SEIN	215	270
Total	569	564
Total	4,279	3,650

Contract Coverage

In 2022, Fenix covered all of its contractual commitments with its own efficient generation.

Generation Versus Commitments 2022 (GWh)



Commercialization Model

Generating companies in both Chile and Peru can choose between:

- 01. Commit to sell energy to clients through contracts and for this purpose may sign contracts with regulated clients (distributors), unregulated clients (industrial companies, mining companies, etc.) or other generators.
- 02. Sell their energy production to other deficit generating companies in the spot market.
- 03. A combination of both.

Type of Clients and Contracts

	Regulated Clients (Distributor)	Option to choose unregulated or regulated	Unregulated clients
Chile	Condition (installed power of client) <500 kW	Between 500 kW and 5,000 kW can be chosen, provided that they remain for a minimum period of 4 years under this scheme.	>5,000 kW
Peru	Condition (installed power of the client) <200 kW	Between 200 kW and 2,500 kW they can choose their condition	>2,500 kW



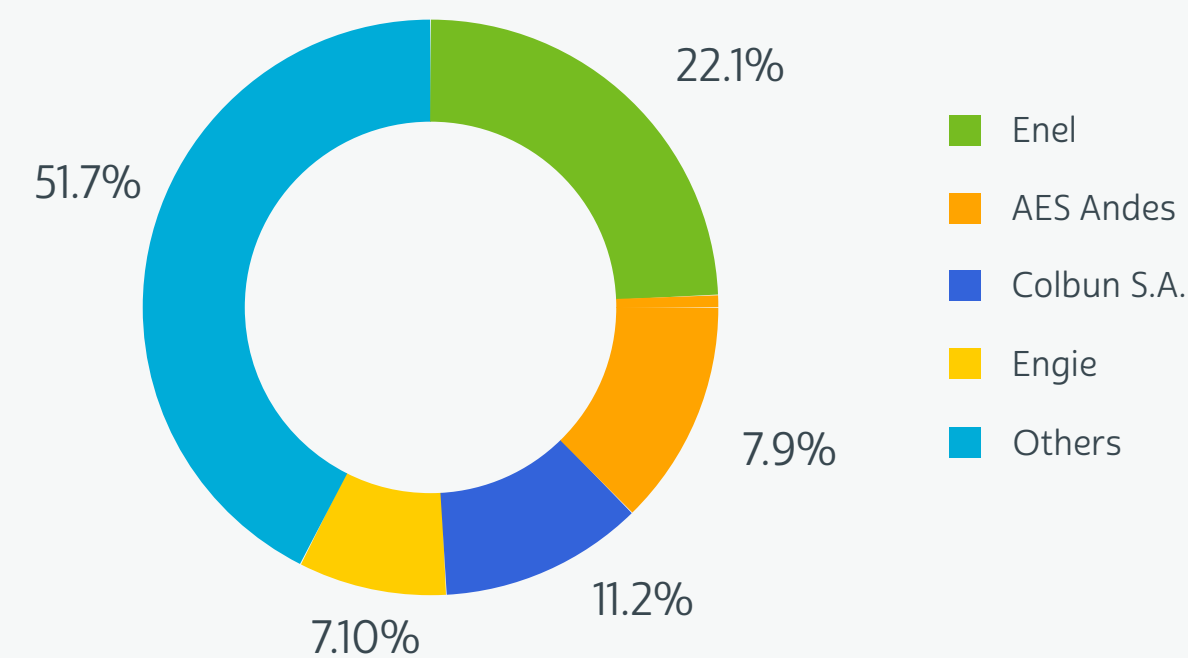
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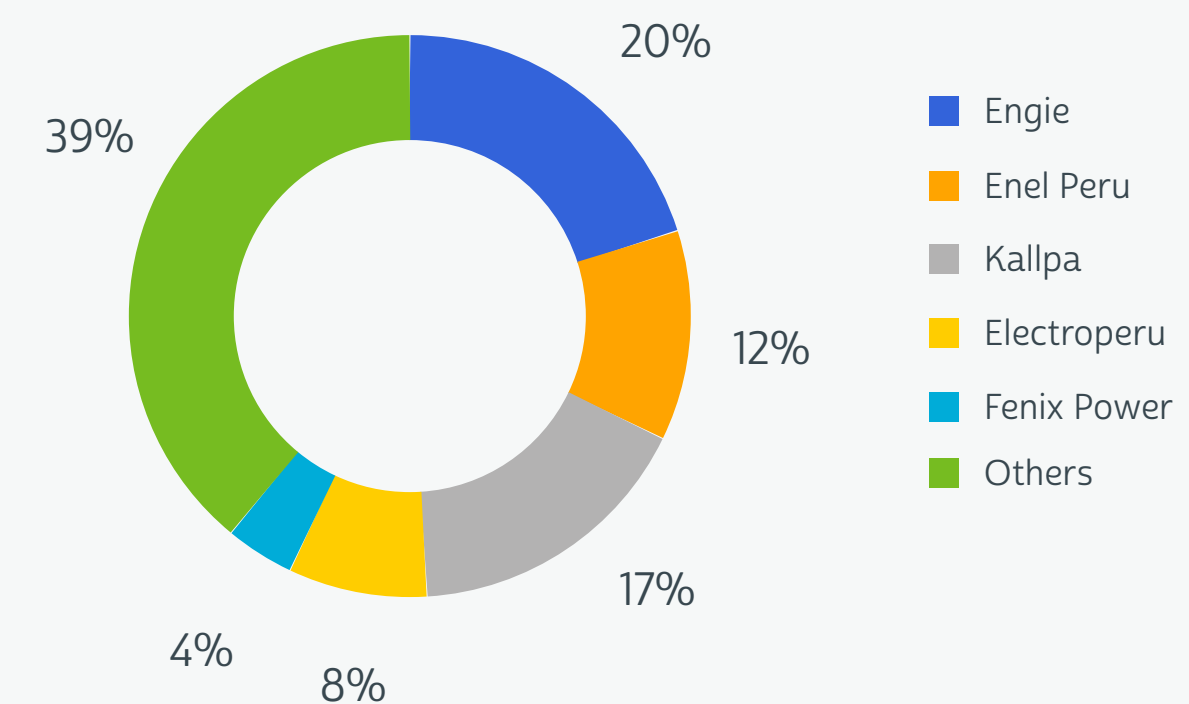
Energy Management and Commercialization



Market Share by Business Group in Chile in 2022 (SEN)
(% of installed capacity)



Market Share by Business Group in Peru in 2022 (SEIN)
(% of installed capacity)



Availability and Reliability of Power Plants

Availability of Hydroelectric Power Plants

Power Plant	2021	2022
Carena	88.71%	82.9%
Los Quilos	92.82%	70.3%
Chacabuquito	95.00%	95.3%
Juncal	96.50%	96.3%
Blanco	93.65%	94.9%
Juncalito	95.58%	96.8%
Hornitos	93.85%	90.8%
Colbun	90.36%	89.6%
Machicura	93.16%	93.7%
San Ignacio	99.72%	87.1%
Chiburgo	97.89%	96.3%
La Mina	95.24%	92.3%
San Clemente	98.72%	94.4%
Angostura	96.16%	92.7%
Rucúe	99.61%	92.9%
Quilleco	99.54%	96.9%
Canutillar	98.69%	94.5%

Availability of Thermoelectric Power Plants

Power Plant	2021	2022
Nehuenco I	94.70%	78.7%
Nehuenco II	99.63%	74.0%
Nehuenco III	95.27%	19.0%
Candelaria I	96.66%	83.4%
Candelaria II	98.23%	90.4%
Los Pinos	98.15%	87.0%
Santa María	89.94%	88.8%

Availability of Solar power Plants

Power Plant	2021	2022
Ovejería	97.70%	97.6%

Availability of Power Plants Fenix-Peru

Power Plant	2021	2022
Fenix	94.5%	95.3%



3.3



Consolidated Financial Management

2022 Results

In 2022 Colbun generated an EBITDA of **US \$763 million**. This figure represents an increase of **47% over the previous year**, mainly due to higher revenues from ordinary activities, partially offset by higher raw material and fuel costs..

Revenues

Revenues from operations for the year was **\$1,974 million, an increase of 37% over the previous year**. This was driven by:

- Higher revenues from sales to unregulated clients, an amount that was driven by the entry into force of the contract with the mining company BHP in January 2022.
- Higher average sales price, as a result of the positive variation of indexers included in the energy contracts.
- Higher revenues from the sale of energy and power in the spot market due to higher physical sales in the spot market.

Costs

Revenues from ordinary activities for the year **amounted to US \$1,974 million, an increase of 37% compared to the previous year**. This is explained by:

- Higher cost of gas consumption, given the increase in gas generation and the increase in the average purchase price of gas.
- Higher energy purchase costs following the entry into force of the contract with Total SunPower during the third quarter of 2021.
- Higher coal consumption costs are associated with a higher average purchase price.

	Consolidated Figures		Var %
	Dec-21	Dec-22	Ac/Ac
INCOME FROM ORDINARY ACTIVITIES	1,439,7	1,974,0	37%
Sales to Regulated Clients	454,5	454,2	(0%)
Sales to Unregulated Clients	689,4	1,051,7	53%
Sales in the Spot Market	210,9	427,0	102%
Tolls	41,9	0,0	(100%)
Other income	43,1	41,1	(5%)
RAW MATERIAL AND CONSUMABLES USED	(782,0)	(1,069,4)	37%
Tolls	(115,0)	(139,8)	22%
Energy and Power Purchases	(70,6)	(143,7)	103%
Gas Consumption	(394,4)	(520,1)	32%
Diesel Consumption	(49,3)	(70,4)	43%
Coal Consumption	(89,7)	(126,4)	41%
Other	(63,0)	(69,0)	10%
GROSS MARGIN	657,8	904,6	38%
Workers Benefit Expenses	(79,7)	(84,0)	5%
Other expenses by Nature	(57,9)	(57,2)	(1%)
Depreciation and Amortization expenses	(213,2)	(219,5)	3%
OPERATING RESULTS (*)	307,0	543,9	77%
EBITDA	520,2	763,4	47%
Financial Income	5,0	29,1	485%
Financial Expenses	(86,3)	(88,7)	3%
Exchange Rate	(13,8)	(2,7)	(81%)
Results of Companies Accounted by the Share Method	6,7	12,2	82%
Other Income (Loss)	606,6	(77,7)	-
NON-OPERATING RESULTS	518,1	(127,8)	-
PROFIT (LOSS) BEFORE TAXES	825,2	416,0	(50%)
Income Tax Expenses	(285,0)	(105,5)	(63%)
PROFIT (LOSS)	540,2	310,5	(43%)
CONTROL ATTRIBUTABLE PROFIT (LOSS)	545,3	296,0	(46%)
PROFIT (LOSS) ATTRIBUTABLE TO NON-CONTROLLING SAHREHOLDING	(5,1)	14,5	-

(*) The subtotal of INCOME FROM OPERATING ACTIVITIES presented here excludes the line "Other income (loss)" presented in the Financial Statements. This is explained by a change in taxonomy dictated by CMF, with which the concept of "Other gains (losses)", which in the case of Colbun are only non-operating items, was incorporated as an operating item in the Financial Statements..

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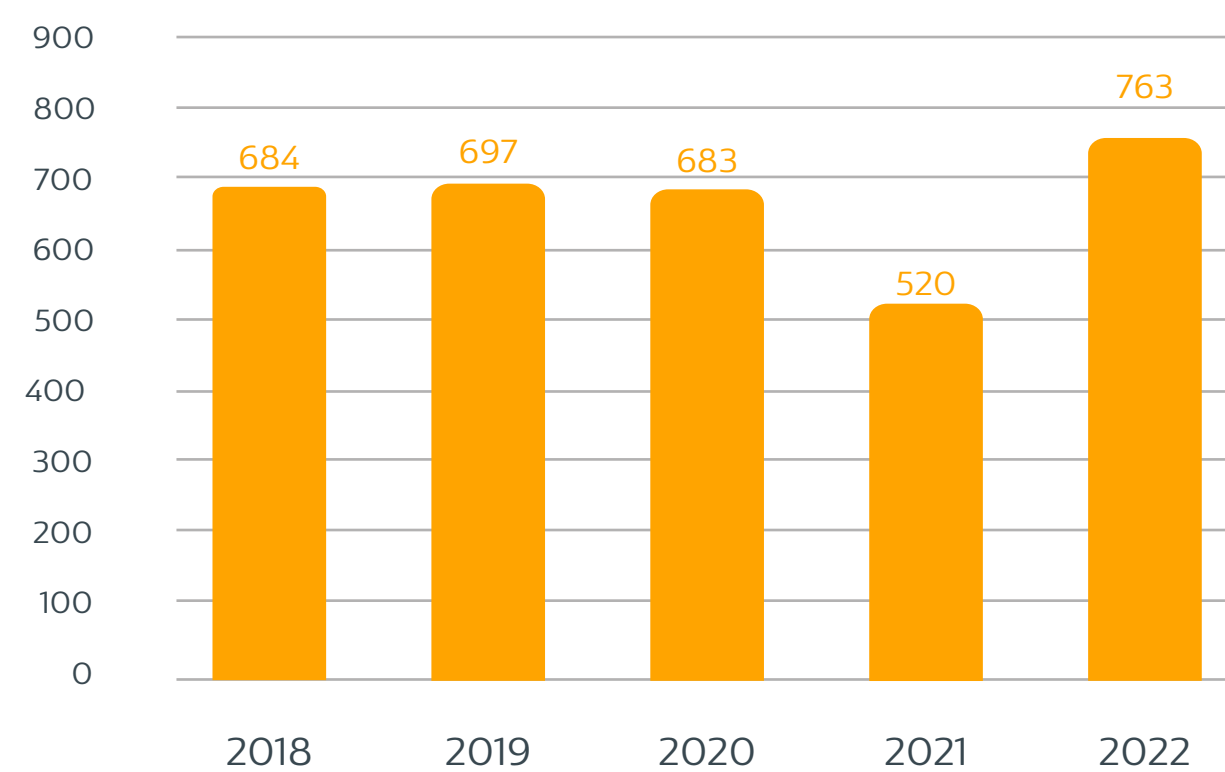
Consolidated Financial Management

2022 Results

Net Income

Colbun recorded a profit of **US \$311 million in 2022**, compared to US \$540 million in the previous year. This decrease is mainly explained by the extraordinary effect of the sale of Colbun Transmisión S.A. in 2021. The sale price amounted to **US \$1,185 million**, bringing the effect on the before-tax result of this transaction to US \$830 million.

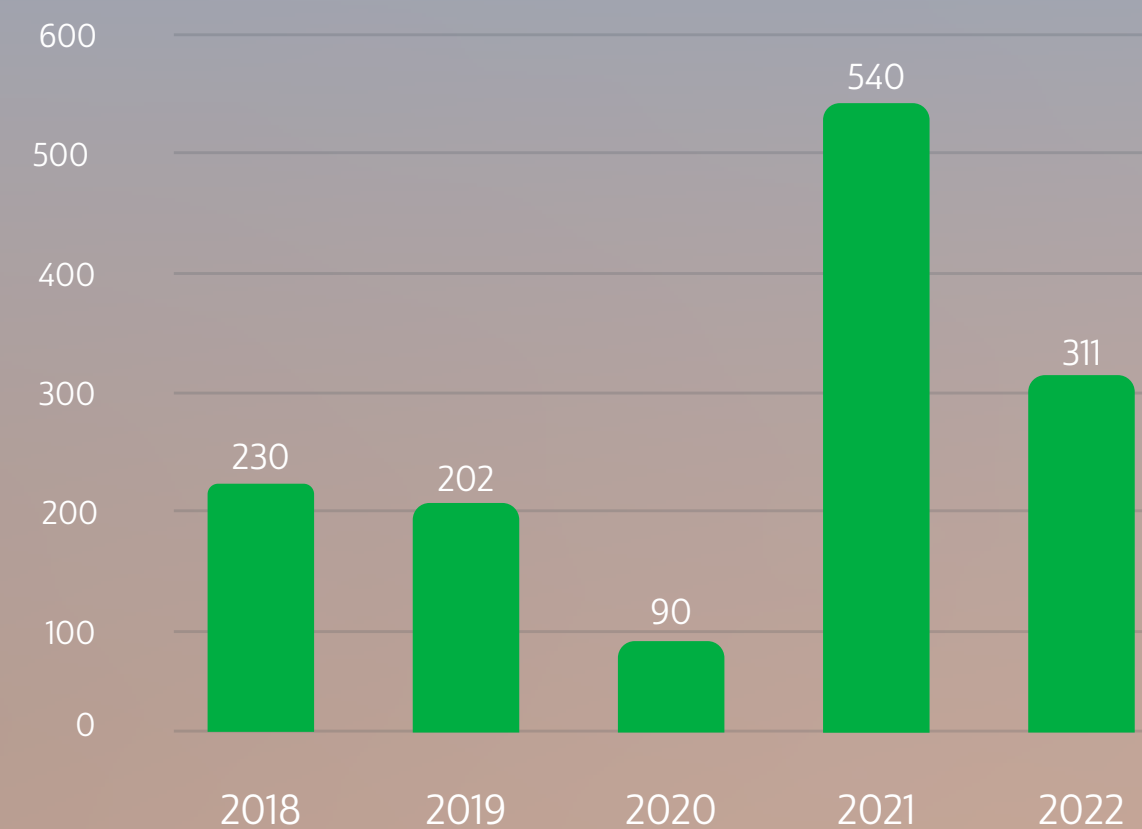
EBITDA (million US\$)



Operational Revenues (US\$ million)



Profit (US\$ million)



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Consolidated Financial Management

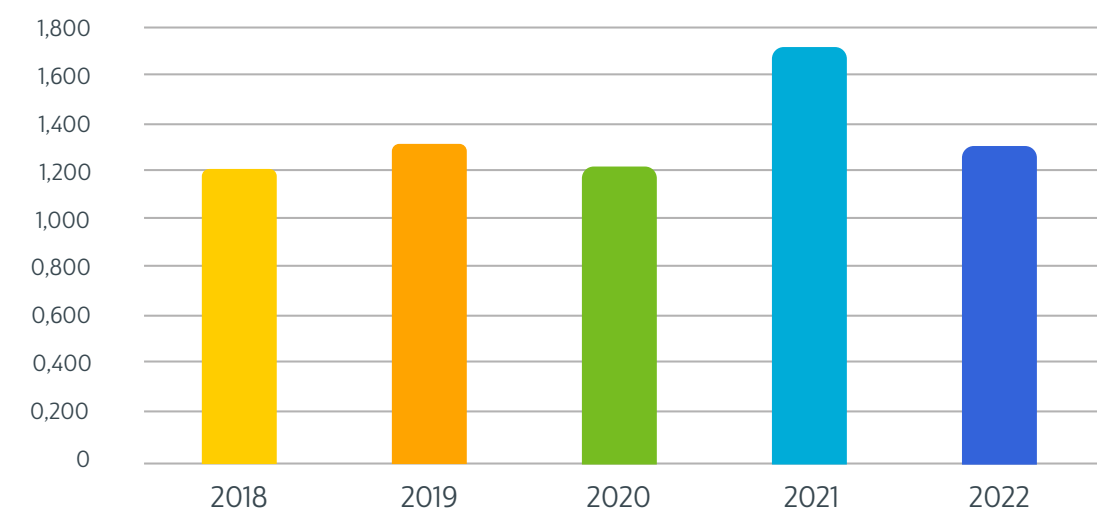
Consolidated Financial Indicator

Financial Debt

Reached
 • US Million \$2,138

in line with the financial debt recorded as of December 2021.

Net Financial Debt (million dollars)

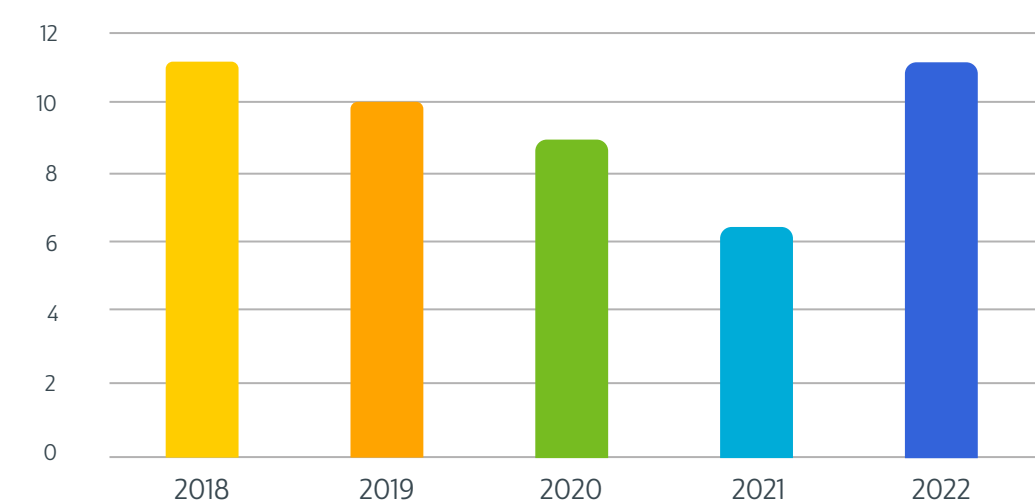


Financial Investments

Totaled
 • US Million \$1,154

representing a **decrease of 2% compared to year-end 2021**, mainly as a result of higher CAPEX disbursements associated with the Horizonte wind farm project. Given the above, **net debt totaled US \$984 million.**

Financial Expenses Coverages (X)



Ratings at the end of 2022

National Risk Rating:

AA stable outlook.
Feller Rate.

AA stable outlook.
Fitch Ratings.

International Risk Rating:

BBB+ stable outlook.
Fitch Ratings,

BBB stable outlook.
S&P.

Baa2 stable outlook.
Moody's

Major Figures 2022

• **US \$150,4 million**
in dividends distributed in the year.

• **US \$763 million**
was EBITDA IN 2022.

• **1.3x**
Times is the ratio of Net Debt to EBITDA

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED (US\$ M) GRI: 201-4

	2021	2022
Operating Income	1,710.5	2,295.1
Financial Income	19,1	41,9
Other Income (1)	1,194.6	0
Total Direct Economic Value Generated (EVG)	1,667.5	2,337.0
Operating Expenses	1,195	1,533.8
Worker's Salaries and Benefits	72,1	72,2
Payment to Capital Providers (2) Activ. Financing	1,320.8	255,4
Payments to the State (3)	129,2	232,4
Investments in Fixed assets (4)	253,7	269,2
Community Investments	4,6	3,7
Environmental Investments	3,3	3,1
Total Economic Value Distributed (EVD)	2.981.6	2,369.7
Net Effect Financial activities	520,6	-216,7
ECONOMIC VALUE RETAINED (EVR)	463,3	-249,4

Note: Although Colbun did not receive direct government assistance, it did receive tax exemptions for donations to non-profit entities and SENCE credit, and recorded expenses accepted for donations, totaling US\$ 3.20 million.

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Risk Management

GRI: 103-2, 103-3, 302-4, 303-1, 303-3
 NCG 461: 3.6.ii, 3.6.ii.a, 3.6.ii.e

Economic Performance Risks

› Energy Business Risks

- Variation in demand/supply/prices
- Natural Disasters
- Fuel Prices
- Fuel Supply
- Power plant and transmission line equipment failures and maintenance
- Cyber-attacks
- Project Construction
- Legal and/or regulatory non-compliance
- Supply/service of key suppliers
- Climate change - a green tax increase
- Dilution of regulated contracts
- Technological Changes
- Loss or leakage of confidential information
- Water Sipply
- Unit attrition due to power plant cycling

› Financial Risks

- Exchenance rate
- Interest Rate
- Own and client credit quality - counterparty risk
- Liquidity

› Ethical and Governance Risk

- Regulatory non-compliance
- Human Rights - Sexual Abuse
- Reputational Risk
- Theft and/r likage of information
- Unethical Behavior
- Free Market Competition

Social Performance Risks

› Occupational Risks

- Talent Retention
- Human Rights - Road and highway safety
- Strikes
- Occupational Illness
- Occupational Accidents
- Organization and cultural change
- Regulatory non-compliance

› Community Risks

- Stopage of projects and/or Operations
- Social incidents
- Reputational Damage
- Human Rights - Community Accidents





Environmental Performance Risks

› Environmental Risk

- Climate change - Decrease and changes in precipitation patterns (decrease in water availability), affecting power generation and transmission.
- Climate change - Increased severity and frequency of extreme events, such as droughts and heat waves, affecting power generation and transmission.
- Regulatory non-compliance
- Environmental Incidents
- Reputational Damage

2022 Risk Management

Based on the risk management model previously described, [Ver](#), the Company identifies the following emerging risks:

Emerging Risks	Description	Potential Impact on the Business	Mitigation Actions
 Technological Changes	Technological changes such as Distributed Generation and Storage can be disruptive but also generate new business opportunities.	A possible lag in the integration of new technological changes could lead to incomplete and/or late development of these changes and lower growth potential. Lack of storage could generate problems of stability and robustness of Colbun's energy supply. Additionally, distributed generation (in customer facilities) could impact the supplies of the generating companies.	We have defined that a large part of our renewable projects will have storage systems, for which we are already developing a first battery project for Diego de Almagro Sur, which we expect to be operational during the course of 2023. We will continue to explore and develop business opportunities, using new technologies and promoting innovation. Within our Value Added Services (SVA), we have included the service of distributed generation and storage for our customers to participate in this potential new market.
 Climate Change	An increase in the severity and frequency of extreme events, such as droughts and heat waves, affects power generation and transmission.	Interruption of the operational continuity of our assets. Forest fires in the vicinity of our facilities or affecting transmission lines affecting generation or producing relevant uncoupling.	Revisión integral de los riesgos de nuestros activos frente a este tipo de eventos. Planes de prevención y actividades de monitoreo para alertas tempranas.
 Organization and Cultural Change	Changes in the electricity sector require a flexible organization capable of adapting to the needs of our clients. We need an organization that can transform itself in the face of the use of new technologies and a market with a large number of unregulated clients.	An organization that does not adapt to a new context can lead to incomplete development of competitive potential and failure to take advantage of new business opportunities.	Communication to the organization of Colbun's purpose and strategy, highlighting the need to change and adapt to new challenges. Training and internal reorganization.
 Cybersecurity	The industry trend towards a digital transformation of our assets (telecontrol, tele-maintenance, integrated SCADA, etc.) implies interconnecting our facilities and control centers at all levels. The greater interconnection of our assets will increase our exposure to potential cybersecurity attacks, both at the level of our infrastructure and the safeguarding of our confidential information.	In a scenario with high digitalization and telecontrol usage, an attack could affect the operational continuity of our assets. One of the main risks is the loss of operational continuity of any of our power plants due to a cyber-attack on the SCADA system.	The Company has worked systematically to increase its level of security against potential attacks: (i) implementation of a 24/7 SOC; (ii) installation of specialized hardware in the plants to detect potential attacks; (iii) installation of specific hardware to control remote access to our facilities from external suppliers. We continue working on the implementation of the NERC-CIP regulations and the Integrated SCADA project.



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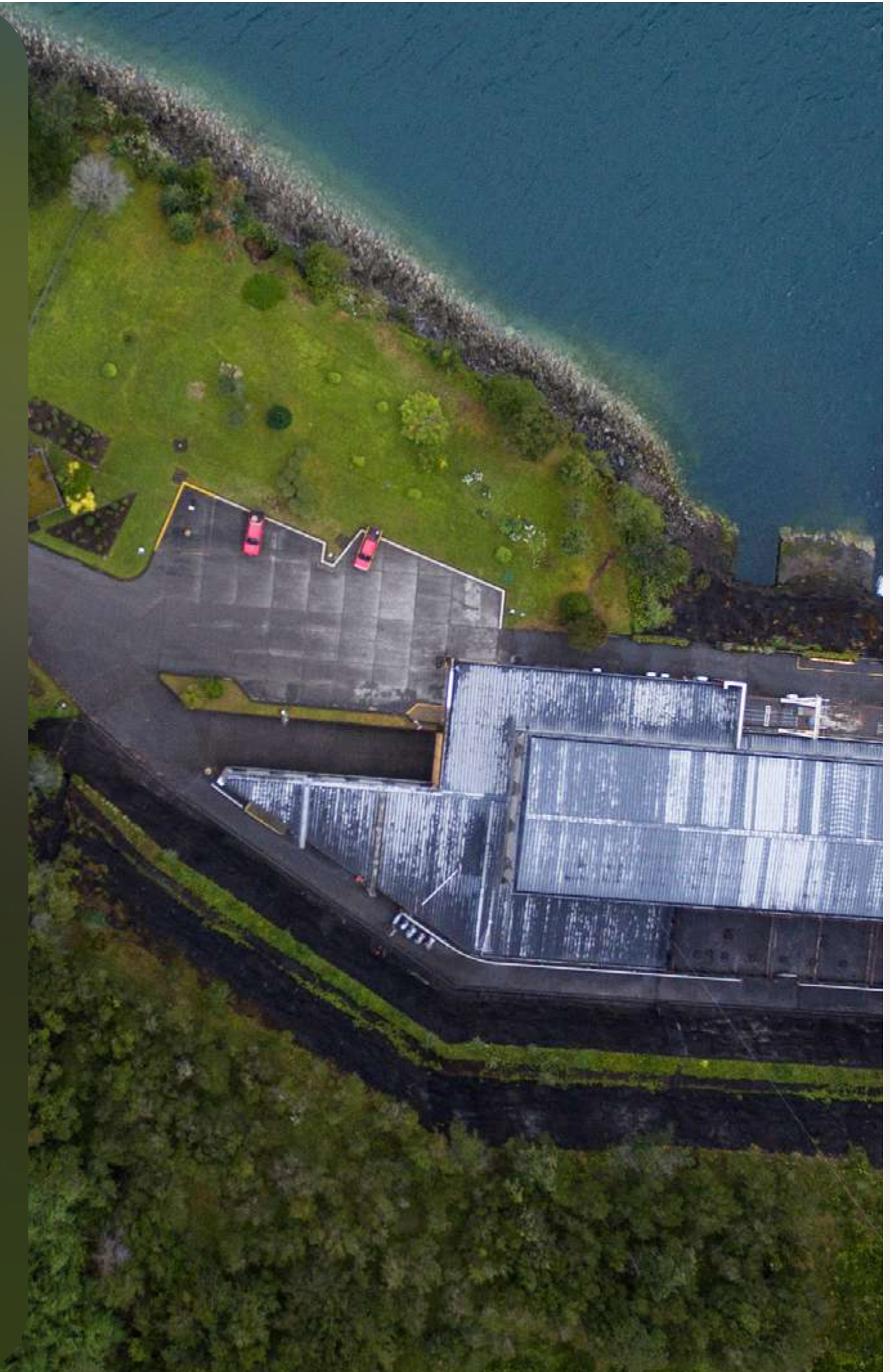


Risk Management

GRI: 103-2, 103-3, 302-4, 303-1, 303-3
 NCG 461: 3.6.iii

2022 Main Activities

- 01.** Regarding continuity, an update and test of the crisis plan for cybersecurity events was carried out.
- 02.** The implementation of Colbun's SGIIE (Power Facilities Integrity Management System) continued, particularly in the update of the risk management methodology related to assets and continuity and recovery plans for the facilities.
- 03.** A human rights due diligence was carried out by the Corporate Sustainability team of the Law School of the Pontificia Universidad Católica de Chile, which allowed us to update Colbun's human rights (HR) risk hypothesis matrix. In addition, the internal processes of identification, evaluation and follow-up of the action plans related to human rights risk hypotheses were improved, establishing responsibilities in different areas of the Company.
- 04.** The risks related to climate change were updated under the TCFD methodology and the main risks identified for Colbun were the decrease and changes in rainfall patterns (decrease in water availability), which affects generation, the increase in the severity and frequency of extreme events, such as droughts and heat waves, which impacts electricity generation and transmission, and the increase in the green tax, affecting business costs; among others.



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3.4



Risk Management

GRI 205-1, 205-2, 205-3



Crime Prevention Model NCG 461 3.1.iii, 3.6.xii

CHILE



> Content

Colbun has a Crime Prevention Model, within the framework of Law No. 20,393 on the Criminal Liability of Legal Entities, which seeks to prevent the risks of bribery, money laundering, financing of terrorism, receiving, unfair administration, and corruption among individuals, embezzlement, incompatible negotiations, and water pollution. The model has an internal and external regulatory framework and an Anti-Fraud Officer (Internal Audit Manager) appointed by the Board of Directors. This model was certified by the independent company Prelafit until May 2022 and is currently certified by ICR, valid until May 2024.

> Complaints

In December 2022, Colbun S.A. received a complaint of “collusion between workers and suppliers” within the framework of the procedures related to the offenses described in Law No. 20,393, which is currently under investigation.

> Scope

Colbun has included provisions in its contracts with subcontractors and suppliers to ensure compliance with the law in this area.

PERU



> Content

Fenix has a Crime Prevention Model within the framework of Law No. 30,424 on Administrative Liability of Legal Entities. Its objective is to prevent the risks of bribery, collusion, money laundering, financing of terrorism, and influence peddling. Also, on its initiative, Fenix decided to include two additional crimes: corruption between private parties and receiving. The model has an internal and external regulatory framework, as well as a Crime Prevention Officer (Head of Internal Audit) appointed by the Board of Directors.

> Complaints

No complaints were filed during the year regarding offenses described in Law No. 30,424.

Free Competition

> Policy

The Company has a Free Competition Policy approved by the Board of Directors. This policy establishes that all employees must fully comply with antitrust regulations and defines anti-competitive practices. Periodically, talks on this subject are given to the main executives.

> Complaints

There were no lawsuits, legal proceedings, or fines for causes related to monopolistic practices or free competition against Colbun in Chile or Peru during the year 2022.

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Risk Management

NCG 461: 3.6.ii.b

Cybersecurity and Information Security Risk Management

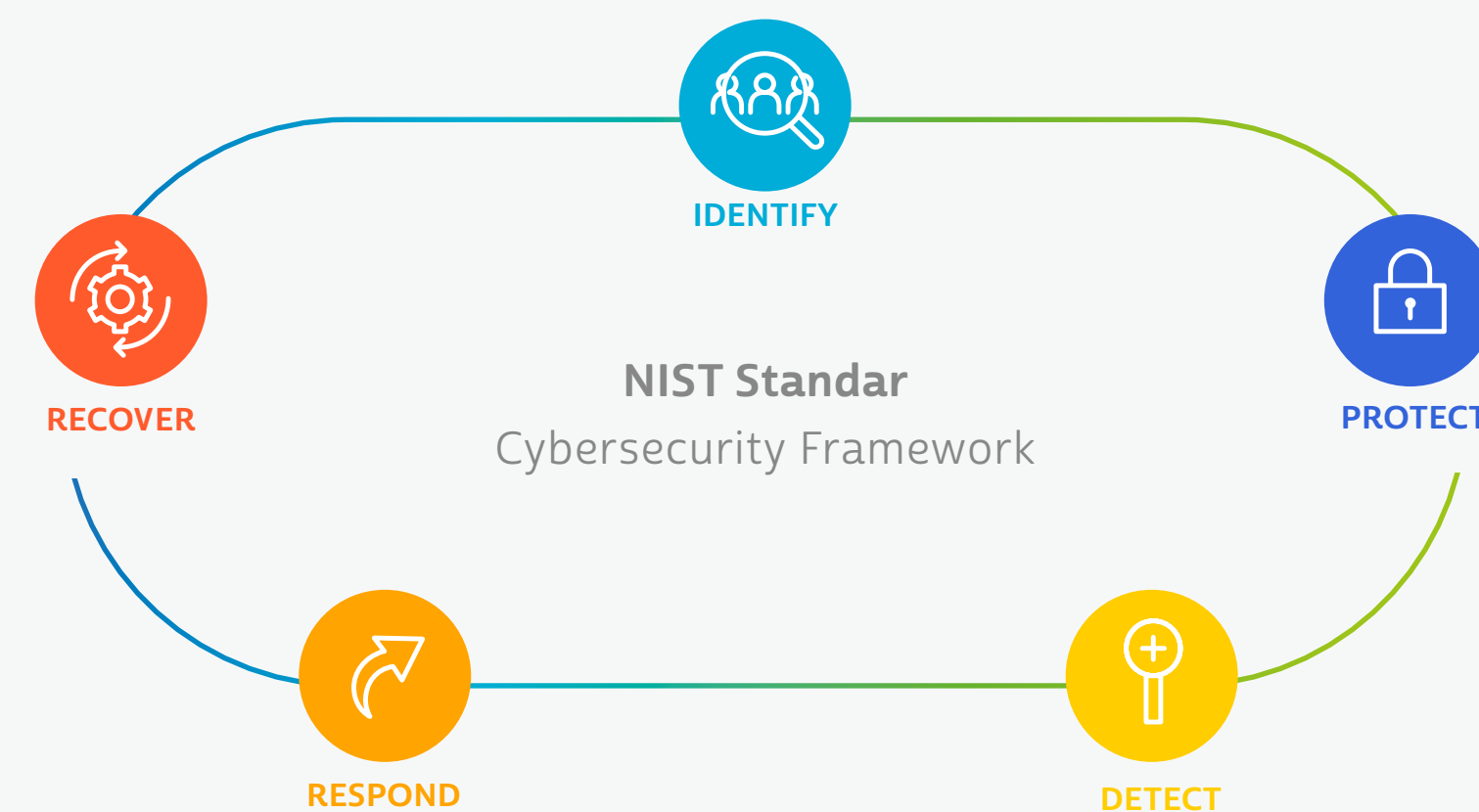
Information security and cybersecurity management during 2022 focused on advancing on regulatory challenges, strengthening the hybrid model, incorporating new monitoring scopes, updating and testing the cybersecurity continuity and resilience plan, and initiating a review process of IT/OT cybersecurity governance.

Cybersecurity development and management are periodically reviewed in operational, tactical and strategic committees. The latter is the Risk Committee, in which the Chairman of the Board, Hernán Rodríguez, participates together with Director Juan Carlos Altmann.

Cybersecurity Officer: Information Security and Cybersecurity Officer (Sebastian Celis), who reports to IT Management.

Main Activities 2022

- **Regulatory Challenges:** identification and incorporation of new controls to comply with the critical infrastructure regulatory standard NERC-CIP. We also participated in the consultative process to create a technical standard for information security and cybersecurity led by the National Energy Commission.
- **Strengthening of the Hybrid Model:** activities and projects to enhance the protection of cloud environments and protect the identities of users who connect to and use Company resources.
- **Continuity and Resilience:** updating the cybersecurity crisis management plan, created in 2020, and conducting a simulated exercise with the participation of business areas and other stakeholders, testing roles and responsibilities in a real situation, and identifying opportunities for improvement.
- **Reinforcement of Monitoring and Control:** increase of the review perimeter, incorporating new sources to the continuous 24X7 cybersecurity monitoring.
- **Continuous Improvement:** initiation of a review process of the IT/OT cybersecurity governance model, according to the new needs of the Company in digital transformation, and new regulatory and risk scenarios.



IDENTIFY

Develop the organization's understanding to manage cybersecurity risks on systems, assets, data, and capabilities.

- Implemented needs identification and action plans for compliance with the NERC-CIP cybersecurity regulatory framework provided by the National Electric Coordinator.
- Running periodic social engineering exercises (phishing test) to identify gaps and focus on awareness-raising issues.

PROTECT

Develop and implement protections to ensure the delivery of critical infrastructure services.

2022 Activities

- Cybersecurity was strengthened in critical infrastructures in the area of operating technologies through the protection of remote supplier connections and monitoring of events and anomalies in networks.
- The annual information security and cybersecurity awareness and dissemination plan was strengthened.
- We made progress in identity protection, starting the deployment of a multifactor authentication system for user accounts.
- New controls were added to internal network connections.

DETECT

Develop and implement appropriate activities to identify the occurrence of a cybersecurity event.

2022 Activities

- Incorporation of a red team service to monitor breaches continuously.
- Monitoring of CyberSOC and Cyber Intelligence services, incorporating OT scopes.

RESPOND AND RECOVER

Develop and implement appropriate activities to take action regarding a detected cybersecurity incident.

Develop and implement appropriate activities to maintain plans for resilience and to restore any capabilities or services that were impaired due to a cybersecurity incident.

2022 Activities

- Update the cybersecurity crisis management plan and a simulated exercise involving business areas and other stakeholders, testing roles and responsibilities against a real situation, and identifying opportunities for improvement.

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Stakeholders Management and Social Performance

- 4.1 Surrounding and Stakeholders Management
- 4.2 Investors Relations
- 4.3 Client Management
- 4.4 Our Employees
- 4.5 Our Contractors and Suppliers
- 4.6 Health and Safety
- 4.7 Community Relationship and Development
- 4.8 Human Rights and Due Diligence

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4.1

Surrounding and Stakeholders Managements

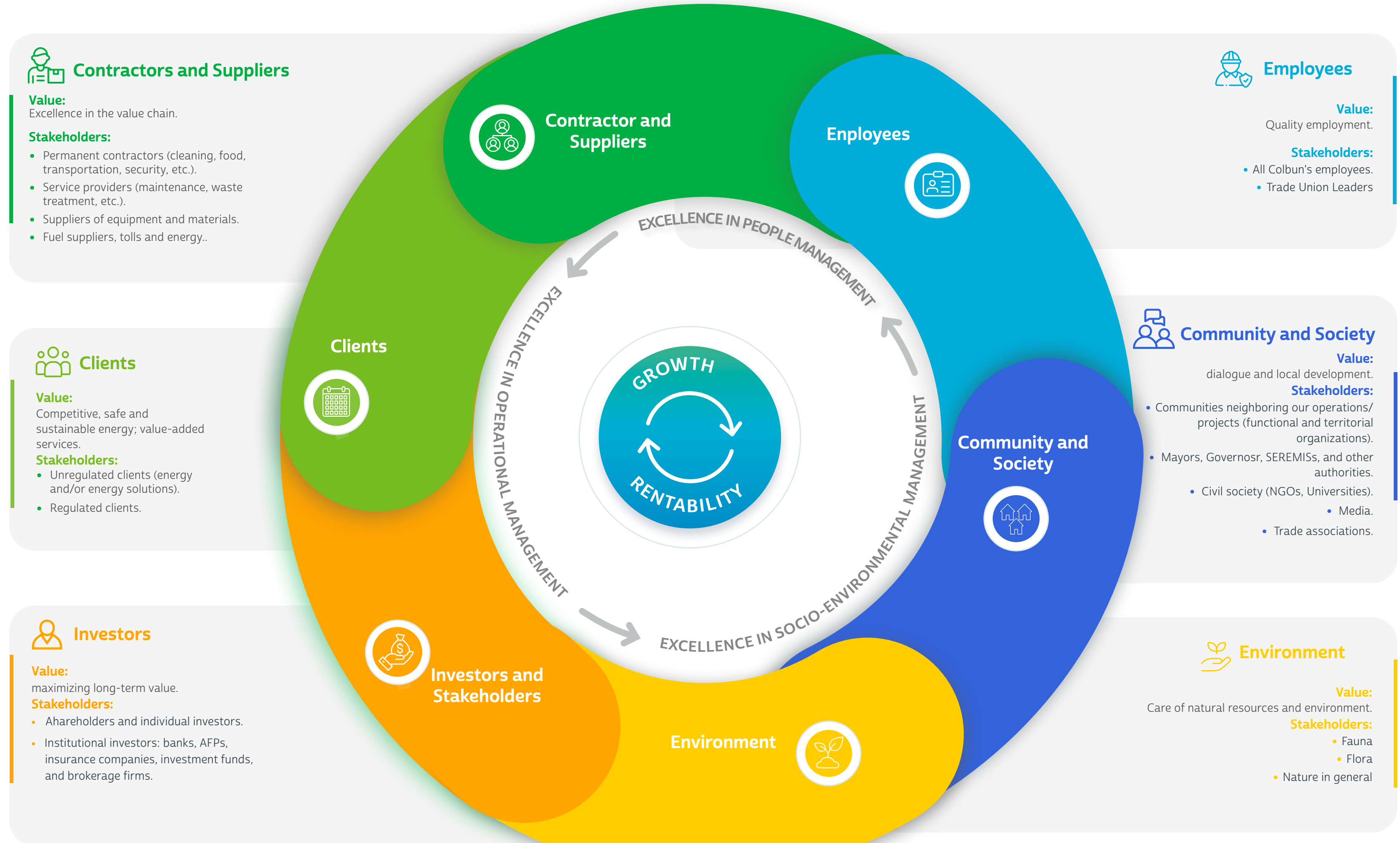
NCG 461: 3.1.iv, 3.7.i, 6.1.v, 6.3

Colbun seeks to create shared and sustainable value with all its stakeholders. All the Company's activities must be aligned with this vision and will enable us to be leaders in our business, adapt and continue providing energy and solutions that support the sustainable development of the country.

From this perspective, identifying our stakeholders and listening to them, understanding their expectations, and engaging with them is at the core of Colbun's strategy.

Managment Model

The Company created a conceptual model in 2011 to guide its stakeholder management. The model, represented by the "Sustainability Turbine", identifies the stakeholders involved and how Colbun can add value to each one. At the center of the turbine are growth and profitability, two key elements necessary to add value to stakeholders, while on the outside are the forces that drive the turbine.



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Surrounding and Stakeholders Managements

Connecting to Strategic Agenda 2030


NCG 461: 3.7.i

Each of our stakeholders is represented in **Colbun's 2030 Strategic Agenda**. [See More](#). We have identified enablers, with goals and objectives associated with our stakeholders, to manage this agenda in a sustainable manner:

 **Company Profitability = Investors**

 **Peoples Management = Employees**

 **Surrounding environment = Communities, Environment and Suppliers**

 **Client Satisfaction = Clients**

Goals

There are associated objectives and compliance indicators (KPIs) to manage each stakeholder group, which are set for different periods ([More](#) updated public goals).

Responsible

Although the entire Company is responsible for the adequate management of stakeholders, there are management departments responsible for leading such management:

Clients: Commercial Management is in charge of this stakeholder group and has created a dedicated communication channel on the website through the Virtual Branch. [More](#)

Investors: there is an Investor Relations area whose members and contact information can be accessed on Colbun's website. [More](#)

Suppliers: Procurement Management is responsible for managing the relationship with this stakeholder group, therefore a Suppliers Portal has been set up on Colbun's website. [More](#)

Press Media: there is a Communications Management responsible for managing this area of the company, accessible through the website. [More](#)

Communities: Corporate Affairs management is in charge of this relationship. There are community engagement teams responsible for each zone where Colbun has a presence, accessible through their cell phones and WhatsApp. Regarding new projects, in all early citizen participation processes, the information material (PPT or brochures) includes contact information of the community managers.

Environment: Sustainability and Environment Management handles issues related to the Environmental Footprint, Biodiversity, environmental compliance, Safety, and Occupational Health and Safety.

Employees: Organization and People Management lead the relationship with workers, and in addition to direct contact with them through their corresponding heads, a direct contact line has been set up on the Intranet through the e-mail comunicacionesinternas@colbun.cl.

Additionally, on Colbun's home page, there is a Consultation Line [More](#) and a Complaint Line [More](#) where any stakeholder can contact the Company to make queries or complaints involving the company, its workers and contractors.

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4.1

Surrounding and Stakeholders Managements

Communication Channels

Colbun has developed different communication channels to listen to its stakeholders, communicate and generally manage its relationship with them:

Communication Channel	Stakeholder Involved	Description	Periodicity	Management Highlights 2022																					
Contact Line and Hotline	<ul style="list-style-type: none"> • Employees • Communities • Clients • Investors • Suppliers 	<p>The Whistleblower Hotline is an anonymous and confidential channel for making complaints via the web, e-mail, or in writing.</p> <p>The Contact Line aims to receive inquiries, complaints, and comments.</p>	Permanent	<table border="1"> <thead> <tr> <th></th> <th>Chile: 2022</th> <th>Peru: 2022</th> </tr> </thead> <tbody> <tr> <td>Online Whistleblowing/ Ethics Hotline</td> <td>23</td> <td>0</td> </tr> <tr> <td>Total Contact Line</td> <td>563</td> <td>3</td> </tr> <tr> <td>Complaints</td> <td>16</td> <td>3</td> </tr> <tr> <td>Inquiries</td> <td>489</td> <td>0</td> </tr> <tr> <td>Suggestions</td> <td>48</td> <td>0</td> </tr> <tr> <td>Congratulations</td> <td>10</td> <td>0</td> </tr> </tbody> </table>		Chile: 2022	Peru: 2022	Online Whistleblowing/ Ethics Hotline	23	0	Total Contact Line	563	3	Complaints	16	3	Inquiries	489	0	Suggestions	48	0	Congratulations	10	0
	Chile: 2022	Peru: 2022																							
Online Whistleblowing/ Ethics Hotline	23	0																							
Total Contact Line	563	3																							
Complaints	16	3																							
Inquiries	489	0																							
Suggestions	48	0																							
Congratulations	10	0																							
Virtual Branch	<ul style="list-style-type: none"> • Clients 	<p>This platform was renewed in 2022, to turn it into a Control Panel. It has tools that help clients measure, control and manage their energy consumption.</p>	Permanent																						
Customer Satisfaction Survey	<ul style="list-style-type: none"> • Clients 	<p>Colbun annually consults its clients on the perception of the Company and the service received, which allows us to manage the gaps.</p>	Annual	<p>This survey covered</p> <ul style="list-style-type: none"> 91 Clients in Chile 70 Clients in Peru <p>Its results are part of the corporate objectives</p>																					
Community Outreach Team in the field	<ul style="list-style-type: none"> • Communities 	<p>For more than 10 years Colbun has had a specialized and robust team in the areas where it operates, which is directly linked to the communities.</p>	Permanent																						
Public Accounts and Community Dialogues	<ul style="list-style-type: none"> • Communities 	<p>In 2014, the first public account was held in a power plant, which was later extended to the rest of the plants. Subsequently, community dialogues were added.</p>	Annual	<p>17 community dialogues</p> <p>They covered communities in the municipalities of San Esteban, Los Andes, Quillota, Colbun, Coronel, Santa Bárbara, Quilaco, Cochamó, and Puerto Montt.</p>																					
Early Citizen Participation	<ul style="list-style-type: none"> • Communities 	Pending Information																							
Community boards	<ul style="list-style-type: none"> • Communities 	<p>Colbun participates in different thematic roundtables with the community and local authorities: Mesa Sector Sur de Coronel, Mesa Social San Pedro- Colbun (Quillota), Mesa de Turismo de Angostura, Mesa de Turismo del Lago Chapo.</p>	Monthly or quarterly, as applicable																						
Community WhatsApp	<ul style="list-style-type: none"> • Communities 	<p>In order to have a fluid communication with the communities and answer questions from the neighbors in case of contingencies or specific events, there are WhatsApp groups with all the communities where we are present. This allows us to answer questions from the community in an agile manner.</p>	Permanent																						
Participative monitoring	<ul style="list-style-type: none"> • Communities 	<p>Environmental monitoring related to noise, water, air, emissions, flora and fauna, and other issues that are carried out jointly with the community in some plants.</p>	Annual																						

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Surrounding and Stakeholders Managements

Communication Channels

Communication Channel	Stakeholder Involved	Description	Periodicity	Management Highlights 2022								
Community Thermometer and Survey of Local/Regional Opinion Leaders	<ul style="list-style-type: none"> Communities 	Since 2014, Colbun has conducted an annual massive perception survey of neighbors and relevant stakeholders, which allows for the detection of gaps.	Annual	<ul style="list-style-type: none"> 403 people interviewed in Chile 91 people interviewed in Peru 								
Other Surveys	<ul style="list-style-type: none"> Providers Suppliers Investors 	Since 2015, perception surveys have been conducted with other stakeholders in order to identify gaps and manage them. Their results are also part of the corporate objectives.	Annual	<table border="0"> <tr> <td>Chile: 2022</td> <td>Peru: 2022</td> </tr> <tr> <td>> 112 providers surveyed</td> <td>> 44 providers surveyed</td> </tr> <tr> <td>> 15 suppliers surveyed</td> <td></td> </tr> <tr> <td>> 37 investors surveyed</td> <td></td> </tr> </table>	Chile: 2022	Peru: 2022	> 112 providers surveyed	> 44 providers surveyed	> 15 suppliers surveyed		> 37 investors surveyed	
Chile: 2022	Peru: 2022											
> 112 providers surveyed	> 44 providers surveyed											
> 15 suppliers surveyed												
> 37 investors surveyed												
Regular meetings with stakeholders	<ul style="list-style-type: none"> Clients Investors Suppliers 	Meetings with stakeholders are held periodically. With clients we hold thematic talks, the Customer Day and a Meeting for Renewable Energy Certificates; with suppliers, the Annual Meeting with Suppliers; with investors, in addition to the quarterly conference calls, we hold an Investor's Day.	Permanent									
Sustainability weeks	<ul style="list-style-type: none"> Employees Suppliers 	The goal is to bring sustainability management issues closer to employees and contractors, both at headquarters and at the corporate level. Through talks, fairs, and/or participative dynamics, in 2022, topics such as environmental footprint, and customer orientation, among others, were addressed.	Annual									
Newsletters, radio programs and news dispatches	<ul style="list-style-type: none"> Employees Authorities Investors Clients Providers Suppliers General Public 	Colbun has different means of communication to inform its activities: Corporate newsletter (sent to opinion leaders, journalists, workers, suppliers and providers), customer newsletter, contingent customer information, community radio programs.	<ul style="list-style-type: none"> Quarterly (corporate and customer and clients), Biannual (Newsletter suppliers) Fortnightly (radio programs) 	<ul style="list-style-type: none"> 6 Corporate Newsletter 5 people interviewed in Peru 8 community radio programs 								
SOCIAL NETWORKS: Colbun Twitter @Colbunenergia Facebook Colbunenergia Instagram @energiacolbun LinkedIn Colbun S.A. Fenix LinkedIn @Fenixpower Facebook @Fenixenergiaperu Instagram @fenixenergiaperu	<ul style="list-style-type: none"> Employees Authorities Investors Clients Providers Suppliers General Public 	Comunica información relevante de Colbun y Fenix y permite recoger feedback.	Permanent	<ul style="list-style-type: none"> Colbun's network had more than 122 thou followers as of December 2022 Fenix's network had more than 19 thou followers as of December 2022 								

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4.1



Surrounding and Stakeholders Managements

Key Developments and Tools

1. Annual Stakeholder Survey

Colbun has been conducting an annual survey since 2014, now covering all its stakeholders, to identify how they perceive the Company's management and gaps. Each of the management departments in charge of leading the management, the Management Committee and the Sustainability Committee of the Company are presented with the results. Once these results are obtained, action focuses for the year are defined.

2. Community Management

Regarding Communities, any new Colbun project involves identifying the organizations and groups that impact and are impacted by the company's activities. An early citizen participation process (PACA) is carried out with each group, where the project is presented to them and their perceptions are gathered.

Based on the diagnosis, changes or improvements can be made to the projects, and initiatives are identified to create local value (more details in Community Management).

To guide this process, the Company has a Communities Manual.

[More](#)



GROUPS SURVEYED IN 2022

INVESTORS
37 surveyed

SUPPLY COMPANIES
127 consulted in Chile
43 consulted in Peru

CLIENTS
91 surveyed in Chile
33 surveyed in Peru

EMPLOYEES
131 surveyed in Peru
892 surveyed in Chile

COMMUNITIES

Community Thermometer

403 surveyed in Chile

91 surveyes in Peru

Local/Regional Opinion Leaders

88 surveyed in Chile

20 surveyed in Peru

The main results of the surveys are described throughout this chapter.

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4.2



Investors Relations

There is an Investor Relations Model and Policy at Colbun, regardless of its size, aimed at providing transparent, relevant, and timely information on the Company's performance.

Permanent Communication

As a way to build trusting and long-term relationships with its investors, the Company has a dedicated area that attends to the information requirements of Colbun in Chile and the subsidiary Fenix in Peru.

In addition to the quarterly reports analyzing the company's results, the virtual conferences with Company executives, and updating the presentation of results, to strengthen communication with this stakeholder group, we have implemented:

- Visits to our Power Plants
- Participation in business breakfasts
- Periodic meetings at our offices
- Participation in local and international investor conferences

Investor Day

In 2022 Colbun held its fifth Investor Day, this time in a hybrid manner, reaching both domestic and foreign investors. During this event, senior management presented the progress of Colbun's Strategic Agenda and the company's vision in the face of new market trends and challenges. Furthermore, in 2022 we increased the number of contacts and meetings with our investors and focused on reducing our response times.



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4.3



Client Management

EU3

Our clients' growing need for **renewable energy and sustainable energy solutions to achieve a more sustainable operation** has been the driving force behind Colbun's evolution in recent years. And it is also a pillar of the 2030 Strategic Agenda. Therefore, clients are at the center of the Company's business, which seeks to be a partner for all their energy needs.

Client Data protection

Regarding Law No. 19,946 on Consumer Data Protection, the only issue applicable to Colbun is the customer's right to truthful and timely information. To this end, Colbun formalizes the relationship with the customer through the signing of a contractual document, which includes prices, conditions, payment methods, terms, etc. In addition, Colbun has a public statement of rights of use and protection of personal data.

During 2022, no complaints regarding breaches of customer privacy or loss of customer data were received at Colbun, and no breaches or leaks have been identified by the Company's procedures in Chile or Peru. In addition, Colbun does not use customer data for secondary purposes that are outside the Company's primary purpose.

Colbun requires its survey providers to follow standards and procedures that ensure the protection of the data it receives from the Company for conducting surveys.

CHILE

Customer Development in Chile 2022

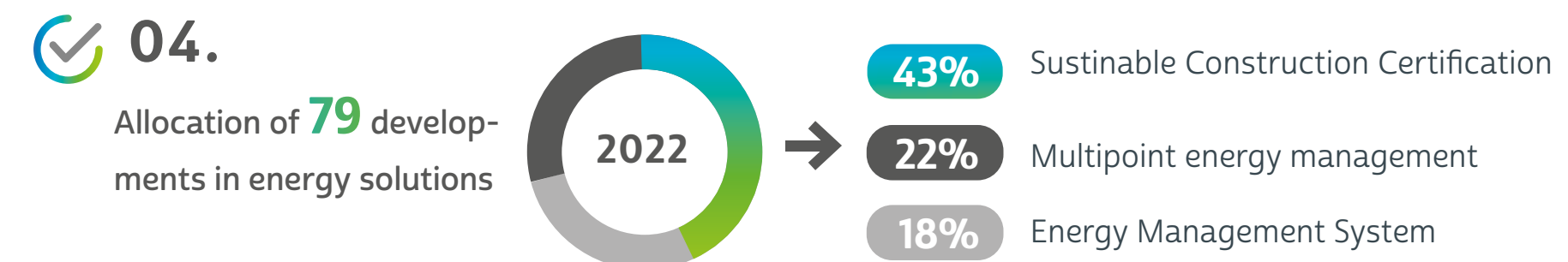


Two clients individually represent at least 10% of the Company's total sales, both in the generation segment.

Commercial Management Milestones 2022

- 01. Closing supply agreements with: 38 new clients**
 including CCU, Clínica Alemana, Lesaffre, Cerámica Santiago y Banco BCI, among others.
- 02. Renovation of: 16 Power supply contracts**
 such as Grupo Wenco (for eight years), Grupo Valdivieso (for six years), and Estadio Español (for six years).

- 03. Modifying the power purchase agreement signed in 2010 with Codelco, agreeing to gradually replace the coal-based power supply with a 100% renewable power supply.**



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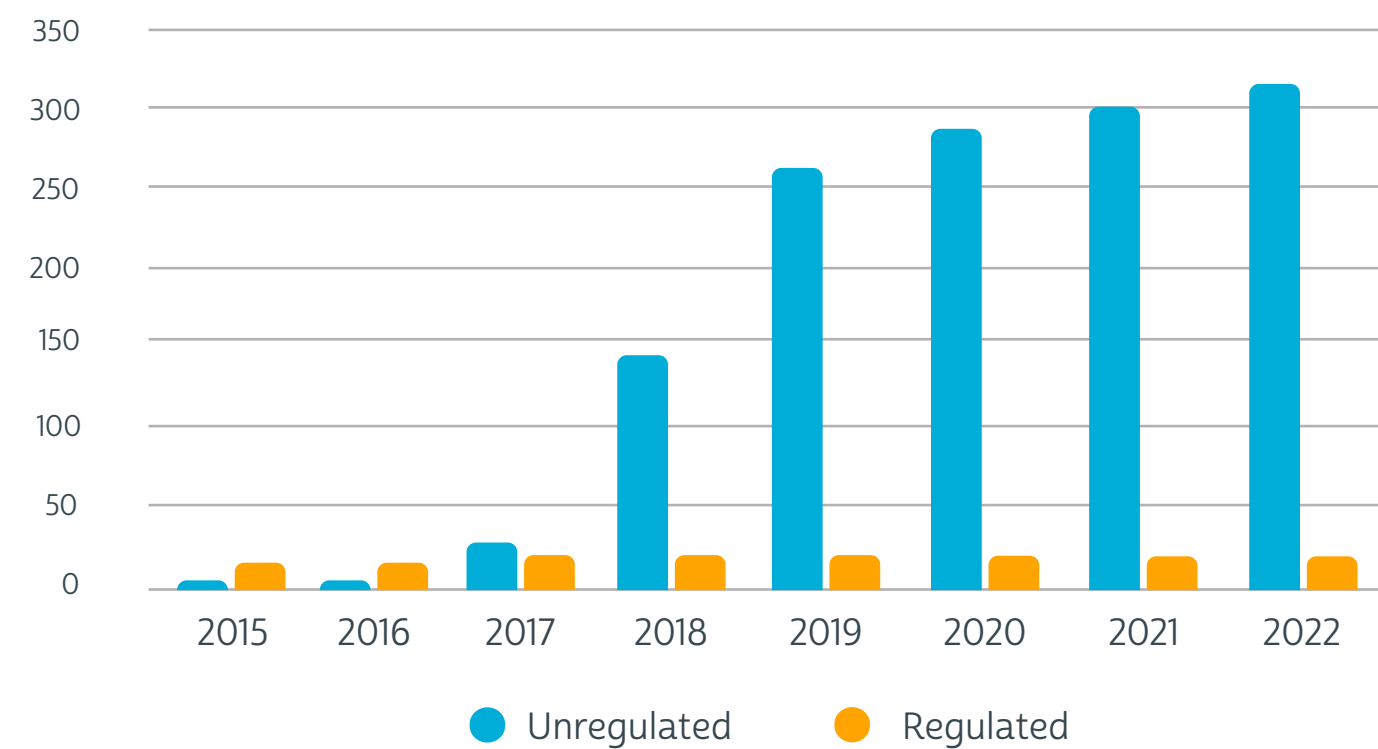
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Client Management

CHILE

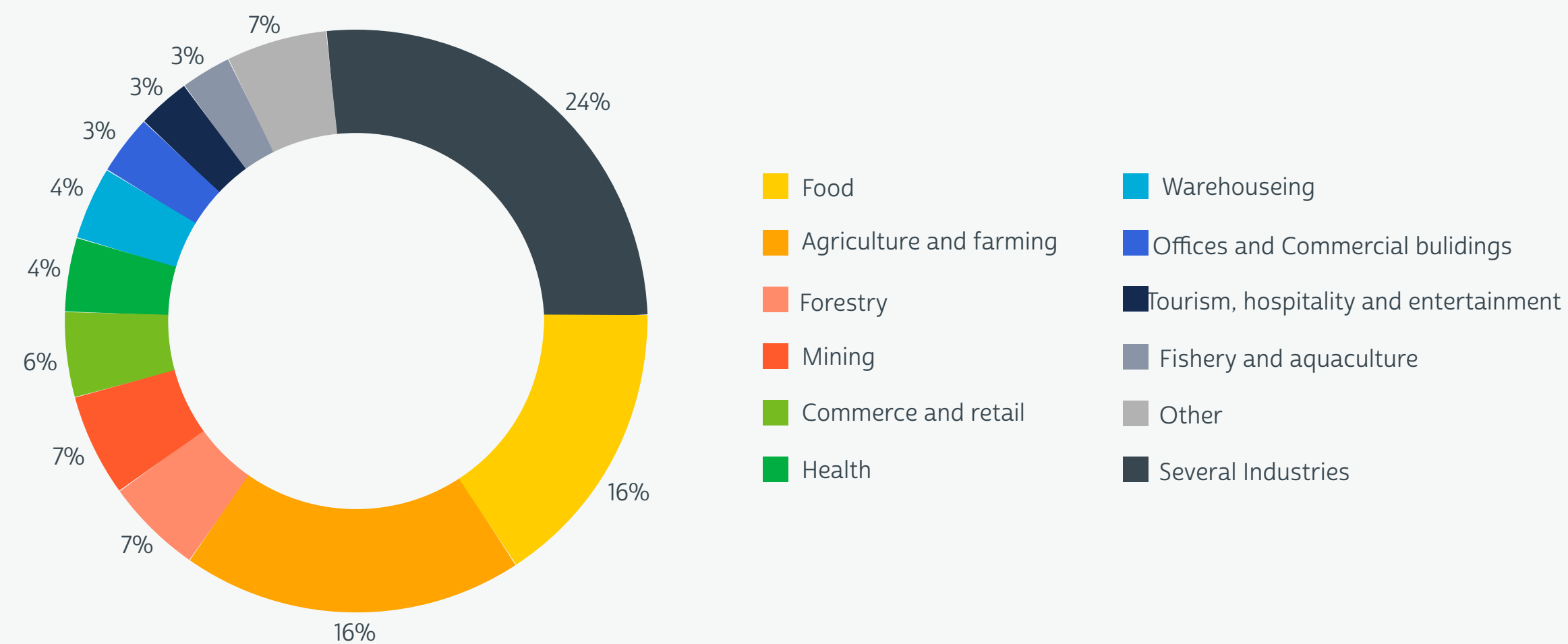
Evolution in the Number of Clients of Colbun Chile



Note: In 2022, 314 clients were supplied in 2022, these figures do not consider 31 clients starting after December 31, 2022.

Colbun has a diversified portfolio of clients in the industrial sectors and geographically located throughout the country, from Arica to Los Lagos Region.

Sectoral and Geographic Diversification

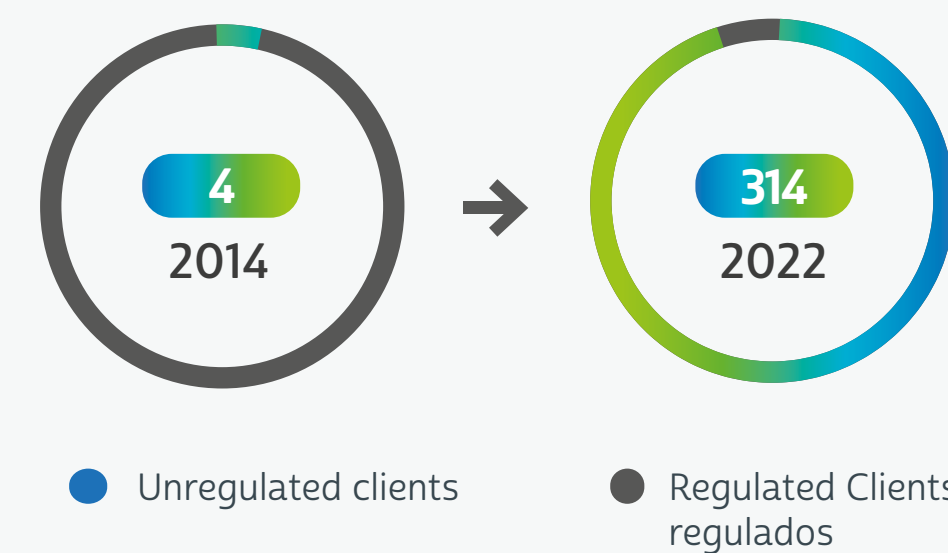


Sales Channels

Percentage of sales to unregulated clients



Number of Unregulated Clients



Note: 82% of sales to unregulated clients, 314 clients served 2022

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Client Management

CHILE

Digital transformation serving our clients

Three digital transformation projects were implemented in 2022, bringing innovation, simplicity, and transparency, as well as facilitating the management of our clients' energy consumption.

✔ Virtual Branch 2.0.

This innovative platform has multiple tools that help to measure, control and manage the energy consumption of clients in a friendly and transparent way.

✔ Online Invoice Payment.

Electronic payment button incorporation is an additional payment channel for our clients.

✔ Invoice Detail 2.0.

Design an invoice complement that incorporates detailed information and other elements that make it easier for clients to understand what is being invoiced.

Renewable Certification

During 2022, the Company signed 30 contracts with renewable certification, totaling 111 clients and 6,803 GWh per year committed under this modality.



What is it?

It certifies that the power consumed by our clients was produced with renewable energy, a condition verified by the independent auditor EY. Clients are granted a seal that allows them to guarantee to their stakeholders that they use clean energy in their production processes.



What other Certificates do we provide?

Colbun also provides certifications such as I-REC and Green-e.



Certifications Scope

All these certifications allow our clients to accredit their carbon footprint reduction in scope 2.

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4.3



Client Management

CHILE

Client Relationship

01. Close, Secure and Transparent Communication

The Company proactively communicates with clients by sending information related to industry trends, regulation, market and sustainability.

Communications are conducted through the CRM (Customer Relationship Management) platform, Salesforce's "Marketing Cloud" module, which establishes international standards for customer data management.

02. Client Meetings

Colbun held 2022 a series of meetings called "Voices with Energy Clients", in which topics of interest such as sustainability, climate change, renewable energies, and energy solutions, among others, were addressed.

03. Welcome New Clients

As a way of initiating commercial relationships with clients, we began to carry out various initiatives during 2022 to deepen our relationship with them and reinforce our internal customer culture, involving various areas of the organization in these activities.

Customer's Experience Model

Our commercial excellence is focused on Client Satisfaction. Our aim is "listening to the customer to improve" and we put it into practice through the "Client Experience Model", which allows us to generate valuable and systematic information, provide feedback to the company and improve processes. This operates based on three pillars:

01. Measuring the Voice of Our Client

Systematic collection of customer feedback on the experience they receive, through post-care surveys, feedback from sales executives, and customer satisfaction studies.

02. Continuous Improvement

This information is used to determine gaps between the experience delivered and the one the customer expects to receive, creating action plans.

03. Internal Culture Program "Customer at the Center"

The purpose of this program is to promote a customer-centric culture within the organization. The main activities included the development of Customer Culture Meetings in all areas of the Company and the dissemination of satisfaction and NPS results.

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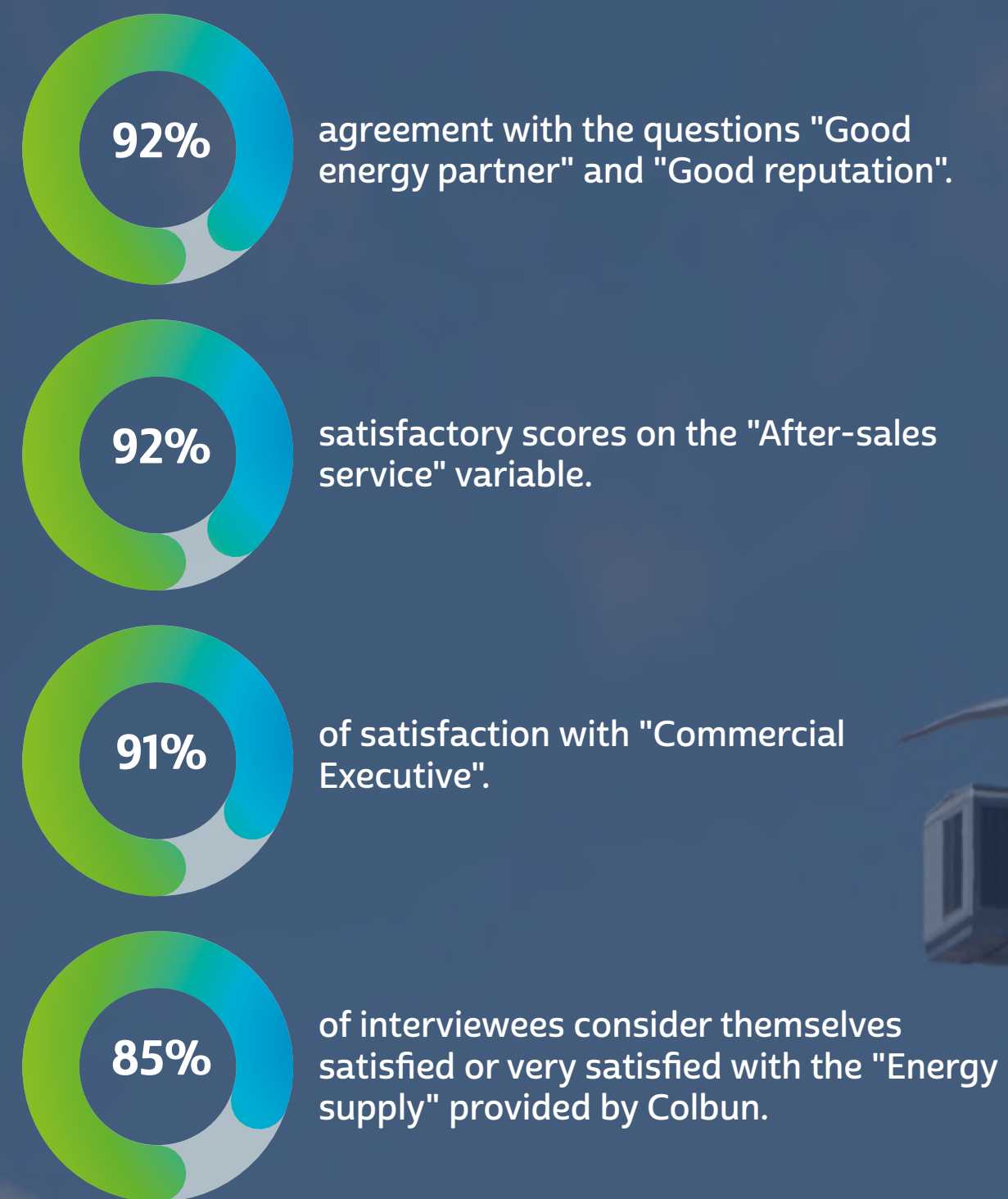
Client Management

CHILE

Customer Experience Satisfaction (NPS) 2022

This feedback initiative seeks to monitor the status of the long-term relationship with the client. To do so, the NPS (Net Promoter Score) is measured, an indicator that in 2022 **reached 75 points, an increase of 5 points compared to 2021.**

Among others, its results reflect the Company's solid reputation:



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Client Management

EU3

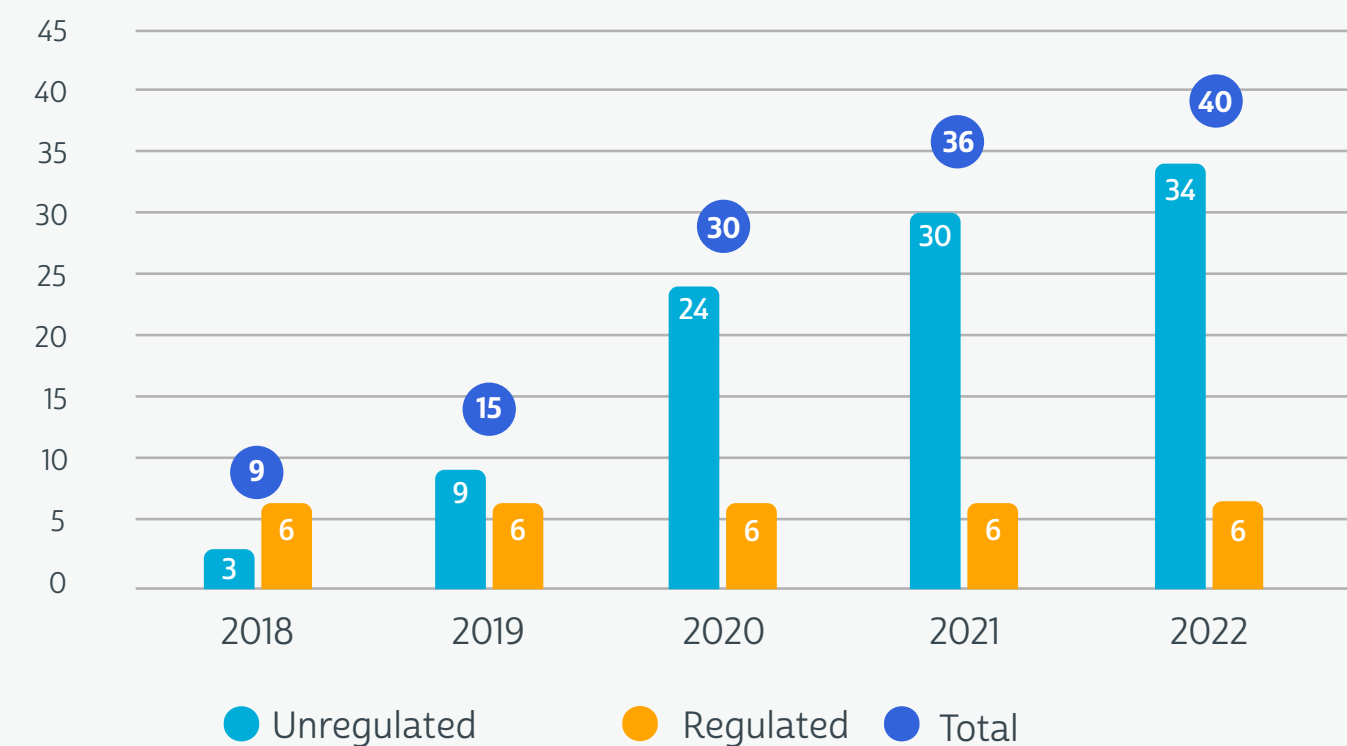
PERU

Client Development in Peru

Commercial Management Milestones

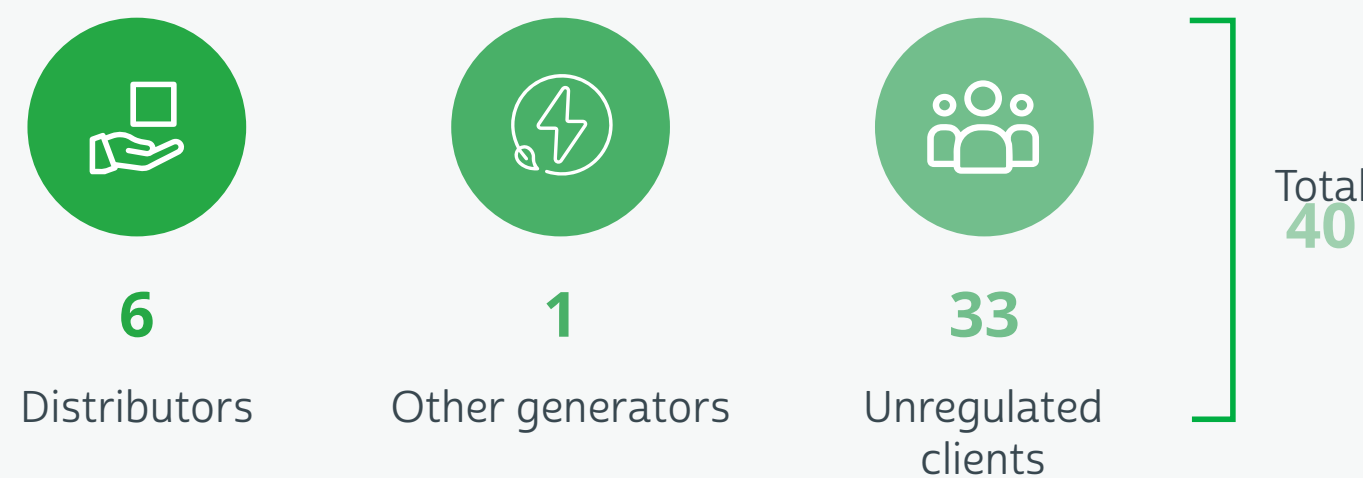
- 01.** Closing of contracts with **21 unregulated clients** covering a total capacity of 176 MW, equivalent to the energy consumption of 1,694 GWh per year.
- 02.** Contract renovation of **3 unregulated clients** such as; Grupo Wenco (for 8 years), Grupo Valdivieso (for 6 years), and Estadio Español (for 6 years).
- 03.** **2022 management** made it possible to place all the energy and power available for the year 2023.

Evolution of the Number of FENIX Clients



Note: Eight distributor agreements based on free market support are not included in these figures.

Type of Clients 2022



There are no clients in Peru that represent 10% or more of sales in the generation segment.

Percentage of sales to unregulated clients



Number of Unregulated clients



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4.3



Client Management

PERU

Energy Solutions Development

During 2022, 17 energy solutions were delivered, helping to position us as a strategic partner that meets the energy needs of our clients.

Main Projects

- Design and implementation of an electrical charging station
- Photovoltaic self-generation power plant installation

Electrocharging solution.

Client Relationship Milestones

- 01.** The billing platform was launched, allowing clients to consult historical information for the timely follow-up of their consumption.
- 02.** We began implementing the SAP IS-U module, which improves and optimizes the internal processes of the billing cycle in order to reduce time and mitigate errors in the process.
- 03.** We conducted the first guided customer visit to Fenix's facilities (Magdalena Power Plant and Control Center).
- 04.** Fenix Customer Day" was held for the third consecutive year, focusing on the challenges and opportunities that industries have to face in the current context of Peru and the energy transition.



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Client Management

PERU

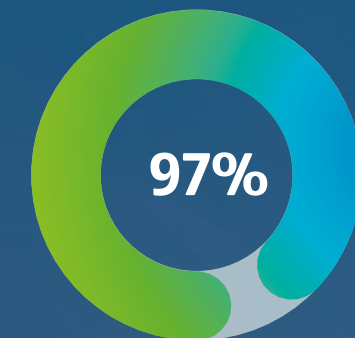
Client Experience Satisfaction (NPS) 2022

Fenix achieved an NPS (Net Promoter Score) of 80 points in this period, seven points above the previous year's result.

Other indicators are highlighted in the infographic:



of those interviewed consider us to be a "good energy partner for their company".



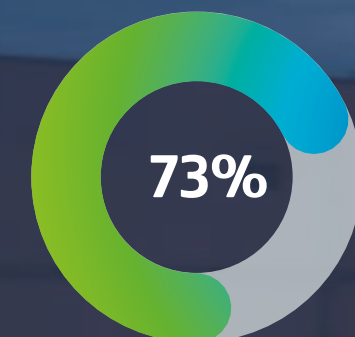
are satisfied or very satisfied with Fenix's "closeness" to their company.



consider us to be an "ethical, transparent, and reliable company".



are very satisfied with the "friendliness and willingness to serve you" of our executives, with no negative results.



are very satisfied with the "After Sales Service", with no dissatisfied clients.



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Our Employees

Goal

Colbun's main commitment to its employees is to provide quality employment and a work environment that is safe and fosters their personal and career development.

See Colbun's website for management principles in this area.

CHILE

Workforce

GRI: 2-7, 401-1
NCG 461: 5.1.1, 5.2, 5.3

Workforce Profile

As of December 2022, the Company's workforce in Chile reached 982 employees, 2.6% lower than in 2021 (1,008).

- **EI 22,3%** of the workforce are women, 74% of them in the 30 to 50 age range.
- **3,5%** of staff is foreign.
- **EI 72%** of the women are employed in management, assistant management, as head of department or in professional positions.
- **EI 47%** of the total workforce is located in the Metropolitan Region, where 36.9% of them are women.
- **EI 66%** of the workers are in the 30 to 50 age range.
- **Of the total number, 965** workers (98.2% of the total) have permanent contracts, 15 (1.5%) have contracts for construction work, and 2 (0.2%) have fixed-term contracts.
- **99%** of the workers are full-time.
- **35%** of the workforce has an average length of service of more than 12 years and 21% less than 3 years.
- **32%** of women have an average length of service of less than 3 years, while 38% of men have an average length of service of more than 12 years.
- **42%** of the male staff occupies "Other technical" positions.

Workforce by Geographic Location and Gender in Chile (GRI 405-1, NCG 5.1.1)

REGION	2021		2022	
	WOMEN	MEN	WOMEN	MEN
Antofagasta	1	1	8	23
Atacama	2	18	0	5
Región Metropolitana	158	304	171	292
Valparaíso	19	167	15	153
O'Higgins	1	25	1	24
Maule	6	80	5	69
Biobío	17	188	17	178
Los Lagos	1	20	2	19
Subtotal	205	803	224	758
Total	1008		982	

Workforce in Efizity

REGION	WOMEN		MEN		TOTAL
Efizity Chile	31	42.5%	42	57.5%	73
Efizity Peru	1	50.00%	1	50.00%	2
Total	32	42.7%	43	57.3%	75

Recruitment and Turnover

In 2022, the turnover rate represented 12% of the workforce and the rate of recruitment of new hires was 9.7%. Women accounted for 33.9% of recruitments.

For more details on the Staff profile, see Annex Chapter 4.

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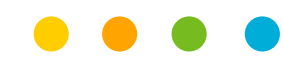
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Our Employees

PERU

Workforce Profile

As of December 2022, Fenix's workforce in Peru totaled 121 employees (all full-time), 7% higher than in 2021.

- **EI 21,5%** of the staff are women, most of them located in the Magdalena office in Lima.
- **EI 86%** were permanent contracts and the rest were fixed-term contracts.
- **EI 52%** of the employees worked in the district of Chilca and the remaining 48% in Lima.
- **EI 21%** of professionals are women.
- **EI 43%** de la dotación está concentrada en el rol otros profesionales.

Workforce by Geographical Location and Gender in Peru

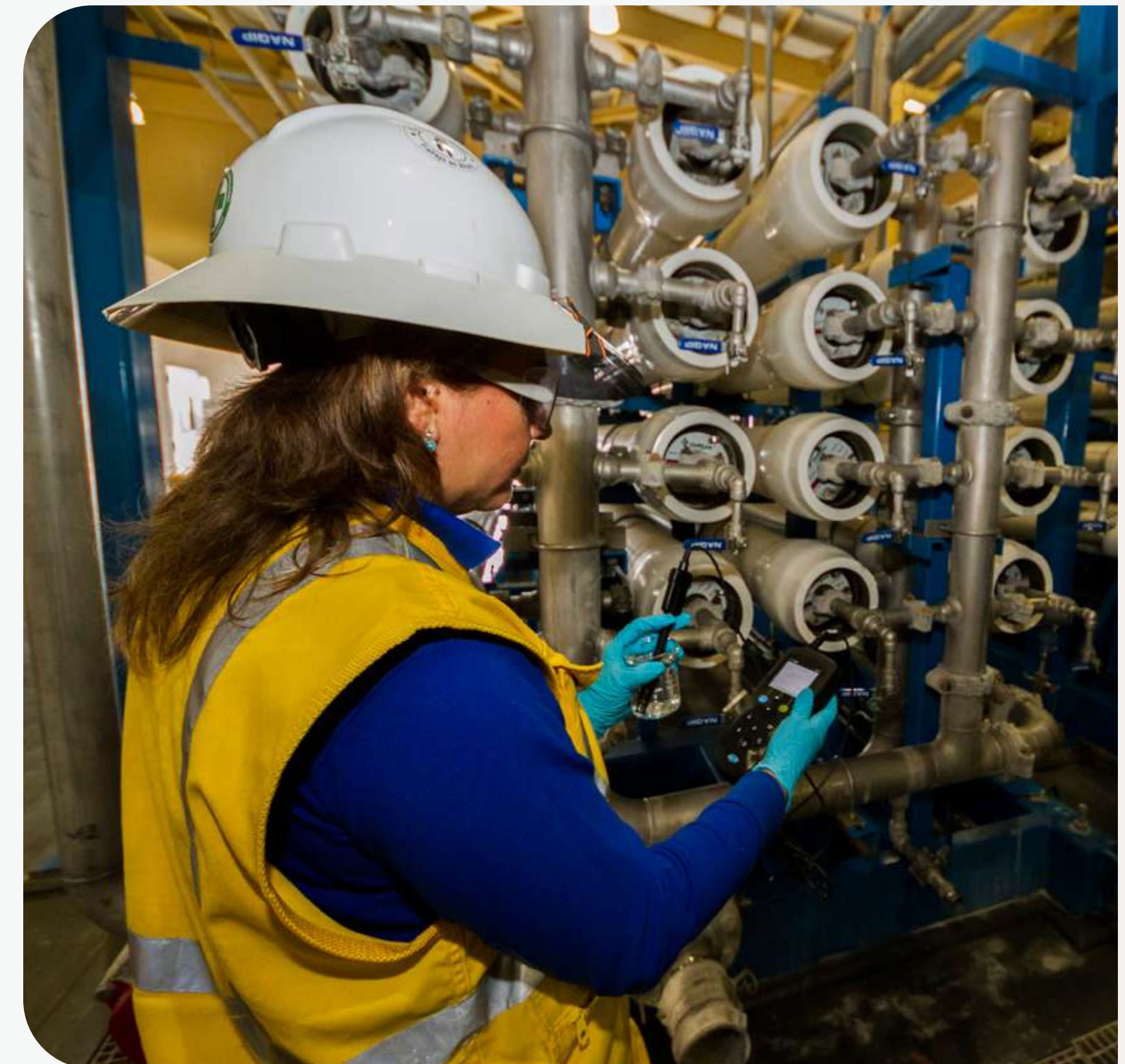
	2021		2022		
	WOMEN	MEN	WOMEN	MEN	TOTAL
Corporate Offices Lima	21	35	22	36	58
Planta Chilca	3	54	4	59	63
Total	24	89	26	95	121

Tipo de contrato	2021			2022		
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
Indefinite-term contract	21	79	100	20	84	104
Contract for Wors			0			0
Fixed-term contract	3	10	13	6	11	17
Fee			0			0
TOTAL	24	89	113	26	95	121

Recruitment and Turnover

In 2022, the entry rate was 11.6% of the workforce. Turnover reached 4.1% of the workforce in 2022 (in 2021 it was 5.3%).

For more details on the endowment profile, see Annex Chapter 4.



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Our Employees

Internal Culture

Vision

People's way of being and behavior must be fully in tune with the culture necessary to achieve the goals and objectives of Colbun's Strategic Agenda. We promote a culture that implies having an organization that is distinguished by:

- + Adapting to changes flexibly and agilely.
- + Being based on permanent collaboration.
- + Acting cohesively among its members.
- + Having an environment of trust and respect.

Leadership

We have recently faced and adapted to many changes at a global level, inspiring us to continue rethinking the way we do things. Our challenge is to have a leadership that is increasingly adaptive and closer to people management.

During 2022, Organization and People Management updated the Colbun Leader Profile, meeting the new needs of our people, strategy and environment.

The Purpose Trip

Today, companies are called upon to make a significant difference in the world around them. To do so, they must generate social, environmental, and ethical value that meets the expectations of the stakeholders with whom they interact daily.

In light of these challenges, the Board of Directors recommended that a collaborative process be launched in the second half of 2022 to update Colbun's purpose. This process will involve everyone in the organization..

New Working Model

The hybrid work model, which is adapted when the role or type of work performed by the person allows it, has been installed in the organization as a new way of working. In 2023, two days of teleworking (Monday and Friday) and three days of on-site work will be considered. There is also the possibility of 20 additional telework days, depending on the needs of employees.



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Our Employees

Diversity and Inclusion

GRI: 405-1
NCG 461: 5.1.2, 5.1.5, 5.4



Goal

As a foundation of Colbun's organizational culture, we promote diversity, equality, and inclusion. This enables our employees and contractors to develop caring and respectful workplaces that promote an inclusive environment, equal opportunities, and diversity. The aim is for everyone to feel that they can truly be who they are.

In our Diversity, Equity, and Inclusion Policy, in our Code of Ethics, in the Internal Regulations (RIOHS), and, in every relevant communication channel, the Company reiterates that it does not tolerate acts of discrimination that promote stereotypes or intolerance based on ethnicity, social status, disability, gender, sexual orientation, or political preference.



Featured Initiatives

We included the "Healthy and Harassment-free Environments" workshop in the Colbun Leadership Program in 2022, which was aimed at more than 200 people in leadership positions. It was a continuation of the "Encounters for Respectful and Inclusive Coexistence" initiative conducted in previous years. The goal of the program was to raise awareness among executives about cultural change in the area of sexual and workplace harassment through knowledge of case law, doctrine, and behavioral patterns. The total number of participants in this workshop was 147 (15% of the workforce).

In addition, the Ethics Committee gave a presentation on the "Colbun Complaints Process" for Chile and Peru. The presentation included a chapter on sexual harassment and another on harassment in the workplace. This activity was attended by 303 people (27% of the consolidated workforce). In Fenix, a "Talk on the Prevention of Sexual Harassment and Harassment at Work" was also held, attended by 22 people (18% of Peruvian employees).

It is worth noting that Colbun's Internal Regulations (RIOHS) include the procedures and sanctions related to labor and sexual harassment, which encourages the use of the complaint channel.

Disability

Under the action plan launched by Colbun in 2019 to address its gaps in the inclusion of people with disabilities, in 2022 we developed the following initiatives:

- + As of December 2022, the Company had ten workers certified before Compin. Although two workers were certified in the second half of the year and a person with a disability was hired (December), two people left the company in the first months of the year, which led to a negative difference for some months concerning the goal imposed by the law of having 1% of our staff with disabilities. Raising reasonable adjustments for people with disabilities in Colbun.
- + Participation in an Inclusive Fair and searching for new sources of recruitment.
- + Inclusive publications in recruitment advertisements for professionals.
- + Mentoring for people with disabilities hired by the Company. This involves monitoring and support for six to 12 months to the person and his or her work team.

Persons with Disabilities by Position and by Gender (NCG 461 5.1.5)

	Women	Men	Total
Senior Management	0	0	0
Management (including assistant-manager)	0	0	0
Leadership	0	1	1
Operator	0	1	1
Salesforce	0	0	0
Administrative	0	0	0
Auxiliary	0	0	0
Other career positions	1	1	2
Other technical positions	0	6	6
TOTAL	1	9	10

No people with disabilities have been identified in Fenix.

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Our Employees

Gender Equity

GRI: 405-1

Vision

At Colbun, we are convinced that women's participation in work, in a context of equality, is an ethical imperative and an opportunity to strengthen our company. It is essential for sustainable development that you have a diverse team, one that is capable of innovation, cooperation, resilience, and coping with change and new scenarios. The challenge is to work on proximity and empathy with our clients and stakeholders in general.

Goal

A gender equality plan has been in place since 2018, in which we have committed to an increase in the total number of women to 25% by 2025, from a base of 18% in 2018. In order to achieve this goal, nearly 40% of the workforce will need to be female in the coming years, and we will need to focus our efforts on retaining women.

› Board of Directors

Colbun has been one of the IPSA companies with the most female directors for several years, with three out of a total of nine.

› 2022 Challenges

We prioritize the presence of women in traditionally male-dominated areas and roles to promote diversity in our teams and to fulfill our commitment to increasing the percentage of women in Colbun's total workforce to 25% by 2025.

In 2022, we surpassed our target by more than 1 point. **We achieved a 22.2% female representation in our workforce** (including Chile and Peru). In male-dominated areas, we reached 11.6%.

In Chile women held 9% of executive positions; 15% of managerial positions, and 14% of leadership positions at the end of 2022. **At the administrative level, it reached 79%.**

In Peru, **21,5% of the workforce is female** and concentrated in the role of other professionals.

› Challenges

Debunking the myths about women's participation in this industry will pave the way for attracting more talent and fostering the development of women in our company, while ensuring inclusive spaces where all people, regardless of gender or condition, can express their talents. To achieve this, we train our employees on diversity and inclusion, the importance of being treated well, and having a healthy and harassment-free workplace.

Workforce by Position and Gender in Chile
(NCG 461 5.1.1)

Position	2022		
	women	Men	Total
Senior Management*	1	10	11
Management (including assistant management)	11	60	71
Leadership	18	107	125
Operator	0	33	33
Salesforce	3	2	5
Administrative	37	10	47
Auxiliar	10	8	18
Other Career positions	128	215	343
Other technical positions	11	318	329
TOTAL	219	763	982
TOTAL	22,3%	77,7%	100%

Workforce by Position and Gender in Peru
(NCG 461 5.1.1)

Position	2022		
	Women	Men	Total
Senior Management	0	1	1
Management (including assistant management)	2	5	7
Leadership	1	16	17
Operator	0	0	0
Salesforce	0	0	0
Administrative	7	2	9
Auxiliar	0	1	1
Other Career position	16	36	52
Other technical positions	0	34	34
TOTAL	26	95	121
TOTAL	21,5%	78,5%	100%

*None of the senior officers come from any of the local communities associated with the locations where Colbun operates..

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Our Employees



Outstanding Initiatives

- + We promote **gender-balanced shortlists** that prioritize the hiring of women.
- + Through an internal mentoring program, we train women with more experience in the company to mentor those who have the potential to take on other roles, to increase the presence of **women in leadership positions**.
- + We created a **Program for the Inclusion of Women in Masculinized Areas**.
- + We promote **co-responsibility** with flexibility benefits for all individuals.
- + We introduced a Hybrid Work Model that aims to help people **balance work and life**.
- + We promote **respect, good treatment** and a healthy environment free from harassment.

› Wage Gap (GRI: 405-2)

In March 2023, the Diversity, Equity, and Inclusion Policy was approved and published by the Board, where the equity concept states: "We encourage decisions that have an impact on people to be based on merit, development, and contribution, and not on any other condition such as gender, race, age, social origin, among others. This applies to compensation, internal development and participation, and all other processes related to people management.

In addition, since the establishment of its Gender Equity Plan, Colbun has committed to periodically conduct internal and external studies to ensure gender equity in compensation, which means that there should be no differences in compensation that cannot be explained by reasons other than the type of position, years of seniority or experience.

› In 2022 progress was made in:

- + **a)** Formalize the methodology for internal review of gaps at a disaggregated level (grade, seniority, tenure, experience);
- + **b)** Biannual descriptive analysis of the wage gap;
- + **c)** Proposed salary adjustments to close certain gaps;
- + **d)** Securing a single starting salary for inexperienced professionals.

Wage Gap by Type of Position - CHILE* (NCG 461 5.4.2)

Position	Media	Median	Endowment Women	Endowment Men
1 Senior Management	Not reported	Not reported	1	10
2 Management (and assistanta management)	77%	76.5%	11	60
3 Leadership	102%	111.0%	18	107
4 Operator	N/A	N/A	0	33
5 Salesforce	99%	103.7%	3	2
6 Administrative	126%	121.9%	37	10
7 Auxiliar	101%	104.1%	10	8
8 Other Career positions	78%	81.6%	124	213
9 Other technical positions	82%	98.2%	15	320

Notes: For mean and median estimates, the gross hourly wage is considered. "Not reported" in those cases where the universe of people involves only one worker.

Wage Gap by Type of Position - Peru* (NCG 461 5.4.2)

Position	Media	Median	Endowment Women	Endowment Men
Senior Management	N/A	N/A	0	1
Management (and assistanta management)	101%	98%	2	5
Leadership	Not reported	Not reported	1	16
Operator	-	-	0	0
Salesforce	-	-	0	0
Administrative	86%	98%	7	2
Auxiliar	N/A	N/A	0	1
Other Career positions	123%	115%	16	36
Other technical positions	N/A	N/A	0	34

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Our Employees

Labor Relations and Human Rights

GRI: 402-1, 407-1, 408-1, 409-1

› Unionization - Coverage

The total number of employees covered by a collective agreement reached 577, or 58.76% of the workforce as of December 2022. This represents an increase of 17.59% over 2021 and compares favorably with the country's unionization rate of approximately 20%, with a total of six unions.

In addition, in Peru, Fenix's first union was formed in 2022, covering 21.5% of the total workforce.

› Collective Bargaining

In 2022, negotiations were held with Union No. 7 (professionals), involving 214 affiliated workers, representing 37% of the workers covered by a collective bargaining agreement. In the process, a satisfactory agreement was reached for both parties for the next three years starting May 1, 2022.

› Information on Significant Operational Changes

The various collective agreements do not contain formal agreements on minimum time limits for legal amendments. Notwithstanding the above, every time a relevant operational change is to be made, Colbun acts according to three principles: 1) that the first to be informed are the workers themselves; 2) that such changes are informed sufficiently in advance, although the exact time depends on the nature of each case; and 3) that a process of accompaniment is carried out with each worker involved so that the operational change allows for mitigating the negative impacts and enhancing the opportunities or positive effects. For example, in the process of selling the assets of Colbun Transmisión S.A. in 2021, a year and a half elapsed between the time when the workers were informed of a possible transfer and the materialization of the sale, and a process of accompaniment was carried out throughout the process.

In 2022, before its implementation, the Corporate Affairs, Energy Management, and Central Santa María departments were also reorganized.

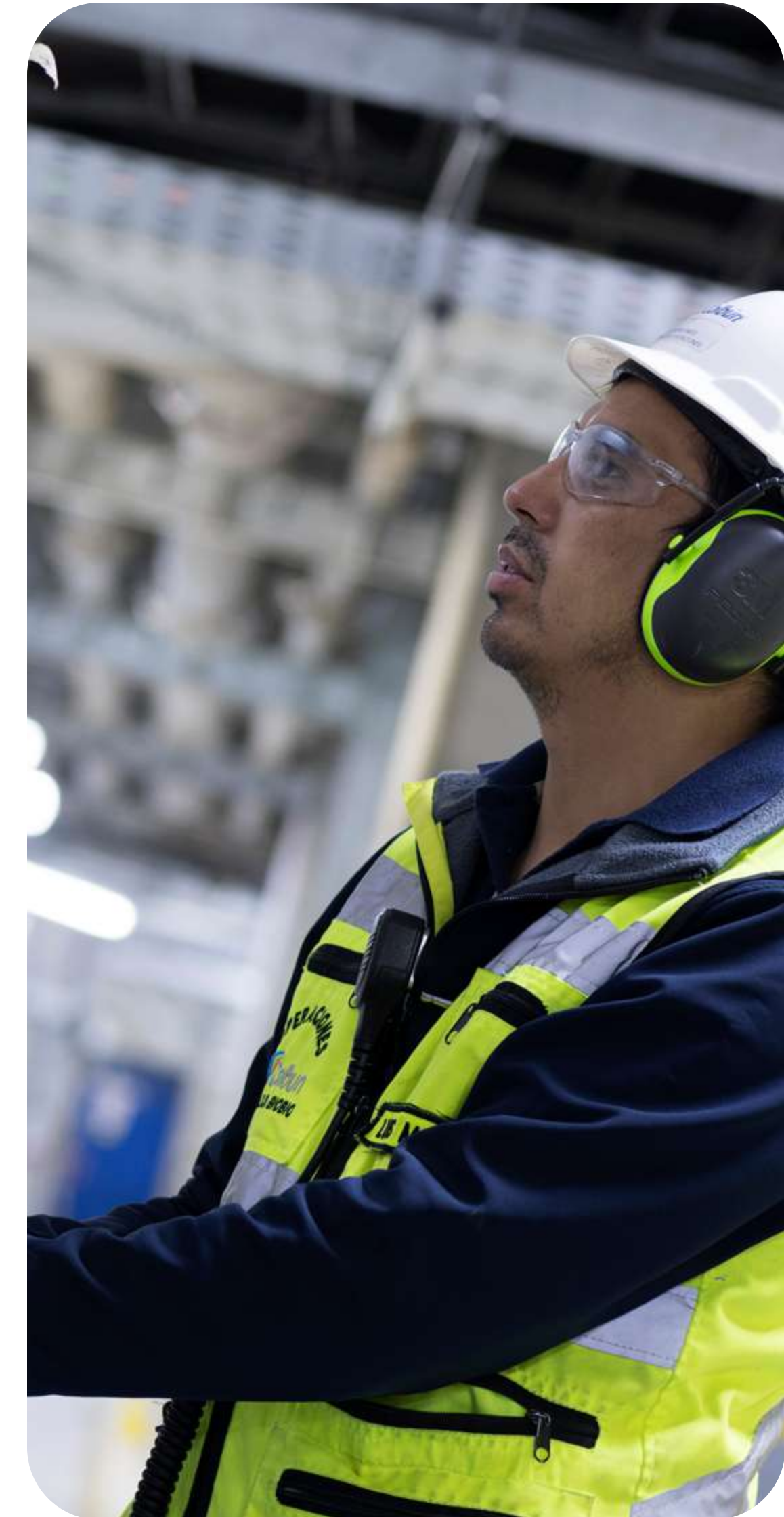


› Child or Forced Labor

On specific human rights issues, it is the company's explicit policy to reject both practices. Recruitment and selection processes include rigorous criteria to ensure that, in addition to technical competence, legal requirements are met, including the legal age for employment.

› Working Hour

Colbun respects the legislation in force in terms of respecting the rest of the workers and respecting the agreed working hours. In cases where, due to necessity and/or force majeure, it is necessary to work on days that are rest days for ordinary workers, these are paid with a higher premium than that indicated in the labor legislation.



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Our Employees

Compensation and Career Development

GRI: 201-2

Colbun's employees, including the CEO and senior managers, receive their compensation based on a fixed component and a variable component linked to a "performance bonus", as stipulated in their contracts. According to the criteria set annually by the Board of Directors for the year 2022, this bonus weighs social-environmental management indicators, such as progress on our environmental footprint targets and perception of communities (10%) and suppliers; progress on the company's strategic agenda, which includes the development of renewable projects (24%); people management indicators, including accident rates and progress on gender equality targets (10%); customer management (10%); operational management, focusing on the reliability of Colbun's power plants (10%); financial results (24%); progress on innovation indicators, such as the company's digital transformation plan and the development of innovation projects (10%).

Competitive Remuneration

GRI: 102-36, 202-1

Methodology

We systematically benchmark our salaries against the industry to ensure competitive compensation and strive to compensate each employee based on their skills and experience, with a sense of internal and external equity. The company uses an internationally validated compensation scale (HAY scale). Compensation consultants provide market income studies, benefit studies, or similar compensation education, but do not participate in the determination of compensation.

Short- and long-term performance-related factors such as financial results, business development, social and environmental management, operational management, commercial management, and safety management are used to calculate the variable compensation of the CEO, key executives, and all employees.

The Company has no stock option-based compensation plans. The policies and structures of the fixed and variable components of the compensation of senior executives are reviewed and validated annually by the Compensation Committee, which is part of the Board of Directors.

Severance and Retirement Benefits

The severance indemnities are applied similarly to all of the Company's employees with open-ended contracts. The criterion used is a gross monthly salary for each year of service, with no limit on the number of years or the amount of compensation.

Colbun does not include among its benefits the provision of retirement plans, but the various collective instruments provide for improved compensation for employees who leave the company and reach retirement age. In 2022, four employees availed themselves of this benefit.

Given the importance of this stage in the life of the employees, a year-end activity was held in 2022 between the company management, represented by the General Manager and other executives, and the union leadership, during which, among other things, the main points of the pension reform were shared.

Minimum Wage

No employee hired by the Company on a full-time, permanent basis received a gross salary of less than \$700,000 as of December 2022.

Relationship between Colbun's Minimum Wage and the Local Minimum Wage in Chile GRI 202-1

Geographical location (with significant endowment)	Women	Men
Antofagasta Region	3.0	4.6
Biobío Region	3.0	2.3
Maule Region	5.4	1.9
Valparaíso Region	3.0	2.3
Metropolitan Region	1.8	2.5
Total Compañía	1.80	1.87

Note: Colbun's starting salary includes gratuity, collation, and mobilization. The minimum salary in Chile as of December 31, 2022, was \$400,000 (Chilean pesos).

Relación entre el Salario inicial de Fenix y el Salario Mínimo Local en Peru GRI 202-1

Geographical Location	Women	Men
Lima (Magdalena offices)	2.4	3.8
Chilca (power plant)	3.2	2.7

Note: The minimum salary in Peru as of December 31, 2022, was 1,025 /S (soles).



Remuneration of Executive Officers

NCG 461: 3.6.xi, 3.6.xii

The policies and structures of the fixed and variable components of senior executive compensation are reviewed and validated annually by the Chairman's Committee for subsequent ratification by the Board.

US\$	2019	2020	2021	2022
Remuneration of Executive Officers	5,087,413	5,638,427	4,631,188	5,205,353
Fixed	2,998,796	3,209,824	2,802,199	2,602,676
Variable	2,088,617	2,428,602	1,828,989	3,161,018
Severance indemnities Executive Officers	0	0	0	585,020
Fixed	0	0	0	585,020
Variable	0	0	0	0

US\$	2019	2020	2021	2022
Remuneration of Executive Officers	1,235,174	1,182,655	1,226,223	1,543,647
Fixed	1,044,716	915,194	886,336	1,148,942
Variable	190,458	267,461	339,887	394,705
Severance indemnities Executive Officers	0	0	0	0
Fixed	0	0	0	0
Variable	0	0	0	0

Colbun does not currently have procedures for submitting salary structures and compensation policies for senior executives for shareholder approval.

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Our Employees

Performance Evaluation

GRI: 404-3

› Scope

The Performance Evaluation Process is carried out for 100% of Colbun's permanent employees having completed three months of working for the company. The goal is to continuously improve the expected behavior of all employees by the company's values. The process is intended to be a constructive experience.

To provide practical tools for implementing this process, management conducted three "Feedback for Leaders" workshops in 2022.

Stages	Date of Completion
Prior year evaluation	February and March 2022
Review and Feedback*	July 2022
Self-assessment*	November 2022
Management evaluation**	December 2022

*Voluntary
**Mandatory

In Peru, 84% of employees had a performance review in 2022, with 100% of executive positions (Management and Senior Management), managers, 83% of other professional positions, 76% of technical positions, and 67% of administrative positions.

Note: At Colbun, the following performance evaluations are carried out: descending (from the manager to the worker) and ascending (from the worker to his manager). The descending evaluation considers the fulfillment of corporate objectives, managerial objectives (of the team) and individual qualitative factors (which incorporate the company's values: excellence, passion, integrity, innovation, collaboration).



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Our Employees

Training and Development

Colbun-8 TR, 404-1, 404-2, EU14
NCG 461: 5.8.ii, 5.8.iii, 5.8.iv



Goal

The Company is committed to training and internal promotion as mechanisms to promote excellence in people management.

Leadership Program:

To further strengthen leadership development, the Colbun Leader Profile was updated in 2022 to define leadership attributes based on the challenges proposed in the company's strategy and the gaps identified in the 2021 Climate and Leadership Assessment.

The new Colbun Leader Profile includes these eight attributes:

- + **Inspires** a safety culture
- + **Communicates the company's vision** with a sustainable approach

Desarrollate" Program

The Desarrollate Program, with 10 years of experience, aims to provide, beyond the specific training plans of the areas, an open offer of training activities to develop technical and management skills that are of interest to the company's employees, with free enrollment.

Cross-cutting themes identified based on the challenges of the Colbun strategy were selected for 2022.

These activities had a high level of participation and were designed in collaboration with the company's internal leaders. In this way, the following activities were generated:

- + **"Creativity: The 21st Century Skill"**, sponsored by Innovation Management.
- + **"Customer Experience"**, sponsored by Marketing Management.
- + **"Climate Change and Carbon Footprint"**, sponsored by Environmental Management.
- + **"Management of Productivity"**, sponsor Organization and People Management.
- + In addition, and as every year, the following were offered

- + **Facilitates adaptation** to changing conditions
- + **Timely decision-making** skills
- + **Leads** empathetically
- + **Builds** collaborative teams
- + **Places the customer** at the center
- + **Leads** innovation

The 2022 Leadership Program included the socialization of these attributes to the management team and included a training day to identify the best behavioral practices for each of these attributes with the participation of 125 managers.

It also included specific workshops that focused primarily on the Lead with Empathy attribute, an aspect that was identified as an area for improvement in the 2021 assessments. The focus of the workshops was on the following topics "Healthy and Harassment-Free Environments" (147 participants) and "Labor Relations and the Role of the Leader" (132 participants).

In line with this new profile, the Upward Leadership Assessment, which is administered to all managers with more than three direct reports, has been updated to include the above attributes, which will allow us to better focus our leadership development activities based on the gaps identified.



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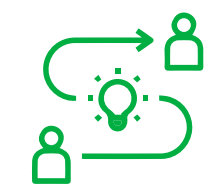
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Our Employees



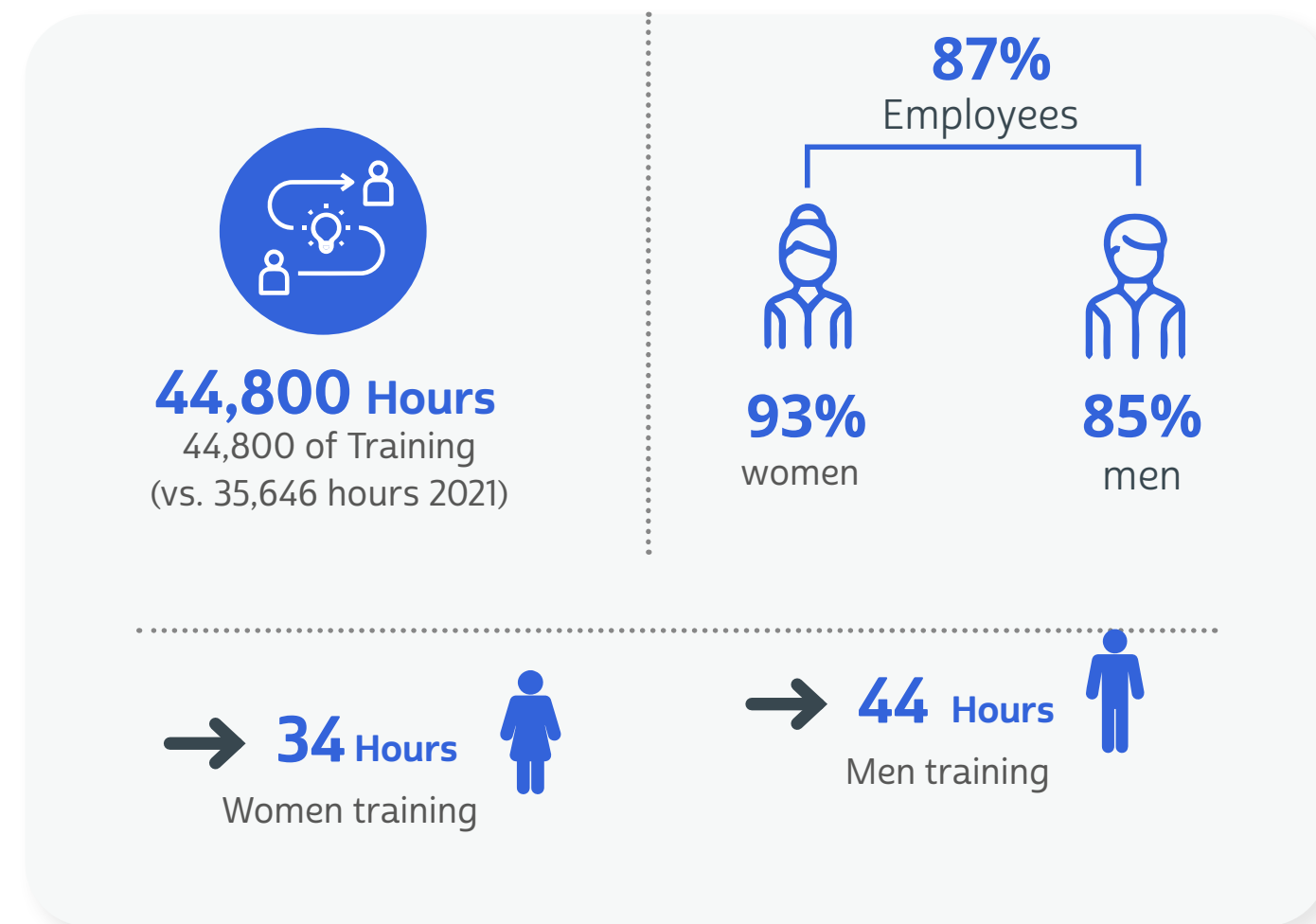
Training

GRI: 404-1, 404-2, EU14
NCG 461: 5.8

Chile MUS\$ 1,033
Peru MUS\$ 80

The total amount of resources allocated to employee education and professional development. This is equivalent to 0.06% of total annual income from ordinary activities in Chile and 0.032% in Peru.

CHILE

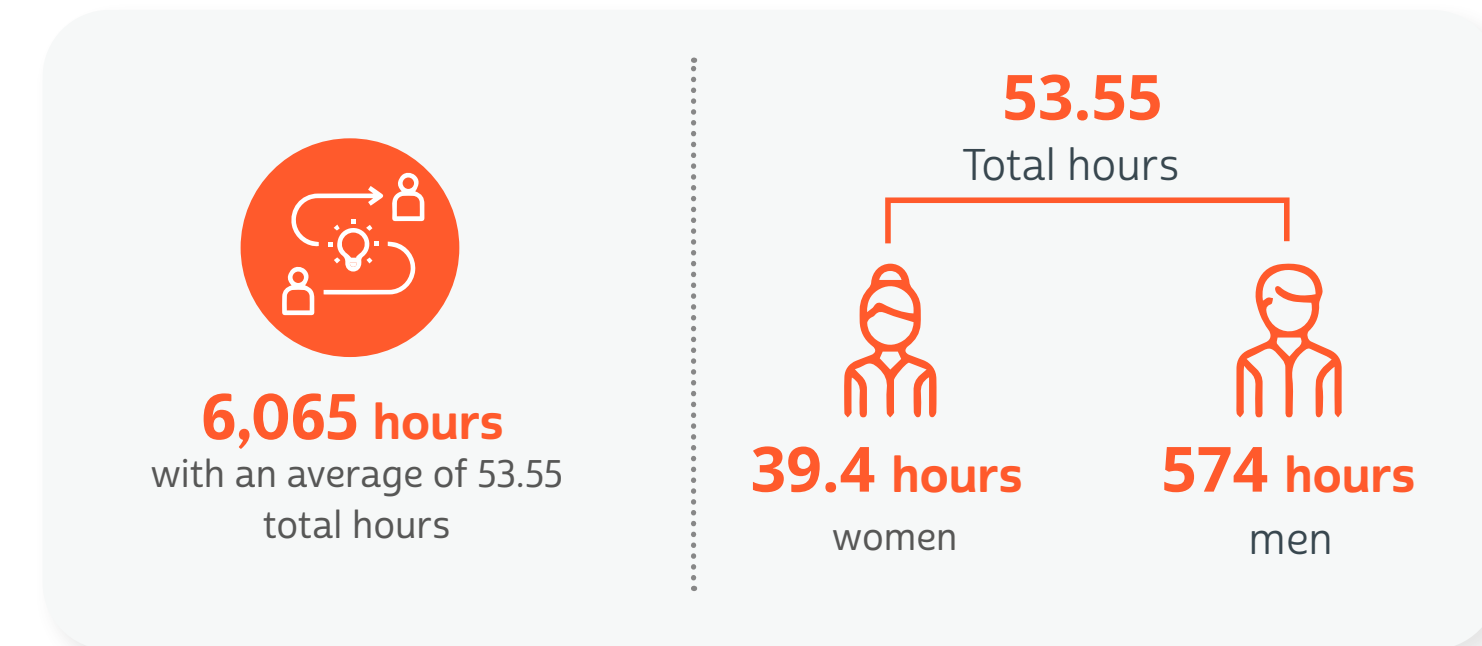


+ **Strengthening activities related to the business strategy**, such as leadership, green hydrogen, and power market, and developing capabilities in line with the internal culture we want to foster.

TRAINING INDICATORS BY GENDER IN CHILE
(404-1, NCG 461 5.8)

WOMEN	
No of women in edowment	219
No of women trained	204
% Women trained	93%
Total training hours	11,150
Average number of training hours per women	50.9
MEN	
No of men in edowment	763
No of men trained	648
% Men trained	85%
Total training hours	33,650
Average number of training hours per men	44.1
Average total hours of training per employee	53
Average investment in training per employee	US\$ 1,221

PERU



+ **Los focos estuvieron en programas de Desarrollo de Competencias en Operaciones y Mantenimiento**, competencias técnicas enfocadas a la Gestión Comercial, habilidades de liderazgo para gerencias y jefaturas de la Compañía y actualización en nuevas herramientas informáticas.

TRAINING INDICATORS BY GENDER IN PERU
(404-1, NCG 461 5.8)

WOMEN	
No of women in edowment	26
No of women trained	20
% Women trained	77%
Total hours of training	3,298
Average number of training hours per women	126.9
MEN	
No of men in edowment	95
No of men trained	70
% Men trained	74%
Total hours of training	3,835
Average number of training hours per men	40.4
Average total hours of training per employee	59
Average investment in training per employee	US\$ 895.9

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Our Employees

Internal Mobility

Colbun-8.TR




Program for the Incorporation of Women in Male-dominated Areas

To fulfill our commitment to increasing the total number of women to 25% by 2025, one of the initiatives implemented was the Program for the Incorporation of Women in Male-dominated Areas. The objective of this program was to add six female professionals (between 0 and 2 years of experience) to our structure in 2022, in traditionally male-dominated areas. In addition to the integration of these six professionals, the program included training for the managers and teams that received the employees on issues of inclusion, diversity and gender equity.

The program also includes mentoring by other Colbun employees to support professionals in male-dominated fields. To this end, women in the company have been trained in mentoring so that they can become mentors in the program, which will be implemented in 2023.

In Chile, 203 selection processes were carried out in 2022, of which 85 were filled by internal mobility or 42%; the rest, 118 processes, were filled by external personnel. In Fenix, there were 19 selection processes, of which eight were filled by internal mobility. This corresponds to a mobility rate of 42%.

 For more details on the endowment profile, see Annex Chapter 4.

Internal Mobility Chile (Colbun-8.TR)



→ 58 Women



→ 145 Men



85

people inside the organization



21%
were women



118

people outside the organization



34%
were women



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Our Employees

Organizational Climate

Colbun-10



An annual organizational climate survey is conducted to identify strengths and weaknesses in job satisfaction. Based on this measurement, action, intervention and support plans are focused.

CHILE

2022 Results

In this workplace climate survey, conducted by the Great Place to Work consulting firm, we invited 959 people to participate and achieved a response rate of 93% with a margin of error of ± 0%.

Consolidated study results showed 86% for Area Vision and 83% for Corporate Vision. The overall average between the two visions showed 84% satisfaction among our employees.

The entire management team that makes up the organizational structure of Colbun has achieved results of more than 84% in the Area Vision (and more than 81% in the Corporate Vision).

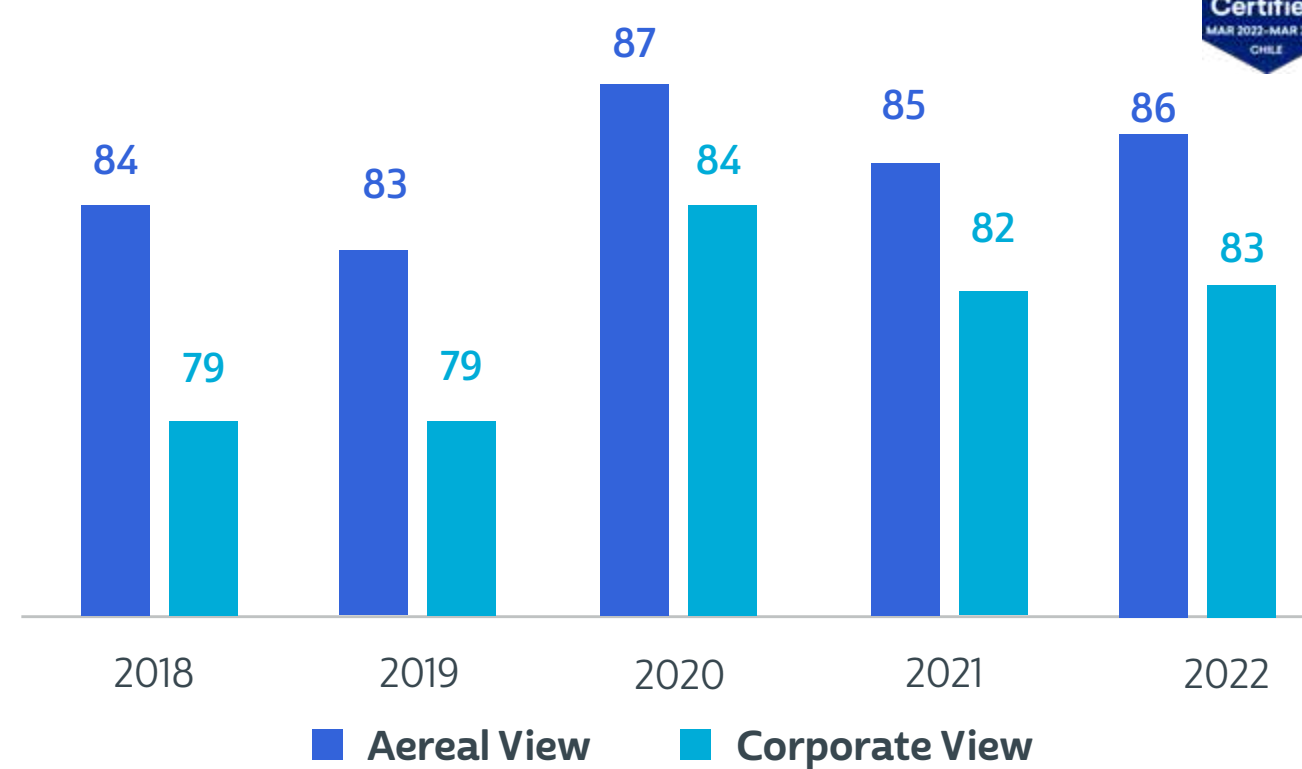
Five specific dimensions are evaluated in the methodology used in this Great Place To Work study: Credibility, Fairness, Respect, Pride, and Camaraderie.

This methodology is based on the trust that employees have in their company and its leaders and is called the "Trust Index". Comparing our results in this 2022 study with the average of the best companies to work for between 250 and 1,000 employees, Colbun has the same score in Area Vision and only one point (83 vs. 84) in Corporate Vision.

Overall, the perception of people in Colbun tends to be stable in the last six years, with a decrease in GAP in this period of Area Vision and Corporate Vision.

All five dimensions in the survey increased around 2021. Nevertheless, it is interesting to focus on perceptions of fairness, as it is the dimension that lags farthest behind the energy benchmark and the average of the 2021 Best Workplaces rankings in the 250 to 1,000 employees category.

RESULTS OF THE ORGANIZATIONAL CLIMATE SURVEY CHILE



PERU

Scope

For Fenix, a total of 139 people were invited to participate, with a response rate of 94% (131 people) and an overall acceptance rate of 88%, three points lower than in 2021.

Results

All dimensions scored above 84%, and are considered strengths: Credibility (88%), Pride (92%), and Camaraderie (94%). Among the challenges is to focus the work in the Operations and Maintenance areas to continue with the improvement.

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Our Employees

Employee Benefits

GRI: 401-2

Family

Actions that contribute to the reconciliation of work and family life have a positive impact on the integral development of our employees. Actions under this program include:

- Work with Children day
- Days for ourselves (two days or four half days of free time).
- Christmas celebrations at all facilities and headquarters.
- Improvements in transportation services at headquarters (resulting in reduced commuting times for employees).
- Half-day Fridays at headquarters and plants.
- Interrupted days.
- Flexible hours program in Santiago offices (entry between 7:30 and 9 a.m.).
- Change in the "hybrid model" work modality, which mixes face-to-face and home office work.

Education

Every year, an Academic Excellence award is presented to recognize the good school and university performance of employees' children.

Competitive funds:

Colbun annually provides economic funds so that workers can apply for projects that improve their quality of life (sports, recreational activities, workshops, etc.), 100% of the staff is invited to apply.



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Our Employees

Employees Communication Channels

GRI: 102-43

The Company's main internal communication channels are described below.

Communication Channel	Stakeholder Involved	Description	Periodicity
 Intranet	Employees	This is Colbun's main internal communication media. It contains the most relevant news, birthdays, photo galleries, and internal contests, among others. It is also the gateway to numerous management tools, such as travel management systems, people management, digital administration of contracts, etc.	Permanent
 Emailing:	Employees	Internal e-mails informing about organizational changes, relevant news, contests, births, and deaths, etc.	Permanent
 Digital screens	Employees	We have a total of 34 television screens: 9 at the headquarters and 25 at the main offices. The purpose of the screens is to be a dynamic showcase for the different internal and external activities of the Company, strengthening and streamlining communication.	Permanent
 Regular Meetings	Employees	The objective is to inform employees and promote alignment within the company. These include quarterly management meetings in which the entire company participates, sustainability weeks, and visits by managers to plants.	Permanent depending on each situation's characteristics.



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Our Contractos and Suppliers

Principles and Management Model

GRI: 102-9, 103-2, 103-3

Sustainability is at the heart of all Colbun's activities and decisions. And in this challenge, contractors and suppliers are key to extending good social, environmental and governance practices throughout our value chain, whose essence is to ensure a framework of trust, dialogue and transparency.

We have a management model that is linked to and adheres to our commitment to respect and comply with our policies and procedures, including the Code of Ethics, Code of Conduct, Human Rights and Corporate Policy, Occupational Health and Safety, Environment and Quality Policy, and the Special Regulations for Contractors and Subcontractors (REECS), to manage this relationship, which seeks to responsibly source and sustainably manage contractors and suppliers, enabling us to build long-term relationships.

 See more details of the Management Model

The model is based on three principles:



Excellence Management:

Achieve results with a sense of quality and responsibility.



Collaborative Work:

Achieve results with a sense of quality and responsibility.



Innovation Management:

Implement creative solutions to address risks and opportunities.

These principles are implemented under four work axes:



01. Traceability

To ensure traceable and auditable, transparent processes that generate a reliable framework that provides optimal conditions for competitiveness, thus enabling honest, ethical, and fair agreements to be reached, with a focus on long-term relationships and shared value.



02. Good Treatment

Encourage a close, honest and respectful relationship with all our contractors and suppliers, fostering collaboration within a framework of joint growth.



03. Ethical Behavior

Ensure that all actions associated with the sourcing process comply with the Company's Code of Ethics.



04. Timely Payment

Respect for our commitments, paying all our contractors and suppliers in a fair and timely manner.

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Our Contractors and Suppliers

Suppliers and Providers in Figures 2022

GRI: 204-1

CHILE

3,200

Supplier companies worked with Colbun, of which **621 correspond to suppliers of energy, power, tolls, and generation fuels.**

US\$ 973

Millions were the number of purchases from suppliers. If we include purchases of energy, power, tolls, and generation fuels, the figure rises to US\$ 2,059 million. .

457

contracts in force with 299 contracted suppliers.

42.8%

Of Colbun's suppliers in Chile are located in regions.

Two suppliers individually represent at least 10% of the total purchases made by the Company and correspond to the investment and fuel segments.

Evolution Number of Suppliers Colbun Chile

	2019	2020	2021	2022
National	2,458	2,342	2,326	2,388
International	181	205	210	191
Total	2,639	2,547	2,536	2,579

Evolution of Purchases from Suppliers Colbun Chile (million USD)

	2019	2020	2021	2022
National	169	193	588	192
International	39	105	570	781
Total	208	298	1,158	973

Note: Excluding fuel, energy and transmission tolls.

PERU

677

of which 97 are suppliers of fuel, electricity, and transmission tolls.

US\$ 19.7

million was the amount of purchases from suppliers. If we include purchases of energy, power, tolls and generation fuels, the figure rises to US\$ 186.6 million.

59

suppliers accounted for 80% of purchasing expenses (excluding fuel, energy and tolls).

81%

of domestic (Peruvian) suppliers are SMEs.

The Company applies the general prompt payment policy to all suppliers equally, considering a maximum term of 15 days from the date of receipt of the invoice.

Evolution Number of Suppliers in Peru

	2019	2020	2021	2022
National	530	440	495	517
International	47	60	57	67
Total	577	500	552	584

Evolution of Purchases from Suppliers Colbun Peru (million USD)

	2019	2020	2021	2022
National	18	19	13	17
International	3	24	2	3
Total	21	43	15	20

Note: Excluding fuel, energy and transmission tolls.

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Our Contractors and Suppliers

Sustainability Criteria Analysis in Chile

All service providers, whether contractors or suppliers are analyzed to decide whether to enter into a contractual or commercial relationship, regardless of whether the latter materializes. During the commercial relationship, the sustainability indicators of suppliers and contractors are continuously monitored by the:

- Dicom's financial and employment background,
- Politically Exposed Persons (PEP).
- Monthly reporting of Accidents and Injury rates.
- Compliance with labor and social security obligations (payment of salaries),
- Criteria related to labor obligations, occupational health and safety, environment, etc.

In the case of Fenix, the list of companies sanctioned by the Peruvian Government is also reviewed, whether it is for bank debts or corruption.

Payment to Suppliers in Chile

NCG 461 7.1

PAYMENT TO SUPPLIERS IN CHILE

NCG 461 7.1

Day ranges	Number of invoices paid to suppliers during the year ⁽ⁱ⁾		Total amount (million pesos) ⁽ⁱⁱ⁾		Total amount of interest for overdue payments (million pesos) ⁽ⁱⁱⁱ⁾		Number of suppliers ^(iv)		Number of agreements registered ^(v)	
	National	Foreign	National	Foreign	National	Foreign	National	Foreign	National	Foreign
Up to 30	32450	811	749,616,868,735	404,835,397,814	0	0	3075	150	0	0
30-61	1551	15	27,301,216,827	154,480,392	0	0	52	8	0	0
More than 60	85	11	483,518,267	47,518,331	0	0	35	6	0	0

PAGO A PROVEEDORES EN PERÚ

NCG 461 7.1

Day ranges	Number of invoices paid to suppliers during the year ⁽ⁱ⁾		Total amount (million pesos) ⁽ⁱⁱ⁾		Total amount of interest for overdue payments (million pesos) ⁽ⁱⁱⁱ⁾		Number of suppliers ^(iv)		Number of agreements registered ^(v)	
	National	Foreign	National	Foreign	National	Foreign	National	Foreign	National	Foreign
Up to 30	7510	212	227	10	0	0	607	46	0	0
30-61	0	0	0	0	0	0	0	0	0	0
More than 60	0	1	0	5	0	0	0	1	0	0

Notes:

- i. Number of Invoices Paid: the number of invoices paid during the year to suppliers for each of the aforementioned ranges.
- ii. Total amount (millions of pesos): the sum of the value of the invoices paid during the year for each of the aforementioned ranges.
- iii. Total amount of interest for late payment of invoices (millions of pesos): the sum of the value of interest paid or payable for late payment or simple delay for invoices issued during the reporting period.
- iv. Number of Suppliers: the number of suppliers to which the invoices paid during the year correspond in each of the aforementioned ranges.
- v. Number of agreements registered in the Register of Agreements with Exceptional Payment Periods kept by the Ministry of Economy, when applicable.



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Our Contractors and Suppliers

Critical Suppliers

GRI: 2-28, 204-1 CMF 2-28

Colbun considers critical suppliers to be those whose performance is essential to the continued operation of our power plants, including suppliers of critical components and those who are not replaceable or who, by the nature of their work, could cause a serious environmental incident.

Out of a total of 3,200 suppliers in Chile, Colbun identified 98 critical suppliers, representing 3% of the total number of suppliers and 91% of the purchase volume. These are mainly in the financial, engineering, fuel supply, and waste management sectors.

In the case of Fenix, there are 96 suppliers identified as critical, representing 14.2% of the number of suppliers and 60.3% of the Company's purchases in 2022.

In 2022, the number of contractors in Chile increased by 17% compared to 2021, mainly due to new projects under construction..

In Peru, there were no variations.

Workers of Contracting Companies year 2022

CHILE 1,804

PERU 128

Total: 1,932*

**Workers of supplier companies subject to the Subcontracting Law.*

In 2022, the number of contractors in Chile increased by 17% compared to 2021, mainly due to new projects under construction. There were no changes in Peru.

Suppliers Geographical Distribution

GRI 204-1

CHILE

SUPPLIERS DISTRIBUTION IN CHILE

Region	Number of Suppliers	Quantity Proportion	Spending on Suppliers by region (Thou USD)	Spending Proportion
	2022	2022	2022	2022
V - Valparaiso	210	8.8%	16,838	8.8%
RM- Metropolitan	1,366	57.2%	139,676	72.8%
VI - Lib. Bdo O'Higgins	53	2.2%	1,407	0.7%
VII - Maule	101	4.2%	8,923	4.7%
VIII - BioBio	391	16.4%	19,096	10.0%
XIV - De los Rios	20	0.8%	432	0.2%
X - Los Lagos	104	4.4%	1,338	0.7%
III - Atacama	46	1.9%	1,049	0.5%
II - Antofagasta	63	2.6%	775	0.4%
Other Regions	34	1.4%	2,216	1.2%
Total	2,388	100%	191,750	100%

PERU

SUPPLIERS DISTRIBUTION IN PERU

Region	Number of Suppliers	Quantity Proportion	Spending on Suppliers by region (Thou USD)	Spending Proportion
	2022	2022	2022	2022
Lima Metropolitana	485	98.0%	16,440	97.9%
Chilca-Salinas	9	1.8%	66	0.4%
Other	23	4.6%	279	1.7%
Total	495	100%	16,785	100%

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Our Contractors and Suppliers

Risks and Controls



Regulation Framework

› Code of Ethics

It is the document that contains the principles, values, and practices that should guide the daily actions and decisions of our employees, contractors, and suppliers. It applies to all contractors and suppliers in Chile and Peru and is part of all our contracts, with distribution on the Supplier Portal and annual meetings with contractors and suppliers.

› New Code of Conduct for Contractors and Suppliers

The main purpose of this new document is to guide the behavior that Colbun expects from its contractors and suppliers in four areas: People, Human Rights and Working Conditions; Occupational Health and Safety; Environment and Communities; and Business Integrity and Compliance.

› REECS

Another regulation that applies to our suppliers is the Special Regulation for Contractors and Subcontractors (REECS), which is reviewed and updated annually.



Exchange of Best Practices

GRI: 202-2, 203-2, 308-1, 308-2, 414-1, 414-2

Colbun encourages the sharing of best practices with our contractors and suppliers in the following areas:

- Safety Standards
- Quality Standards
- Environmental and Social Standards

› Labor and Safety Practices

We have incorporated labor, health and safety standards and compliance with Colbun's Code of Ethics into all of our bidding and contracting processes with collaborating companies. These guidelines are included in the Special Rules for Contractors and Subcontractors (REECS) and the Code of Ethics. In addition, the accident rate of our contractors is one of the targets that influence the performance evaluation of the entire company.

› Environmental Practices

Environmental standards are also specified in contracts through the REECS guidelines. Compliance with the requirements set out in the Environmental Qualification Resolution (RCA) for the service to be contracted is checked 100%. In the event of non-compliance, Colbun communicates directly with the contractors, requesting an explanation and appropriate remediation. Serious or repeated misconduct may result in early termination of the contract or service.

2022 Milestones and Initiatives

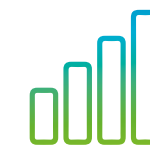
› SSINDEX SUPPLIERS Certification for Chile and Peru



Colbun became part of the Stakeholders Sustainability Index (SSINDEX) and obtained the SSINDEX SUPPLIERS Certification for our operations in Chile and Peru.



In addition, the company scored 13% above the average of SSINDEX companies in the supplier category in Chile and 18% above the average in Fenix.



Developed by Yale University, the SSINDEX is a business risk and sustainability indicator that gathers information from multiple stakeholders. In the most recent measurement, 89% of suppliers in Chile validated Colbun's work on social, environmental and governance variables. In Peru, this percentage reached 94%.



This 360-degree analysis - which includes community and investor engagement - has allowed Colbun to reduce gaps and strengthen an integrated strategy with targets and indicators on various issues, complementing annual risk audits and other sustainability measurements.

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Our Contractors and Suppliers

Socio-environmental Practices Assessment

GRI: 308-1, 308-2, 412-3, 414-1, 414-2
NCG 461: 7.2

★ Reputation and Risk Survey (annual)

Considers specific questions regarding their working conditions, related to occupational safety and health, child and forced labor, freedom of association, etc. No relevant risks were identified through this tool.

👁️ Monitoring Platform

The Company also has a platform called Clever, which makes it possible to accredit the personnel of contractors and obtain indicators related to environmental and social aspects. It also evaluates, for example, the accident rate or claims before the labor inspectorate.

🏆 Certification

Sending certifications of compliance with labor and social security obligations, delivered by the respective Labor Inspectorate.

Field Audits

› Administrators

Colbun's Contract Administrator, with the support of the Environmental Department, monitors the commitments included in the terms of reference of contracts with potential environmental impact. Prior to the execution of the service, the companies must prepare a matrix of the risks associated with each activity, which is reviewed by the Environmental and Occupational Health and Safety Manager (MASSO). For more complex services, the presence of a risk prevention officer on site is required.

In addition to all of the above, critical fuel transport suppliers must meet the high standards required by the national fuel transport industry.

Supplier evaluation process at the selection stage in Chile and Peru 2022
308-1, 414-1

	2022 SUPPLIER SELECTION PROCESS	CHILE		PERU	
		Total No of Suppliers	Total No of Critical Suppliers	Total No of Suppliers	Total No of Critical Suppliers
	No of New Suppliers	1006	92	160	15
Environmental Assessment (308-1)	308-1 New suppliers that were screened using environmental criteria	153	0	25	6
Social Assessment (414-1)	414-1 New suppliers that were screened using social criteria (Human Rights, labor practices, social impacts)	927	2	18	5

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Notes:

1 All service companies operating in the power plants and projects must comply with the Environmental Protection Standards (clause included in the contracts) and the REECS (Special Regulations for Contractors and Subcontractors), to prevent environmental and safety risks.

2. Although there were no suppliers with significant actual impact, subsequent training was provided to those suppliers that had a minor environmental incident.

3. All suppliers under the Subcontracting Law are socially assessed. They must attach a monthly certificate of compliance with the payment of labor contributions and are subject to an internal audit. Additionally, in Chile, Puerto Coronel, Electrogas, and Gas Andes are included. Other mechanisms used to socially evaluate these suppliers are Equifax (299 suppliers registered in Chile, which are reviewed for delinquencies, tax situations, etc.) and the annual ESG Survey (127 supplier companies surveyed in Chile and 44 in Peru).

4. All contractor personnel associated with our facilities must present their work contract, as well as the work modalities and shifts, by the Internal Regulations for Contractors and Colbun's Code of Ethics.

5. During 2021 there were no contractor companies with significant environmental or social impacts in Chile or Peru, so no corrective actions had to be applied.

6. The Sustainable Management team reviews monthly 2 or 3 contractors from each plant at random, to confirm if the information on monitoring social and environmental aspects is available and updated in the Clever platform.

Evaluation of already contracted suppliers in Chile and Peru 2022 308-2, 414-2

2022 EVALUATION OF ALREADY CONTRACTED SUPPLIERS		CHILE		PERU	
		Total No of Suppliers	Total No of Critical Suppliers	Total No of Suppliers	Total No of Critical Suppliers
No of New Suppliers		3.200	98	677	96
Environmental Assessment (308-2)	No. of suppliers evaluated in relation to environmental impacts..	299	17	142	45
	No of suppliers identified as having significant negative environmental impacts: a) Potencial b) Real	a) 74 b) 0	a) 10 b) 0	a) 21 b) 0	a) 10 b) 0
	No of suppliers identified as having significant negative environmental impacts -potential and actual- with which agreements have been reached: a) improvements have been agreed upon as a result of an assessment b) the relationship has been terminated as a result of the evaluation	a) 0 b) 0	a) 0 b) 0	a) 0 b) 0	a) 0 b) 0
	Description of significant negative nvironmental impacts - potential and actual - identified in the supply chain.	High environmental risk: fuel transportation spills; handling of oils and lubricants in plant maintenance; waste disposal and chemical product spills.			
	Actions to prevent significant environmental risks	1) The Environmental Protection Standards include a series of environmental compliance guidelines, which are subject to audit by the Environmental area. 2) The contracts signed through the terms of reference have a matrix showing the potential environmental impacts of their own activities. The "Safe Work Analysis" (SWA) document is another tool used daily in the field to evaluate environmental aspects and control measures to avoid impact.			
Social Assessment (414-2)	No. of suppliers evaluated in relation to environmental impacts.	301	19	105	30
	No of suppliers identified as having significant negative environmental impacts: a) potencial B) real	a) 220 b) 0	a) 12 b) 0	a)15 b) 0	a) 9 b) 0
	N° of suppliers identified as having significant negative environmental impacts -potential and actual- with which agreements have been reached: a) improvements have been agreed upon as a result of an assessment b) the relationship has been terminated as a result of the evaluation;include the reason.	a) 0 b) 0	a) 0 b) 0	a) 0 b) 0	a) 0 b) 0
	Description of significant negative environmental impacts - potential and actual - identified in the supply chain.	1) High safety risk: serious and fatal accidents due to work with energized equipment, work at heights, heavy machinery, work in confined spaces, among other plant maintenance activities. 2) High social risk: intensive in local labor.			
	Measures to prevent risks of significant environmental impacts.	1) The contractor company must send the certifications of compliance with labor and social security obligations, delivered by the respective Labor Inspectorate. 2) The contract administrator is responsible for monitoring collective bargaining dates. 3) All contracts include clauses regarding the Code of Ethics and the Regulations for Contractors and Subcontractors. 4) Annual ESG survey of contractors to raise perception and risks.			

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Our Contractors and Suppliers

Sustainability Criteria Analysis in Chile

NCG 461 5.

All service providers, whether contractors or suppliers are analyzed to decide whether to enter a contractual or commercial relationship, regardless of materialization. During the commercial relationship, the sustainability indicators of suppliers and contractors are continuously monitored by the:

- Dicom's financial and employment background.
- Politically Exposed Persons (PEP).
- Monthly reporting of Accidents and Injury rates.
- Compliance with labor and social security obligations (payment of salaries),
- Criteria related to labor obligations, occupational health and safety, environment, etc.

Suppliers analyzed under sustainability criteria		% they represent of the total analyzed		% of total purchases by sustainable suppliers	
Nacional	Foreign	Nacional	Foreign	Nacional	Foreign
289	10	97	3	98	2
299		100		100	



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Health and Safety

Occupational Health and Safety

GRI 403-8
NCG 461: 5.6

Goal

Prevent the occurrence of accidents to employees and contractors who must perform their normal work in accordance with the Company's occupational health and safety standards and procedures at all times.

Specific Targets

- ✔ "Zero accidents" commitment and management.
- ✔ Keep our workforce healthy and fit.
- ✔ Excellence in our operations to avoid impacting the health and safety of neighboring communities.

Safety Culture

Safety has become a central focus of Colbun's management. The goal is to develop our own culture that is a measure of a job well done. We want each employee and contractor to be the protagonist of their care, the care of their colleagues, and the challenge of allowing themselves to be cared for.

Colbun has a Safety, Health and Environment Policy and an Integrated Management System that implements legal obligations and company requirements to promote this safety culture.

In 2022, the consolidated Frequency Rate was 1.34, considering workers and contractors in Chile and Peru, compared to 2.47 in 2021.

Management System Coverage

Safety, Occupational Health and Environment System (SGI) coverage in the case of Chile reached 100% of employees (971) and contractors (*1,804 people).

This system is certified under ISO 45001.2028 and OHSAS 18.001 standards by an external specialist company.

In Peru, 100% of our employees (119 people) and contractors (*128 people) at Fenix Power Plant and Magdalena offices are covered by an occupational health and safety management system, which has been verified by an internal auditor.

**Note: Contractors in both Chile and Peru are accounted for every month, through digital systems.*

Strategy

The Company has an Occupational Health and Safety Strategic Plan generated in 2017, which includes the following axes:

01. Safety Leadership Development
02. OHS Goals
03. Safety Communication
04. Procedures and Regulation
05. Occupational Health Management

Procedure

Colbun has a procedure that defines the methodology for hazard identification and risk assessment. This process is led by the area manager/supervisor with the assistance of the OHS Supervisor as required.

Possibility of Complaints

All employees in the company have the opportunity to report risks or hazardous work situations through various channels: Safe Work Analysis (performed daily before each job), inspections and observations, directly to their manager or supervisor. These concerns can also be reported through the Joint Health and Safety Committee. There is a procedure for reporting Observations and Inspections PRO 169 that indicates how to report safety conditions or safety behaviors that could create a hazardous work situation.

No worker will face retaliation if they report such situations.

Internal Regulation

Article 70° of the Order, Hygiene and Safety Regulations stipulates that any employee who is assigned to perform a task for which he/she has not been trained and/or who suspects a risk of accident that has not been assessed and controlled must inform his/her immediate superior. In addition, the worker may refuse to perform such hazardous work until the above is done and the appropriate control measures are taken.



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Health and Safety

Occupational Safety Indicators

NCG 461: 5.6
SASB: IF_EU-320 a.1
GRI: 403-9, 403-10

FATALITIES AND INJURIES DUE TO WORK-RELATED ACCIDENTS, LOSS OF TIME, OF OWN EMPLOYEES (403-9)

Location	Total N° own employees 2022	Total hours worked 2022	Fatalities resulting from an occupational accident					Recordable work-related injuries, with lost time (LTIFR)				
			Rate				N° of People	Rate				N° People
			2019	2020	2021	2022		2022	2019	2020	2021	
Chile	971	2,306,700	0	0	0.41	0	0	0.43	0	1.67	1.30	3
Peru	119	276,780	0	0	0	0	0	3.58	2.7	0	0	0
Global	1,090	2,583,480	0	0	0.38	0	0	0.77	0.37	1.5	1.16	3

Note: During 2022 there were no fatal accidents to report. There were 3 recordable work-related lost time injuries in Chile, associated with blows and sprains. Two in Santiago offices and one event at Complejo Santa María. The data covers 100% of our own workers.

FATALITIES AND INJURIES DUE TO WORK-RELATED ACCIDENTS, LOSS OF TIME, OF CONTRACTORS (403-9)

Location	Total N° own workers 2022	Total hours worked 2022	Fatalities resulting from an occupational accident					Recordable work-related injuries, with lost time (LTIFR)				
			Tasa				N° Personas	Tasa				N° Personas
			2019	2020	2021	2022		2022	2019	2020	2021	
Chile	1,804	3,247,001	0	0	0	0	0	1.81	2.67	3.69	1.53	5
Peru	119	154,213	0	0	0	0	0	3.58	2.7	0	0	0
Global	1,932	3,401,214	0	0	0	0	0	1.62	2.42	3.46	1.47	5

Note: There were no fatalities due to injuries resulting from an occupational accident in 2022 in the case of contractor companies. In terms of recordable work-related injuries with lost time, there were 5 people injured: Central Canutillar (cutting injury), Colbun Complex (blow), Nehuenco Complex (fall from the same level), Machicura (sprained foot), Santiago Offices (sprained foot). The data covers 100% of our contractor workers.

NEAR MISS RATES (SASB IF_EU-320 a.1)

	Near Miss Rate*	Own Employees	Contractor Employees	Global
		2022		
Chile		1.56	0	0.65
Peru		0	0	0

Rates are calculated as: (statistical count x 200 000) / hours worked. *A near miss is defined as an unplanned incident in which no property or environmental damage or personal injury occurred, but in which damage or personal injury could easily have occurred but for a slight circumstantial change.

Occupational Safety (NCG 461: 5.6 GRI 403-9, 403-10)

	Own Employees		Contractor Employees		Global	
	Chile	Peru	Chile	Peru	Chile	Peru
Total number of employees	971	119	1804	128	2775	247
Number of occupational accidents	3	0	5	0	8	0
Number of fatalities due to occupational accidents	0	0	0	0	0	0
Number of fatalities due to occupational accidents	2	0	0	0	2	0
Days lost due to accidents	30	0	55	0	85	0
Days lost due to accidents including fatalities	30	0	55	0	85	0

Occupational Safety (NCG 461: 5.6 GRI 403-9, 403-10)

	Own Employees		Contractor Employees		Global	
	Chile	Peru	Chile	Peru	Chile	Peru
Accident Rate	0.31%	0%	0.28%	0%	0.29%	0%
Fatality Rate	0%	0%	0%	0%	0%	0%
Occupational illness rate	0.21%	0%	0%	0%	0.07%	0%
Average days lost per accident	10	0%	11	0%	10.63	0%
Average days lost per accident including fatalities	10	0%	11	0%	10.5	0%
Days lost per accident including fatality	30	0	55	0	85	0

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Health and Safety

2022 Campaigns and Courses

Periodic Trainings

The annual training program includes various courses that are given periodically: safe driving, handling, and use of fire extinguishers, first aid, protection against UV radiation, handling of hazardous substances, boiler operation, and occupational health protocols.

Contractors and subcontractors also receive training in Occupational Health and Safety induction and OHS matters. In 2022, a total of 5,399 people received OHS induction.



Health and Safety Campaigns

› Vive Más Program (Live Longer)

Colbun developed in 2022 a campaign to strengthen the health care of people, technically supported by a multidisciplinary team of nutritionists, physical trainers and nurses, to improve their lifestyle and migrate to a healthier style. A total of 106 people participated in this campaign "Quality of Life Program - Vive Más".

› Occupational Health and Healthy Living

The Company monitors the exposure of employees in their jobs, identifying risk agents (doses, concentrations, and exposure times) that allow quantifying their magnitude to propose control measures.

The Company has mandatory health insurance (Law 16,744), which is administered by the Asociación Chilena de Seguridad (ACHS) and covers all employees for occupational accidents and diseases. In addition, this insurance provides preventive, medical, and economic benefits. This insurance is at the full cost of the employer.

Any employee who suffers an accident at work or an ailment due to an occupational disease can have access to this system.

The ACHS carries out qualitative and quantitative evaluations of the risks that may affect employees, to identify risk factors to people's health and establish control measures to minimize the employee's exposure.

› Occupational Safety Protocols

Health protocols seek to minimize risks to employees and allow monitoring of individual health status. Noise is the main health risk identified at Colbun's plants.

To reduce potential risks, health protocols have been implemented, among which the following stand out:

- + Occupational Exposure to Noise Program (PREXOR).
- + Silicosis Eradication Plan for the year 2030 (PLANESI)
- + Work-related Musculoskeletal Disorders of the Upper Extremities (TMERT-EESS)
- + Manual Handling of Loads (MMC)
- + Psychosocial Disorders (PSD), Asbestos, and Non-Ionizing Radiation (Rad UV A/B). All these protocols are framed within the hygiene plan that includes, among other actions, qualitative evaluations and previous studies in all plants.

› Occupational Health Surveillance

We systematically conduct occupational health screenings to ensure that employees have the physical capabilities necessary to perform their jobs, and we follow up with employees who show some degree of change in their health assessment. This encourages employees to consult their health insurance and seek appropriate medical treatment. The information gathered is presented to the Health Committee, which consists of three members from Organization and Human Resources Management and three members from Occupational Health and Safety Management. Zero occupational diseases has been Colbun's focus.

In 2022, a total of 827 people participated in the preventive examination campaign.

At the same time, wellness activities were carried out, including vaccination campaigns, visual health programs, and general care.

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Health and Safety

Safety in our Facilities

EU21

› Emergency Plans

The Company has emergency plans for each of its facilities based on the new corporate procedure that seeks to implement homogeneous and effective plans so that their application is clear and simple for everyone in the company.

The objectives and scope of this procedure include:

- + Control the emergency with the means available and defined in Colbun S.A.
- + Minimize possible losses, both human and material.
- + Control or mitigate possible socioenvironmental effects.
- + Avoid or minimize consequences in communication with the environment.
- + Optimize the resources available to solve the emergency.
- + To avoid its repetition, as a form of continuous improvement.

A total of 620 people between Peru and Chile were trained in 2022, representing 60% of the total workforce. Topics covered included first aid drills, dealing with oil spills in confined spaces, flammable liquid spills involving personal injury, and accident and fire drills.



Community Safety Management

GRI 413-2, EU21

The company socializes the emergency plans with the communities to involve them in their well-being and safety.

› Colbun Complex:

- + **Reservoir Law Protocol:** In 2016 Colbun participated in an agreement with the DGA, the Meteorological Directorate, ONEMI and other companies in the sector to adopt preventive measures to avoid or mitigate the risks of possible flooding of Maule River.
- + **Discharges:** When Colbun reservoir must discharge water, the company coordinates with ONEMI and informs local and regional authorities in advance.
- + **Colbun's Power Plant Tailrace Canal:** A safety dissemination campaign was conducted during 2021 summer to promote self-care in the communes of Colbun and Yerbas Buenas. 2022 campaign incorporated the Fire Department and involved an agreement with the Municipality of San Clemente to close access to the San Clemente Canal.
- + **Machicura Reservoir Flow Study:** In view of the growing recreational use of the reservoir by the Machicura Resort and its associated sports activities, and the holding of triathlon and canoeing competitions, a flow study has been developed to evaluate the current levels in different generation scenarios. The detailed analysis of this study will make it possible to validate the compatibility of the different sectors with the exercise of sports activities, allowing, in 2023, their zoning and the updating of safety measures.

› Angostura Power Plant:

- + **Flood protocol:** Two relevant projects (Industrial Bridge and Railway Bridge), which are being built downstream of the power plant, were consulted on the explanation of the operation of the plant and the protocol for opening the flood-gates. Their representatives were added to the database that is informed of the opening of floodgates.
- + **Presentations to neighboring communities:** During three community dialogues held in our areas of direct influence (Alto La Paz, Lo Nieve, and San Ramón Committees), presentations were made that focused on explaining the operation of the plant during the winter, with an emphasis on the opening of the sluice gates. In addition, Onemi responded to requests for information and participated in the Santa Barbara Emergency Operating Committees.
- + **Additional Safety Measures:** Throughout the summer, the flow variation limitation was reinstated during daylight hours to avoid risks for tourists entering the river in unauthorized places. At the same time, the communication campaign for responsible access to the river continued and progress was made in the installation and white march of the first 3 traffic lights of the flow variation information system, which was presented to the municipalities. Finally, a fishing championship was organized to specifically sensitize these users to the behavior of the river.

› Aconcagua Power Plant:

- + **Safety signage:** since 2015, signs and sirens have been permanently in place to indicate the occurrence of flow increases due to sudden discharges in different areas of the basin.
- + **International Road Campaign:** Although this is a public road and is not part of our facilities (although it is used by Colbun personnel), the Company conducted a road safety campaign with neighbors to avoid traffic accidents.

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Community Relationship and Development

Principles and Management Model

GRI: 413-1
NCG 461

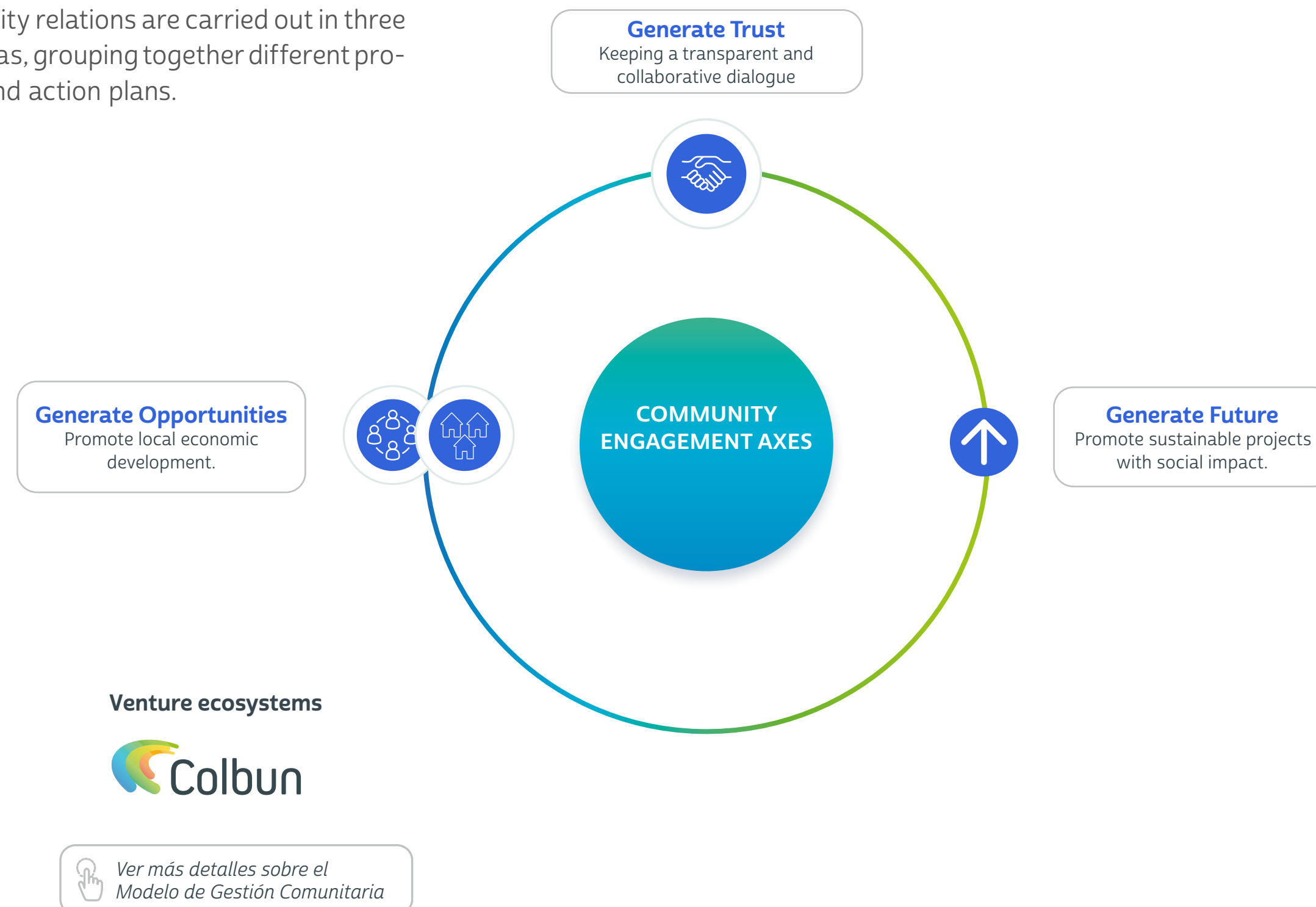
We strive to be a good neighbor in every community where we operate. As such, we seek to develop and strengthen cooperation by making the most of our infrastructure, technical expertise and value creation capabilities. In this process, we mitigate our negative impacts through a timely and preventive assessment of our operations, and enhance the positive ones, so that we can deliver social value from our production to the environment.

The following diagram illustrates the principles of this vision.



Community Relationship Axes

Community relations are carried out in three main areas, grouping together different programs and action plans.



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Community Relationship and Development

Building Trust: The Key to Constructive Dialogue

GRI 2-16,2-25,2-29, 413-1, 413-2

Our projects are based on active listening to the communities and local governments where they will be located, whether in Chile or Peru. A minimum of six months to a year in advance of an environmental license application is spent talking to communities and authorities to understand their vision and priorities.

Various communication channels are kept active during project development, such as community WhatsApp, surveys, public accounts, community dialogues, local radio programs, complaints and contact lines to improve processes. Our community relations teams maintain direct contact with neighbors and local authorities during the operational phase.

The Engineering and Projects, Operations, Environment, and Public Affairs teams are involved in these processes.

Potential Positive Impacts on Local Communities

Positive Impacts - Operation	Power Plants or Basins
Potential contracting of local services and/or products	All Power Plants
Tariff reductions for municipalities with power plants in operation (Law No. 20,928 on tariff equity, 2016).	All Power Plants
Social investment in the community	All Power Plants
Potential strengthening of trade union activity	All Power Plants
Infrastructure and tourism activity (Hydropower)	Maule, Angostura, Canutillar
Water storage and irrigation infrastructure (hydropower)	Aconcagua y Maule

Potential Negative Impacts on Local Communities (413-2)

Negative Impacts - Operation	Power Plants or Basins
Potential impact on terrestrial and aquatic ecosystems (hydropower), including river flow and regime.	Aconcagua, Maule, Angostura, Canutillar
Potential impact on communities' access to water due to the canalization of hydroelectric power plants.	Aconcagua
Landscape alteration	Hydro and thermal power plants
Potential increase in the perception of safety risk (in the event of flooding and/or fire).	Maule, Angostura, Santa María, Nehuenco
Potential effluents and hazardous and non-hazardous waste (thermoelectric power plants)	Santa María, Nehuenco, Los Pinos, Candelaria
Atmospheric emissions and discharges (thermal power plants)	Santa María, Nehuenco, Los Pinos, Candelaria
Water consumption (thermal power plants)	Nehuenco
Noise (thermoelectric and wind power plants)	Santa María, Nehuenco, Los Pinos, Candelaria



Citizen Participation and Preliminary Consultation

Colbun's definition is to carry out voluntary and early citizen participation processes in all its investment projects, systematically and through pre-established procedures. These processes are carried out before submitting the environmental impact studies of the projects to the Environmental Impact Assessment System and include different instances - such as presentations, talks, and dialogue tables - to inform communities, authorities, and local organizations about the characteristics of our projects promptly, collect their comments and establish working agreements that allow us to promote local value. These processes are then complemented by community involvement, which is mandatory during the EIA process and includes open houses, community presentations, and the distribution of information materials.

Although the communication channels for this work vary on a case-by-case basis because each project and community is different, the company typically has a community manager for each project, a local office, and phone and e-mail numbers where the community or interested parties can send their inquiries. In addition, brochures, videos, radio announcements, and other informational materials are made available to the public.

Thus, in May 2022, Colbun submitted the Environmental Impact Statement "Adjustment to the Northern Electric Transmission Line of the Horizonte Wind Project". The local managers carried out different actions to disseminate the initiative and specific outreach to the indigenous communities of Changos, who were able to learn everything related to the project in the field. This type of relationship was also carried out in the following projects: Portezuelo Substation Expansion (Marchigüe Municipality, O'Higgins Region); New Codegua Substation (Codegua Municipality, O'Higgins Region); Cuatro Vientos Wind Project (Llanquihue, Los Lagos Region); and Junquillos Wind Project (Mulchén Municipality, Biobío Region).

In addition, in 2022, the Company decided not to execute the San Pedro Hydroelectric Project, Los Rios Region, after four years of submitting the Environmental Impact Study to the Authority, which was directly communicated to the local community before the public announcement of this decision.

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Community Relationship and Development

Participatory Design and Community Infrastructure

GRI: 203-1

Huella Local Alliance

As a result of the alliance with Fundación Huella Local in Chile, and in coordination with the municipalities of the Biobío Cordillera region, which includes the municipalities of Antuco, Santa Bárbara, Quilaco and Quilleco, high-impact social projects have been developed that contribute to SDG 17 on "Partnerships to Achieve the Goals". In 2022, this work will be awarded in the competition "Good Practices for a More Sustainable Electric Future".

The program provides advice and strengthens local teams in the municipalities involved, on methodologies to formulate projects. Since 2018, the program has enabled the implementation of a total of 54 projects, benefiting more than 95,000 people in the aforementioned communes and a leverage with regional public funds for \$2,800 million.



Potable Water

Through the seawater desalination plant, Fenix provides the community of Chilca with quality drinking water on a daily basis, free of charge. In 2022, 379,993 m3 will be delivered with an investment of US\$ 494,000. This project is very relevant for our company in the context of the existing water stress in the area, and through the desalination of seawater for power generation, we provide water to the communities and ensure that the volume of fresh water is not reduced, positively impacting its quantity for irrigation of green areas and human consumption.

Local Rural Drinking Water (APR)

Being part of the territory also means being aware of the different realities experienced by the communities. These include water and its availability in terms of quantity and quality. In 2022, we continued to support local RPAs with equipment, the provision of land on loan, and other needs. This is the case of the delivery of water storage tanks to the Las Vizcachas APR Committee of the Las Vizcachas Hydroelectric Complex. Or the improvement of the drinking water network of the APR San Dionisio as part of Machicura Solar.

With these initiatives, we also contribute to SDG N°6 to Ensure access to water and sanitation for all.

Hydroponic Orchards

As part of Fenix's ongoing work with the soup kitchens of Chilca, we installed hydroponic gardens in some of the district's soup kitchens with the sole purpose of providing healthy food. In partnership with Banco de Alimentos Peru, we delivered more than 24,700 kilos of food to 520 people. In this way, we also contributed to SDG 2 on "Zero Hunger".

Teriitorial Boards

Acting with a preventive approach is key to building trust, one of our principles in community relations. To this end, we generate territorial social roundtables where we talk with neighbors about social, environmental, and other issues, and we can identify potential risks. At the same time, this work is an opportunity for the communities to know what we do. These roundtables are held in Chile every two months and operate based on tacit agreements. In 2022, around 20 roundtables were held in the different territories where we are present.

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Community Relationship and Development

Generating Opportunities: Suppliers and Local Employment

GRI 203-1, 203-2, 204-1

Goal

Colbun promotes the purchase of goods and services from local suppliers, to the extent that they meet the technical and commercial conditions required for a reliable commercial operation.

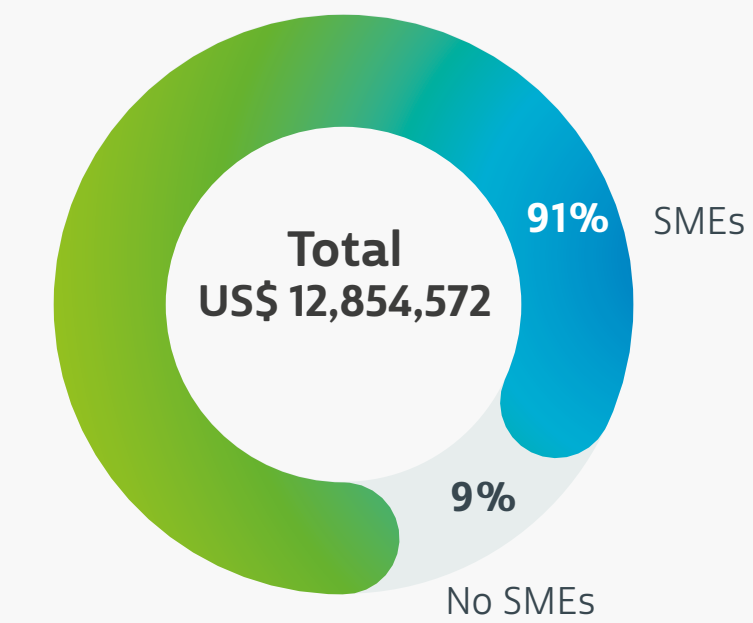
2022 Performance

In 2022, we worked with 272 local suppliers in Chile, with purchases of US\$12,854,572 million. In the case of Fenix, US\$66 thousand was invested in the purchase of goods and services from local suppliers.

Boosting Local Trade - Chile (in Colbun's areas of influence)

Commune Report	No of Suppliers	Spending in US\$
Los Andes	40	2,644,857
Quillota	24	5,333,978
San Esteban	5	16,459
Total Valparaíso	69	7,995,294
Curacaví	20	441,743
Til Til	1	319,980
Total RM - Metropolitana	21	761,723
Codegua	4	10,205
Mostazal	7	192,562
Total Lib. Bdo. Ohiggins	11	202,766
Colbun	19	1,646,050
San Clemente	1	3,533
Yerbas Buenas	3	80,140
Total Maule	23	1,729,723
Antuco	2	2,726
Cabrero	14	271,970
Coronel	44	580,942
Quilaco	6	174,767
Quilleco	1	2,418
Santa Bárbara	22	289,963
Total Biobío	89	1,322,785
Cochamó	8	92,833
Total Los Lagos	8	92,833
Los Lagos	1	418
Panguipulli	2	128,110
Valdivia	16	206,773
Total Los Ríos	19	335,301
Diego de Almagro	13	341,482
Total Atacama	13	341,482
TalTal	19	72,664
Total Antofagasta	19	72,664
Total general	272	12,854,572

Proportion of Spending on Local Suppliers by Company Size in Chile



Boosting Local Trade - Peru

Commune Report	No of Suppliers	Spending in US\$
Chilca-Salinas	9	66,000

Purchases in communes of influence Colbun-Peru

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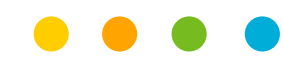
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Community Relationship and Development

Generating Future: Community Development Program

GRI: 203-1, 203-3
Colbun-3.SO

Based on our concept of a sustainable company in all its dimensions, at Colbun we make our infrastructure available to create entrepreneurial ecosystems, which install skills and knowledge in the communities that allow them to improve their quality of life. We have a strategy that is embodied in the Community and Society Manual and in a Donations Policy. In 2022 the company invested US\$ 4.6 million in Chile and Peru.

The Company invested US\$ 4.6 million in Chile and Peru in 2022.

- **Energy for Quality of Life:** these are infrastructures and public spaces for tourism and other entities that contribute to a better life for the people of the territory.
- **Energy for Entrepreneurship:** Aims to strengthen capacity in product development and employability.
- **Energy for Education:** Support through scholarships, courses and infrastructure in schools.

COMMUNITY INVESTMENT AND BENEFICIARIES IN CHILE Colbun 3.SO

Pillar		Community Investment 2022 (USD)		No Direct Beneficiaries 2022	
Generating Trust	Energy for Participation	374,798	10.1%	134,218	24.7%
	Energy for Education	370,951	10.0%	23,824	4.4%
	Energy for Entrepreneurship	436,697	11.8%	3,147	0.6%
Generating Future	Energy for Quality of Life - Sports, Environment and Leveraging Funds	990,660	26.7%	42,922	7.9%
	Energy for Quality of Life - Public Space and Green Areas	322,372	8.7%	6,220	1.1%
	Energy for Quality of Life - Tourism Promotion	579,879	15.6%	330,644	60.9%
	Energy for Quality of Life - Health	12,286	0.3%	1,250	0.2%
	Others	Othes	623,790	16.8%	380
TOTAL		3,711,433	100%	542,605	100%

Notas: * "Other" refers mainly to administrative expenses and donations to charitable institutions. It should be noted that, in accordance with the law, Colbun S.A. does not make political and/or charitable contributions as a means of bribery or corruption in Chile or Peru (GRI 415-1 standard).

COMMUNITY INVESTMENT AND BENEFICIARIES IN PERU Colbun 3,SO

Pillar		Community Investment 2022 (USD)		No Direct Beneficiaries 2022	
Generating Trust	Public Account 2022	2,918	0.3%	36	0.3%
	Energy for Education (Yo Reciclo, Back to School, Primera Chamba, La Pre Fenix)	32,506	3.6%	3,272	24.3%
Generating Future	Energy for Entrepreneurs - Tourism (Reactiva Turismo, Enciende Emprendedor)	50,022	5.6%	57	0.4%
	Energy for Health (Polyclinic, Zero Anemia, I Have Energy)	283,730	31.7%	1,884	14.0%
	Quality of Life - Public space and green areas (Adopt a Tree)	6,544	0.7%	100	0.7%
	Energy for Quality of Life - Drinking Water, Environment and Leveraging Funds (Agua para Chilca, Talleres con energía, Héroe contra el Hambre, Huertos Hidropónicos)	518,438	58.0%	8,089	60.2%
	TOTAL		894,158	100%	13,438



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Community Relationship and Development

Community Investment Cases in Chile

Collaborative Development Program. The objective is to support small municipalities in the preparation and design of infrastructure projects, according to the needs expressed by the communities. Once these projects are defined, they are applied for public funds.

- During 2022, 15 projects were developed with the local communities of Santa Bárbara, Quilaco, Quilleco, Alto Biobío and Antuco.

› Entrepreneur Center Program:

We support entrepreneurs in the different regions where we are present through talks on seed capital, raising development funds, business management, incubation programs and e-commerce platforms.

- In Angostura, for example, the Angostura Destination tourism board was formed, linking all the stakeholders in the territory.
- In Coronel and Cabrero, around 800 people benefited from the activities of the entrepreneurship center open to the community.
- In 2022, these entrepreneurship centers leveraged public funds of US\$ 262,112.



Collaborative Bay Cleanup in Caleta Lo Rojas. Artisanal fishing is an essential activity for many families in Coronel, Biobío Region, and in this context, we support the removal of solid waste for proper disposal from 250 artisanal boats. Ten companies and 10 public services participated in this project, which is the result of a participatory diagnosis by the members of the Council for Environmental and Social Recovery of Coronel.

› Access to Tourist Spaces

- In collaboration with Fundación Huella Local, workshops were held with the community of Cochamó and Puelo to define portals, viewpoints and an information center.

- At Lago Chapo, a Visitor's House was built, offering a cafeteria service, an information and tourism center and information panels with an exhibition of products made by local entrepreneurs.
- En In Colbun Alto, a 15-year lease was renewed for the neighbors' association of the sector where our Colbun power plant is located, which involves 75 families. The objective is to make improvements to the existing infrastructure in the area and to promote local development and tourism.
- In the same commune, we worked on the development of the Paseo Pretil Machicura to generate an open and recreational space throughout the year.



› Mobile Veterinary Hospital.

Our Company had a vehicle equipped to carry out field operations for the canine and feline population in the commune of Colbun, an initiative in which the municipality participated and which benefited more than 22,000 households. This was the first initiative in the area and was highly valued by the community.

› Programa Cuido Mi Planeta.

En 2022 se trabajó en la gestión de residuos de 14 puntos de reciclaje que se encuentran emplazados en la comuna de Colbun a través de 14 juntas de vecinos a través del diseño e implementación de un centro de acopio municipal.

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Community Relationship and Development

Case Studies Community investment in Peru

› Power Impulse:

The goal is to create a route to market for 36 entrepreneurs in Chilca to improve the performance of their businesses through training in digital strategies and a Human-Centered Design approach. 66% of the participants believe that their business will be better after completing the training.

› I Recycle:

In order to generate a culture of environmental care in the new generations, this project was developed with two educational institutions through training workshops on paper recycling, recycling campaigns, a bio-garden at school, and the "I recycle" pictorial exhibition. A total of 1,150 students participated.

› Las Salinas Polyclinic:

The aim is to improve the quality of life of the residents who use this medical center through access to quality services. In 2022, it provided 2,408 services and benefited 1,772 people.

› Zero Anemia:

Together with the Chilca Micro Health Network and community agents, this project resulted in 82 children under three years of age no longer suffering from anemia, which represented an 84.6% success rate. Its strategy was to train parents to learn about iron-rich foods, raise awareness among the beneficiary population about the importance of hemoglobin screening and teach children to choose their food.

› Potable water for Chilca:

Since 2015, Fenix has been delivering free daily drinking water to the District Municipality of Chilca for distribution to benefit the local population. This project is part of the social commitment assumed in the Environmental Impact Assessment, in response to the community's need and due to the water shortage in the area.

The reverse osmosis plant has the capacity to desalinate seawater and produce up to 2,000 m3 of drinking water per day. This treatment plant is also used to produce demineralized water for the electric power generation process. An innovative shared value project.

During 2022, more than 379,000 m3 of drinking water were delivered, and so far around 8,000 residents have benefited.



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Community Relationship and Development

Main Socio-environmental Challenges

(GRI 413-2, Colbun-4 SO)

Water stress

Description

Due to the decrease in runoff in the last 13 years, especially in the basins of the central-southern zone of Chile, it is very important for Colbun to maintain constant communication with the monitoring stations of the basins where some of the complexes are located, such as the Aconcagua, Maule, Biobio and Laja river basins, in order to be able to immediately warn of any variation in runoff as a result of failures or maneuvers that cause certain delays and subsequent water surges.

Actions

As a result of good communication and participation with water users' organizations, it has been possible to generate agreements for efficient water use with other users, as in the case of the Maule and Biobío river basins, where it has been possible to make water available in times of greater water flow depression in the natural regime (change in the timing of water resource use), and thus have higher flows to support the productive activities of these users (irrigation, sanitation, industrial, etc.)

Santa María Power Plant

Description

As part of the decarbonization process, the Bocamina Thermoelectric Complex ended its operations in the Coronel district in 2022.

Actions Taken

The public accounts were resumed and 35 social leaders of the commune participated in the first one, and a new work table was created with the neighborhood councils of the Estero Manco and Erratchou Sector, to work on rat extermination programs, removal of non-traditional garbage and design of a project to improve access to Estero Manco. This is in the framework of more than 10 years of dialogue processes with the Mesa del Sector Sur (10 neighborhood boards) and the Mesa Pesca Futuro (12 artisanal fishing unions of Coronel).

Canutillar power Plant

Description

Lake Chapo's neighbors expressed their concern about the variations in the level of the lake that feeds the Canutillar power plant, a situation that makes access to their properties difficult.



Ations Taken

Colbun and the Lago Chapo Neighborhood Board agreed in late 2018 to submit a request to the National Electric Coordinator to consider a higher minimum elevation for Lago Chapo. Additionally, they established a Mesa de Turismo y Fomento Productivo (comprised of local neighborhood boards, the Municipality of Puerto Montt, public services of the region and the company) which, to date, has resulted in workshops and competitive funds to promote the development of tourism services and products, the enabling of a waterfront promenade, the construction of a Tourist Information Center and Cafeteria, and activities to

promote local tourism. In addition, at the beginning of 2021, an agreement was reached with the Tierra Austral Foundation to allocate a 430-hectare property owned by Colbun on the lake shore for conservation.

Despite the new operating conditions of the power plant, in recent years two lawsuits have been filed in the Valdivia court related to the effects of the operation of the Canutillar power plant on Lake Chapo.

Colbun continues to monitor the situation of the lake and evaluate opportunities for improvement.

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Human Rights and Due Diligence

Commitment

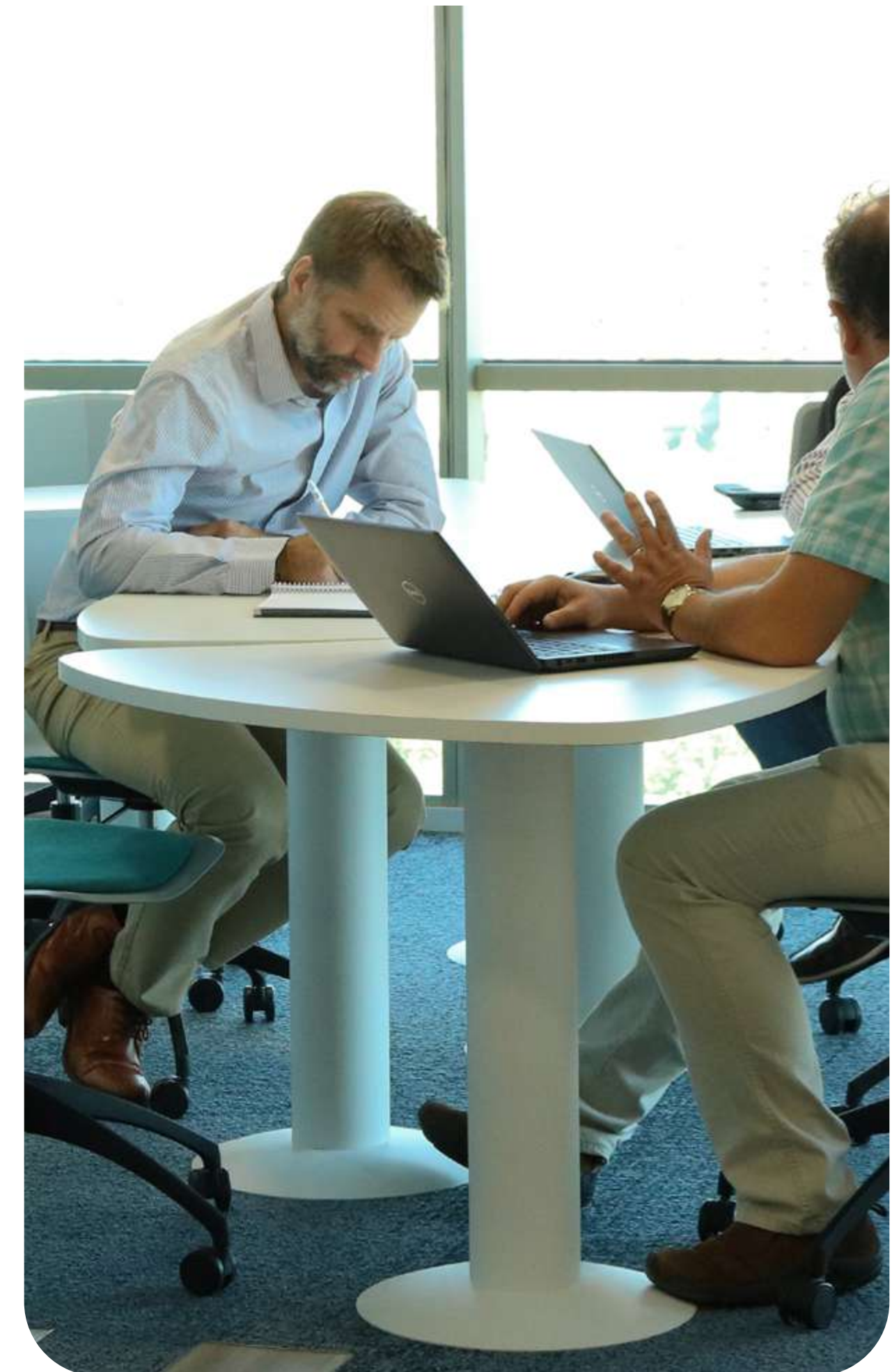
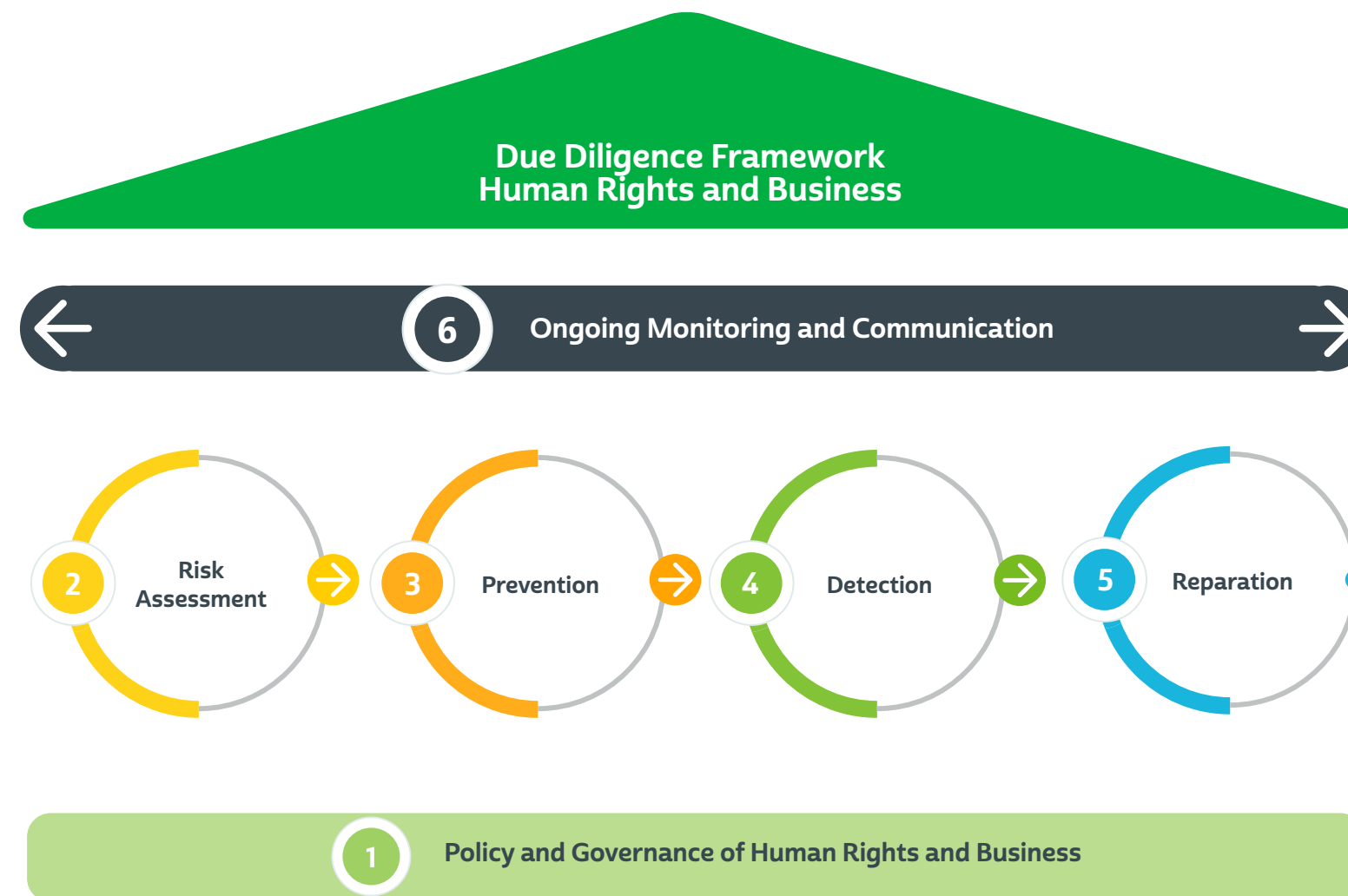
GRI: 406-1, 411-1, 412-1, 103-2

We reaffirm our commitment to the United Nations Guiding Principles on Business and Human Rights, and strive to respect human rights in our relationships with our employees, contractors, communities, clients, and any other stakeholder, and promote a risk prevention approach in proactively and systematically identifying the potential impacts that the company may have.

In terms of associative work with external organizations and other companies, during 2022 Colbun continued to lead the Global Compact Human Rights and Business Group, whose focus was to develop and disseminate the applicability of the Human Rights Risk Matrix developed in 2020 and 2021 by this same group, as well as the main lessons learned about the due diligence process. At the same time, a second version of the Human Rights Risk Matrix was launched, integrating several of the comments received by the companies that are part of the group.

With support from an interdisciplinary group of external experts from the Corporate Sustainability Program of the Pontificia Universidad Católica de Chile, an Human Rights Due Diligence process was carried out throughout 2022, which included gathering information directly from employees, neighbors, suppliers, and company executives, to identify risks and priority issues in this area, as well as to prepare recommendations for the integration and development of a continuous Human Rights risk management system at Colbun.

Evolution of Colbun's Emission Factor in Chile V/S SEN



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Human Rights and Due Diligence

Policy and Governance of Human Rights and Business

GRI 2-9, 2-12, 2-13, 2-16, 2-23, 2-24, 2-25
DJSJ 3.3.1, 3.3.2

Colbun's Human Rights and Corporate Policy compiles and summarizes the principles and values that guide the management of our company regarding human rights and whose violation is sanctioned by the provisions of the Code of Ethics, the Sustainability Policy, the Diversity, Equity, and Inclusion Policy, the People Management Policy, the Supplier Code of Conduct, among others.

The Policy expressly states Colbun's commitment to respect human rights and applies to all employees of the Company and subsidiaries in Chile and Peru, and to the relationships we establish with our contractors, suppliers, communities, and stakeholders.

Colbun's Board of Directors:

- Provides general oversight of the operation of the company's risk management system or ongoing human rights due diligence.
- Was directly informed by the external support team about the Human Rights Due Diligence process conducted on the company during 2022, as well as the main risks and impacts identified and the general recommendations for their management and follow-up.
- The company has delegated responsibility for managing the impact of the organization to the relevant areas, in particular Corporate Affairs Management, People Management, and Procurement Management, supported by Legal Management and Audit Management. Corporate Risk Management also plays a key role in the monitoring and control of Human Rights risks.

Any of the aforementioned areas have access to the Board of Directors, either through a specific committee or to the body in general, to present urgent and priority issues associated with any Human Rights risk. However, the Corporate Risk Management and the Sustainability Deputy Management present a general status of the Human Rights risk management system every six months, as well as the progress, challenges, and relevant changes in the risks included in the company's Human Rights matrix.



GOVERNANCE AND HUMAN RIGHTS

Superior Body:
Board of Directors

Supervision:
Corporate Risk Management, Corporate Sustainability Assistant Management and Legal Management

Implementation:
All Colbun's management, especially People Management, Procurement Management, and Corporate Affairs Management.

Review:
Internal Audit Management

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Human Rights and Due Diligence

Risk Assessment

Colbun has been conducting human rights due diligence processes since 2016 through internal processes and external consultants, using different strategies to assess human rights risks in both its operations and supply chain.

The most recent process was conducted in 2022 by an external, interdisciplinary team of experienced academics and researchers from the Corporate Sustainability Program of the Law School of the Universidad Católica de Chile.

The team identified current and potential risks and made recommendations to strengthen the company's ongoing human rights risk identification and management system.

The due diligence process was divided into two phases: a diagnosis of the main issues relevant to the company as a whole, and an in-depth exercise focused on the operations of the Aconcagua Complex. During this process, information was gathered from people who are part of or related to the company, such as employees, contractors, suppliers, or members of the communities adjacent to the facilities.

Risk Identification and Management System

The company is in the process of updating its continuous Human Rights Risk Management System, although it already had a human rights risk matrix and assigned responsibilities for its identification and management.

The purpose of the update is to incorporate the recommendations made by the external advisory team for continuous governance of Human Rights risks in the company, which works in an integrated manner and allows for unified supervision of compliance with controls aimed at

mitigating the main risks included in the risk matrix. The following diagram summarizes the system of identification and continuous management of Human Rights risks to be established.



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Human Rights and Due Diligence

Relevant Issues Identified in the Due Diligence Process

The following list does not exhaust the human rights issues that are managed on an ongoing basis by the company but rather is a list recommended by the external advisory team for follow-up in 2023.

Safety, work environment, and Treatment of Women in power plants	Safety, working environment, and treatment of male and female employees
Inclusion and non-discrimination of people of diverse sexual orientations.	Protection of the right of association, unionization and collective bargaining.
Prevention of forced labor and child labor in the global supply chain of power generation inputs.	Seguridad en rutas y caminos
Prevention of accidents in unloading processes or pipelines.	Violence or criminal acts by third parties against internal personnel and suppliers.
Operations are located in areas of water scarcity.	



Note: The scope of due diligence considered potential traditional impacts associated with subgroups such as indigenous communities, migrant children, among others. Priority human rights issues specifically associated with these special protection groups were not identified. Other topics assessed, as for example equal remuneration, were not identified as relevant priority issues for the company.



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Human Rights and Due Diligence

Prevention

During 2022, awareness and training sessions were held on human rights and due diligence, involving a total of 93 participants:

- More than six presentations and discussions on the framework applied to Colbun and its strategic management of this issue, such as legal, audit, risk, human resources, procurement, and public affairs.
- Provide a briefing to the management committee of the company on the business and human rights framework and the due diligence process.
- Present to senior management the Guiding Principles and what is involved in a human rights due diligence process.
- Presentation and discussion with company union leadership.
- Human rights dialogue with employees, operators and contractors of the Aconcagua complex.

- Presentation to a group of company directors and the CEO on human rights, due diligence, and issues relevant to the company.
- Regarding private security guards and guards at our facilities, in the case of Chile, the supervisory authority - the OS-10 Department of Carabineros - requires them to attend security retraining courses that include human rights issues. These courses are valid for two years for guards and three years for security officers. In 2022, 3 guards (out of a total of 5) and 39 security guards (out of a total of 95) received this course.

In Peru, 8 security guards were trained in the Health and Safety at Work Policy, which explicitly states the obligation to work with respect for human rights and fundamental freedoms, in accordance with the good practices of the ICOCA (International Code of Conduct), and to reject any act of discrimination.

Detection and Reparation

To determine whether there are situations in our operations or value chain that could potentially affect human rights, Colbun has risk identification processes in place, both internally, which are carried out on an ongoing basis, and externally, with the support of external consultants.

Internal systems to identify risks and impacts are the responsibility of each manager and are part of their ongoing responsibilities, particularly in areas that have a direct relationship with people who are part of or associated with the company, such as Public Affairs, Procurement, and Human Resources.

Regarding external identification processes, we have conducted several human rights risk assessments to date, the most in-depth and extensive of which was conducted in 2022 and described in the previous sections.

Colbun also has a whistleblower hotline available to its stakeholders to receive complaints of possible human rights violations. All complaints are followed by an internal investigation process led by Legal, Human Resources, and Audit management, which is confidential.

Following a consultation process with our stakeholders conducted by an external consultant in 2022, it was determined that the channels for receiving complaints are adequate and working, but some suggestions were made to strengthen the confidence of some human

groups in the organization in the tool, as well as to strengthen the dissemination of the channel to contractors and suppliers. These adjustments will be implemented in 2023.

The whistleblower channel is reviewed annually by Audit Management and has recently been reviewed by external consultants on gender, inclusion and human rights issues in general. Most importantly, the external reviews were conducted with consultation and feedback from Colbun's stakeholders.

The Audit, Sustainability, Public Affairs, and Procurement functions have conducted various cases in which the whistleblower hotline has been disseminated primarily through a meeting or contact with a stakeholder.

Furthermore, the results of stakeholder surveys (community, suppliers, investors, both for Chile and Peru) are presented annually to the Sustainability and Regulation Committee, which is composed of three members of the Board, including the Chairman and Vice-Chairman. This committee is composed of three directors, including the President and Vice President. These surveys gather the vision and perception of these stakeholders on various aspects of Colbun's environmental, social, and governance management.

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Human Rights and Due Diligence

DETECTION INSTRUMENTS IN Colbun

Instrument	Who applies it	Stakeholders	Operation
Human Rights Due Diligence Processes	External	Employees, Communities, Contractors, and Suppliers	All operations Chile - Peru
Whistleblower Hotline (Ethics Line)	Internal	Employees, Communities, Contractors, Clients and Investors	All operations Chile - Peru
Contact Line	Internal	Communities, Contractors, Clients	All operations Chile - Peru
ESG surveys, including Human Rights variables	External	Communities, Contractors, Investors	All operations Chile - Peru
Community dialogues	Internal	Communities	All operations Chile - Peru
Employee conversations	Internal	Employees	All operations Chile - Peru
Monitoring of contracts with contractors (compliance with payment of labor contributions).	Internal	Contractors	All contractors under the Subcontracting Law in Chile
Clever platform for accreditation and monitoring of contractors.	Internal	Contractors	All contractors under the Subcontracting Law in Chile
Field visits to identify safety risks	Internal	Employees, Communities, Contractors	All operations Chile - Peru
ESG requirements in bids ("Goal 8")	Internal	Contractors	All operations Chile - Peru

EXTENDED SUPPLY CHAIN DETECTION INSTRUMENTS

Instrument	Who applies it	Stakeholders	Operation
ESG survey, including contractor self-assessment	External	Contractors	All operations Chile - Peru

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Human Rights and Due Diligence

Monitoring and Communication

Colbun follows up on the different risks through its Human Rights Risk Matrix and through the direct relationship that each management has with the different stakeholders. The progress and effectiveness of the due diligence activities are communicated through the following means or instances:

MONITORING AND COMMUNICATION

Instrument	Stakeholders	Operation
Integrated Annual report	Employees, Communities, Contractors, Clients, Clients, and Investors	All operations Chile - Peru
Community Dialogues	Communities	All operations Chile - Peru
Meetings with Contractors	Contractors	All operations Chile - Peru
Expanded Meetings with Employees	Employees	All operations Chile - Peru



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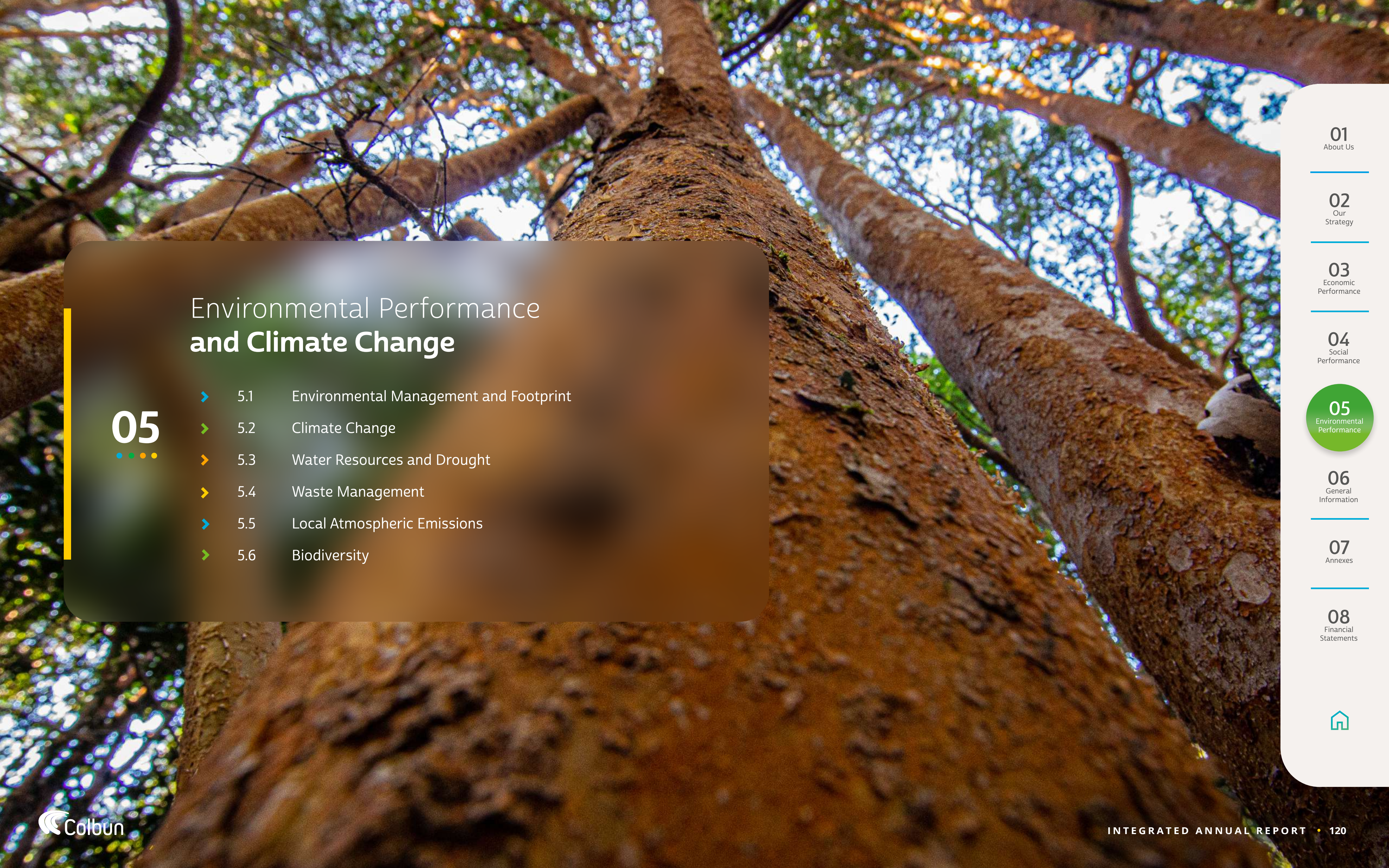
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Environmental Performance and Climate Change

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- 5.3 Water Resources and Drought
- 5.4 Waste Management
- 5.5 Local Atmospheric Emissions
- 5.6 Biodiversity

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Environmental Management and Footprint

We know that good economic results at Colbun are only possible if we create value and have good social and environmental management, which is a fundamental part of the company's strategic agenda. Within this framework, one of our priorities is to promote the proper care and protection of the environment, with a focus on climate change.

This connection and focus on protecting the planet is reflected in our operations:

- ✓ Measuring, managing, and reducing our carbon footprint, which has been monitored since 2001.
- ✓ Measuring, managing, and reducing our water footprint.
- ✓ Waste management, reduction, and reassessment.
- ✓ Monitoring local atmospheric emissions.
- ✓ Biodiversity protection and promotion.

All this in coordination with national and local authorities and the community, whose voice is always present in our interactions and decisions, supporting various environmental care and education initiatives.

Environmental Management Model



CERTIFICATION

The Company's environmental management system is certified under ISO 14001, ensuring it has environmental objectives and goals, policies and procedures consistent with those goals, defined responsibilities, training programs, documentation, and a follow-up and monitoring system.

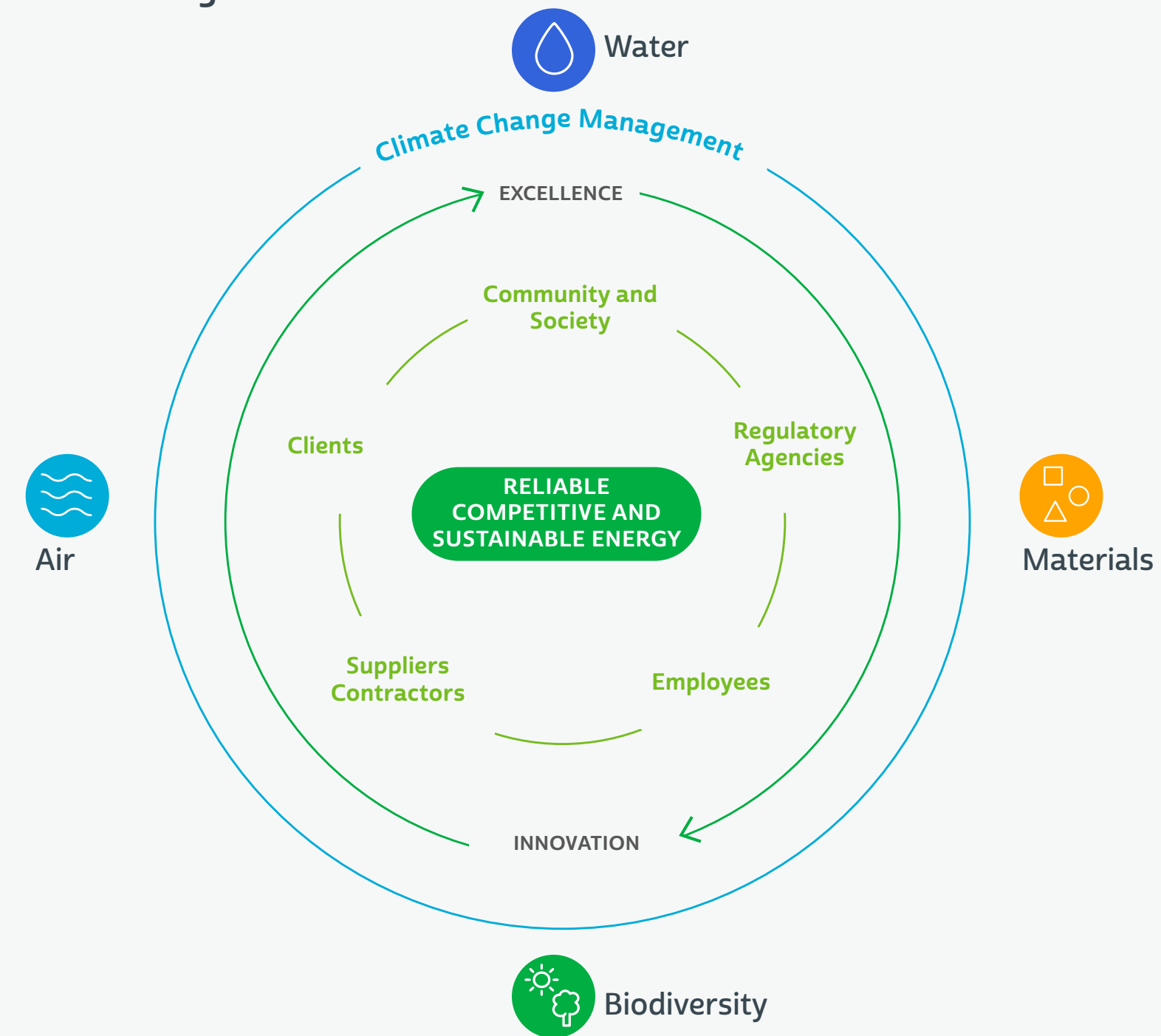
All our facilities in Chile and Peru are internally audited at least every 3 years



GOAL

The environmental management model, based on four pillars - air, water, materials, and biodiversity - is intended to guide the company's actions in this area.

Environmental Management Model



› Air

We seek to minimize the effects of our fossil-fuel-fired power plants, both on local air quality and by reducing our carbon footprint.



› Water

We measure our water footprint and have developed a number of operational and non-operational water consumption reduction initiatives.



› Materials

A circularity approach is incorporated in the raw materials required for our activities and in the waste they produce.



› Biodiversity

We promote biodiversity care through the protection or conservation of ecosystems with environmental value found in our territories.

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Environmental Management and Footprint

Compliance Model

Environmental Compliance: Based on the commitments established in the RCA (Environmental Qualification Resolution) of the plants and projects (all of which are publicly available on the SEIA platform) and the general environmental regulatory and normative framework, there are various internal and external control and monitoring systems for environmental compliance. Among them, we have the M-Risk tool, the management system's legal compliance tool, where the required environmental commitments are loaded and help us with traceability, supporting documentation, and indicating deadlines, and those responsible for each commitment. The head offices and projects are responsible for managing compliance with these commitments, while the Internal Audit Department and the Sustainability and Environment Department support and monitor this management. Externally, the Superintendency of the Environment and other environmental public services monitor compliance with all of the above through their programs and supervisory powers.

Environmental Footprint

We are managing our environmental footprint, with goals, indicators, and action plans in three areas:



› Carbon Footprint Goals and targets

- Become a **carbon-neutral company by 2050**.
- **Reduce net CO₂e emission factor** in Chile by 30% by 2025 and 40% by 2030*.



› Water Footprint Goals and targets

- Achieve a 40 percent reduction by 2025 and a 45 percent reduction by 2030 in the intensity of freshwater use per unit of energy produced.*.
- Reduce freshwater use in non-operating activities by 40% by 2025.



› Waste Footprint Goals and targets

- Achieve 98% recovery of ash from Santa María power plant by 2025 (representing 97%-99% of Colbun's waste).
- Increase recovery of waste other than ash to 35% by 2025 and 50% by 2030.

* Net Emission Factor (ton CO₂e/MWh) = (Emissions generated - Emissions offset) / Energy Produced.

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

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Climate Change

Management Model

Goal

Colbun has been managing measures and actions related to its carbon footprint and climate change for more than two decades.

The Board approved an update to this strategy in March 2021, included in the Environmental Footprint, setting a goal of carbon neutrality by 2050.

Associated Risk Management

Among the risks monitored and evaluated by Corporate Risk are those related to changing weather patterns (chronic and acute) and transitional risks, such as potential regulatory changes related to the challenge of decarbonization. These risks have been evaluated together with the Climate Change area. In particular, it has been quantified how reduced water availability could affect the level of hydroelectric generation and its costs (chronic risk and drought as an acute event).

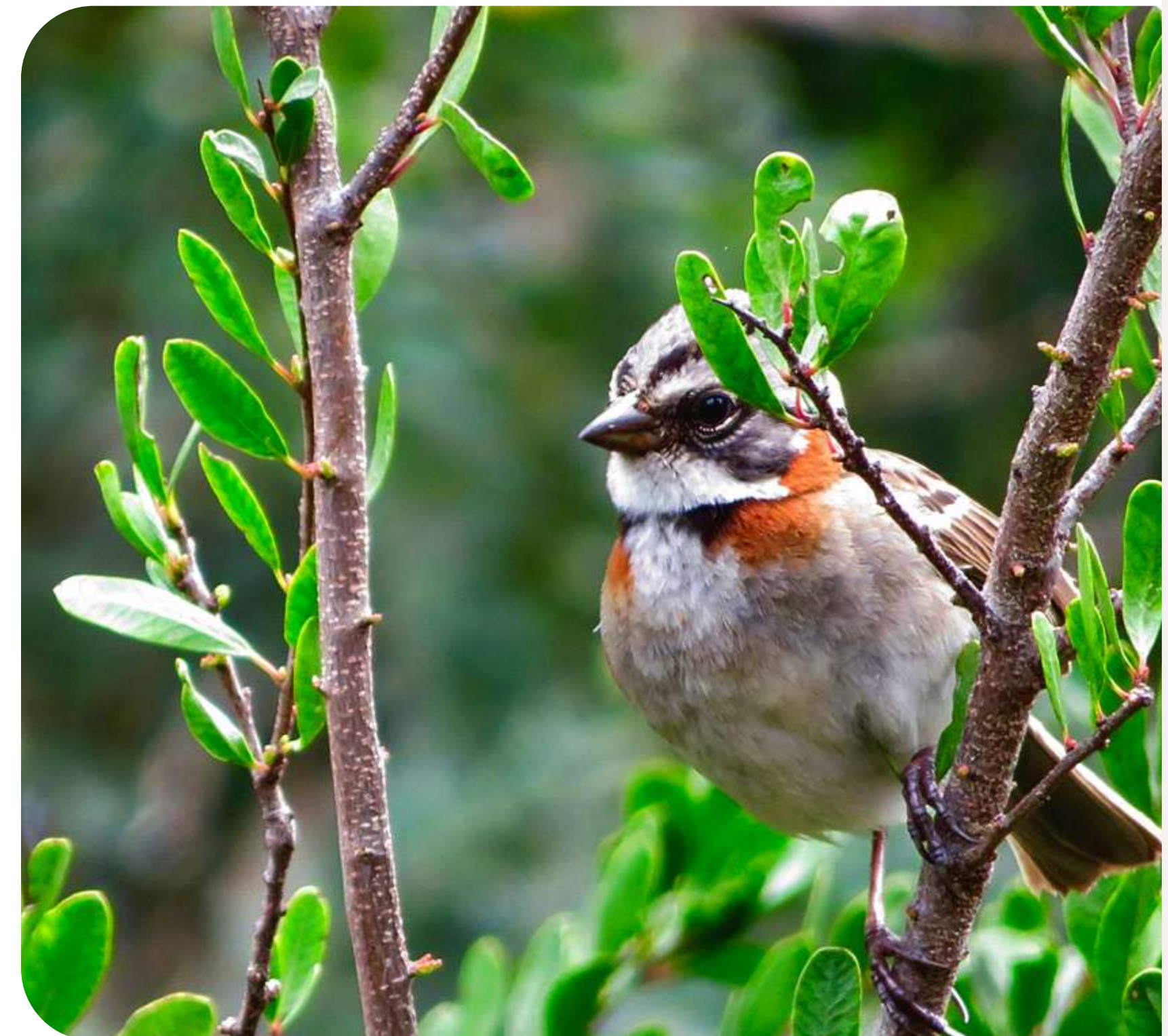
TCFD Alignment

Since 2020, taking into account the international recommendations of the Task Force on Climate-related Financial Disclosure (TCFD), the company has been working to deepen the analysis of our risks related to climate change. In 2022, Colbun developed a study on the analysis of the main risks of climate change with a material impact on our company and the opportunities for the strengthening of our competitive position. This work identified that the main risks correspond to the decrease and changes in rainfall patterns (decrease in water availability), the increase in the severity and frequency of extreme events such as droughts and heat waves, in addition to the need to evaluate others such as storms tides and fire, and the increase in green tax as a transitional risk. On the other hand, opportunities include the development of new resilient and low-carbon products and services, such as the development of green energy and low-carbon fuels, energy solutions, and participation in carbon markets. This is ongoing work that Colbun will continue to deepen. See Chapter 2 for more details.



SDG Contribution

The company's management in this area contributes to SDG 13 "Climate Action", especially indicator 13.2.



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Climate Change

Climate Change Strategy

Our Focus

Colbun seeks to manage the risks associated with climate change while identifying opportunities to strengthen the company's competitive position.



How will we achieve our targets and carbon neutrality?

- ✓ Developing our ambitious **Renewable Energy Plan (Solar and Wind)**.
- ✓ We will drive an energy transition that takes into account the security of the power system, its operating costs, and its impact on the environment, **reinforcing the commitments made in the June 2019 Decarbonization Agreement**.
- ✓ **Use cost-effective market instruments** (carbon credits or functional equivalents).
- ✓ **Develop energy efficiency programs** in our operations and for our clients.
- ✓ **Implement offset initiatives** through nature-based solutions.

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Climate Change

Our Carbon Footprint

GRI: 305-1, 305-2, 305-3

SASB: IF-EU-110a.1, IF-EU-110a.2



Since 2001, Colbun has annually measured and verified its carbon footprint in Scopes 1, 2, and 3 for both its operations in Chile and Peru, including its corporate offices. It uses the WRI GHG Protocol Corporate Standards as a reference and calculates its emissions using an operational approach.

The estimation of the company's carbon footprint begins in January of each year, and it is the Climate Change Department that coordinates the request for information, which is provided by the Chilean and Peruvian power plants, as well as various Colbun management departments. These calculations are carried out using a calculator programmed in Power Bi, and once the results have been checked and validated, they are verified by an independent third party.

The gases included in the quantification of the carbon footprint are carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), and sulfur hexafluoride (SF₆).

Globally, Scope 1 emissions in Chile and Peru total 5,847,489 metric tons of CO₂e. In the case of Chile, 100% of Scope 1 emissions are subject to a green tax (Law 20.780, the year 2014). In the case of Peru, there are no regulations limiting emissions. All this is reported voluntarily to the Carbon Disclosure Project (CDP).

As for the global Scope 2 emissions, they total 7,003 tons of CO₂e in 2022.

Chile Performance



Scope 1

Includes direct greenhouse gas (GHG) emissions, which include fossil fuel consumption for the company's generation units and vehicles, SF₆ leaks from electrical equipment, and methane emissions from reservoirs.

In 2022, direct emissions increased by 304,048 metric tons of CO₂e (14%) compared to 2021 due to water shortages in the central and south-central parts of the country as a result of the drought and the resulting need to operate thermal units at higher levels. In 2022, thermal unit operations accounted for 99% of Colbun's carbon footprint.

TOTAL GHG EMISSION - COLBUN IN CHILE (tonCO₂e)

GRI: 305-1, 305-2, 305-3
SASB: IF-EU-110a.1

	2018	2019	2020	2021	2022
Scope 1	3,693,729	3,373,899	3,509,147	3,988,633	4,292,681
Scope 2	8,954	10,234	7,932	8,680	6,888
Scope 3	28,490	27,289	22,445	35,063	28,217
Total	3,371,173	3,411,422	3,539,524	4,032,376	4,327,787

Note 1: For Scope 2, emissions from energy consumed by the National Interconnected Electrical System (SEIN) are considered and the SEIN emission factor is used. The methodology used is site specific.

Note 2: The emission factors used to calculate emissions from fuel consumption for electricity generation are based on the IPCC emission factors and the net calorific value of the fuel; for transport emissions, the GHG Protocol - Transport Tool v2.6 factors are used; and for aviation emissions, the factors published by the UK Department for Environment, Food and Rural Affairs (DEFRA) are used. Global warming potentials are those recommended by the IPCC AR4 100-year IPCC.

Peru Performance



The consumption of natural gas and diesel for power generation, fuel consumption of company vehicles, and SF₆ leaks in electrical equipment (Scope 1) were included in the quantification of Fenix's emissions in 2022. It also included emissions generated by the power plant's consumption of energy from the National Interconnected Electrical System - SEIN (Scope 2), and the generation of GHGs from the treatment of solid waste generated at the power plant and from business travel (Scope 3). The increase in emissions is due to higher generation at the power plant compared to the previous year.

Scope 2

In terms of indirect emissions from energy use and distribution, our facilities need to draw electricity from the grid at certain times (when they are idle or undergoing maintenance). In 2022, our Scope 2 emissions decreased by 1,792 metric tons of CO₂e (20.6%) compared to 2021.

Scope 3

Other indirect emissions, which include employee transportation, travel, fuel transportation, and solid waste treatment, were reduced by 6,846 tCO₂e (20%) compared to 2022, mainly due to fewer employee trips to factories and less waste compared to the previous year. The carbon footprint of the Santiago office emissions will be offset with our own carbon credits, as has been the case since 2012.

Furthermore, a carbon footprint calculation tool for Colbun's suppliers was developed during 2022. In addition, an environmental component has been included in the bidding conditions, where suppliers are asked to indicate if they have a climate change policy and their carbon footprint, among other environmental and social variables.

TOTAL GHG EMISSIONS - COLBUN PERU (ton CO₂e)

GRI: 305-1, 305-2, 305-3
SASB: IF-EU-110a.1

	2018	2019	2020	2021	2022
Scope 1	1,727,088	1,500,126	1,011,242	1,230,933	1,554,808
Scope 2	268	312	1,505	810	115
Scope 3	603	1,104	1,108	1,443	1,267
Total	1,727,959	1,501,542	1,013,855	1,233,186	1,556,189

Note 1: For Scope 2, emissions from energy consumed by the National Interconnected Electrical System (SEIN) are considered and the SEIN emission factor is used. The methodology used is site specific.

Note 2: The emission factors used to calculate emissions from fuel consumption for electricity generation are based on the IPCC emission factors and the net calorific value of the fuel; for transport emissions, the GHG Protocol - Transport Tool v2.6 factors are used; and for aviation emissions, the factors published by the UK Department for Environment, Food and Rural Affairs (DEFRA) are used. Global warming potentials are those recommended by the IPCC AR4 100-year IPCC.



5.2



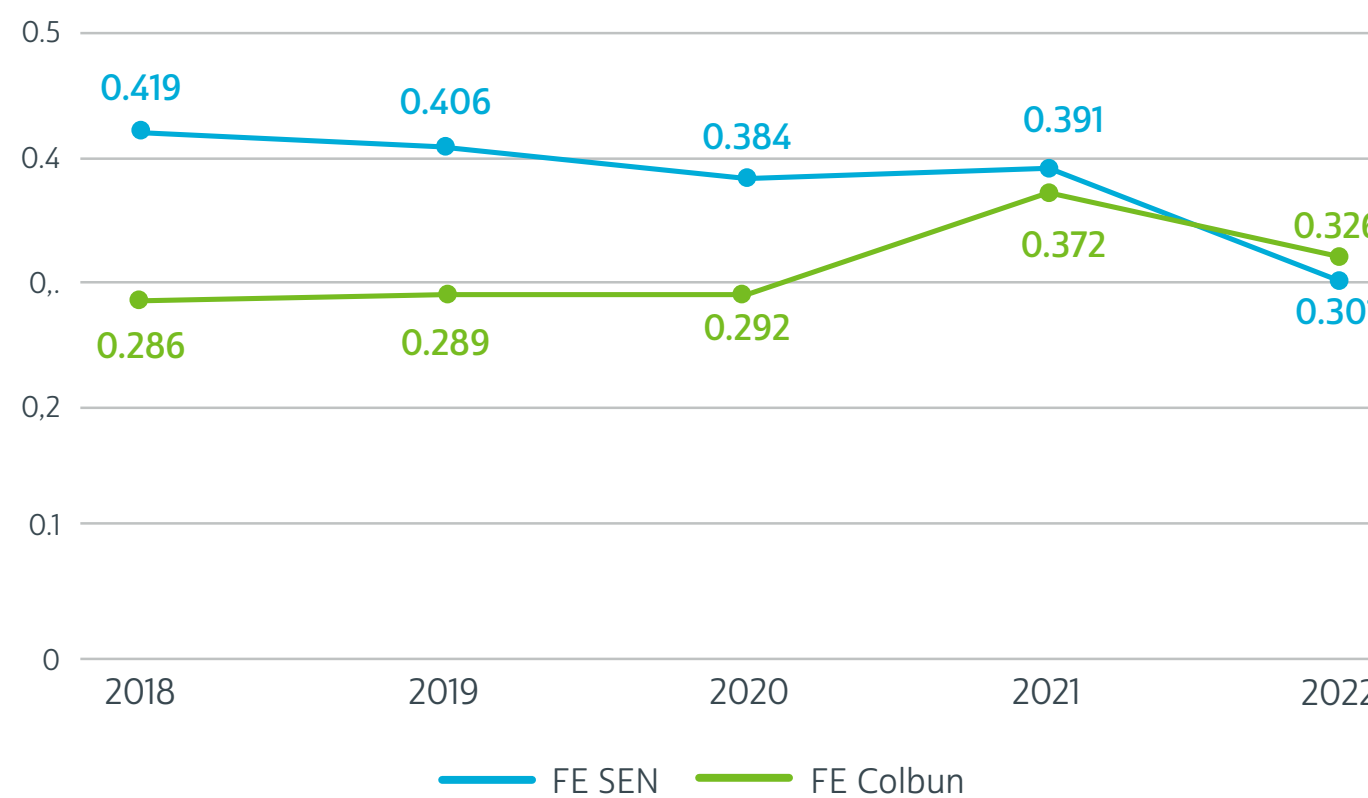
Climate Change

CO2 Emission Factor

2022 Performance

Colbun Chile reduced its emission factor by 12.3% in 2022 compared to the previous year. This was due to the commissioning of new photovoltaic power plants (Solar Machicura and Diego de Almagro Sur), as well as an increase in hydroelectric generation due to higher rainfall during the year in the central and southern parts of the country. However, Colbun's emission factor in Chile was 8% higher than the average of the National Electric System (SEN), due to a greater entry of renewable energy into the system. Although 2022 was more positive in terms of rainfall, the drought condition has been maintained in the country, which has resulted in a greater generation based on fossil fuels to provide stability and security to the system. The commissioning of new renewable energy projects will help the company to further reduce the emission factor.

Evolution of Colbun's Emission Factor in Chile V/S SEN



Note: The energy emission factor of the SEN is published by the Ministry of Energy on the website Energía Abierta (<http://energiaabierta.cl/visualizaciones/factor-de-emision-sic-sing/>). The figures are calculated using generation data published by the National Energy Commission. Colbun's emission factor is calculated using gross generation data from the company's plants.

COLBUN'S GREENHOUSE GAS EMISSION FACTOR - CHILE

(305-4)

Emissions from Fuel Consumption	2018	2019	2020	2021	2022
Diesel (tonCO2e)	60,109	54,644	57,743	234,000	168,836
Coal (tonCO2e)	2,193,464	1,646,739	1,901,532	2,175,243	2,029,556
Natural Gas (tonCO2e)	1,436,476	1,668,957	1,547,129	1,576,128	2,091,352
Gross Generation (GWh)	12,880	11,647	11,991	10,705	13,150
Emission factor (tonCO2e/MWh)	0.286	0.289	0.292	0.372	0.326

COLBUN'S GREENHOUSE GAS EMISSION FACTOR - PERU

(305-4)

Emissions from Fuel Consumption	2018	2019	2020	2021	2022
Diesel (tonCO2e)	7,983	1,059	5,913	1,096	65,7
Natural Gas (tonCO2e)	1,719,040	1,499,049	1,005,329	1,229,826	1,554,691
Gross Generation (GWh)	3,914	3,767	2,861	3,427	4,321
Emission Factor (tonCO2e/MWh)	0.441	0.398	0.353	0.359	0.360

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5.2



Climate Change

Emission Reduction Certified Power Plants

Our Focus

Under its Climate Change Strategy, Colbun has defined that all eligible projects must be registered under recognized standards in the carbon credit markets. Colbun has five hydroelectric power plants and one solar photovoltaic plant accredited to issue carbon credits either under the Verified Carbon Standard (VCS) or as part of the Clean Development Mechanism (CDM).

2022 Performance

Colbun's accredited power plants contributed an estimated emissions reduction of 249,663 tons of CO₂e during 2022. This figure represents a 4% decrease compared to 2021, which is explained by the lower power generation of our certified hydroelectric power plants, which are run-of-river plants and depend on the hydrological regime..

Best Practices on Climate Change

Internal Carbon Price

Carbon emissions are priced into the valuation of our projects and emissions per generation. A shadow price of USD 5/ton CO₂e is used, which is equivalent to the current green tax in Chile.

CDP (ex Carbon Disclosure Project)

Colbun reports annually on its climate change management to CDP, a leading international non-governmental reporting organization. In 2022, the company received a B management category in both climate change and water security in its report to CDP.

Other Initiatives

At the end of 2022, the "Todos Arriba" carpooling program was launched at Colbun's headquarters through the Allride application, to raise awareness and promote a more sustainable culture, as well as contribute to reducing the company's emissions from employees' commutes to the office.

In addition, Colbun neutralized the emissions from events held in 2022 with carbon credits from its certified renewable power plants, such as Colbun's 36th anniversary and the "Voices with Energy" Conversatory, organized by Colbun, where Paul Polman, former CEO of Unilever, presented his book "Net Positive: How companies prosper by giving more than they receive".

As part of the evaluation of targets and commitments to carbon neutrality, the company continues to monitor and evaluate initiatives such as Science Based Target (SBT). At present, these do not take into account the contribution of offsetting instruments to achieving targets, which are a necessary complement for those sectors that cannot cost-effectively reduce emissions in the short to medium term.

Partnership Action

CLG: Colbun is a member of the Center of Business Leaders for Climate Action (CLG Chile), which promotes policies and actions to transition to a less carbon-intensive economy.

Other Committees: Colbun actively participates in the Climate Change Executive Committee of Acción Empresas, the Líderes ODS 13 "Acción por el Clima" group of the Global Compact, and the Environment and Climate Change Committee of Generadoras de Chile.

Programs: In 2022 we participated in the Climate Action Program of Acción Empresas, whose objective is to encourage companies to develop and implement concrete and specific actions on climate issues, accelerating the fulfillment of the commitments made by Chile and the business sector.

Green Taxes

Environmental management instruments known as "Green Taxes" were included in Law No. 21,210, which modernized the tax code. These taxes apply to emissions of particulate matter (PM), nitrogen oxides (NO_x), sulphur dioxide (SO₂), and carbon dioxide (CO₂). Taxpayers subject to these regulations, such as Colbun, can offset some or all of their taxed emissions by implementing emission reduction projects..

Atmospheric Emissions	2018 (tons)	2019 (tons)	2020 (tons)	2021 (tons)	2022 (tons)
CO ₂	4,127,828,10	3,710,979,70	3,979,191,80	4,284,805,36	4,682,487,70
NO _x	4,138,40	3,124,60	3,732,10	4,447,30	4,655,10
MP	106	100	79,05	107,04	119,25
SO ₂	1,809,90	1470,3	1,343,40	1,816,8	1,814,1
Taxes Paid (USD)	23,255,492,03	20,766,997,37	22,462,016,93	24,167,666,18	*

*As of the closing date of this report, the amount of the green tax has not been issued by the SII.



5.3

Water Resources and Drought

GRI: 103-2, 103-3, 302-4, 303-1, 303-3

Background

While there was an increase in rainfall in 2022 compared to the previous year, allowing for a 23% increase in hydroelectric generation by the National Electric System (SEN), Chile continues to face a mega-sequence that began in the previous decade, with rainfall and streamflow below historical averages.

Approach

Water is a fundamental resource for Colbun, both for power generation and because it is a shared resource with other users of the basins in the areas where the company operates.

In recent years, the company has been working on more efficient water management for these two reasons and in the context of the aforementioned megadrought, based on three types of measures:

- Specific targets to reduce freshwater withdrawals and improve water use efficiency. [More](#)
- Investments in new technologies and infrastructure for the same purpose.
- Create space for dialogue with neighboring communities and strengthen links with monitoring committees and other water users.

This takes place within current legal and regulatory frameworks governing water use and management, including water use rights, monitoring of actual water withdrawals, minimum ecological flow rates, and maximum water use allowed in power plant environmental qualification decisions and liquid effluent rules.

Responsible

Although different areas of the company are responsible for carrying out these initiatives and approaches to this transversal issue in the organization, the Water Resources Management is responsible for leading the management of water resources in Colbun.

By 2022, Colbun has advanced and exceeded its 2025 target of a 40% reduction in non-operational water use compared to the 2018 baseline.

Water Use in Hydroelectric Generation

303-3



Water and Hydroelectricity

Hydroelectricity is a 100% renewable energy source that captures water from streams, turbines it and then returns it to the source in the same condition without consumption. Role of Hydroelectric Power plants



Role of Hydroelectric Power plants

It is becoming more and more important in the National Electricity System because it can store energy like a battery, compensating for the intermittency of variable renewable technologies such as solar and wind.



Generation

As a result of better hydrological conditions, the Company's hydroelectric generation increased by 32.2% in 2022 compared to 2021, although in the medium and long term it is still below the historical average. The units with the highest increases were Angostura (78%), Canutillar (45%), the Colbun Complex (30%) and Rucúe-Quilleco (25.2%), while the only decrease in this type of generation was recorded in the Aconcagua Complex, with a decrease of 14%.



32%

increase in Colbun's Hydroelectricity generation in 2022 thanks to better hydrological conditions.

Total water withdrawal, turbined and returbined for hydroelectric generation in Chile (non-consumptive use)
UNIT: MILLION M³/YEAR

POWER PLANT		2019	2020	2021	2022
Colbun Complex	Collecte and turbined	3,776	4,629	3,098	3,956
	Returbined	4,523	6,023	3,612	4,882
Canutillar Power Plant	Collected and turbined	1,165	2,002	1,018	1,476
Carena Power Plant	Collected and turbined	132	131	169	156
Rucue-Quilleco Power Plants	Collected and turbined	2,011	1,635	1,316	1,628
	Returbined	1,943	1,511	1,114	1,440
Aconcagua Complex	Collected and turbined	834	908	915	785,9
	Returbined	71	32	49	24,1
Angostura Power Plant	Collected and turbined	9,805	7,859	5,581	9,930
TOTAL WATER COLLECTED AND RETURNED TO SOURCE		17,722	17,164	12,097	17,932
TOTAL RETURBINED WATER		6,537	7,566	4,775	6,346
TOTAL TURBINED AND RETURBINED WATER		24,258	24,730	16,872	24,278

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Water Resources and Drought

GRI: 103-2, 103-3, 302-4, 303-1, 303-3

Energy Efficiency

Several of Colbun's power plants are built in "hydraulic series" to promote energy efficiency and sustainable use of water. This allows the same water to be reused before it is returned to the natural source, maximizing energy production from the same resource.

.....

2022 Performance

.....

The reuse or re-turbination of water has allowed the Machicura and San Ignacio power plants to contribute 21% of the generation of the Colbun Complex in 2022, while in the case of Quilleco, this unit will contribute 28% of the generation of the Rucúe-Quilleco Complex. Last year, 35% of the flows that Colbun captured from watercourses and used for its operations were reused in more than one of the company's power plants.

Turbined Water Before Irrigation Delivery

In addition to hydroelectric generation, the Colbun reservoir plays an important role as a place to collect water from irrigators through existing cooperative agreements. In addition, some of the Colbun hydroelectric plants return water through various agricultural irrigation systems. This return takes place in compliance with the water rights that correspond to each irrigation system. The following are the most notable:

› Machicura Reservoir Power Plant

Part of the water turbined by this plant is delivered to the Maule Sur 1, 2, and 3, San Clemente, and Duao Zapata irrigation canals, among others.

› San Ignacio Run-of-River Power Plant

Uses a portion of the water generated by the Machicura power plant to return to the Maule River, where it is captured by irrigators directly from the Maule River downstream of the power plants.

› Chiburgo Run-of-River Power Plant

Generates water from the Colbun reservoir, which is then released into the Maule Sur irrigation canal.

› San Clemente Run-of-River Power Plant

It takes advantage of the difference in elevation along the Sanatorio Creek, generating energy with water that is then delivered for irrigation.

In 2022, the amount of turbine water used for irrigation increased by 22.8% due to improved hydrological conditions.

ENERGY GENERATED FROM IRRIGATION WATER (GWh)

	2019	2020	2021	2022
MACHICURA	263	322	221	275
SAN IGNACIO	87	133	63	99
CHIBURGO	67	70	60	52
SAN CLEMENTE	13	11	12	11
TOTAL	430	536	356	437



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Water Resources and Drought

GRI: 103-2, 103-3, 302-4, 303-1, 303-3

Water Use in Thermoelectric Generation

(Operational Use)



303-1, 303-5

Colbun uses seawater and fresh water in the cooling processes of its thermoelectric power plants.s

Use of Sea water

Colbun's thermal power plants use water in their cooling processes. Water comes from the sea and is returned to the same body of water at the Santa María and Fenix plants (Peru).

SEAWATER COLLECTED AND RETURNED TO THE SOURCE IN CHILE

(UNIT: M³/YEAR) (303-1)

Water Source	2019	2020	2021	2022
Sea water collected	267,179,782	346,197,079	327,847,030	335,963,642
Sea Water returned to the Source	266,839,525	345,670,699	327,316,425	335,413,327
Sea Water Consumption	340,257	526,380	530,605	550,315

Use of Fresh Water

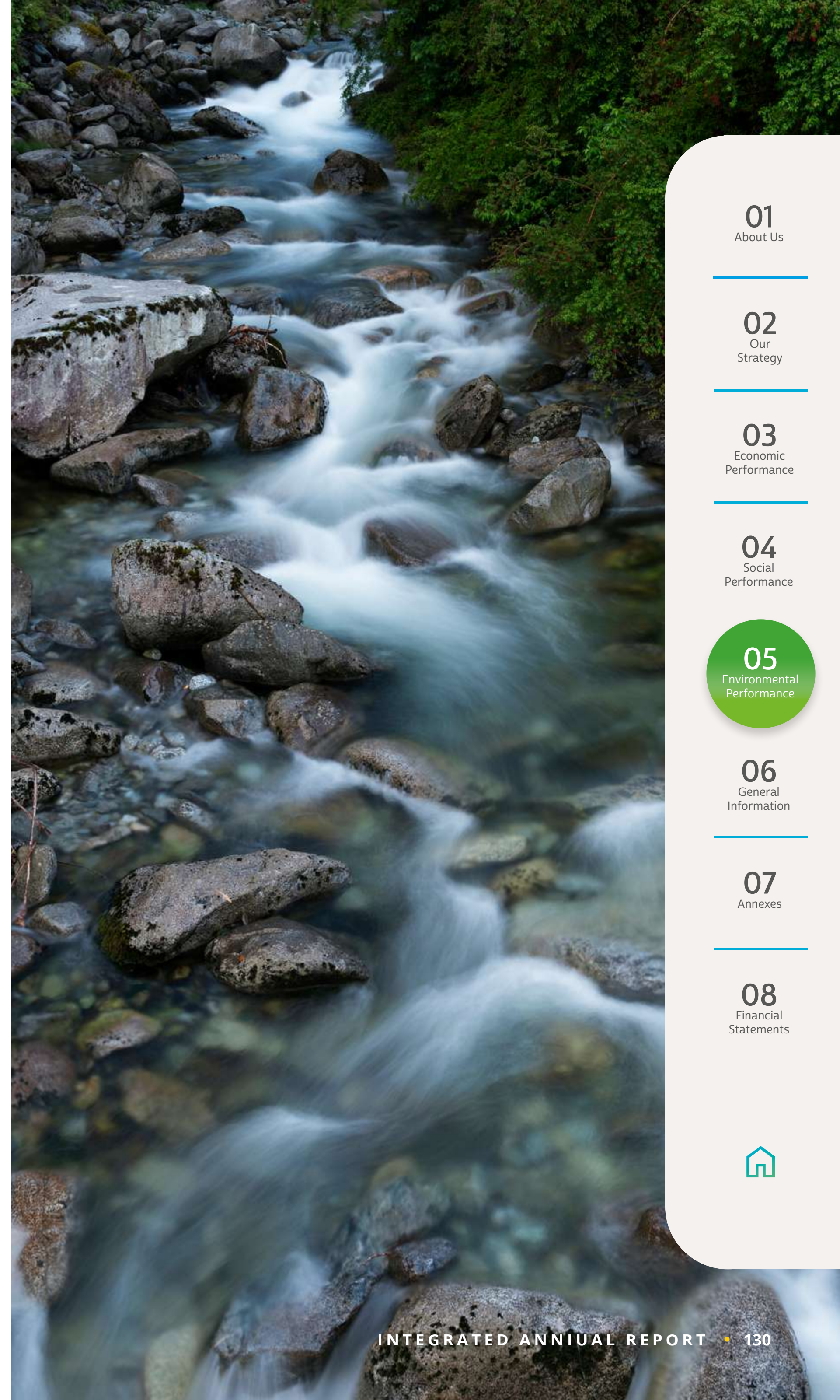
The freshwater calculation used by Colbun considers the water withdrawn from the basin where the power plant is located, from which the water is discharged or returned after internal processes are subtracted. In Chile, total freshwater withdrawals increase by 11.4% in 2022 due to increased generation from natural gas-fired power plants. For the same reason, net water consumption increased by 7.6% compared to 2021.

EXTRACTION, DISCHARGE AND CONSUMPTION OF FRESHWATER IN CHILE (CONSUMPTIVR)

(UNIT: M³/YEAR) (303-1) (303-4) (303-5)

water Source	2020	2021	2022
FRESHWATER EXTRACTION - CHILE			
Surface Water (river/lakes)	49,758	26,789	19,773
Operational use	0	0	0
Non-operational use	49,758	26,789	19,773
Groundwater	3,920,707	4,063,752	4,542,224
Operational use*	3,762,807	3,944,491	4,446,045
Non-operational use	157,899	119,261	96,160
Municipal Water	26,138	35,205	34,600
Operational use	10,871	16,243	12,063
Non-operational use	15,267	18,962	22,537
Total collected water	3,996,603	4,125,746	4,596,597
TREATED WATER DISCHARGE			
Destination Water Source	2020	2021	2022
Surface Water (river/lakes)	423,284	860,178	984,291
Total discharged water	423,284	860,178	984,291
Water distributed to third parties for re-use*	332,596	232,438	227,366
FRESH WATER CONSUMPTION IN CHILE			
Water source	2020	2021	2022
Surface water (river/lake)	49,758	26,789	19,773
Groundwater	3,497,423	3,203,574	3,557,934
Municipal Water	26,138	35,205	34,600
Total water consumption	3,573,319	3,265,568	3,612,307
Total water consumed excluding delivery to third parties	3,240,723	3,033,130	3,384,941

* Quality water for use in the recipient industry.



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Water Resources and Drought

GRI: 103-2, 103-3, 302-4, 303-1, 303-3

Water Reuse

Colbun promotes water efficiency, both to maintain the continuity of its power plants and because several of its plants are located in water-scarce areas.

Some Examples:

- Since 2018, Nehuenco Complex has had a Reverse Osmosis Plant (POI), which allows cooling water to be recirculated, reducing freshwater consumption by up to 50% during periods of water stress. In 2022, the RO plant operated for approximately six months. In addition, a numerical model of the aquifer beneath the plant was implemented to optimize water use..
- Water discharged by the Nehuenco POI is reused by other industries. In 2022, the volume of water produced by the POI, whose quality is suitable for use by certain industries, will reach 227,226 m³, which directly contributes to the efficient, shared, and circular use of water, especially in areas with water scarcity conditions.
- In the case of non-operational water use, Colbun Complex reuses 100% of its treated wastewater for irrigation of its landscaping, which also requires little water. At Candelaria Power Plant, water discharged from the wastewater treatment plant is used to irrigate its reforestation areas with recycled water.



SDG Contribution

Contributes to SDG No. 6 on "Clean Water and Sanitation", specifically to indicators 6.4.1 and 6.4.2..

Meeting targets

In terms of water used for operations, the company has committed to a target reduction in freshwater withdrawal per unit of energy produced (m³/MWh) of 40% by 2025 and 45% by 2030 (using 2018 as a baseline). By 2022, a 15% reduction has been achieved, mainly due to increased renewable energy generation (especially hydroelectricity).

Non-operational water use (Offices and Irrigation)

303-1, 303-2

2022 Goal and Results

For non-operational water, Colbun committed to a 40% reduction target of freshwater withdrawal for administrative purposes by 2025. This target was met and exceeded in 2022, reaching a 44% reduction over the 2018 baseline.



Actions

Some of the measures that contributed to this improvement were:

- **Water-efficient landscaping:** Between 2021 and 2022, xerophytic landscaping was implemented at the Los Quilos, Nehuenco, and Colbun power plants, resulting in a significant reduction in water consumption. The other plants contributed by reducing the area of their landscaped areas and the frequency of irrigation.
- **Rainwater and atmospheric water harvesting:** At La Mina power plant, a rainwater harvesting system was installed on the roof of the plant's powerhouse; in the case of Canutillar, an innovative atmospheric water harvesting system was developed. The water collected is used for sanitary and potable purposes..
- **Water reuse:** In the last two years, both the Colbun and Candelaria plants have developed systems that allow them to reuse their duly treated wastewater for a second use at risk.
- **Blue Certificate:** After Colbun obtained the Blue Certificate of the Clean Production Agreement (APL) in 2021, the Agency for Sustainability and Climate Change (ASCC) granted us the corresponding certification for the measurement of the water footprint of the Los Pinos power plant in 2022. This participation directly contributed to the identification of the plant's largest water consumption, which will allow us to focus on management measures in the coming years.

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Water Resources and Drought

GRI: 103-2, 103-3, 302-4, 303-1, 303-3

Water use in Peru

303-1, 303-3, 303-5

Sea water

In Peru, Fenix Power Plant uses water captured from the ocean for its processes, avoiding all freshwater consumption from underground and continental sources. In the case of the cooling system, the collected seawater reached a volume of 295.1 million cubic meters in 2022.

Desalinated and Potabilized Water

Part of the collected water goes through a desalination and potabilization process that can produce up to 2,500 m³ of potable water per day. A small percentage of this last resource goes to the internal consumption of the plant and the majority is delivered to the District Municipality of Chilca, which is in charge of its distribution for the benefit of the local population.

SDG Contribution

The provision of potable water to communities is a relevant contribution to SDG 6 on clean water and sanitation, particularly indicator 6.1.1. The target was met and exceeded in 2022, with a 44% reduction compared to the 2018 baseline.

SEA WATER COLLECTED AND RETURNED TO THE SOURCE IN PERU
(UNIT: M³/YEAR) (303-1)

USE OF WATER	2019	2020	2021	2022
Water used for cooling processes at Fenix power Plant*	260,657,683	235,755,114	292,997,301	295,072,316
Water supplied to the community **	414,601	386,777	347,678	380,856
Water consumed by the plant's administrative offices ***	4,896	5,069	4,615	4,327
Water consumed for firefighting system****	17,188	12,787	15,720	18,180
Total seawater collected	260,657,683	236,159,747	293,365,315	295,475,679
Total seawater returned to the source	260,220,997	235,755,114	292,997,301	295,072,316
SEAWATER CONSUMPTION	436,686	404,633	368,014	403,364

* Seawater used for cooling is returned to its source (including industrial effluent).
 ** Corresponds to desalinated and potabilized water delivered to the District Municipality of Chilca.
 *** Corresponds to desalinated and potabilized water for internal use of the Fenix plant operation. Includes wastewater treated at the PTARD (Domestic Wastewater Treatment Plant), which is used for irrigation of green areas.
 **** Corresponds to desalinated water for the fire-fighting system and testing exercises of the same system.

Sea water reuse in Peru

Fenix Power Plant has a system that treats and reuses 80% of domestic wastewater, recycling 3,462 cubic meters of treated wastewater to partially irrigate the plant's landscaping in 2022.

SEAWATER REUSED IN PERU
(UNIT: M³/YEAR) (303-1)

REUSED WATER	2018	2019	2020	2021	2022
Water consumed by the plant's administrative offices	4,982	4,896	5,069	4,615	4,327
Graywater reused for irrigation	3,985	3,916	4,055	3,692	3,462
% water reused	80%	80%	80%	80%	80%

Community Initiatives and Water Users

For several years, the Company has been developing a process of engagement with other water users in the basins where it operates, particularly with regulatory agencies, a process that has broadened and deepened as the drought has spread. Some of the initiatives in this area are as follows:

- ✓ **Agreements:** Efficient water use agreements have been promoted with the users of the Maule and Biobio basins (mainly the monitoring committees) in order to increase the availability of water for irrigation and industrial use during periods of low natural flow.
- ✓ **Roundtables for dialogue and reporting:** In the communities of Quillota, Los Andes, San Esteban, Cochamó and Puerto Montt, the company has created new spaces for dialogue and information on water, in order to respond to the doubts and concerns of the community regarding the use of water by our plants, or to agree on infrastructure improvements that will allow for a better use of water.
- ✓ **Reuse of POI Nehuenco membranes:** A pilot project has been developed in the Santa Rosa de Colmo APR (Quillota) to reuse discarded membranes from the Nehuenco Reverse Osmosis plant in order to improve the quality of the water supplied by this APR to the community.
- ✓ **Support and strengthening of RPAs:** Colbun has been working for several years to support and strengthen Rural Sanitation Services (RSS). In 2022, the most important investment was the strengthening of the San Dionisio (Colbun) SSR, which benefited almost 300 families. Contributions and improvements were also made to the SSRs of Las Vizcachas, Río Colorado, Chacayes Alto and Riecillo, all in the municipalities of Los Andes and San Esteban.

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Waste Management

GRI: 306-1, 306-2, 306-3, 306-4, 306-5

Colbun's waste footprint goal for 2025 is to recover 98% of the ash generated at the Santa María thermoelectric plant. In 2022, the company was able to collect more and better information on waste other than ash, thanks to the implementation of the Trazapp online traceability tool in 2021.

All waste is recovered or disposed of in sites authorized by the environmental and health authorities, so that it has no significant impact on the environment.

✓ Compliance

In addition to complying with the relevant legal requirements, the status of which is maintained through the internal M-Risk platform, Colbun has several procedures through the provisions of its management system. One of them is PO.06, on Environmental Management Indicators, which requires each facility to periodically record waste generation. In 2022, Trazapp was used by different facilities.

● Ash

The company's waste generation corresponds to 98% of the ash (fly ash and slag) generated at the Santa María thermoelectric power plant. In 2022, 78% of this total was almost completely recovered in cement plants and a small part was used in an innovative process implemented by the plant that allows the slag to be recycled in the incineration process. The rest was sent to a landfill specially authorized for this purpose by Resolution No. 162/10 of the COREMA Región del Biobío.

Waste other than ash is sent to a recycling or final disposal site, both of which are authorized by the Health Department.

● Other Waste

› Non-Hazardous Waste

Non-hazardous waste other than ash is waste assimilated to household waste and includes organic waste, bags, plastics, and others, as well as industrial waste.

The generation of waste other than ash in Chile was maintained in 2021. There was a reduction of approximately 30% in the plants in operation, highlighting Nehuenco which, despite its major maintenance, reduced its waste by approximately 58%; the Candelaria plant reduced its waste by 38% and the Colbun complex by approximately 37%. Colbun's total waste volume remained similar between 2021 and 2022, mainly due

to the more than 500 tons generated by the Horizonte project.

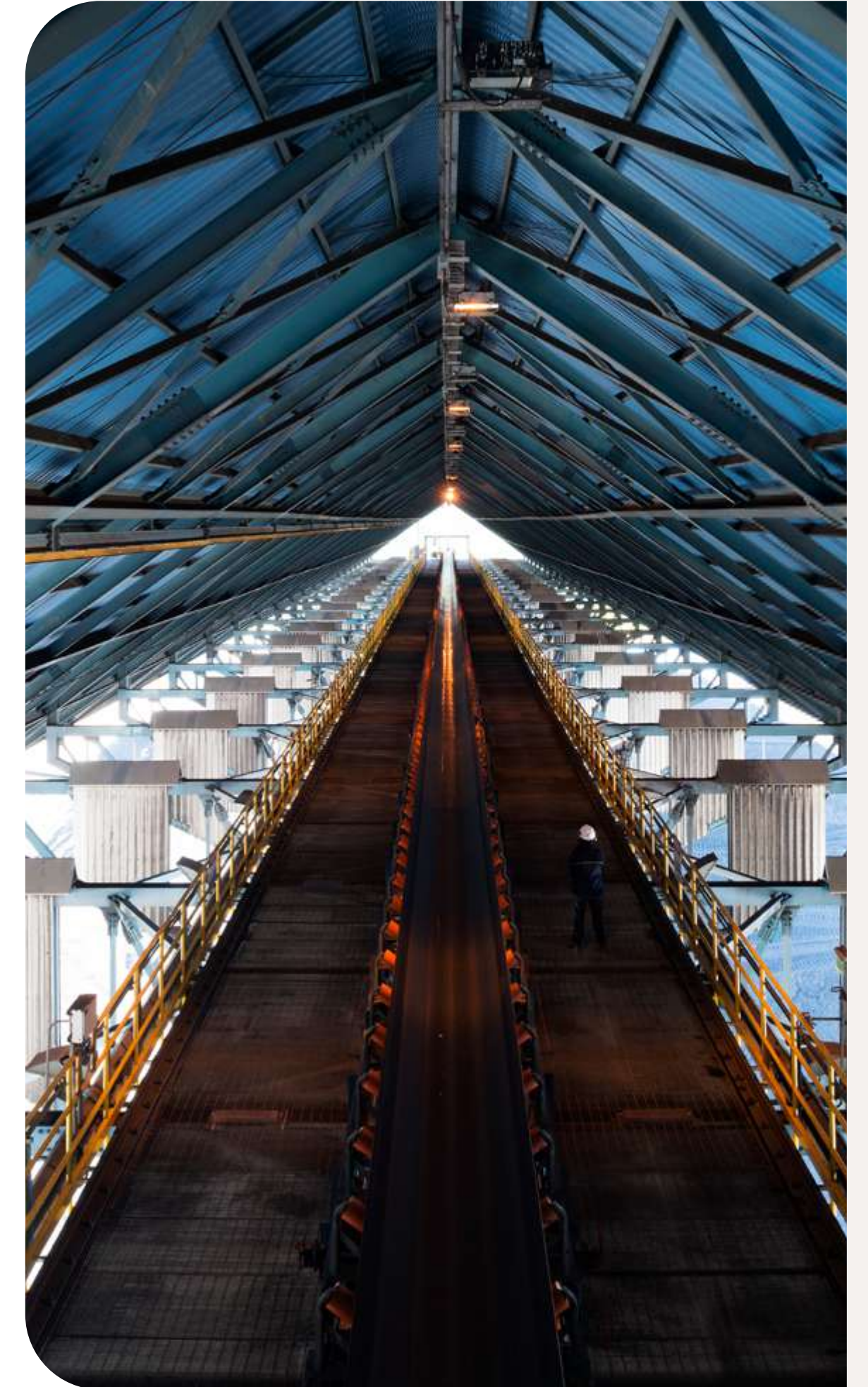
In Fenix's case, waste generation decreased by over 60%, mainly due to:

- The implementation of the project for the connection of the Chilca polyclinic's waste water to the plant's water treatment plant; and
- Higher baseline in 2021 because dismantling and removing some standby transformers in the facility that are no longer used was considered waste in that year.

› Hazardous Waste

Hazardous waste generated by our facilities corresponds to solids contaminated with fuels, used industrial oils, fluorescent tubes, paint containers, solvent containers, electronics, and batteries. In 2022, there was an increase of approximately 12% in Chile compared to the previous year and a significant decrease of approximately 76% in Fenix, as there was an increase in 2021 due to the removal of oil from the reserve transformers that were dismantled.

Waste other than ash is sent for recycling or to a final disposal site, both of which are authorized by the health authorities.



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5.4



Waste Management

GRI: 306-1, 306-2, 306-3, 306-4, 306-5



Initiatives

GRI: 306-2

Several initiatives have been implemented in 2022 to reduce, educate and differentiate in waste management, including

› Candelaria Powe Plant

As a result of improvements to its oily water separator, in 2022 there was a reduction of approximately 50 tons of oily water that would otherwise have been disposed of as hazardous waste.

› Fenix Power Plant (Peru)

- By 2022, the implementation of the project to connect the water produced by the Chilca Polyclinic to the water system of the power station will avoid the disposal of approximately 200 tons of this water by tanker.
- The treated oily water was reused, reducing the need to dispose of it in a secure landfill.

› Nahuenco Power Plant

Due to improvements in the wastewater treatment system, the generation of approximately 180 tons of wastewater (average between 2017 and 2020) that would have had to be trucked to clean the pit was avoided.

› Colbun Complex

In 2022, the composting project was implemented at the Colbun Complex.

› Clean Production Agreement (APL)

Colbun and Nahuenco complexes participate in the Clean Production Agreement (APL) "Transition to the Circular Economy", an initiative of the Chilean Sustainability and Climate Change Agency and Acción Empresas. In 2022, this involved increasing their respective circularity baselines, which led to the identification of gaps and the definition of an action plan to reduce them.

› Trazapp

Colbun has implemented the use of this online traceability tool for wastes other than ash, which has allowed it to obtain more and better information on these wastes for its management.

TOTAL WEIGHT OF WASTE GENERATED - CHILE
(IN TONS)

Waste Composition	GENERATED WASTE					WASTE FOR DISPOSAL					VALORIZED WASTE									
	2018	2019	2020	2021	2022	2018	2019	2020	2021	2022	2018	2019	2020	2021	2022					
Power Plants	Non-Hazardous Waste - Ash					102,962	74,793	84,760	87,114	89,302	53,979	27,017	36,249	34,153	19,370	48,983	47,776	48,511	52,961	69,932
	Non-Hazardous Waste - Other					490	352	568	1,077	674	461	311	563	986	587	29	41	5	91	87
	Hazardous Waste					270	262	422	176	198	270	262	422	124	115	0	0	0	52	83
Projects	Non-Hazardous Waste - Other					N/A	N/A	N/A	231	514	N/A	N/A	N/A	92	514	N/A	N/A	N/A	138	0
Total Waste						103.722	75.407	85.750	88.598	90.688	54.710	27.590	37.234	35.355	20.586	49.012	47.817	48.516	53.243	70.102

TOTAL WEIGHT OF WASTE GENERATED - PERU
(IN TONS)

Waste Composition	GENERATED WASTE					WASTE FOR DISPOSAL					VALORIZED WASTE									
	2018	2019	2020	2021	2022	2018	2019	2020	2021	2022	2018	2019	2020	2021	2022					
Hazardous Waste						105	92	59	223	52	s/i	s/i	2	145	40	s/i	s/i	58	78	12
Non-Hazardous Waste						135	598	433	484	204	s/i	s/i	11	120	195	s/i	s/i	423	364	9
Total Waste						240	690	493	707	256	s/i	s/i	12	266	235	s/i	s/i	480	442	21

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5.5



Local Atmospheric Emissions

GRI: 103-2, 103-3, 305-7

What are they?

Colbun's local air emissions come from the company's thermal power plants. The main gases are particulate matter (PM), nitrogen oxides (NOx), and sulfur dioxide (SO₂).

How are they regulated?

They are regulated by the Emission Standards for Thermoelectric Power Plants and their respective Environmental Qualification Resolutions. There are also air quality standards and local plans that define acceptable air concentration levels for people and the environment.

2022 Performance

Our power plants local emissions are **well below the limits set** by the emissions standard for thermoelectric power plants.

Emission Monitoring

How is it performed?

Emissions are monitored and tracked by redundant continuous emissions monitoring systems (CEMS) for Santa María power plant and the two combined cycles of the Nehuenco Complex, with a monitoring rate of approximately 99%.

Validation of results

The CEMS follows rigorous validation and information quality assurance protocols and is audited annually before the regulator. For the backup plants (Nehuenco III, Los Pinos, and Candelaria), an abbreviated methodology approved by the regulator is used.

Online access

The CEMS is available online, allowing the Superintendency of the Environment to access the historical emission data of the Santa María and Nehuenco plants.

Emissions variation

In 2022, the slight increase in local emissions compared to 2021 is mainly due to higher fuel consumption as a result of an increase in the number of operating hours of the Candelaria thermal power plant.



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5.5



Local Atmospheric Emissions

GRI: 103-2, 103-3, 305-7
SASB: IF-EU-120a.1

Air Quality Monitoring

Open and Online Information

Monitoring stations for air quality around our Santa María and Complejo Neuqueno thermal power plants are connected online with the National Air Quality Information System (SINCA) of the Ministry of the Environment. Their data is publicly accessible and in real-time.

To access air quality stations [More](#)

Connection with SMA

As a result of a requirement from the Environmental Superintendence, all the air quality and meteorological variables monitoring stations - 13 in total - of the Santa María, Neuqueno, Candelaria and Los Pinos power plants are connected online to the SMA.

ATMOSPHERIC EMISSIONS FROM COLBUN'S FIXED SOURCES IN CHILE (TON/YEAR)
(305-7, SASB IF-EU-120a.1)

Type of Gas	2019	2020	2021	2022	% in densely populated areas
NO _x	3132.9	3733	4447	4655	68%
SO _x	1470.4	1384	1816	1814	99%
MP	100	79.1	107	119	85%
Mercury (Hg)*	0.001	0.001	0.0011	0.001	100%

**By the requirements of the D.S. 13/2011 MMA, it is required to perform spot sampling of mercury in the exhaust gases of power plants that use solid fuel. In the case of Colbun, in the Santa María power plant, it performs spot measurements (CH-29). According to the monitoring carried out during the year 2022, two in total (one per semester), the average concentration of Hg measured in the chimney reached a result of 0.001 mg/Nm³. This value is well below the limit established by the emission standard for thermoelectric plants D.S. N°13/11 MMA, which establishes a limit value of 0.1 mg/Nm³. Concerning lead (Pb), although it is not monitored regularly (it is not nationally regulated), the lead content of the coal used at the Santa María plant is below the European Union reference values. Consequently, what can be emitted into the atmosphere (most of it comes out with the ash) does not present any environmental or health risks to people.*

ATMOSPHERIC EMISSIONS FROM COLBUN'S FIXED SOURCES IN PERU (TON/YEAR)
(305-7, SASB IF-EU-120a.1)

Tipo de Gas	2019	2020	2021	2022	% in densely populated areas
NO _x	1071	812	973	1230	0%

Notes: Figures for Colbun Chile were obtained using the respective continuous emission monitoring methods (CEMS or LME), while for Fenix a calculation method using the EPA USA AP-42 emission factor was used, as no emission standard sets a continuous measurement standard. It should be noted that the Fenix plant is fired with natural gas, so PM and SO₂ emissions are not relevant.

EMISSION LEVEL FROM SANTA MARÍA COMPLEX

Year	PM (mg/ Nm ³)	Limit Norm MP (mg/Nm ³)	NO _x (mg/ Nm ³)	Limit Norm NO _x (mg/Nm ³)	SO ₂ (mg/ Nm ³)	Limit Norm SO ₂
2019	8.2		310		188	
2020	7.9	50	336	500	131	400
2021	9.5		347		178	
2022	10.8		333		179	

EMISSION LEVEL FROM NEHUENCO COMPLEX

Technology	Year	PM (mg/ Nm ³)	Limit Norm MP (mg/Nm ³)	NO _x (mg/ Nm ³)	Limit Norm NO _x (mg/Nm ³)	SO ₂ (mg/ Nm ³)	Limit Norm SO ₂
Natural Gas	2019			22.3			
	2020		N/A	22.7	50		N/A
	2021			25.6			
	2022			31			
Diesel	2019*						
	2020*						
	2021	1.04	30	77.9	200	1.01	30
	2022			64.8		0.72	

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5.6



Biodiversity

GRI: 103-2, 103-3, 304-1, 304-2

Fully aware of the value of biodiversity, Colbun S.A. states in its Sustainability Policy the importance of **"Considering in our environmental management the recognition of biodiversity, natural habitats and the management of greenhouse gas emissions to achieve environmental viability in our activities"**.

As part of this commitment, the company defined its Biodiversity Strategy in 2022, which was approved by the Sustainability Committee. The objective is to address the challenge of biodiversity management comprehensively in the activities of Colbun S.A. and its subsidiaries, considering this element throughout the life cycle of our facilities and projects.

Main Goal

To consolidate the importance of biodiversity in all areas of activity and to establish standards for its protection and management. To this end, projects are designed to minimize, mitigate, restore, or compensate for their environmental impact, comply with regulations, and reduce their impact on biodiversity and ecosystems. In addition, operational facilities have environmental monitoring plans in place to assess the state of the ecosystems surrounding our facilities and protect biodiversity.

Additional Focus

As part of its sustainability policy and in line with the principles of the Global Compact and the International Union for Conservation of Nature (IUCN), the company has defined its strategy in five guidelines:



01

Address the impact of our projects on biodiversity, using methodologies that allow us to address biodiversity in a comprehensive manner and applying the mitigation hierarchy in all projects located in areas of environmental value⁽¹⁾, looking for zero net loss.

(1) Territories with low or no anthropic intervention with unique or scarcely representative species and ecosystems unique or scarcely representative.



02

Promote knowledge of endemic or endangered species and their habitats in our current and future operations, in line with the Global Compact Principles and the International Union for Conservation of Nature (IUCN), in collaboration with external partners.



03

Promote biodiversity conservation through the protection or rehabilitation of areas of environmental value.



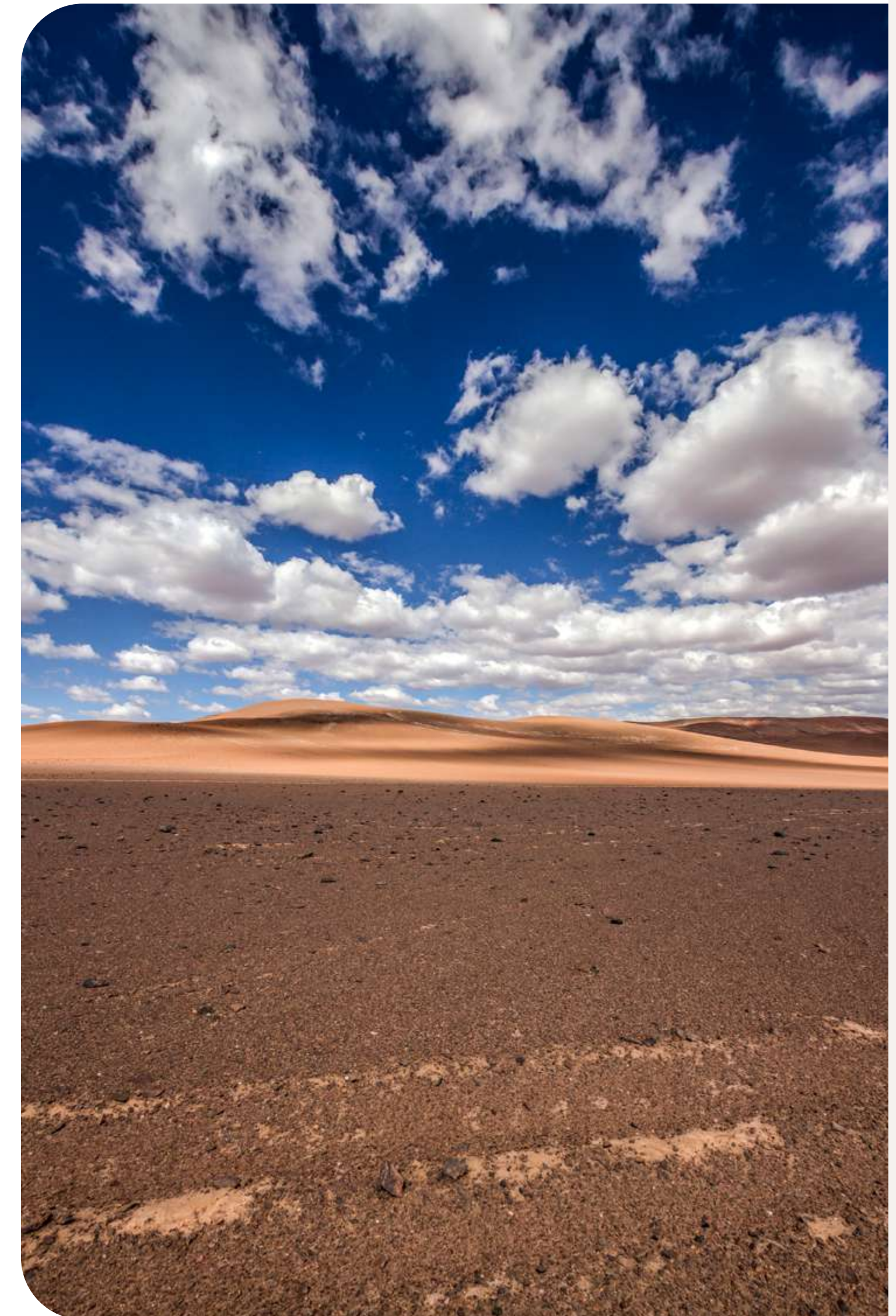
04

Promote sustainable sourcing by procuring materials from sustainably managed forests that are FSC and/or PEFC certified.



05

To promote knowledge and understanding of biodiversity among all employees of the Company.



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5.6



Biodiversity

GRI: 103-2, 103-3, 304-1, 304-2

Major Biodiversity Projects

GRI: 304-3, 304-4

Colbun promotes initiatives to add value to ecosystems and environments where it operates.



› The project and its purpose

Colbun has a protected area called Rincón del Sur, located on the shores of Lake Chapo, in the municipality of Puerto Montt. Its objective is the conservation of biodiversity and the protection of existing habitats and ecosystems, in addition to facilitating research and environmental education. The land is of high ecological and scenic value due to the presence of native, protected, and endemic species of flora and fauna, as well as minimal human intervention.

› Conseration Mode

Rincón del Sur was created under the Royal Right of Conservation, the highest standard of private conservation in Chile, which allows a property to be set aside for conservation in perpetuity. The counterpart to this commitment was the Tierra Austral Foundation, the entity that guarantees its fulfillment. In this way, a biological corridor is guaranteed in lands of the highest ecological quality, part of the Biosphere Reserve, known as the temperate rainforest, in lands adjacent to two areas of the National System of Protected Natural Areas of the State (SNASPE), the Alerce Andino National Park and the Llanquihue National Reserve.

› Investigation

In 2022, an agreement was signed with the Universidad de Los Lagos to allow students from the Environmental Engineering program to conduct research in the Rincón del Sur protected area.

The monitoring of the fauna was carried out with the help of an innovative method that uses genetic material present in the environment to determine the presence of different species. This monitoring was developed in collaboration with the company ECOGEN, which took water and soil samples and detected 48 species of vertebrates, 13 of which had not been found using traditional methods. Among these, the huillín and the gray fox or chilla stood out.



› SDG Contribution

This project contributes to SDG No. 15 on "Life on Land", which seeks to "Sustainably manage forests, combat desertification, halt and reverses land degradation, halt biodiversity loss".



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5.6



Biodiversity

GRI: 103-2, 103-3, 304-1, 304-2

Major Biodiversity Projects

GRI: 304-3, 304-4

Bird Watching

Background

The environment of the Angostura Reservoir, created in 2014 with the Angostura Power Station, has allowed the natural development of an area where birds have settled, with over 100 species recorded, most of them native. Based on this phenomenon, a survey and monitoring of the avifauna was carried out in order to make a complete characterization of the birds in the area.

Better experience and habitat establishment

With expert assistance, a plan is being developed to improve and maintain the best conditions for existing and new species.

The project

Three initiatives have been promoted to highlight the environmental value of the presence of birds in the reservoir:

- Installing a high-definition camera that allows birdwatching from the Angostura Park Visitor Center.
- Create an educational website with files and videos of the existing fauna. The website can be accessed www.avesangostura.cl
- We are in the process of the publication of a book with the species of birds that are on record.
- In 2022, a team of experts in birds and aquatic ecosystems designed a plan of action to improve the habitat of the bird-watching area, as well as to reduce the potential existing threats. This plan will be implemented in 2023.



SDG Contribution

This project strengthens SDG No. 15 on "Life on Land", in particular for its indicator 15.1.2.

Community Apiculture

Goal

A Community Beekeeping Program was initiated to provide local beekeepers with native forests and reforestations associated with the facilities where Colbun is present, to develop this activity and scientific research. More than 4 years after it began, there are projects in more than 9 communities throughout the country, with Quillota being the most recent to join.

The project

The program has more than 400 hectares dedicated to the production of differentiated honey, which has benefited 70 beekeepers in nine municipalities: Los Andes, San Esteban, Codegua, Coronel, Quilleco, Yumbel, Cabrero, Santa Bárbara, and Cochamó.



Benefits

- New income sources for the local community.
- Scientific knowledge about monofloral honey.
- Pollination of bees.
- Social bonding.
- Improved forest and land conservation.

Acknowledgement

The program has been recognized in the "Good Practices for a More Sustainable Electric Future" competition organized by Generadoras de Chile, as well as highlighted by Red Pacto Global Chile (UN).

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6.1



About this Integrated Annual Report

GRI: 2-6, 3-2, 2-3, 2-4,

Scope

(GRI 2-1, 2-2, 2-3, 2-4, 2-5,3-1, 3-2, 3-3)

This Integrated Annual Review, the twelfth in the history of Colbun's reporting on sustainability issues and the eighth version to be published in an integrated fashion, seeks to present the management of its environmental, social, economic, and governance impacts. It covers the operations of the company and its subsidiaries in Chile and Peru for the period from January 1 to December 31, 2022. It includes all activities related to the company's business cycle, from the development and construction of projects to the sale of energy, its generation, and marketing, as well as the provision of value-added services.

This document does not include indicators for Electrogas, as it is a subsidiary of Colbun S.A.

There were no significant changes in the organization or supply chain in 2022.

This Integrated Memorandum was published on April 14, 2023.

Methodology

The annually updated report is based on the Global Reporting Initiative's (GRI) "in accordance" option, considering the 2021 version. The recommendations of the World Economic Forum (WEF) have also been taken into account to contribute to the comparability of information between different companies in the industry worldwide. This document constitutes a Communication for Progress (CoP) of the United Nations Global Compact Principles, to which Colbun adheres, linking the company's performance to the Sustainable Development Goals (SDGs).

In addition, for the first time, the company is reporting on a mandatory basis the indicators included in the General Standard No. 461 of the Financial Market Commission (CMF), which requires, among other things, the reporting of the accounting parameters and disclosure issues established by the Sustainability Accounting Standard Board (SASB) for the "Electricity and Generation Companies" sector, taking into account the recommendations of the TCFD (Task Force on Climate-Related Financial Disclosures). Management and the Board of Directors have participated in the definition of the sector to be reported through the company's Sustainability Committee.

On the other hand, the public indicators required by the Dow Jones Sustainability Index (DJSI) for the industry have been included in the information.

We maintain our commitment to reporting annually on our environmental, social, corporate governance, and economic performance, and we confirm that there have been no relevant changes in methodology concerning what will be reported in the 2021 Report..

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6.2



Materiality

GRI: 2-14, 3-1, 3-2

This Integrated Annual Report Materiality for Colbun S.A. was carried out between December 2022 and January 2023 and is an update of the one carried out in 2020.

The stages suggested by the GRI methodology have been considered in this process. In the first step, to understand the context of the organization and identify the most recurrent impacts of the generating companies in the country and the world, internal documents, social networks, press reports, press, international standards, the company's website, and others were analyzed, as well as previous reports of the company and other market institutions.

To identify stakeholders, we considered those raised by the company in its Strategic Agenda 2030, including the following:

- Investors
- Communities
- Employees
- Environment
- Clients
- Suppliers

The company conducted the stakeholder consultation process during 2022, using quantitative and qualitative tools that, although not used to determine materiality impacts, sought, among other things, to:

- Measure Satisfaction
- Identify Impacts
- Assess Impact Managements

The results of the surveys, as well as documents from secondary sources on the company's impact, were used to determine the relevant topics for the target groups.

The documents and sites consulted were as follows::

1. Web Pages

- › Generadoras de Chile
- › Empresas Eléctricas A.G.
- › Enel
- › AES Andes
- › Colbun

2. Press in Search Engines

- › Colbun
- › Enel Generación
- › AES Andes

3. 2021 Annual Reports

- › Colbun
- › Enel
- › AES Andes

4. Query Results

- › SSIindex Suppliers and Providers (Chile and Peru)
- › SSIindex Inversionistas
- › SSIindex Communities (Chile and Peru)
- › Great Place to Work
- › Reputation and Risk Index
- › S&P Global ESG Evaluation

5. Other Documents

- › 2021-2030 Colbun Strategic Agenda
- › Colbun's social media publications
- › Colbun Press Report
- › Sustainability Committee Report

Summary of community dialogues Biobio y Los Lagos; Maule; Valparaíso

6. Interviews

To understand and prioritize the company's challenges in terms of risks and impacts, interviews with executives of the organization were considered:

- › Pedro Vial, Corporate Affairs Manager
- › Hernando Álvarez, External Audit Manager
- › Raffaella Norambuena, Strategic Planning Leader
- › Review of interviews in CNN and El Mercurio and El Mercurio with José Ignacio Escobar, CEO of Colbun

As a result of the review, 30 relevant topics were identified, which were determined by listing those mentioned in the sources, also considering the context of the mention.

7. International Standards

- › Global Reporting Initiative (GRI)
- › Sustainability Accounting Standard Board (SASB) for the sector " power companies and generators" ..
- › Task Force on Climate-Related Financial Disclosures (TCFD).
- › Dow Jones Sustainability Index (DJSI) for the industry.
- › World Economic Forum (WEF)

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6.2



Materiality

GRI: 2-14, 3-2

Identification and Prioritization

To prioritize the relevant issues and obtain the material issues, each of the first issues was assigned a score based on its importance to external groups and the organization.

To prioritize the relevant issues and obtain the material issues, each issue was subjectively assigned a score based on the number of times it was mentioned, the number of stakeholders affected, and the type of impact (Table 1). Using the same scale, the importance of the issue to the organization was weighted by assigning scores according to Table 2, with points assigned if the issue was present in the company's strategic agenda and other internal sources consulted.

For example, the subjective criterion for assigning the value of the scores can be seen in the fact that negative impacts were considered to have a greater impact than positive impacts because the number of people affected and the severity of the impact were greater in the case of the former, without taking into account other considerations of value to the organization and the public.

This Integrated Annual Report was published on April 14, 2023.

Thus, by adding the internal and external scores and cross-referencing the data in a double-entry matrix (double materiality), all those scoring 4.0 or more internally and externally were material. The cut-off score was assigned subjectively concerning the passing scale commonly used in Chile.

All of these issues were weighted according to the GRI criteria of impact type, scope, horizon, and severity..

RELEVANT INTERNAL ISSUES RATING (Table 1)

INTERNAL SOURCE	SCORE
Strategic Agenda	2
Web Colbun	1
Press Report	1
Interviews	1
Sustainability Committee Report	1

RELEVANT EXTERNAL ISSUES RATING (Table 2)

CLASIFICACION	NEGATIVE	1	POSITIVE	0.5
IMPACT TYPE	REAL	1	POTENTIAL	0.5
CAUSE	DIRECT	0.5	INDIRECT	0.25
HORIZON	LONG TERM	0.5	SHORT TERM	0.25
SERIOUSNESS	NOT REMEDIABLE	0.5	REMIABLE	0.25



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6.2



Materiality

GRI: 3-1, 3-2

Materiality Matrix

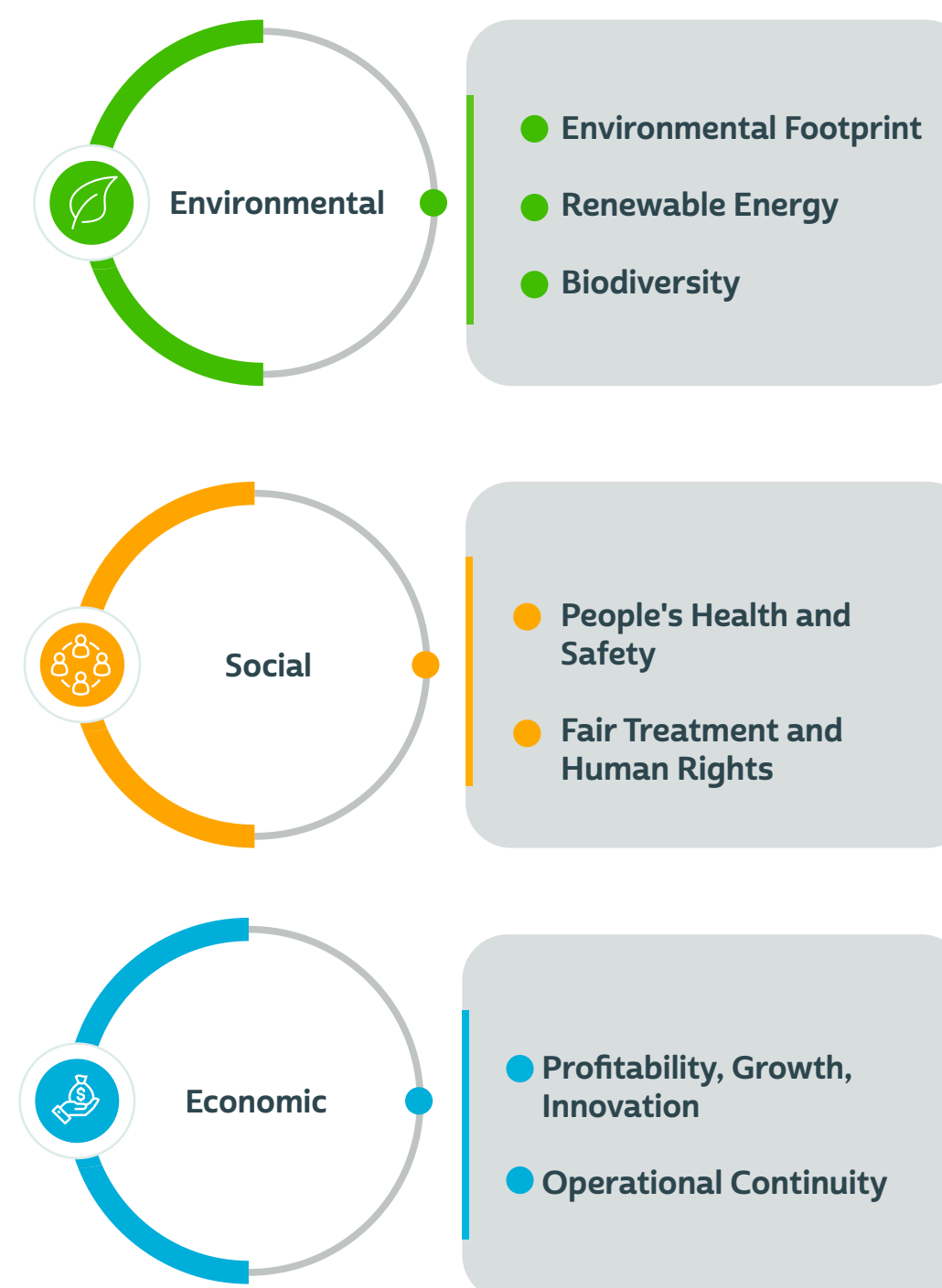
The Materiality matrix was validated by senior management and directors participating in Colbun's Sustainability Committee, who were informed of the seven material issues in the 2022 update.

Materiality Matrix



Material Issues	External Assessment	Internal Assessment
A RENEWABLE ENERGIES	5.8	6.5
B ENVIRONMENTAL FOOTPRINT	4.6	5.2
C BIODIVERSITY	6.5	5.5
D PEOPLE HEALTH AND SAFETY	4.3	4.0
E COMMUNITY RELATIONS AND INVESTMENT	3.1	4.8
F FAIR TREATMENT/HUMAN RIGHTS	4.0	5.3
G TARIFF	4.7	3.7
H PROFITABILITY, GROWTH, INNOVATION	4.4	4.3
I OPERATIONAL CONTINUITY	5.0	4.0
J ETHICAL MANAGEMENT	3.3	3.0
AVERAGE	4.6	4.6

The following topics were determined to be material based on the results of cross-referencing the topics in the materiality matrix:



Although these impacts are those that, according to the stakeholders, were relevant according to the methodology used and during the period analyzed, others are a priority for the organization in the long term, as they are the enablers for the fulfillment of its strategic agenda, so they are constantly monitored and worked on, customer satisfaction and operational excellence, which have been included and addressed in the content of this Integrated Report as material issues.

It is also noted that there are changes in the material topics reported in 2021, which may be related to the update of the standard, methodological differences and subjective factors in the analysis. Topics such as corporate governance, risk management, regulation, internal culture, and diversity and inclusion were not material in 2022, although they were reported in this report.

The Board of Directors, through the Statement of Responsibility for the Integrated Report, acknowledges and approves the full content of the document, which is also published on the website of the Financial Markets Commission (CMF).



6.3 Summary of Material Issues Management

● ● ● ● NCG 461: 3.3.1
GRI: 3-2A, 3-2B, 3-3A, 3-3B, 3-3C

Material Issue	Scope	Associated impact: why it is material	Type of Impact	Related Risks	Stakeholder impacted	Policy or commitment	SDG Associated	Chapter
1. Environmental Footprint	<ul style="list-style-type: none"> GHG Emissions Climate Change Local gas emissions Water management Drought Pollution Waste 	<p>How GHG emissions contribute to climate change and the company's efforts and targets to reduce them.</p> <p>The impact on flora and fauna and on human health of local gas emissions from coal and fossil fuel energy sources.</p> <p>The impact of company operations on community water availability, particularly due to the company's intensive use of this resource. This causes concern among communities in the context of drought and water scarcity.</p> <p>Concerns about managing and monitoring hazardous and non-hazardous waste from operations.</p>	Negative/Real/Direct and Indirect/Short and Long Term/Remediable	<ul style="list-style-type: none"> Impact of Climate Change on hydroelectric generation and transmission Regulatory non-compliance Conflicts with communities Regulatory changes Environmental incidents Reputational damage <p>Among the risks monitored and evaluated by the Company's Corporate Risk function are those related to changes in weather patterns (chronic and acute) and transitions, as well as potential regulatory changes in this area. All of these risks have been evaluated in conjunction with the Climate Change area.</p> <p>In particular, it was quantified how the reduced availability of water for hydroelectric power generation could affect production levels. Deepen the governance of climate change risk management.</p> <p>In 2022, the company developed a study to analyze the main climate change risks with material impact and opportunities to strengthen its competitive position. From this work, it was determined that the main risks correspond to the decrease and changes in rainfall patterns (decrease in water availability), the increase in the severity and frequency of extreme events such as droughts, heat waves, tidal waves, and fires, and the increase in the green tax.</p>	<ul style="list-style-type: none"> Employees Suppliers and contractors Communities Clients Investors Environment 	<p>Colbun has specific goals to reduce its environmental footprint:</p> <ul style="list-style-type: none"> Carbon Footprint: to be a carbon neutral company by 2050; reduce net CO2e emission factor by 30% by 2025 and 40% by 2030 in Chile. Water Footprint: reduce freshwater withdrawal intensity per energy generated by 40% by 2025 and 45% by 2030; reduce freshwater use in non-operational activities by 40% by 2025. Waste footprint: Reach 98% recovery of ashes from Central Santa María by 2025 (97%-99% of Colbun's waste); Increase recovery of waste other than ashes by 35% by 2025 and 50% by 2030. <p>The Company has a defined action plan to achieve these goals. The Company also has an Environmental Management System certified to ISO 14001, which ensures that the Company has environmental objectives, consistent policies and procedures, defined responsibilities, training programs, documentation, and a follow-up and monitoring system. Based on the obligations established in the RCA (Environmental Qualification Resolution) of the plants and projects (all of which are publicly available on the SEIA platform) and the environmental regulatory and normative framework, various internal and external systems are in place to control and monitor environmental compliance. Among them, we have the M-Risk tool, which is the legal compliance tool of the management system where environmental commitments are loaded, helping us with traceability, supporting documentation, and indicating deadlines, and those responsible for each commitment. Headquarters and projects are responsible for managing compliance with these commitments; the Internal Audit Department and the Sustainability and Environment Department support and monitor this management. Externally, the Superintendency of the Environment and other environmental public services monitor compliance with all of the above through their programs and supervisory powers. Managing the environmental footprint is included in the company's Strategic Agenda, and meeting certain indicators affects the performance evaluation that determines the variable compensation of all the company's employees.</p>	SDG 6 SDG 7 SDG14 SDG 15	Chap. 5
2. Renewable Energies	<ul style="list-style-type: none"> Decarbonization Energy transition Zero-emission energy Climate Change 	<p>Renewable energy generation is increasingly demanded by customers and society in general. This energy helps fight climate change and is more competitive. Its production contributes to the environmental goals of its customers.</p> <p>The transition to renewable energy is a source of competitiveness and an opportunity for growth for a company like Colbun. At the same time, however, it is also a challenge for the security and continuity of its operations in a scenario of high penetration of variable renewable energy sources, which requires excellent management of its assets.</p> <p>Thus, the emergence of new renewable technologies can create threats and opportunities for the company's future development.</p>	Positive/Real/Direct/Short Term/Remediable	<ul style="list-style-type: none"> Regulatory changes Increased competition Market price evolution Safe operation of the system Increase in green taxes New technologies <p>The transition risk associated with the company's exclusion from markets. Failure to adapt would negatively impact the company through loss of competitiveness, loss of social license, and reputational costs.</p>	<ul style="list-style-type: none"> Employees Suppliers and contractors Communities Clients Investors Environment 	<p>Renewable energy growth is one of the pillars of Colbun's 2030 Strategic Agenda, which establishes it as a way to maximize the company's value through projects that cost-effectively meet the electricity needs of customers and the markets in which it operates, contributing to a low-carbon matrix. With this in mind, the company expects to have nearly 4,000 MW of renewable energy in place by the end of the decade, a doubling from today's level. To date, about 1,000 MW are already in operation or under construction.</p> <p>The company also has more than 1,280 MW of renewable projects under regulatory approval and more than 800 MW under evaluation. Progress on the renewable energy growth plan is evaluated annually against targets, the achievement of which affects the performance rating that determines the variable compensation of all company employees.</p>	SDG 7 SDG 13	Chap. 2

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6.3 Summary of Material Issues Management



Material Issue	Scope	Associated impact: why it is material	Type of Impact	Related Risks	Stakeholder impacted	Policy or commitment	SDG Associated	Chapter
3. Biodiversity	<ul style="list-style-type: none"> Flora Fauna Ecosystems 	<p>The construction and operation of power generation facilities can have an impact on the flora and fauna of the areas where this infrastructure is located, as well as on the ecosystems of the surrounding communities. In a scenario where environmental biodiversity is subject to various threats and is increasingly valued by society, it is very important for a company such as Colbun to adequately manage its impact on biodiversity.</p> <p>In addition, the promotion of biodiversity by companies like Colbun can be an opportunity to create value for the environment and its stakeholders.</p>	Negative/Real/Direct/Long-Term/Remediable	<ul style="list-style-type: none"> Regulatory non-compliance Environmental incidents Reputational damage Stoppage of construction or operations <p>Risks associated with the impact on biodiversity can have a direct effect on the operation of the Company's assets, as well as the construction of projects, calling into question its social license, its reputation and leading to regulatory non-compliance.</p>	<ul style="list-style-type: none"> Employees Suppliers and contractors Communities Clients Investors Environment 	<p>Colbun has a sustainability policy and an environmental management model. The company defines its actions in this area in accordance with the principles of the Global Compact and the IUCN Union for the Conservation of Nature: Using a methodology to measure the impact of its projects on biodiversity that aims for zero net loss. Promote knowledge of endemic species or species in conservation categories. Promote the protection or restoration of areas of ecological value. Promote sustainable sourcing from its suppliers. Promote knowledge and understanding of biodiversity among all company employees</p>	SDG 14 SDG 15	Chap. 5
4. People's Safety	<ul style="list-style-type: none"> Health and Safety of Employees Health and safety of the communities 	<p>The health and safety of its employees, contractors and the community surrounding its operations is of paramount importance to Colbun. In this sense, no situation justifies compromising their integrity. The possibility of accidents or occupational diseases to which its employees may be exposed is a priority for the company, as is the possible impact of its infrastructure and operations on the health and safety of people living near its facilities.</p>	Negative/Real/Direct Potential/Short Term/Remediable and Not-Remediable	<ul style="list-style-type: none"> Potential accidents Potential occupational diseases Health damage to people in the communities where we operate Damage to facilities Damage to public infrastructure Impact on operations Labor disputes 	<ul style="list-style-type: none"> Employees Suppliers and contractors Communities 	<p>The company has an occupational health and safety, environmental and quality policy. This system is certified according to the ISO 45001:2028 and OHSAS 18.001 standards and is provided by an external specialized company. At the strategic agenda level, Colbun has KPIs and corporate objectives linked to performance in terms of accident rates, always to promote a culture of safety excellence. Achievement of these goals affects the performance evaluation that determines the variable compensation of all the company's employees.</p> <p>Strategic Health and Safety Plan. To reduce potential risks, health protocols have been implemented, including the following: Occupational Exposure to Noise Program (PREXOR). Plan to eradicate silicosis by 2030 (PLANESI). Work-related Musculoskeletal Disorders of the Upper Extremities (TMERT-EESS). Manual Handling of Load (MMC) Psychosocial disorders (PSD), asbestos, and non-ionizing radiation (Rad UV A/B). All these protocols are part of the Hygiene Plan, which includes, among other things, qualitative evaluations and preliminary studies in all plants. The Company has emergency plans for each of its facilities, some of which include</p> <p>Colbun Complex: Reservoir Protocol Discharges Colbun power plant spillway Flow Study Machicura Dam</p> <p>Angostura Power Plant: Flood Protocol Presentations to Neighboring Communities Additional safety measures</p> <p>Aconcagua Complex Signage for safety International Road Campaign</p>	SDG 7 SDG 8	Cap. 4

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Material Issue	Scope	Associated impact: why it is material	Type of Impact	Related Risks	Stakeholder impacted	Policy or commitment	SDG Associated	Chapter
5. Fair Treat and Human Rights	<ul style="list-style-type: none"> Community engagement Labor Relationships Spaces for dialogue Gender equity and women's employment Inclusion and Diversity Ethical behavior 	<p>Diversity and Inclusion is not only an ethical imperative, but also contributes to better team performance, with a positive impact on results, and promotes a culture of respect where everyone has a place.</p> <p>For Colbun, it is very important to achieve a constructive and collaborative relationship with the communities where the company's projects and operations are located, as well as to contribute to local development. This requires a work of mutual knowledge, good operational and environmental performance, and the search for opportunities so that Colbun's presence is also a possibility for growth for the community.</p> <p>It also means promoting spaces for dialogue that allow communities to express their concerns and reach agreements that benefit the community, reducing the possibility of conflict and opposition to the projects. The impact on contractors, who are treated appropriately and fairly in the performance of their duties, is also key to the company's success.</p>	Positive/Negative/Real/Direct/Short and Long Term/Remediable	<ul style="list-style-type: none"> Regulatory non-compliance Human Rights - Sexual Harassment Reputational damage Unethical behavior Stoppage of projects and/or operations Judicialization Social incidents Human Rights Strikes Talent retention 	<ul style="list-style-type: none"> Employees Suppliers and contractors Communities 	<p>Colbun's Human Rights and Business Policy compiles and summarizes the principles and values that guide the management of our company in the area of human rights, the violation of which will be sanctioned according to the provisions of the Code of Ethics, the Sustainability Policy, the Diversity, Equity and Inclusion Policy, the Human Resources Management Policy, the Supplier Code of Conduct, among others.</p> <p>Colbun's Strategic Agenda includes objectives related to gender equality, with the goal that by 2025, 25% of the company's employees should be women.</p> <p>In addition, the company conducts an annual perception survey of its neighbors and relevant stakeholders, setting annual targets, the achievement of which affects the performance evaluation that determines the variable compensation of all the company's employees.</p>	SDG 4 SDG 5 SDG 8 SDG 11	Chap. 4
6. Profitability, Growth, Innovation	<ul style="list-style-type: none"> Investments Development plan Market position Competitiveness 	<p>The generation of sustainable financial results is central to the company's ability to remain in the market and meet the expectations of its investors, communities, customers and current regulations.</p> <p>In addition, the lack of growth may have an impact on the value of the Company. In this sense, an investment plan that allows maintaining an attractive offer for customers is key to the Company's development.</p> <p>Furthermore, in a market where innovations have played a central role in the development of this industry, the proper management of innovation is key to maintaining the Company's competitiveness and offering customers an attractive value proposition.</p> <p>In short, continuous innovation plays a fundamental role in the company's ability to create value for all its stakeholders, particularly customers and investors.</p>	Negative/Positive/Real/ Direct/Long Term/Remediable	<ul style="list-style-type: none"> Regulatory risks Demand/supply/price variation Fuel prices Fuel supply Power plant equipment and transmission line failures and maintenance Cyber-attacks Project construction Key supplier supply/service Technological changes Exchange rate Interest rate Own and customer credit quality/counterparty risk Liquidity <p>The profitability and growth of the business are subject to financial risks, which are related to risks associated with the inability to carry out transactions or to meet obligations arising from activities due to lack of funds, as well as to fluctuations in interest rates, exchange rates, bankruptcy of counterparties or other financial market variables that may affect Colbun's net worth. The profitability of the business may also be affected by electricity tariffs and fluctuations in supply and demand.</p> <p>Similarly, the risk associated with innovation is the loss of competitiveness in the face of a product and service offering that meets customer needs.</p>	<ul style="list-style-type: none"> Clients Investors 	<p>One of the main pillars of the company's strategic agenda is the growth of renewable energy, to build more than 4,000 MW of renewable energy by the end of the decade.</p> <p>The progress of the renewable energy growth plan is evaluated annually based on targets, the achievement of which influences the performance evaluation that determines the variable compensation of all the company's employees. Ebitda is also part of the annual performance evaluation of all employees of the company and thus affects the variable compensation they receive each year. Another pillar of this agenda is progress in innovation, where an annual development plan is established for the entire company.</p> <p>In the company's value creation model and sustainability policy, Colbun is committed to creating long-term value, not only economic but also social and environmental, for all our shareholders and other stakeholders, with appropriate corporate governance.</p> <p>Colbun promotes innovation in a transversal way, focusing on four objectives:</p> <ul style="list-style-type: none"> Optimize existing assets or support current operations. Adding value for customers CO2 storage and capture, and Consistent support of sustainability issues 	SDG 7	Chap. 3

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Material Issue	Scope	Associated impact: why it is material	Type of Impact	Related Risks	Stakeholder impacted	Policy or commitment	SDG Associated	Chapter
7. Operational Continuity	<ul style="list-style-type: none"> Cost/efficiency Economic performance Fulfillment of contractual commitments 	<p>Operational excellence is of paramount importance to Colbun. Being able to provide the best service through a secure energy supply and being seen as a professional, reputable company that integrates environmental variables into its operations is fundamental to the company.</p> <p>For example, the impact of changes in energy availability on business productivity can have a major impact on the company. Achieving sustainable financial results is key to generating value for the various stakeholders.</p> <p>Chile has been experiencing a mega-drought for more than 10 years, affecting hydroelectric generation in the central and south-central parts of the country. Cumulative precipitation is expected to decrease by 20% between 2035 and 2065.</p>	Negative/Real/Short Term/Irremediable	<ul style="list-style-type: none"> Drought Rising costs Operational failures Loss of customer confidence Economic impact on operating results <p>Operational continuity is very important to create customer loyalty, long-term relationships with contractors and good relations with the communities. In dry hydrological conditions, Colbun must operate its combined cycle thermal plants or, by default, operate its backup thermal plants or resort to the spot market. This situation would make Colbun's costs more expensive and increase the variability of its results depending on hydrological conditions. This impact is also linked to the risk of rising fuel prices and fuel availability in situations of low hydroelectric output. Another risk related to the continuity of operations is equipment failure and maintenance. There is also the risk of natural disasters, accidents and other unforeseen events. There is also the risk of regulatory changes that could impede operations.</p>	<ul style="list-style-type: none"> Investors Clients Society and Communities 	<p>Optimizing the operation of its assets is a central axis of the company's strategic agenda. The availability and reliability of the power plants are part of the annual objectives against which all Colbun employees are evaluated and therefore have an impact on the variable remuneration that each of them receives each year.</p> <p>The risk management model aims to ensure the continuity of the company's operations by managing financial, reputational, social, environmental and climate change risks.</p>	SDG 7	Chaps. 2 y 3

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6.4



External Validation

The Integrated Annual Report has been verified by the consulting division of PwC, with which Colbun has no relationship or commitment other than as a supplier-client, and whose appointment as verifier was the result of a bidding process that met all the internal parameters established by the company to ensure transparency in the selection process.

The highest governance body and senior management participate in the definition of external verification.

The purpose of the external verification of the document is to ensure the reliability of the data presented. In this sense, on the one hand, the presence in the document of the GRI indicators necessary to comply with the option by the standard was verified, as well as those of the General Standard no. 461 of the Financial Market Commission and, within it, those of the Sustainability Accounting Standards Board (SASB) corresponding to the Infrastructure Sector, sub-sector Electricity Companies and Electricity Generators. On the other hand, the existence of evidence for the reported information and the quality of the indicators were reviewed. The results of this process are presented in the verification letter of the consulting firm.

The Sustainability and Investor Relations teams, together with some of Colbun's senior executives, participated in the definition of the external verification of this Integrated Report.

Colbun's carbon footprint has been verified by KPMG. It should be noted that the financial information related to the Annual Report requirements of the Financial Markets Authority is audited by EY.

Verification letters from PwC and KPMG can be found at the end of this document.



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* Confidential information

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EU21	Explain the mechanisms for the community to give notice or make inquiries about spills or risk events/Contingency planning measures, disaster programs/emergency management plan and training.	104
EU22	Number of people physically or economically displaced and compensation/ type of project	212
EU28	Outage frequency, Number of outages a customer could experience and is measured by the number of outages per customer.	N/A
EU29	Average power outage duration	N/A
EU30	Average plant availability factor	55

EU 20 and 22 In 2022 there were no displacements due to company projects.

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6.5 Reporting Standard Indicators



INDEX OF STANDARD INDICATORS NCG N°461 CMF

TOPIC	SUB TOPIC	PAGE	N/A
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2. Entity Profile	2.1 Mission, vision, purpose and values	6, 8, 10, 11, 26, 113, 141	
	2.2 Historical information	8,10, 11	
	2.3 Ownership	12, 158, 159, 160	
3. Corporate Governance	3.1 Governance Framework	14, 16, 18, 19, 21, 23, 24, 28, 29, 37, 38, 39, 61, 63 a 119, 171, 175	
	3.2 Board of Directors	15 a 19, 23, 166, 167	
	3.3 Board Committee	18, 19, 168, 169, 170	
	3.4 Senior Officers	14, 20, 85, 160	
	3.5 Adherence to National or International codes	14	
	3.6 Risk Management	21,a 24, 59 a 62, 85, 145 a 148, 175 a 179	3.6.d *
	3.7. Relations with stakeholders and the general public	16, 64, 65, 165, 171	
4. Strategy	4.1. Time horizons	27, 172	
	4.2. Strategic goals	4, 5, 6, 25 a 41	
	4.3. Investment plans	32 a 36, 172	

***Reason for Not Applicable per indicator.**

3.6.d Risk management: Not applicable. Colbun reaches industrial and commercial customers; no risks to the health and safety of our customers are identified.
 6.4.ii Property and Equipment: Not applicable. However, Colbun has or owns non-constituent water rights for hydroelectric generation, water resources that are captured and subsequently returned to the natural course of rivers. These rights are perpetual by law.

TOPIC	SUB TOPIC	PAGE	N/A
5. People	5.1. Workforce	81, 82, 192, 193, 194	
	5.2. Labor Formality	188, 189	
	5.3. Labor adaptability	189	
	5.4. Salary equity by sex	82, 83	
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	5.9. Subcontracting policy	97	
6. Business Model	6.1 Industrial sector	8, 48, 50 a 55, 64, 185, 186, 187	
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	7.2. Supplier evaluation	98, 99, 100	
8. Indicators	8.1. Legal and regulatory compliance	183, 184	
	8.2. Sustainability indicators by industry.	155	
9. Relevant or essential facts		160	
10. Shareholder and Board of Directors' comments		170	
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6.5 Reporting Standard Indicators

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX INFRASTRUCTURE-POWER COMPANIES AND POWER GENERATORS

TOPIC	CATEGORY	METRIC	PAGE
Greenhouse Gas Emissions & Energy Resource Planning	IF-EU-110a.1	(1) Gross global Scope 1 emissions, percentage covered under (2) Emissions-limiting regulations, and (3) emissions-reporting regulations	125
	IF-EU-110a.2	Greenhouse gas emissions associated with power deliveries	125
	IF-EU-110a.3	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets.	126
	IF-EU-110a.4	(1) Number of customers served in markets subject to renewable portfolio standards (RPS) and (2) percentage fulfillment of RPS target by market	N/A(1)
Air Quality	IF-EU-120a.1	Air emissions of the following pollutants: (1) NOx, (2) SOx, (3) particulate matter, (4) lead, and (5) mercury; percentage of each in or near areas of dense population	136
Water Management	IF-EU-140a.1	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	130
	IF-EU-140a.2	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	220
	IF-EU-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	218
Coal Ash Management	IF-EU-150a.1	Amount of coal combustion residuals (CCR) generated, percentage recycled	134
	IF-EU-150a.2	Total number of coal combustion residual (CCR) impoundments, broken down by hazard potential classification and structural integrity assessment	omission
Energy Affordability	IF-EU-240a.1	Average retail electric rate for (1) residential, (2) commercial, and (3) industrial customers	omission
	IF-EU-240a.2	Typical monthly electric bill for residential customers for (1) 500 kW and (2) 1,000 kWh of electricity delivered per month	N/A(2)
	IF-EU-240a.2	Typical monthly electric bill for residential customers for (1) 500 kW and (2) 1,000 kWh of electricity delivered per month	N/A(2)
	IF-EU-240a.3	Number of residential customer electric disconnections for non-payment, percentage reconnected within 30 days	N/A(3)
	IF-EU-240a.4	Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	234

TOPIC	CATEGORY	METRIC	PAGE
Workforce Health & Safety	IF-EU-320a.1	(1) total recordable incident rate (TRIR), (2) fatality rate, (3) near miss frequency rate (NMFR)	102
	IF-EU-420a.1	Percentage of electric utility revenues from rate structures that (1) are decoupled and (2) contain a lost revenue adjustment mechanism (LRAM)	N/A(4)
End Use Efficiency & Demand	IF-EU-420a.2	Percentage of electric load served by smart grid technology	N/A(4)
	IF-EU-420a.3	Customer electricity savings from efficiency measures, by market	235
Nuclear Safety & Emergency Management	IF-EU-540a.1	Total number of nuclear power units, broken down by U.S. Nuclear Regulatory Commission (NRC) Action Matrix Column	N/A(6)
	IF-EU-540a.2	Description of efforts to manage nuclear safety and emergency preparedness	N/A(7)
Grid Resiliency	IF-EU-550a.1	Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations	220
	IF-EU-550a.2	(1) System Average Interruption Duration Index (SAIDI), (2) System Average Interruption Frequency Index (SAIFI), and (3) Customer Average Interruption Duration Index (CAIDI), inclusive of major event days	N/A(7)
	IF-EU-000.A	Number of (1) residential customers (2) commercial customers (3) industrial customers	232
	IF-EU-000.B	Total electricity delivered to (1) residential customers, (2) commercial customers, (3) industrial customers (4) all other retail customers and (5) wholesale customers	232
	IF-EU-000.C	Length of transmission and distribution lines	234
	IF-EU-000.D	Total electricity generated, percentage by major energy source, percentage in regulated markets	9
	IF-EU-000.E	Total wholesale electricity purchased	N/A(9)

Reasons for Not Applicable

- (1) IF-EU-110a.4 N/A. Neither in Chile nor in Peru do we have clients to whom a regulation associated with the increase of electricity production from renewable resources applies.
- (2) IF-EU-240a.2 N/A. As a generating company, we do not have residential customers.
- (3) IF-EU-240a.3 N/A. As a generating company, we do not have residential customers.
- (4) IF-EU-420a.1 N/A. U.S. regulation.
- (5) IF-EU-420a.2 N/A. Colbun does not have transmission networks that supply customers (neither in Chile nor in Peru).
- (6) IF-EU-540a.1 N/A. Colbun does not have nuclear power units.
- (7) IF-EU-540a.2 N/A. Colbun does not have nuclear power units.
- (8) IF-EU-550a.2 N/A. Colbun does not have transmission networks that supply customers (neither in Chile nor in Peru).
- (9) IF-EU-000.E N/A. Colbun is an electricity generator that produces electricity through its generation plants.

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6.5 Reporting Standard Indicators

WORLD ECONOMIC FORUM (WEF) INDICATORS

WEF Indicator	Indicator Name	Content	Page
Governance	Governance purpose	Ethical environment purpose	14
	Quality of the Governance Body	Governance Body Composition	14
	Stakeholder Engagement	Material issues affecting Stakeholders	144
	Ethical Behavior	Anti-corruption	23
	Comportamiento ético	Protected ethical advice and reporting mechanisms	23
	Risk and Opportunity Oversight	Integration of risk and opportunity into the business process	59, 175
Planet	Climate Change	GHG emissions	125
	Climate Change	TCFD implementation	180
People	Dignity and Equity	Diversity and Inclusion (%)	192
	Dignity and Equity	Equal Salary	83
	Dignity and Equity	Salary Level (%)	83
	Dignity and Equity	Risk of incidents of child, forced or compulsory labor	84
	Health and Welfare	Health and Safety (%)	100, 101, 102
	Tools for the future	Training Provided	196, 197
Prosperity	Employment and Wealth Generation	Absolute number and employment rate	78
	Employment and Wealth Generation	Contribución económica	30
	Employment and Wealth Generation	Contribution to financial investment	
	Innovation for the improvement of products and services	Total R&D expenditures	37
	Social and Community Vitality	Total taxes paid	30

COLBUN INDICATORS

INDICATOR	DETAIL INDICATOR	Chapter/Section	Page
Colbun 3.SO	Social investment by type of initiative	CAP 4.7 Community Relationship	109
Colbun 4.SO	Major socio-environmental conflicts experienced this year and how they were addressed	4.7 Community Relationship	112
Colbun 8.TR	Work quotas filled through internal contests	4.4 Our Employees - Internal Mobility	89
Colbun 10.TR	Climate survey results / GPTW	4.4 Our Employees - Organizational Climate	90
Colbun 7.EC	Colbun's vision regarding the energy agenda and new regulations	3.1 The Energy Industry	85
Colbun 6.EC	Status of the company's security prospects and goals related to growth.	2.4 Growth in Renewable Energies 2.5 Other Growth Opportunities	32 a 36

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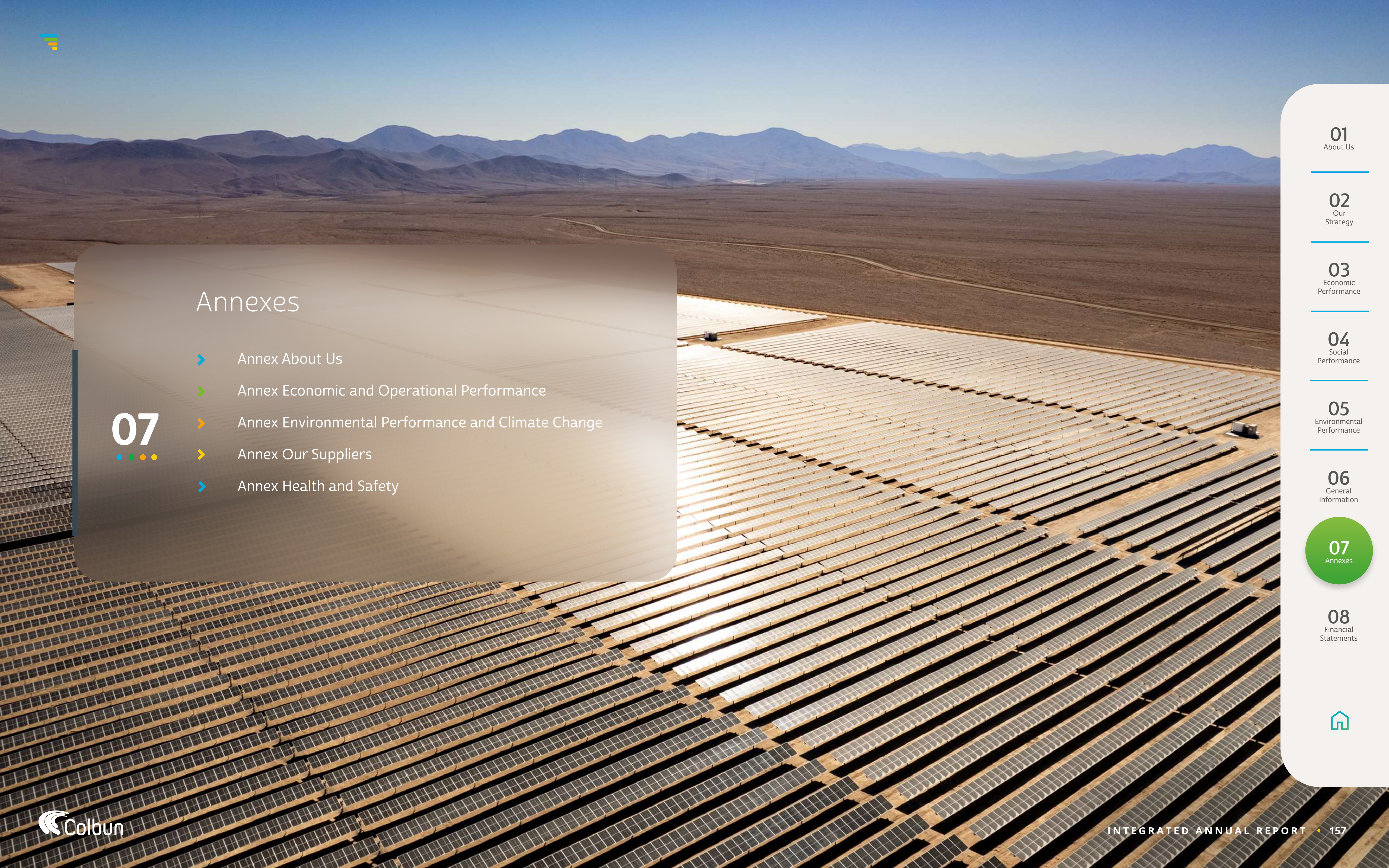
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- Annex Environmental Performance and Climate Change
- Annex Our Suppliers
- Annex Health and Safety

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7.1



Structure, Strategy and Corporate Governance Framework

NCG 461-2.1 GRI 102-5

Colbun has a total of 17,536,167,720 shares of equal value ("one share one vote"). There are no governmental entities with voting rights. Pursuant to Title XV of Law No. 18,045, the following companies hold shares representing 49.92% of the voting capital as of December 31, 2022

CONTROLLING SHAREHOLDER'S OWNERSHIP AS OF DECEMBER 31, 2022

Controlling Group	No. of Shares	Participation %
Minera Valparaíso S.A.	6,166,879,733	35.17
Forestal Cominco S.A.	2,454,688,263	14.00
Forestal Bureo S.A.	57,710,155	0.33
Forestal Constructora y Comercial del Pacífico Sur S.A.	34,126,083	0.19
Forestal Cañada S.A.	22,308,320	0.13
Inmobiliaria Orinoco S.A.	17,846,000	0.10
Inmobiliaria Bureo S.A.	38,224	0.00
Total Participation	8,753,596,778	49.92

- The Company is controlled by a control and joint action agreement formalized with Forestal O'Higgins S.A. and other companies. It is expressly noted for the record that the aforementioned control and joint action agreement provides for restrictions on the free disposition of shares. Underlying the Controller are the following members of the Larraín Matte, Matte Capdevila and Matte Izquierdo families, in the manner and percentages set forth below:
- Patricia Matte Larrain, RUT 4.333.299-6 (6.49%) and his offspring María Patricia Larrain Matte, RUT 9.000.338-0 (2.56%); María Magdalena Larrain Matte, RUT 6.376.977-0 (2.56%); Jorge Bernardo Larrain Matte, RUT 7.025.583-9 (2.56%), and Jorge Gabriel Larrain Matte, RUT 10.031.620-K (2.56%).
- Eliodoro Matte Larrain, RUT 4.336.502-2 (7.22%) and his offspring Eliodoro Matte Capdevila, RUT 13.921.597-4 (3.26%); Jorge Matte Capdevila, RUT 14.169.037-K (3.26%), and Maria del Pilar Matte Capdevila, RUT 15.959.356-8 (3.26%).
- Bernardo Matte Larrain, RUT 6.598.728-7 (8.05%) and his offspring Bernardo Matte Izquierdo, RUT 15.637.711-2 (3.35%); Sofia Matte Izquierdo, RUT 16.095.796-4 (3.35%), and Francisco Matte Izquierdo, RUT 16.612.252-K (3.35%).

The individuals identified above are related to the same corporate group.



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Colbun shares on the Stock Exchange

Colbun shares are traded on the Santiago Stock Exchange and the Electronic Stock Exchange. In both stock exchanges, the market presence is 100%.

The following tables provide information about the price, market presence, volume and amounts traded in the above mentioned stock exchanges.

SHARE TRADING PERFORMANCE ON THE ELECTRONIC EXCHANGE

Period	Volume (shares)	Total traded (CLP)	Average price (CLP)	Lowest price (CLP)	Highest price (CLP)	Closing price (CLP)
1T 2019	17,355,039	\$2,614,372,790	\$150.60	\$137.40	\$154.90	\$153.80
2T 2019	10,179,031	\$2,603,730,550	\$137.90	\$127.50	\$153.30	\$140.00
3T 2019	15,176,896	\$2,610,737,730	\$126.40	\$121.70	\$138.00	\$131.50
4T 2019	30,133,532	\$3,704,087,752	\$122.90	\$114.00	\$138.00	\$120.00
1T 2020	30,022,349	\$3,188,669,641	\$106.20	\$81.10	\$130.20	\$92.40
2T 2020	54,204,400	\$6,182,004,960	\$114.00	\$92.40	\$133.00	\$133.00
3T 2020	11,937,514	\$1,554,483,809	\$130.20	\$120.20	\$141.00	\$125.00
4T 2020	28,814,812	\$3,595,890,124	\$124.80	\$117.40	\$135.00	\$126.50
1T 2021	74,842,044	\$10,331,910,282	\$138.00	\$122.80	\$142.90	\$142.90
2T 2021	35,342,108	\$3,997,417,528	\$113.10	\$96.70	\$142.90	\$102.00
3T 2021	50,375,413	\$6,248,998,224	\$124.00	\$100.10	\$132.50	\$131.90
4T 2021	105,926,728	\$6,714,090,028	\$63.40	\$50.90	\$131.40	\$60.00
1T 2022	53,833,017	\$3,434,654,155	\$63.80	\$50.80	\$68.00	\$65.10
2T 2022	92,695,427	\$5,633,807,340	\$60.80	\$55.00	\$65.00	\$65.00
3T 2022	67,535,486	\$5,536,271,449	\$82.00	\$61.30	\$99.70	\$83.00
4T 2022	113,051,198	\$9,455,108,919	\$83.60	\$76.40	\$93.20	\$86.00

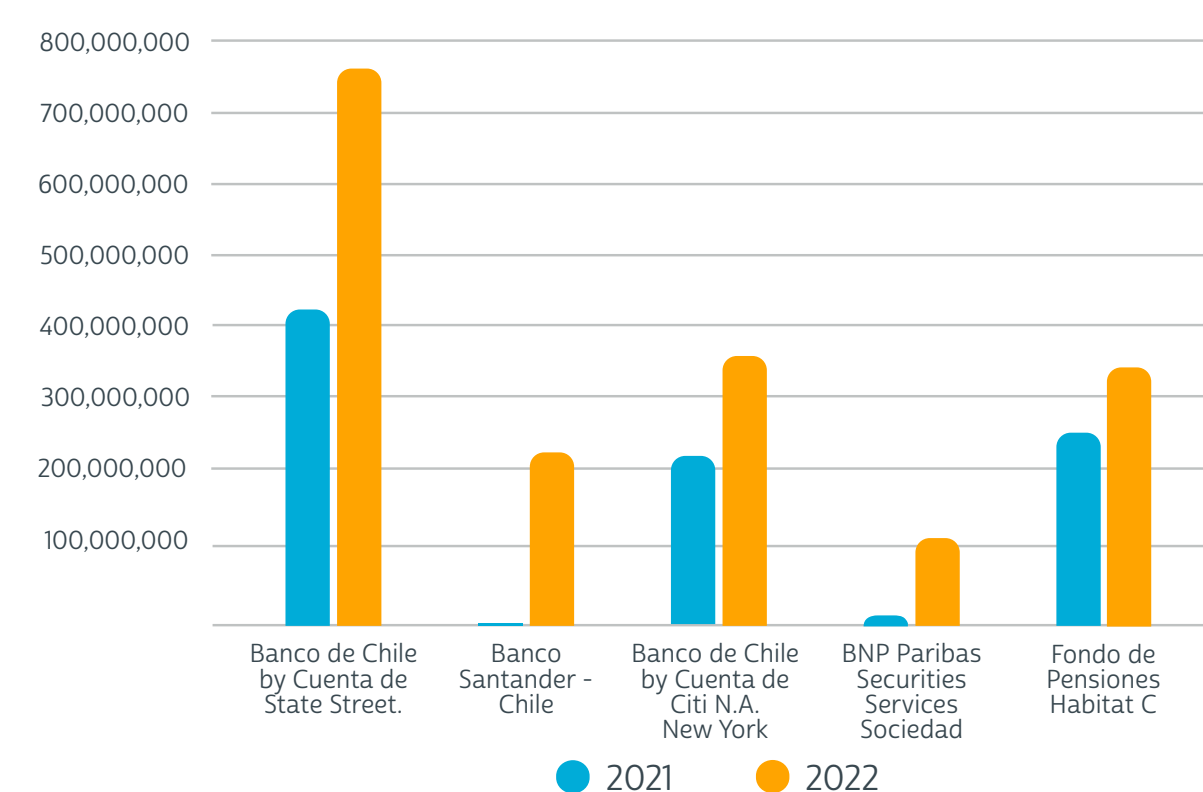
SHARE TRADING PERFORMANCE ON THE SANTIAGO STOCK EXCHANGE

Period	Volume (shares)	Total traded (CLP)	Average price (CLP)	Lowest price (CLP)	Highest price (CLP)	Closing price (CLP)
1T 2020	975,948,689	\$101,644,760,006	\$104.10	\$81.10	\$131.00	\$93.00
2T 2020	1,405,739,461	\$169,133,941,447	\$120.30	\$97.00	\$134.80	\$131.00
3T 2020	1,326,391,402	\$173,487,561,430	\$130.80	\$120.00	\$140.50	\$126.90
4T 2020	1,481,474,885	\$185,514,971,955	\$125.20	\$115.00	\$135.00	\$125.50
1T 2021	1,835,238,285	\$249,493,352,388	\$135.90	\$123.00	\$143.20	\$140.20
2T 2021	1,565,366,441	\$182,672,706,006	\$116.70	\$97.80	\$137.50	\$102.60
3T 2021	1,377,866,476	\$165,192,287,113	\$119.90	\$100.90	\$132.00	\$131.40
4T 2021	3,550,969,603	\$215,357,631,719	\$60.60	\$49.80	\$130.80	\$69.30
1T 2022	2,082,598,278	\$133,594,878,125	\$64.10	\$51.50	\$69.90	\$64.50
2T 2022	625,816,763	\$38,146,369,393	\$61.00	\$55.00	\$65.00	\$63.50
3T 2022	958,698,659	\$77,995,315,061	\$81.40	\$61.30	\$99.90	\$85.00
4T 2022	1,530,805,012	\$127,759,013,204	\$83.50	\$76.20	\$93.50	\$87.30

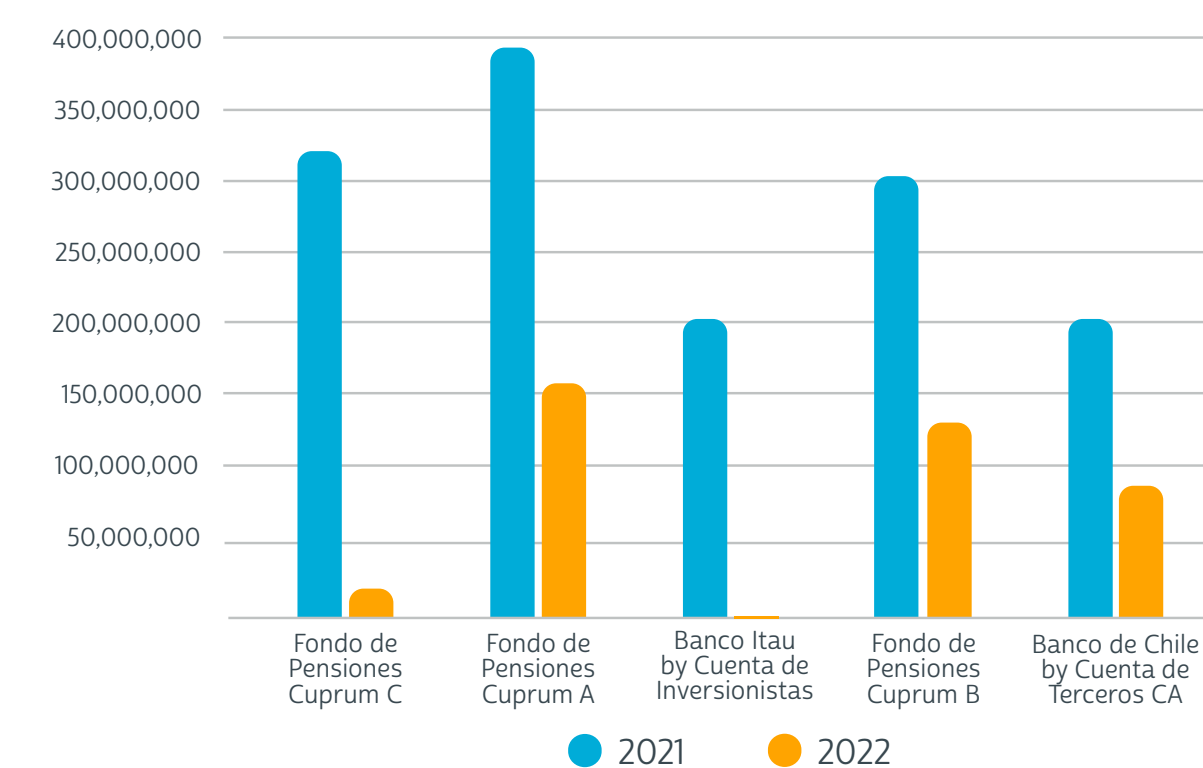
Colbun share price and IPSA index performance in 2022



5 Largest purchases (\$)



5 Largest sales (\$)



7.1



Structure, Strategy and Corporate Governance

NCG 461-2.1 GRI 102-5

Dividend Policy

Under Article 79 of the Chilean Corporations Act, unless otherwise determined by the shareholders' meeting by a unanimous vote of the shares issued, public corporations are required to distribute annually to their shareholders, in cash, in proportion to their shares or, in the case of preferred shares, in the proportion established in the by-laws, at least 30% of the distributable net income for the year, except when it corresponds to the absorption of accumulated losses from previous years. At the end of each year, the amount of the shareholders' obligation, net of interim dividends declared during the year, is determined and recorded in "Trade and other payables, current" and "Payables to related parties", as appropriate, with a corresponding charge to shareholders' equity. Interim and final dividends are recorded as a reduction of shareholders' equity at the time of their approval by the competent body, which in the first case is generally the Board of Directors of the Company, and in the second case is the Ordinary Shareholders' Meeting.

Colbun has a Distributable Profit Calculation Policy published on its website (see scanned document (colbun.cl)).

DIVIDEND PER SHARE (\$)				
Fiscal Year	Provisional	Definitive	Eventual	Total
2013	-	0.58	-	0.58
2014	1.46	-	-	1.46
2015	1.62	0.44	-	2.06
2016	1.75	2.34	-	4.09
2017	1.75	2.08	-	3.83
2018	2.16	7.42	-	9.58
2019	3.26	6.03	3.86	13.15
2020	4.07	2.37	-	6.44
2021	3.42	3.27	6.60	13.30
2022	11.70	1.11	2.46	15.27

Market disclosures

NCG 461 3.7iii

The Company has a process to identify improvements, if any, in the preparation and dissemination of disclosures to the market, to ensure easy and timely access to stakeholders. As part of this process, the Company conducts an annual survey of all its stakeholders, led by an independent external expert advisor. The company uses international disclosure standards to identify opportunities for improvement. The results of this survey are presented by these independent third parties to management, which analyzes the appropriateness and applicability of such suggestions.

Management Ownership Requirements

Colbun does not have share ownership limits as a multiple of annual base salary. However, the Company's executives are subject to rules that prohibit trading in shares during certain periods in order to avoid insider trading. In addition, there is an Information Management Manual that certifies the Company's compliance with a number of regulations of the Financial Market Commission (CMF) and regulates the manner in which an executive may acquire or sell shares of the Company. As of December 31, 2022, the Chief Legal Officer, Rodrigo Perez, is the only officer who holds Colbun shares, representing less than 0.002% of the ownership. For further details, [More](#)

The Essential or Relevant Facts disclosed by the entity during 2022 were related to the following topics:

1. Call for Shareholders' Meeting 2022 [More](#)
2. Administration Changes [More](#)
3. Shareholders' Meeting Resolutions 2022 [More](#)
4. Resignation of Director Andres Lehuede [More](#)
5. Energy Agreement Modification with Codelco [More](#)
6. Resignation of Director Bernardo Matte [More](#)
7. Distribution of Dividends [More](#)

No Material or Relevant Events have occurred before the period covered that have had a material influence or effect during the year on the development of the entity's business, its financial statements, securities or the offering of securities, or may have such an effect in future years.

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7.1 Subsidiaries and Associates



RELATED COMPANIES: COLBUN SUBSIDIARIES (CONTINUED)

Company Name and Legal Nature	Corporate Purpose	General Information	Direct and Indirect Participation	Chairman	General Manager	Board of Directors
COLBUN DESARROLLO SPA	Generation, transportation, transformation, distribution, supply, purchase, sale and any other activity of commercialization of power and electric energy; administration, operation and maintenance of hydraulic works and power generation plants; development of generation, transmission and distribution projects, both domestic and foreign.	Private Limited Company. Incorporated on June 28, 2012. Colbun S.A. owns 99% of the shares.	100.0%	José Ignacio Escobar T.		<ul style="list-style-type: none"> • José Ignacio Escobar T. • Juan Eduardo Vasquez M. • Eduardo Lauer R. • Heinz Müller C.
SANTA SOFIA SPA	Generation, supply, transmission, purchase and sale of electric power; construction, assembly and operation of electric power generation equipment and plants with non-conventional renewable sources; purchase, sale, import, export, processing, marketing and distribution of all kinds of services, goods or supplies related to the energy business.	Joint Stock Company Incorporated by public deed granted on July 31, 2015 at the Santiago notary's office of Mr. Iván Torrealba Acevedo. Colbun S.A. owns 100% of the shares.	100.0%	Note: This company does not have a Board of Directors or a General Manager. Its administration is delegated exclusively to Colbun S.A. exclusively to Colbun S.A.		Legal representatives: <ul style="list-style-type: none"> • Juan Eduardo Vasquez M., • Rodrigo Pérez S. • Eduardo Lauer R. • Sebastián Moraga Z.
COLBUN Peru S.A.	Investment in all kinds of movable assets, including the acquisition of shares or rights in all kinds of companies, communities, foundations or associations, in all kinds of marketable securities and credit or investment instruments together with the administration and exploitation of these investments and their fruits or products; and the generation, transportation, transformation, distribution, supply, purchase, sale and any other activity of commercialization of capacity and power, without any limitation whatsoever.	A private corporation organized under the laws of the Republic of Peru, acquired by Colbun Desarrollo S.p.A. on September 28, 2015. Subsequently, by means of an Extraordinary Shareholders' Meeting held on December 15, 2015, Colbun S.A. was incorporated, who currently holds 99.9996% of the shares, with Colbun Desarrollo S.p.A. holding the remaining 0.0004%.	100.0%	Thomas Keller L.	Roxana Aliaga A.	<ul style="list-style-type: none"> • Hernán Rodríguez W. (T) • Juan Eduardo Vasquez M. (A) • Thomas Keller L. (T) • Sebastián Moraga Z. (A) • José Ignacio Escobar T. (T) • Eduardo Lauer R. (A)
FENIX POWER PERU S.A.	The generation of power, secondary transmission and commercialization activities in accordance with the law of the matter; to develop any civil, industrial and commercial activity or operation and any other similar activity or operation that may be directly or indirectly related to or conducive to the fulfillment of the Company's purpose, as well as the exploitation of those natural resources produced as a result of such generation of power, as may be necessary or appropriate and authorized for corporations.	Private corporation organized under the laws of the Republic of Peru, incorporated on September 15, 2004 by Enrique Victor Macedo Abreu, Fernando Enrique Macedo Abreu, and Horace Alfred Sklar. Inversiones de Las Canteras S.A. currently holds 100% of the shares.	51.0%	Juan Miguel Cayo	Juan Miguel Cayo	<ul style="list-style-type: none"> • Hernán Rodríguez W. (T) • Juan Eduardo Vasquez M. (A) • Thomas Keller L. (T) • Rodrigo Pérez S. (A) • José Ignacio Escobar T. (T) • Eduardo Lauer R. (A) • Juan Miguel Cayo M. (T) • Sebastián Moraga Z. (A) • Laurent Philippe Fortino (A) • Mujeeb Ur Rehman Qazi (A) • David Jana B. (T) • Gonzalo de las Casas D. (T) • Craig John Carleton - Smith (A)

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7.1 Subsidiaries and Associates

RELATED COMPANIES: COLBUN SUBSIDIARIES (CONTINUED)

Company Name and Legal Nature	Corporate Purpose	General Information	Direct and Indirect Participation	Chairman	General Manager	Board of Directors
INVERSIONES DE LAS CANTERAS S.A.	Investment in all kinds of movable assets, including the acquisition of shares, rights in all kinds of companies, communities, foundations or associations, in all kinds of marketable securities and credit or investment instruments, together with the administration and exploitation of these investments and their fruits or products; and the generation, transportation, transformation, distribution, supply, purchase, sale and any other activity of commercialization of electric power and energy, without any limitation whatsoever.	A private corporation organized under the laws of the Republic of Peru, incorporated on November 16, 2015 by Inversiones Hacienda Montalbán S.A. (now Colbún Perú S.A.) and Juan Carlos Escudero Verano, who subsequently transferred his shares to the former. On December 18, 2015, a capital increase was carried out, in which Colbún Perú S.A. subscribed and paid 51% of the shares, and Sigma Fondo de Inversión en Infraestructura with 13% of the shares; and Blue Bolt A 2015 Limited, with 36% of the shares, were incorporated as new partners.	51.0%	Thomas Keller L	Roxana Aliaga A.	<ul style="list-style-type: none"> Hernán Rodríguez W. (T) Juan Eduardo Vasquez M. (A) Thomas Keller L. (T) Sebastián Moraga Z. (A) José Ignacio Escobar T. (T) Eduardo Lauer R. (A) Rodrigo Pérez S. (T) Gustavo Gómez C. (A) Luis Miguel Azenha Pisco (T) Mujeeb Ur Rehman Qazi (A) David Jana B. (T) Laurent Philippe Fortino (A) Gonzalo de las Casas D. (T) Craig John Carleton Smith (A)
EFIZITY INGENIERÍA SPA	The purpose of the Company shall be: One) In the energy field: a) Make energy certifications and qualifications of new and existing projects; b) Perform energy simulation for the purpose of energy efficiency and certification advisory; c) Provide services, advisory and consulting services in the area of energy efficiency and sustainability; d) Develop, design, build and operate projects of generation, purchase and sale of energy; e) Providing energy efficiency performance measurement services; f) Providing energy and sustainability services and consultancy in building projects (green building); g) Developing, implementing, distributing and commercializing software and technological platforms for energy efficiency; h) Providing consultancy services for obtaining and processing information and data on water and energy consumption; i) Providing consultancy services for obtaining and processing information and data on water and energy consumption data; i) Providing advisory services in the negotiation of Power Purchase Agreement (PPA) contracts; j) Providing negotiation and advisory services to Small Means of Distributed Generation (PMGD) connections.	The Company was incorporated by means of a public deed dated February 11, 2014, executed before the Notary Public of Santiago Alberto Mozó Aguilar. An extract of said deed was registered on page 16583 No. 10440 of the Commercial Registry of Santiago in 2014, and the extract of the same was published in the Official Gazette on March 5, 2014.	100.0% controlled by Colbun	Juan Salinas U.	Luis Enrique López Z.	<ul style="list-style-type: none"> Juan Salinas U. (T) Bárbara Gómez B. (S) Carolina Elchiver C. (T) Consuelo Castillo B. (S) Maximo Gazitúa S. (T) Miguel Roca O. (S) Juan Salinas U. (T) Bárbara Gómez B. (S) Carolina Elchiver C. (T) Consuelo Castillo B. (S) Maximo Gazitúa S. (T) Miguel Roca O. (S)
Efizity SpA	a) The development, implementation, distribution and commercialization of all types of software and technological platforms; b) The rendering of services, advisory and consulting services in the area of energy efficiency and computing, software development, information technologies, advertising, marketing and the collection and processing of all types of information and data; c) The rendering of advertising services through all types of technological media, whether digital or analogous; d) To make all kinds of investments in movable and immovable property for long-term rental purposes, tangible and intangible, including the formation of and participation in other legal entities and companies of any type and purpose, the administration of such investments and the receipt of their fruits or income; and e) Any other activity permitted by Chilean law that the partners may agree in the future. For such purposes, the corporation, among other acts, may always and at all times contract, subscribe and enter into all those obligations, contracts or agreements that are directly or indirectly convenient or necessary for the full, adequate and timely fulfillment of its corporate purpose.		100% controlled by Efizity Ingenieria SpA	Juan Salinas U.	Luis Enrique López Z.	<ul style="list-style-type: none"> Juan Salinas U. (T) Bárbara Gómez B. (S) Carolina Elchiver C. (T) Consuelo Castillo B. (S) Maximo Gazitúa S. (T) Miguel Roca O. (S)

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Subsidiaries and Associates

NCG 6.5.1i, 1ii, 1iv, 1v, 1vi, 1vii, 1viii, 1ix, 1x
 NCG 6.5.2i, 2.ii, 2.iii, 2.iv

Name	Relation	Country	Functional currency	RUT/RUC	Address	Participation		Business Relationship and Projected Future Partnership	Summary of assets and contracts entered into
						Direct	Indirect		
Colbun Desarrollo SpA	Subsidiary	Chile	Dollar	76.442.095-0	Av. Apoquindo 4775, piso 11, Las condes	100	-		
Santa Sofia SpA	Subsidiary	Chile	Dollar	76.487.616-4	Av. Apoquindo 4775, piso 11, Las condes	100	-		
Colbun Peru S.A.	Subsidiary	Peru	Dollar	20600693931	Av. Santa Maria No. 130 , MIRAFLORES - LIMA - LIMA - Peru	100	-		CSA con ICAN
Inversiones de Las Canteras S.A.	Subsidiary	Peru	Dollar	20600857542	Av. Santa Maria No. 130 , MIRAFLORES - LIMA - LIMA - Peru	-	51		CSA con ICAN y FENP -Préstamo con Fenix
Fenix Power Peru S.A.	Subsidiary	Peru	Dollar	20509514641	Av. Antonio Miró Quesada 425 of 1203, Magdalena del Mar, Lima, Peru	-	51		CSA con ICAN -Préstamo con ICAN
Desaladora del Sur S.A.	Subsidiary	Peru	Peruvian Sol	20607467847	Av. Antonio Miró Quesada 425 of 1203, Magdalena del Mar, Lima, Peru	-	51		
Efizity Ingeniería SpA.	Subsidiary	Chile	Chilean Peso	76.362.527-3	Av. Andres Bello 2687, oficinas 1201, Las Condes	100	-		
Efizity SpA	Subsidiary	Chile	Chilean Peso	76.236.821-8	Av. Andres Bello 2687, oficinas 1201, Las Condes	-	100	Electricity business value-added service	
Efizity S.A.C.	Subsidiary	Peru	Peruvian Sol	20600484801	Calle Grimaldo del Solar N° 162, oficina 407 Miraflores, Lima	-	100		
Electrogas S.A.	Associate	Chile	Dollar	96.806.130-5	Av. Alonso de Córdova 5900, oficina 401 - Las Condes	42.5	-	Gas and diesel transportation service	Gas and diesel transportation service

RELATED COMPANIES: COLBUN AFFILIATED

Name and Legal Nature	Corporate Purpose	General Information	Direct and Indirect Participation	Chairman	General Manager	Board of Directors
ELECTROGAS S.A.	Purchase, sell, invest, and hold Electrogas S.A. shares.	Closed Joint Stock Company. Incorporated by public deed dated October 14, 1996, executed at the Santiago notary's office of Mr. Mario Baros González. Electrogas S.A. is a company whose shareholders are Colbun S.A. (42.5%), Aerio Chile SpA (42.5%), and Enap (15%).	42.5%	Thomas Keller L.	Allan Fischer H.	<ul style="list-style-type: none"> Goncalo Morais S. (T) Joao Pedro Pires Joao Faria C. Marta Almeida A.

Affiliates	Currency	Capital stock	% of assets	Country	RUT/RUC	Address	Participation		Business Relationship and Projected Future Partnership	Summary of assets and contracts entered into
							Direct	Indirect		
Electrogas S.A.	Dolar	16,385	0.248%	Chile	96.806.130-5	Av. Alonso de Córdova 5900, oficina 401 - Las Condes	42.5	-	Gas and diesel transportation service	Gas and diesel transportation service

Colbun does not have investments that represent more than 20% of the total assets of the entity and that are not subsidiaries or associates.



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Appointment and election of the Board of Directors

NCG 461: 3.7.iv

Any natural person who is a free manager of his assets and who is not included in any of the cases expressly indicated in articles 35 and 36 of the Company Law may be elected as a director of the Company. In addition, in order to be an independent director within the meaning of Article 50 bis of the LSA, the conditions set forth in said Article must be met.

► Independence of the Board of Directors

The Chilean Corporations Law No. 18,046 establishes in Article 50 bis that Chilean public corporations must have at least one independent director on their board of directors if their shareholders' equity is greater than or equal to 1,500,000 Unidades de Fomento and at least 12.5% of their issued voting shares are held by shareholders who individually control or own less than 10% of such shares.

Colbun meets this requirement by having three independent directors under Chilean law (María Emilia Correa P., Marcela Angulo and Jaime Maluk V.).

Pursuant to Act No. 18,046, Article 50 bis, a person is not considered independent if, at any time during the previous 18 months, he or she has been in one of the following situations

01. Maintain any relationship, interest, or economic, professional, credit, or commercial dependence, of relevant nature and volume, with the Company, the other companies of the group to which it belongs, its controller, or the main executives of any of them, or have been a director, manager, administrator, main executive or consultant of any of them.
02. Have a relationship of consanguinity or affinity up to the second degree with the persons indicated in the previous point.
03. Be or have been a director, manager, administrator, or principal executive officer of any non-profit organization that has received contributions or related donations from the persons listed in item 1) above.
04. Has been a partner or shareholder who, directly or indirectly, owned or controlled 10% or more of the capital, or a director, manager, administrator, or officer of an organization that has provided legal or consulting services, for a significant amount, or an external audit to the persons indicated in item 1).
05. They have been partners or shareholders who, directly or indirectly, owned or controlled 10% or

more of the capital; directors, managers, administrators, or senior executives of the Company's main competitors, suppliers, or customers.

In accordance with international standards, the members of the Board of Directors of Colbun are all independent:

An independent director is a non-executive director who meets at least 4 of the total of 9 criteria described above and at least 2 of the first 3 criteria:

- The director must not have been employed by the company in an executive capacity in the past year.
- The director must not have received, or had a family member receive, payments from the Company/parent/subsidiary in excess of \$60,000 during the current fiscal year or any of the preceding three fiscal years, except as permitted by the definition in SEC Rule 4200.
- The director shall not be a family member of any person who is or has been within the last three years employed by the Company/Parent/Subsidiary as an executive officer.
- The Director shall not be (and shall not be affiliated with any entity that is) an advisor or consultant to the Company or a member of the Company's senior management.
- The director shall not be affiliated with a major customer or supplier of the Company.
- The director may not have a personal service contract(s) with the Company or any member of the Company's senior management.
- The director shall not be affiliated with a charitable organization that receives substantial contributions from the Company.
- The Director shall not have been a partner or employee of the Company's external auditor during the past year.
- The Director shall not have any other conflict of interest that, in the judgment of the Board, would prevent him or her from being considered independent.



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Appointment and election of the Board of Directors

NCG 461: 3.7.iv

Information Required

Shareholders who wish to promote the nomination of a person for a director position or who wish to present themselves directly may submit the following information to the Secretary of the Company: 1) Experience and professional profile of the candidate. 2) The candidate's declaration of acceptance of his nomination and compliance with all the requirements for holding the position established by law and its regulations. 3) Statement of contractual, business, or other relationships with the controller, competitors, or suppliers for the last 18 months. The Company will not be responsible for the veracity of the background information, but will merely receive it and make it available to the shareholders on its website.

Information Submission

The background information must be sent to the Company's general manager at least three business days before the date of the Shareholders' Meeting, by e-mail to the address rspez@colbun.cl or by letter delivered to the Company's address.

Application Submission

The Chief Executive Officer shall make available to the shareholders on the Company's website, at least two days before the Shareholders' Meeting, the information on the experience and professional profile of the candidates for the Board of Directors that has been provided to the Company and received up to that date. The foregoing shall not preclude the possibility of presenting any interested person as a candidate for the Board of Directors at the same time as the corresponding shareholders' meeting.

Nomination

At the Shareholders' Meeting, the shareholders vote for the election of the Board of Directors (individually). At least one independent director is appointed by article 50° bis of the Swiss Code of Obligations. Nominations are received from shareholders representing one percent or more of the Company's shares within the applicable deadlines. The Company has implemented a remote participation mechanism for shareholders who can follow in real time what is happening at the Shareholders' Meeting and exercise their voting rights (through video approval by voice) in the same way as shareholders who are physically present at the Shareholders' Meeting.



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Appointment and election of the Board of Directors

NCG 461: 3.2iv, 3.2.x, 3.2.xi

› Term

The Board of Directors is appointed for a term of three years, upon the expiration date it must be renewed in its entirety. Directors may be re-elected indefinitely. In the event of a vacancy of a director's position, the Board of Directors shall be completely renewed at the next Ordinary Shareholders' Meeting to be held by the Company, and, in the meantime, the Board of Directors may appoint a replacement.

› Board Effectiveness

The average attendance at Board meetings in 2022 was 95%.

The Board holds at least 12 regular meetings per year, with an average of at least 20 hours per month spent in person or remotely. This time includes both preparation for and attendance at Board and advisory committee meetings.

› Board Members Biography

All of Colbun's directors are non-executive and the average length of service is 4.1 years. All directors have four or fewer terms in other publicly traded companies.

- Hernán Rodríguez Wilson RUT: 7.051.490-7
- Bernardo Larraín Matte RUT: 7.025.583-9
- Vivianne Blanlot Soza RUT 6.964.638-7
- María Emilia Correa Pérez RUT: 21.667.056-6
- Marcela Angulo González RUT: 7.804.559-0
- Juan Carlos Altmann Martin RUT: 11.807.905-1
- Rodrigo Donoso Munita RUT: 15.363.942-6
- Jaime Maluk Valencia RUT: 10.608.502-1
- Francisco Matte Izquierdo RUT: 16.612.252-k

KNOWLEDGE, SKILLS, AND EXPERIENCE MATRIX OF BOARD MEMBERS (NCG 2.3.2)

	Directors								
Skills, knowledge and and experience	D1	D2	D3	D4	D5	D6	D7	D8	D9
Strategy	X	X	X		X	X	X	X	X
Knowledge of the energy industry			X	X	X	X	X		X
Accounting, Economics and Finance			X		X	X	X	X	
GRC (Corporate Governance, Risk & Compliance)	X	X			X	X		X	
Innovation, Transformation and Digital Security	X			X					
Environmental and Social		X		X			X		X
Career path	X		X			X			X

› Crisis Continuity Plan:

Colbun is currently developing the operational continuity plan in terms of internal organization in the event of contingency situations.

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Board Diversity

NUMBER OF DIRECTORS BY NATIONALITY AND GENDER, DIFFERENTIATING BETWEEN REGULAR AND ALTERNATE DIRECTORS. (NCG 461 3.2.xiii a y b)

Nationality	Women	Men
Chilean	2	6
Colombian	1	
Nationality 1		
Nationality 2		
Nationality 3		
Total	3	6

Note: There are no alternate directors at Colbun S.A.

NUMBER OF DIRECTORS BY AGE - GENDER, DIFFERENTIATING BETWEEN REGULAR AND ALTERNATE DIRECTORS. (NCG 461 3.2.xiii.c)

Age Group	Women	Men
Over 70 years		
Between 61 - 70 years	2	
Between 51 - 60 years	1	4
Between 41 - 50 years		1
Between 30 - 40 years		1
Less than 30 years		
TOTAL	3	6

NUMBER OF DIRECTORS BY SENIORITY AND GENDER, DIFFERENTIATING BETWEEN REGULAR AND ALTERNATE DIRECTORS. (NCG 461 3.2.xiii d)

Seniority Ranges	Women	MEN
Over 12 years		
Between 9 - 12 years	1	
Over 6 less than 9 years		4
Between 3 - 6 years		1
Less than 3 years	2	1
TOTAL	3	

There are no directors with disabilities at Colbun.

SALARY GAP OF THE BOARD OF DIRECTORS (NCG 461 3.2 xiii.f)

	Average Gap	Women - Men	
Men average	259	Median Men	223
Women average	235	Median Women	242
Gap (average)	10%	Gap (median)	-8%

Board of Directors' Stakeholder Engagement

GRI 2-12

Colbun's Board of Directors oversees risks related to various stakeholders, both at monthly meetings and through the Risk Committee. It also reviews human rights due diligence, which is overseen by the Risk Committees. It has delegated responsibility for managing the impact of the organization to the relevant areas, in particular Corporate Affairs Management, Human Resources Management, Procurement Management, supported by Legal Management, and Internal Audit Management. Corporate Risk Management also plays a key role in monitoring HR risks and implementing controls. At the end of 2022, the Board of Directors asked Colbun to present an action plan related to human rights due diligence.

In addition, the results of the company's stakeholder surveys (communities, suppliers, investors, both for Chile and Peru) are presented annually to the Sustainability Committee, a committee in which three directors participate, including the President and Vice President. These surveys gather the visions and perceptions of these stakeholders on different issues of environmental, social, and corporate governance management of Colbun, where a continuous improvement of the results is expected.

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Directors Committee

NCG 461-

Directors' Committee Management 2022

The Board of Directors Committee met several times in 2022 to review the proposals of the Management to the Board of Directors and also the transactions with related parties regulated by Article 147 of Law No. 18,046, in which it agreed to propose to the Board of Directors the approval of such transactions since they were in line with the prevailing market conditions for this type of transaction or were part of the ordinary operations of the Company's business.

Specifically, the Board adopted:

› Interruptible Gas Transportation Contract with Electrogas.

This is an interruptible gas transportation contract with Electrogas S.A. for the same volume as the current firm transportation contract. The Committee reviewed this transaction because it was a related party transaction between the parent company and an affiliate, and because both the Chief Executive Officer, Mr. Thomas Keller L., and the Business and Energy Management Manager of Colbun S.A., Mr. Juan Eduardo Vasquez M., are also directors of Electrogas S.A.

› Colbun Foundation's Budget Approval

This is the budget of the Colbun Foundation, already approved by the Board of Directors as part of the normal procedure for approving the Company's annual budgets, since it is part of the budget of the Public Affairs Management, as well as by the Colbun Foundation itself. The Committee reviewed this transaction as it involves the transfer of funds from Colbun S.A. to the Colbun Foundation for the fulfillment of its objectives, which constitutes a related party transaction as Colbun S.A. executives are also directors of the Colbun Foundation.

› Donation to Amulen Foundation

The donation of US\$9.661.300 to the Fundación Amulén will finance a project to install a system to collect and purify rain at the San Antonio Primary School, located in the town of Pocolhuén, in the municipality of Cochamó. The Committee reviewed this donation as a related party transaction because the legal representative and president of the Amulén Foundation is Mr. Jorge Matte Capdevilla, a blood relative of the directors Bernardo Matte Larraín and Bernardo Larraín Matte, and also because he is part of the controlling group of the Company.

› Diesel Transportation Contract with Electrogas

It is a contract to transport Diesel using the pipeline owned by Electrogas to have a back-up allowing the Nehuenco Complex to operate using Diesel. The contract has a term of 2 years and the total amount is US\$1.2 million. The Committee reviewed this transaction because it is a related party transaction since it is between the parent company and an affiliate, and because both the Chief Executive Officer and the Business and Energy Management Manager of Colbun S.A. are in turn directors of Electrogas S.A.

› Advisory Agreement with Bice Inversiones

This is a consulting agreement for a potential investment of cash surpluses as part of a refinancing operation. The Committee reviewed this transaction because it is a related party transaction, as BICE Inversiones is part of the same group as Colbun S.A., and also because the directors Bernardo Matte L., Juan Carlos Altmann M., and Rodrigo Donoso M. are also directors of Banco BICE, the parent company of BICE Inversiones; the director Hernán Rodríguez is a director of Banco BICE and the director Bernardo Larraín M. is also part of the controlling group of both companies.



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› Satellite Link Contract for backup of the Sitr of the Diego de Almagro Sur Photovoltaic Project with Gtd Teleductos S.A.

This is a satellite link contract to back up the Sitr (real-time information system) of the Diego de Almagro Sur photovoltaic project with GTD Teleductos S.A. The subscription of this contract, which is additional to the telecommunications contract through fiber optics that are in force, is required because it is necessary to have a backup link in case of failure of the main link. This operation was reviewed by the Committee because it is an operation between related parties, since the director Mr. Hernán Rodríguez W. is, at the same time, a director of GTD Teleductos S.A.

› Value Added Service Offer (VAS) Photovoltaic from Efizity Ingeniería SPA a FORSAC SPA (CMPC)

This is an offer of value added services by the subsidiary Efizity Ingeniería SpA to Forsac SpA (CMPC), consisting of the installation of a 187.5 kWp photovoltaic system in its BioPackaging Sack Ktaft plant, located in the municipality of Chillán. The Committee reviewed this transaction as a related party transaction. This is because Forsac SpA belongs to the same group as Colbun S.A., the director Mr. Bernardo Larraín M. is also a director of Empresas CMPC S.A., the parent

company of Forsac SpA, and the director Mr. Bernardo Matte L. is part of the controlling group of both companies. In addition, this transaction is reviewed by the Committee because the director Ms. Vivianne Blanlot was a director of Empresas CMPC S.A. until April 28, 2022.

› Intercompany Agreement Amendment with Efizity Ingeniería SpA.

The amendment of the existing Intercompany Agreement between Colbun S.A. and Efizity Ingeniería SpA, which regulates the relationship between the parties regarding the provision of services, including economic transfers and the requirements and responsibilities of each party in the performance of the services. The purpose of the amendment is to include new services in the aforementioned contract, both internally and to customers. The Committee reviewed this transaction as it is a related party transaction, as Efizity Ingeniería SpA is a subsidiary of Colbun S.A.

› Capital Increase In Efizity Ingeniería SPA.

The transaction is a capital increase of Efizity Ingeniería S.A. in the amount of US\$ 0.78 million to cover the operating needs of this subsidiary in the years 2022 and 2023 and to have sufficient working capital. The Committee reviewed this transaction as a related party transaction, as Efizity Ingeniería SpA is a subsidiary of Colbun S.A.

› Advertising Agreement with Fundación Accion Responsabilidad Social Empresarial

This is an advertising contract for an amount of \$10,000,000 to be signed with the Fundación Acción Responsabilidad Social Empresarial (Acción Empresas), an entity dedicated to the promotion of good practices in the business environment, which annually organizes the "Encuentro de Desarrollo Sostenible" (Sustainable Development Meeting), in which Colbun will participate as a sponsor. The Committee reviewed this transaction as a related party transaction, since Mr. Pedro Vial Lyon, Corporate Affairs Manager of Colbun S.A., is also a Director of Acción Empresas.

› External Verification Services Agreement for Renewable Certification for the Period 2022 - 2024.

This is a contract for the provision of external verification services for the certification of renewable energy sources for the period between 2022 and 2024, in order to accredit the Company's contractual commitments to provide its customers with a certificate of supply from renewable energy sources. The Committee reviewed this operation as it is a matter indicated in point 7) of the eighth paragraph of Article 50 bis of Law No. 18,046 on Corporations.

› Office Lease Agreement with Bice Vida Compañía de Seguros S.A.

Office 401 of the Torre Apoquindo building, where the Company's head office is located, is under a lease agreement with BICE Vida Compañía de Seguros S.A. The duration of the agreement will be determined by the duration of the remodeling process of the 19th and 21st floors. The term of the agreement will be determined by the duration of the remodeling process of the 19th and 21st floors. The Committee reviewed this transaction because it is a related party transaction, as BICE Vida Compañía de Seguros S.A. is a subsidiary of Bicecorp S.A., a company related to the directors Hernán Rodríguez W., Bernardo Matte L., Rodrigo Donoso M., Juan Carlos Altmann M., and Bernardo Larraín M.

› Short-Term Firm and Interruptible Gas Transportation Contract with Electrogas S.A.

Electrogas S.A. has entered into a short-term firm and interruptible gas transportation contract with Electrogas S.A. to provide transportation capacity between City Gate Chena and City Gate Quillota for the same volume of the firm transportation contract that is currently in force. The Committee reviewed this operation because it is an operation between related parties since it is between the parent company and an affiliated company, and because the Energy Manager of Colbun S.A., Mr. Juan Eduardo Vasquez M., is, in turn, a director of Electrogas S.A.

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Directors Committee

NCG 461-

› Project Execution Contract "New Instrumentation for Flow Measurement - Project Monitoring of Effective Extractions in Aconcagua Complex" with Capta Hydro SpA.

This is a contract for the execution of the work called "New Instrumentation for flow measurement - Project Monitoring of Effective Extractions in Aconcagua Complex" with Capta Hydro SpA. The Committee reviewed this operation because the General Manager Mr. José Ignacio Escobar T. is also a director of the company Capta Hydro SpA.

› Donation to the Society for Primary Instruction (Sip) - Red de Colegios.

The purpose of this donation is to finance remodeling projects in two schools for the Primary Education Society (SIP) - Red de Colegios. The SIP has 17 schools in 12 municipalities of the Metropolitan Region and the purpose of the donation is to finance the remodeling projects in two schools for the construction of a new classroom and teachers' dining room, the remodeling of the high school library, and the construction of facilities to continue the school integration program in the high school. The amount of the grant is \$236,416,035. The Committee reviewed this transaction as a related party transaction because Ms. Magdalena Larraín Matte, sister of Director Mr. Bernardo Larraín M. and cousin of Director Mr. Francisco Matte I., is a member

of the Board of Directors of SIP and, in turn, part of the Company's controlling group..

› Gas Transportation Contracts with Electrogas

Gas transportation contracts to increase the transportation capacity between City Gate Chena and City Gate Quillota, in order to adapt the contractual structure to the commercial policy of Electrogas S.A., which can only have interruptible contracts for the same value as firm contracts. The Committee reviewed this transaction because it is a related party transaction, as it is between the parent company and an affiliate, and because the Energy Manager of Colbun S.A., Mr. Juan Eduardo Vasquez M., is a director of Electrogas S.A.

In addition, during the year 2022, the Board Committee carried out the following activities:

- Reviewed the compensation system and compensation plans for managers, senior executives, and employees of the Company.
- Reviewed the proposal to engage the Peruvian firm of Tanaka, Valdivia & Asociados SCRL (EY Peru) for the issuance of a comfort letter in connection with the potential issuance of bonds by the Peruvian subsidiary Fénix Power in the U.S. market.
- Reviewed the financial statements of the Company as of December 31, 2021.



- Met with representatives of EY Servicios Profesionales de Auditoría y Asesorías SpA, the Company's external auditors, to analyze the scope of services provided during the year 2021, the accounting criteria used and the results of the audit as of December 31, 2021. Report on the activities carried out by the Committee during the year 2021, issuing the Annual Management Report.
- Informó de las actividades realizadas por el Comité durante el año 2021, emitiendo el Informe de Gestión Anual.
- Evaluated management's proposals for the appointment of external audit firms for the year 2022 and agreed to propose to the Board of Directors that it propose to the Shareholders' Meeting the appointment of external auditors for the year 2022, as a first option, EY Servicios Profesionales de Auditoría y Asesorías SpA; KPMG

Audidores Consultores Ltda. as a second option and PricewaterhouseCoopers Consultores, Auditores y Compañía Limitada as a third option.

- Met with the external auditors, EY Servicios Profesionales de Auditoría y Asesorías SpA, on a semi-annual basis.
- Reviewed the external audit summary and other additional services provided by EY Audit SpA for the years 2020, 2021, and 2022.
- Reviewed the quarterly and semi-annual financial statements.
- Review the internal control charter of the external auditors, EY Servicios Profesionales de Auditoría y Asesorías SpA.

During 2022, the Committee did not formulate any comments or proposals related to the progress of the Company's business to be included in this report, nor did the shareholders.

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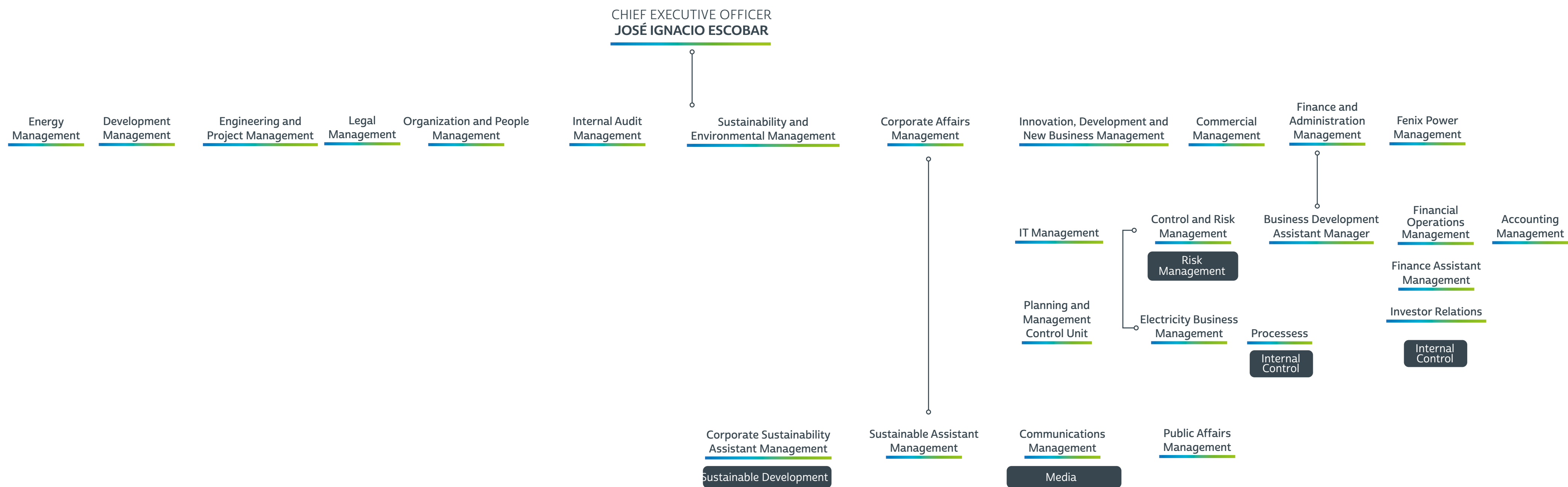


7.1



Organization Chart

NCG 461-



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7.2



Project Investment

AMOUNT OF MATERIALIZED INVESTMENT IN MAJOR ONGOING PROJECTS
(NCG 4.3)

Project	PEP Element	Fiscal Year			Total Accumulated per project 2020-2022
		'2020 USD	'2021 USD	' 2022 USD	
Baterías Diego de Almagro			89,210	9,979,530	10,068,740
Celda Solar		280,612	167,943	685,314	1,133,868
Horizonte			29,945,790	192,580,178	222,525,968
Inti Pacha		1,610,245	799,532	976,465	3,386,242
Jardín Solar		635,309	351,836	205,325	1,192,470
Junquillos		798,995	1,861,876	1,010,932	3,671,802
Total USD		3,325,161	33,216,186	205,437,742	241,979,089

LIFETIME OF MAJOR PROPERTY, PLANT, AND EQUIPMENT
(NCG 461 4.1)

	Estimated Useful Life Years Range	Remaining Useful Life Average Years
Buildings	10-65	30
Macchinery	4-20	10
Transportation Equipment	5-15	5
Office Equipment	5-12	6
IT Equipment	3-10	5
Power Generating Assets	2-100	41
Capital Leases	20	11
Rights of Use	2-31	12
Other Property, Plant and Equipment	10-80	29

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Growth Outlook

We are committed to maximizing the value of our company by exploring and identifying growth opportunities in Chile that will allow us to meet the electricity demand with competitive, safe, and sustainable energy.

PLANNED CAPACITY (MW) AND ITS RESPECTIVE MAXIMUM ACHIEVABLE GENERATION VERSUS PROJECTED LONG-TERM ELECTRICITY DEMAND, ANALYZED BY ENERGY SOURCE IN CHILE (EU 10)

Clasificación	2022	2023	2024	2025	2026	2027	2028	2029	2030
Energy Source	Reservoir hydro	1,058	1,058	1,058	1,058	1,058	1,058	1,058	1,058
	Run-of-river hydro > 10 MW	552	552	552	552	552	552	552	552
	Run-of-river hydro < 10 MW	17	17	17	17	17	17	17	17
	Coal-fired thermal	350	350	350	350	350	350	350	350
	Thermal LNG	1,105	1,105	1,105	1,105	1,105	1,105	1,105	1,105
	Thermal Diesel	108	108	108	108	108	108	108	108
	Wind Energy	-	-	812	812	-	-	4,000	-
	Solar Energy	248	248	248	248	-	-	-	-
Total planned capacity	3,437	3,437	4,249	4,249	7,189	7,189	7,189	7,189	7,189
Storage	8	8	8	8	8	8	8	8	8
Maximum projected generation capacity P70 (GWh)	22,360	22,360	24,757	24,757	32,998	32,998	32,998	32,998	32,998
Total projected demand	76,510	80,121	83,588	89,363.8	92,103.2	95,420.9	98,723.8	101,199.3	103,355.8
Maximum projected generation, vs. projected demand (%)	29%	28%	30%	28%	36%	35%	33%	33%	32%

PLANNED CAPACITY (MW) AND MAXIMUM ACHIEVABLE GENERATION VS. PROJECTED LONG-TERM ELECTRICITY DEMAND BY ENERGY SOURCE IN PERU (EU 10)

Clasificación	2022	2023	2024	2025	2026	2027	2028	2029	2030
Source of Energy	Reservoir hydro								
	Run-of-river hydro								
	Coal-fired thermal								
	Thermal LNG/Diesel	573	573	573	573	573	573	573	573
	Wind Energy								
	Solar Energy								
Total planned capacity	573	573	573	573	573	573	573	573	573
Maximum projected generation capacity P70 (GWh)	4,334	4,334	4,334	4,334	4,334	4,334	4,334	4,334	4,334
Total projected demand	63,491	67,682	71,458	75,751	79,942	83,683	87,616	91,734	96,045
Maximum projected generation, vs. projected demand (%)	6.8%	6.4%	6.1%	5.7%	5.4%	5.2%	4.9%	4.7%	4.5%

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Tax Administration

Fiscal Approach

(GRI 207)

Colbun S.A.'s and its subsidiaries' tax approach aims to fully comply with all tax obligations arising from the economic activities of each of them and, consequently, to generate taxable events. This is supported by the development of policies aimed at strict tax compliance with the corresponding regulations in each jurisdiction in which we operate. To this end, we ensure that we have adequate and documented processes in place that are prepared and reviewed by professionals with the necessary experience to achieve our objective. Our tax approach is directly linked to our purpose of integrity and commitment to our values.

Governance, Control and Management of Fiscal Risks

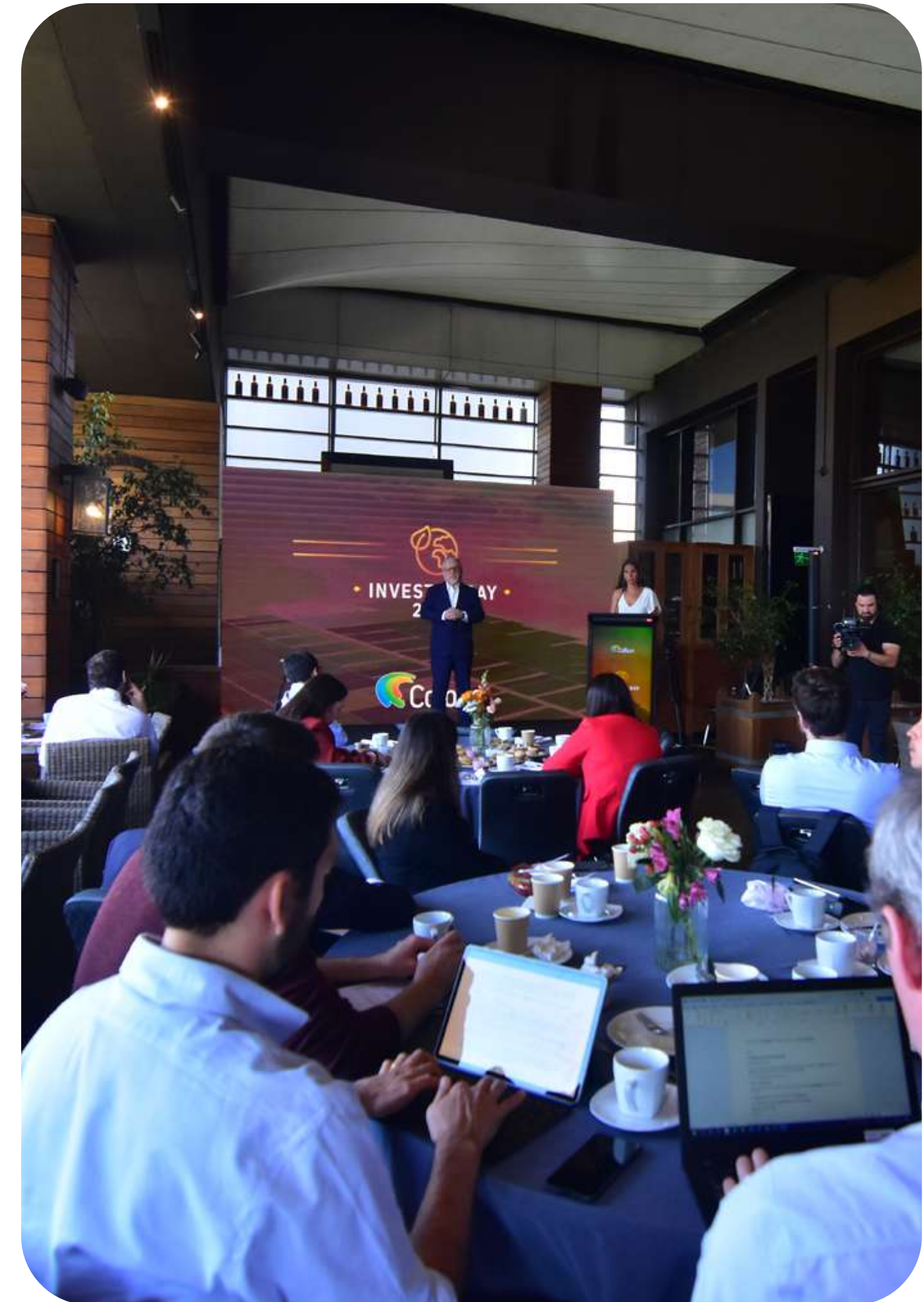
In order to carry out our approach to tax compliance, a specialized tax team is in place, headed by a specific assistant manager for this area, with the objectives of periodic reports on compliance, application of procedures, guidance on tax treatment, risks associated with activities and improvements to be implemented in aspects that may affect the taxation of Colbun S.A. and its subsidiaries. In addition, the Company ensures that the professionals in the area receive the necessary training to perform their duties in an optimal manner. Thus, in the event of the absence of a member of the team, there are personnel with the appropriate skills to replace the person responsible for the management and control of tax compliance. The team's compliance is periodically evaluated by specialized

external auditors. In addition, tax committees meet at least quarterly to oversee and continuously monitor tax matters and related risks. These tax committees include managers from various functions, including legal, finance and internal audit, as well as external advisors. We also have a whistleblower channel for stakeholders to report concerns about certain behaviors or situations involving the company.

Stakeholder Engagement and Management of Tax-Related Concerns

The Company publishes quarterly Financial Statements and, on an annual basis, the Company's Annual Report. These reports, sent to the Financial Market Commission (CMF) and published on the Company's website (www.colbun.cl), explain the tax situation detailing, among other matters, the Effective Tax Rate and the Reconciliation from the Tax Rate. In addition, on a monthly and annual basis, we send tax documentation to the tax authority (Servicio de Impuestos Internos, SII) with the full openness and detail required by current regulations.

Fenix, on the other hand, fully complies with the applicable laws and regulations, and on a monthly and annual basis sends tax documentation to the tax authority (Superintendencia Nacional de Administración Tributaria, SUNAT) with all the openness and detail required by current regulations. In turn, the Company participates actively and collaboratively in the auditing processes of the regulatory bodies, and takes care to comply faithfully with the requirements of the authority. Regarding transactions between Group companies, we take care to apply the transfer pricing rules stipulated by the OECD. We strive to apply the same criteria in transactions between local companies.



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Risk Management

GRI
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Risk Management Policy

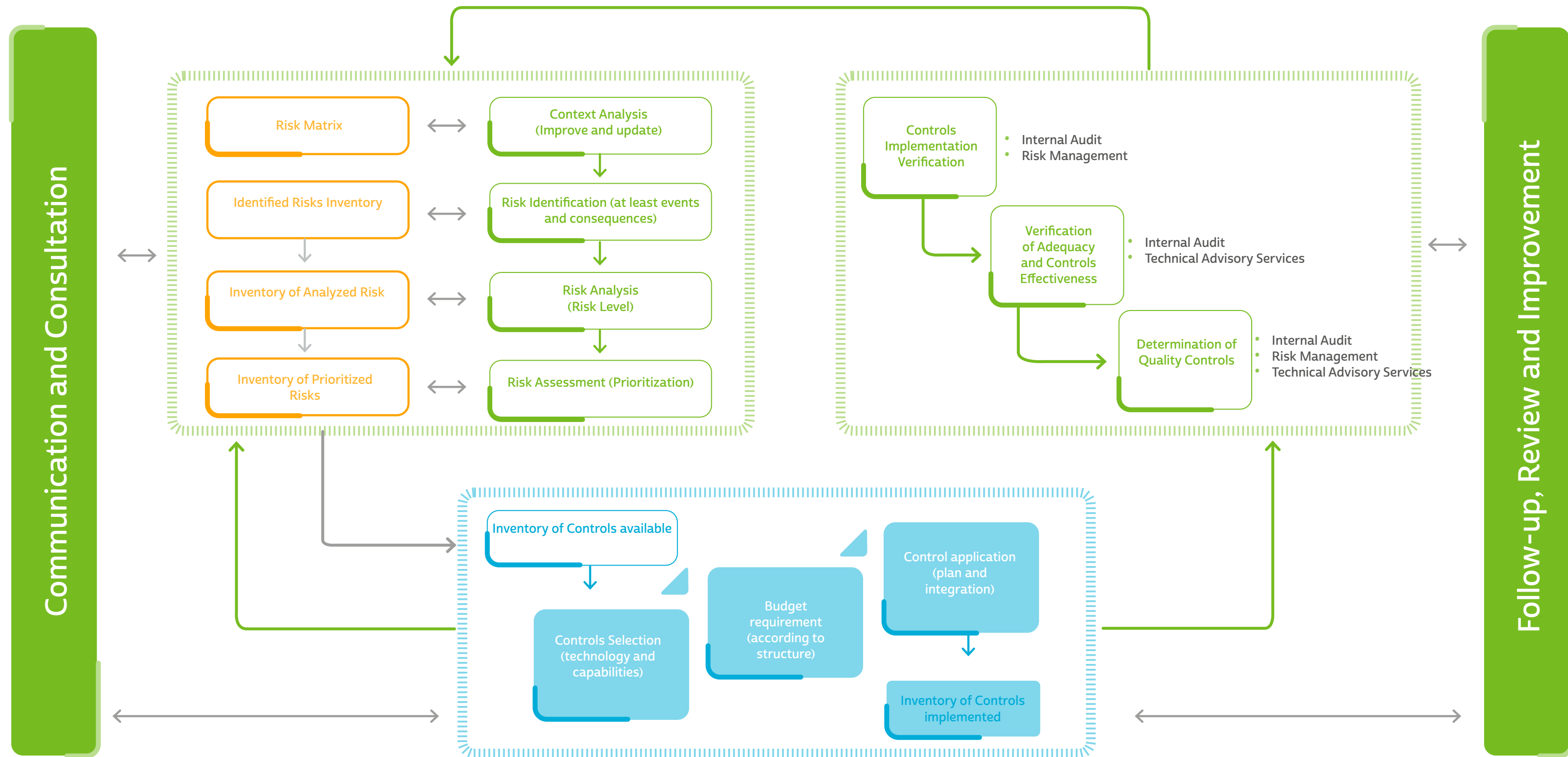
By identifying and managing the sources of uncertainty that affect or may affect the Company, the risk management strategy aims to safeguard the Company's principles of stability and sustainability.

Comprehensive risk management involves identifying, measuring, analyzing, mitigating, and controlling the various risks incurred by the Company's various divisions, as well as estimating the impact on the Company's consolidated position, and monitoring and controlling them over time. This process involves both Colbun's senior management and the risk-taking areas.

Tolerable risk limits, risk measurement metrics and the frequency of risk analysis are policies established by the Company's Board of Directors.

The risk management function is the responsibility of the General Management, as well as each division and management of the Company, and is supported by the Risk and Management Control Department and the supervision, monitoring and coordination of the Risk Committee, which meets every two months..

Risk Management Model



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Risk Factors

The Company's activities are exposed to various risks classified as power business risks and financial risks.

Power Business Risks

› Hydrological Risk

Under dry hydrological conditions, Colbun must operate its combined cycle thermal plants or, by default, operate its backup thermal plants or resort to the spot market. This situation would increase Colbun's costs and increase the variability of its results depending on hydrological conditions.

The hydrological risk of the Company is adequately mitigated by a commercial policy aimed at maintaining a balance between competitive generation (hydro in an average to dry year and low-cost thermal generation from coal and natural gas and other low-cost renewables, duly complemented by other generation sources given their intermittency and volatility) and commercial obligations. In conditions of extreme and recurrent drought, a potential lack of cooling water would affect the generating capacity of the combined

cycles. Colbun has a reverse osmosis plant that reduces the water used in the cooling process of the combined cycles of the Nehuenco complex by up to 50%.

In Peru, Colbun has a combined cycle power plant and a commercial policy aimed at committing through medium and long-term contracts, such as basic energy. Exposure to dry hydrological conditions is limited, as it would only have an impact in the event of possible operational failures that would force the company to resort to the spot market. In addition, the Peruvian electricity market has an efficient thermal supply and sufficient local natural gas availability to back it up..

› Fuel Price Risk

Chile's hydroelectric plants in situations of low inflows, Colbun must mainly use its thermal plants or purchase energy on the spot market at marginal cost. This creates a risk due to fluctuations in international fuel prices. In order to mitigate the impact of very significant and unforeseen fluctuations in fuel prices, hedging programs are carried out with various derivative instruments, such as options that fix the price of fuel at an agreed

value. Otherwise, in the event of abundant hydrology, the Company could find itself in a surplus position on the spot market, the price of which is determined in part by the price of fuels, but the Company would be in a selling position, being less exposed to fuel prices. In Peru, the cost of natural gas is less dependent on international prices due to a significant domestic supply of this hydrocarbon, which limits the exposure to this risk. As in Chile, the exposure to international price fluctuations is mitigated by indexation formulas in the energy sales contracts. As a result, the exposure to the risk of fuel price fluctuations is partially mitigated.

› Fuel Supply Risks

The Company has a contract with Enap Refinerías S.A. ("ERSA") covering reserved regasification and supply capacity for 13 years, effective January 1, 2018. This agreement allows the operation of two combined cycle units during most of the first half of the year, a period of the year when the availability of water resources is generally lower. In addition, there is the possibility to access additional natural gas through spot purchases,

allowing for efficient backup in case of unfavorable hydrological conditions in the second half of the year. In addition, gas supply contracts have been signed with Argentine producers (Pampa Energía, Pan American Energy, Pluspetrol, and Total Austral) to complement the LNG supply. Including these new contracts, Colbun has import contracts from Argentina for a total of 3,030,000 m3 of gas per day from October 22 to April 23.

In Peru, Fenix has long-term contracts with the ECL88 consortium (Pluspetrol, Pluspetrol Camisea, Hunt, SK, Sonatrach, Tecpetrol, and Repsol) and gas transportation agreements with TGP.

Regarding coal purchases for Santa María Thermal Power Plant, periodic tenders are held (the last one in June 2022), inviting major international suppliers and awarding the supply to established companies that have both physical and financial security. This is done by an early purchase policy and an inventory management policy to significantly reduce the risk of not having this fuel.

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› Equipment Failure and Maintenance Risks

The availability and reliability of the generating units are critical to the Company. The Company therefore follows a policy of scheduled, preventive and predictive maintenance of its equipment, as recommended by its suppliers, and maintains a policy of coverage for this type of risk through insurance of its physical assets, including coverage for physical damage and damage due to business interruption.

› Project Construction Risks

Some of the factors that may affect the development of new projects include delays in obtaining permits, changes in the regulatory framework, legal proceedings, increases in the price of equipment or labor, opposition from local and international interest groups, unforeseen geographic conditions, natural disasters, accidents or other unforeseen events.

We manage the Company's exposure to these types of risks through a commercial policy that considers the impact of potential project delays. In addition, contingencies are factored into construction time and cost estimates. In addition, the Company's exposure to this risk is partially covered by the purchase of "All Risks Construction" policies, which cover both physical damage and loss of profits due to delays in commissioning as a result of an accident, both with the standard deductibles for this type of insurance.

Power companies are facing a very challenging electricity market, with a lot of triggering from various stakeholders, mainly from neighboring communities and NGOs, who are legitimately demanding more participation and protagonism. As part of this complexity, environmental permitting timelines have become more uncertain, sometimes followed by extensive litigation. This has resulted in fewer projects of significant size being built.

Colbun's policy is to integrate with excellence the social and environmental dimensions in the development of its projects. In addition, the company has developed a social engagement model that allows it to work with neighboring communities and society in general, initiating a transparent process of citizen participation and confidence building in the early stages of projects and throughout their life cycle.

› Regulatory Risks

Regulatory stability is critical for the energy sector, as investment projects have significant lead times in terms of permitting, development, implementation and return on investment. A regulatory change must take into account the complexities of the electricity system and maintain adequate incentives for investment. It is important to have a regulation that provides clear and transparent rules that strengthen stakeholders' confidence in the sector.

Regulatory stability is critical for the energy sector, as investment projects have significant lead times in terms of permitting, development, implementation, and return on investment. A regulatory change must take into account the complexities of the electricity system and maintain adequate incentives for investment. It is important to have a regulation that provides clear and transparent rules that strengthen stakeholders' confidence in the sector. Following the constitutional process originated

Chile

from the "Agreement for Peace and the New Constitution", and the subsequent approval of the drafting of a new Constitution through a plebiscite, the Constitutional Convention drafted a new proposal for the text of the New Constitution, which was officially presented to the public on July 4, 2022. This proposal was rejected by the citizens on September 4, 2022. On December 12, 2022, the "Agreement for Chile" was signed, a new constituent process project that was sent by the National Congress to be signed by the President of the Republic on January 11, 2023. This process has three incumbent bodies: Constitutional Council, Expert Commission, and Technical Committee on Admissibility. These bodies will be in charge of drafting a new Magna Carta project, which must be ratified or rejected by the citizens through a plebiscite with a mandatory vote. The process will end on November 26, 2023, with the ratifying plebiscite, and its result will be fundamental as it could result in changes to the institutional framework applicable to business activity in the country.

Laws Enacted

On Tuesday, August 2, 2022, Law N°21,472 was enacted, which establishes a temporary mechanism for the stabilization of energy prices for customers subject to tariffs, differentiated according to consumption tranches. As a complement to the mechanism established by Law No. 21,185 of 2019, this mechanism will last until December 31, 2032. The main features of this mechanism are:

- **Tariff Stabilization Fund:** All clients -regulated and unregulated- will contribute to the US\$ 500 million fund through an additional public service charge based on monthly consumption. This fund will be administered by the General Treasury of the Republic.
- **Client Protection Mechanism (CPM).** It allocates funds to pay the differences between the stabilized tariff of the customers and the price to be

paid by contract to the generators, with a limit of 1,800 million US dollars. These differences can be collected by the suppliers through a transferable credit title issued by the Ministry of Finance, which takes into account the financial costs and is guaranteed by the State.

- **Storage:** It allows "pure" or "isolated" storage systems, i.e., those that are not part of a generation plant, to be remunerated for the energy and power injected into the system, allowing them to participate in the balances of economic transfers in the short-term wholesale market.
- **Generation-Consumption Systems:** It enables efficient connection of "generation" - "consumption" systems, that have their own generation capacity with renewable energies.
- **Electromobility:** Promotes electric vehicle sales, equaling the value of their circulation permits to those of equivalent internal combustion cars, and enables them to participate in the electricity market as storage systems.

Significant Developments Regarding Bills in Process

The **NCRE Quotas Bill** is in the first constitutional procedure with qualified urgency of immediate discussion and is being analyzed by the Mining and Energy Committee of the Chamber of Deputies. The project currently under discussion includes the following amendments to the General Electricity Law:

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- a) Increase large-scale renewable generation goals, requiring generating companies to market at least 60% of NCRE by 2030 and, in addition, to market at least 40% of NCRE by 2030 in each time block within the day, promoting the management of energy from variable sources through storage systems.
- b) Establish a traceability system indicating the renewable nature of the energy that is commercialized, obliging the National Electric Coordinator to have an information system for monitoring and recording the traceability of the commercialization of energy. The methodology will be determined by regulation.
- c) Boosting distributed generation, through the definition of terms and costs of connection to the distribution network. It also considers an increase in the injection limit capacity of residential customers, from 300 to 500 kW, and the possibility for municipalities to act as coordinators of residential generation facilities.

A major risk of this project is that the energy generated by reservoirs will not be counted for NCRE quotas.

On June 29, 2022, an amendment to Law No. 19,300 was introduced in the Chamber of Deputies that seeks

to regulate the process of social, environmental, energy, and economic transition within the framework of the commitments and needs of reducing GHG emissions, protection of carbon sinks and ecosystems. The bill defines the concept of just socio-ecological transition, in addition to establishing seven principles that will guide this process. It also establishes that the State will be able to address production and consumption cycles holistically, considering communities and nature to move towards a declining, decarbonized, waste-free economy that promotes nature-based solutions. The project is currently without urgency and in the first constitutional procedure.

In addition, since July of this year, the urgency of the bill submitted on July 15, 2020, has been permanently reinstated, requesting an environmental qualification resolution for projects evaluated or approved before the creation of the current environmental institution. The bill expands the definition of environmental protection in Law No. 19,300 on the General Principles of the Environment, adding a clause that establishes that any project or activity that may have an impact on the environment requires, for its approval and/or execution, the resolution of environmental qualification. This is complemented by the incorporation of a transitory article that establishes that projects or activities that currently do not have an environmental qualification resolution will have a 12-month term to obtain it, from the publication of this amendment. The processing of the project was resumed in December 2021 and currently has simple urgency and must be reviewed in the Senate by the Committee on the Environment and National Assets and the Committee on Mining and Energy.

On October 5, a bill was submitted to the Chamber of Deputies that amends Law No. 19,300 and regulates the installation and coexistence with neighboring communities of wind power complexes and photovoltaic power plants. The project covers design and construction aspects, such as the minimum distance between towers, the type of soil allowed, and restrictions on the location of neighboring projects. In terms of environmental impact and assessment, the project establishes minimum characteristics for the submission of the EIA, as well as criteria that regulate the shadowing effect of these projects. A key element of the project is the incorporation of effective public participation mechanisms, taking into account the co-development of the project with neighboring communities. Finally, it is established that the Superintendencia de Medio Ambiente y de Electricidad y Combustibles will be responsible for monitoring the standards that will result from this project, and that failure to comply with the minimum distances could result in the revocation of the environmental qualification resolution. This project is not urgent and must be reviewed by the Environment and Natural Resources Commission.

In 2017, through a parliamentary motion, a bill was introduced to amend Law No. 19,300 to establish restrictions on the processing of projects in declared or saturated zones. This bill was in the second legislative procedure in July 2020 and was resumed by the Executive in June 2022, presenting the simple urgency for its processing. The purpose of the project is to regulate the investments to be installed in zones declared latent or saturated, while the prevention or decontamination plans have not been issued. To this

end, it establishes that projects with a significant impact on emissions will require an Environmental Impact Study, while those with a critical impact will have their respective EIAs rejected. Currently, the project is in its second legislative process, under review by the Commission for the Environment and Natural Resources, with extreme urgency.

Legislative Agenda of the Ministry of Energy

In October, the Minister of Energy, Diego Pardow, presented the Executive's Legislative Agenda to Congress. Given the process of energy transition and the decarbonization of the energy matrix, the Ministry identified two axes under which it will work in the short term: increasing the installed capacity of the system by 25 GW by 2030 and strengthening the electricity transmission system with new lines and substations. To this end, it has set the following priorities in the legislative agenda:

- **Improvement of the General Electric Services Law (LGSE):**

There are two main objectives of this draft law. The first is to create an exception in the law so that public service concessionaires of medium-size systems can be vertically integrated, given the special characteristics they have in these areas. The second is to modify the mechanism for transmission expansion works, which are currently put out to tender by the coordinator and have caused a significant delay in the development of new works. Therefore, the project intends to return to a process similar to the one that existed before Law No. 20,936.

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• **SEC Improvement Act:**

The bill aims to provide the Superintendency with more robust tools to monitor and sanction supply cuts. To this end, the bill aims to update the scope of the service's competence to new energy sources, strengthen the attributions in the resolution of claims, incorporate the performance approach in the inspection, and improve the power of interpretation of the energy regulations and the sanctioning power. The Executive will wait for the completion of the above projects before prioritizing this one.

On the other hand, the Ministry will address the issue of hydrogen through the budget law, including Strategic Energy Plans in Regions (PEER) with a focus on this technology. In addition, the Ministry proposed to the industry the development of an Energy Transition Law with a broad scope for the sector, to be presented in December 2022, which has not yet happened.

Short-Term Market

In October 2022, the insolvency situation of two-generation companies in the electricity sector was disclosed, which were subsequently withdrawn from the short-term market, and their respective guarantees were executed. This event has raised several alarms in the sector, ranging from the operation of the system, supply tenders for regulated customers, short-term guarantees, and high levels of dumping at the national level. For this reason, the National Energy Commission convened a public-private round table on the short-term market (MCP), to analyze the specific and systemic causes that could influence this situation. The Ministry of Energy, the Superintendence of Electricity and Fuels, the National Electricity Coordinator, and the sector's professional associations participated in the meeting. The organizations and associations presented 60 proposals, which were analyzed and consolidated by the CNE in a report published on January 6, 2023. Among the proposals are the improvement of the guarantees, the improvement of the bidding bases, the regulated supply, the modification of the planning and pricing process, the storage incentives, the implementation of the intraday stage, the incorporation of monitoring and control elements in the transmission networks, the greater reporting of ancillary payments and systemic costs, and the performance of a joint analysis between the CNE and the MEN to continue analyzing the measures in the context of the MCP, among others. Each of these changes will be dealt with by different regulators within a maximum period of 36 months.

News Rationing Decree

On September 7, the Ministry of Energy, through Decree 74, extended the preventive rationing decree (DS N° 51/2021) until March 31, 2023, and reduced the water reserve to 66 GWh.

Peru

Law No. 31429, which amends Law No. 27510, which establishes the Electricity Social Compensation Fund (hereinafter "FOSE Law"), was published in the Peruvian Official Gazette on February 26, 2022. These modifications will be applicable from the tariff plan of January 2023 and have a particular impact on the free users of the electricity sector, since they have been included as subjects that will be affected by the FOSE surcharge. Before the approved changes, free users already paid monthly contributions to finance the Energy Social Inclusion Fund (FISE), a program to support energy expansion in vulnerable populations. Consequently, the inclusion of free users among those affected by the FOSE surcharge would mean that they would pay a double contribution to finance the same purpose, that is, to compensate for the residential electricity tariff.

The Ministry of Energy and Mines ("MINEM") ordered the publication of the proposed legislative initiative, "Law amending Law No. 28832, Law to ensure the efficient development of electricity generation", by Ministerial Resolution No. 227-202-MINEM of June 24, 2022. To receive contributions and/or comments from interested parties and citizens within 30 calendar days, together with its explanatory memorandum. According to the bill, its purpose is to guarantee the safe, reliable, and efficient supply of electricity and to promote the diversification of the energy matrix.

On October 28, 2022, Law No. 31,598 was published, which brought forward to November 2022 the entry into force of Law No. 31,429, which introduced amendments to Law No. 27,510, the Law that created the Electric Social Compensation Fund ("FOSE Law").

Law No. 31,429, which was published on February 26, 2022, principally provided that:

- The extension of the scope of the FOSE to users with a monthly consumption equal to or less than 140 kW/h per month (previously it was a consumption equal to or less than 100 kWh per month) and;;
- Including unregulated users among those affected, with a surcharge to finance the FOSE (previously only regulated users paid).

The same Law No. 31,429 originally provided that the amendments to the FOSE Law would enter into force in January 2023. However, Law No. 31,598 brought forward the effective date to November 2022. Thus, as of November 2022, the range of users benefiting from the FOSE will be expanded and, in addition, the bills for the electric service to free users will include the FOSE charge for its financing.

› **Electricity Demand/Supply and Selling Price Variation Risk**

Future demand projections for power consumption provide very relevant information for determining the market price. In Chile, low demand growth, a decrease in fuel prices, and an increase in the entry of variable renewable energy projects in solar and wind have determined a decrease in the short-term energy price (marginal cost) in recent years. Regarding long-term values, the supply tenders for regulated customers concluded in August 2016, October 2017, and August 2021 resulted in a significant drop in the prices submitted and awarded, reflecting the greater competitive dynamics that exist in this market and the impact of the entry of new technologies, mainly solar and wind, with a significant reduction in costs due to their massification.

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Environment

Climate Change

› Main Climate Change Risks and Opportunities

Colbun has been working since 2020 to deepen the analysis of its risks related to climate change, taking into consideration the international recommendations provided by the Task Force on Climate-related Financial Disclosure (TCFD). Below is a summary of the main climate change risks identified for the company. This analysis was conducted for two scenarios, one high in emissions (RCP 8.5°C) and one low in emissions (RCP 2.6°C). The latter considers strong climate mitigation policies to curb the 2°C temperature increase.

MAIN RISKS OF CLIMATE CHANGE (TCFD)

Risks or Opportunities	Type	Potential impacts	Description of impact in RCP 8.5 scenario	Horizon *	Mitigation Measures
Decreases and changes in precipitation patterns.	Chronic physical	Reduction of hydroelectric generation.	Chile has been affected by a mega drought for more than 10 years, impacting hydroelectric generation in the Power Plant and south-Power Plant part of the country. Cumulative precipitation is expected to decrease by 20% in 2035-2065.	Short	Investment in water efficiency projects
Increased severity and frequency of extreme events such as droughts, heat waves, fires, and storm surges.	Acute physical	Damage to physical assets affecting power generation and/or transmission and the supply chain.	In 2035-2065, heat waves are expected to increase by 15.5 days, which, added to a 1.38°C increase in the average temperature, would generate an increase in the risk of fires and possible changes in the electric grid.	100%	94%
Increase in environmental taxes.	Transitional	In Chile, a tax of 5 USD/tonCO2 is currently considered and in the future, a gradual increase up to 40 USD/tonCO2 is expected.	Increased generation costs.	Medium	Portfolio development for solar and wind energy projects (+4000 MW by 2030).
Development of new products and services.	Transitional	Developing a portfolio of +4000 MW of renewable energy and new, as well as new businesses such as green H2, competitive advantages.	Access to new markets.	Short	N/A
Participation in carbon markets.	Transitional	Colbun has 6 renewable energy projects certified to international carbon standards, generating approx. 300,000 certificates per year.	Access to carbon markets.	Short	N/A

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In addition, given the difference in energy prices between free and regulated customers, some customers have opted for the free customer regime. This is due to the option included in the Electricity Law, which allows customers with a connected load between 500 kW and 5,000 kW to be classified as regulated or free customers. Colbun has one of the most efficient generation parks in the Chilean system, allowing it to offer competitive conditions to these customers.

In Peru, there is also a scenario of a temporary imbalance between supply and demand, mainly due to the increase in efficient supply (hydroelectric and natural gas plants).

In the Chilean market (and potentially in the Peruvian market), variable renewable generation sources such as solar and wind may generate integration costs and therefore affect the operating conditions of the rest of the electricity system, especially in the absence of a market for ancillary services that adequately remunerate the services necessary to manage the variability of the indicated generation sources.

Energy demand in Chile grew by approximately 0.1% during 4Q22 compared to 4Q21, while Peru experienced an increase of approximately 6.2% compared to 4Q21.

The complex global economic outlook, which may lead to a contraction of the Chilean and Peruvian economies, will certainly have an impact on future electricity demand.

Financial Risks

These are risks related to the impossibility of carrying out transactions or failing to meet obligations arising from activities due to lack of funds, as well as changes in interest rates, exchange rates, the bankruptcy of counterparties or other financial market variables that may affect Colbun's net assets.

› Foreign Exchange Risk

Currency exchange rate risk is mainly due to currency fluctuations arising from two sources. The first source of exposure comes from flows corresponding to investment income, costs, and disbursements that are denominated in currencies other than the functional currency (U.S. dollar).

The second source of risk is the accounting mismatch between assets and liabilities in the balance sheet denominated in currencies other than the functional currency.

The cash flow risk in currencies other than the U.S. dollar is limited as virtually all of the Company's sales are denominated directly or indexed to the U.S. dollar.

Similarly, the Company's major costs are for the purchase of natural gas and coal, which are priced using formulas based on international prices denominated in U.S. dollars.

Concerning capital expenditures, the Company includes indexation in its contracts with suppliers and sometimes uses derivatives to fix expenditures in currencies other than the U.S. dollar.

The risk of mismatch of balance sheet accounts is mitigated by applying a policy of maximum mismatch between assets and liabilities for those structural items denominated in currencies other than the U.S. dollar. To this end, Colbun maintains a significant portion of its cash surpluses in U.S. dollars and, in addition, resorts to the use of derivatives, the most common of which are currency swaps and forwards.

› Interest Rate Risk

Interest rate risk refers to changes in interest rates that affect the value of future cash flows referenced to variable interest rates and changes in the fair value of assets and liabilities referenced to fixed interest rates that are recorded at fair value. Fixed interest rate swaps are used to mitigate this risk.

On December 31, 2022, 92% of the Company's financial debt is denominated at a fixed rate and 8% at a floating rate.

› Credit Risk

We are exposed to this risk, derived from the possibility that a counterparty may fail to meet its contractual obligations and cause an economic or financial loss. In the past, all counterparties with whom Colbun has entered into energy supply commitments have made the corresponding payments correctly.

Recently, Colbun has expanded its presence in the segment of small and medium free customers, for which it has implemented new procedures and controls related to the risk assessment of this type of customers and the follow-up of their collection. On a quarterly basis, the allowance for doubtful accounts is calculated based on the risk analysis of each customer, taking into account, among other things, the customer's creditworthiness, payment history and industry.

For treasury placements and derivatives, Colbun conducts transactions with entities with high credit ratings. In addition, the Company has established exposure limits per counterparty, which are approved by the Board of Directors and reviewed periodically.

As of December 31, 2007, the Company's cash surpluses are invested in interest-bearing current accounts, mutual funds (of banking subsidiaries), and time deposits with local and international banks. The latter corresponds to short-term investment funds with a maturity of fewer than 90 days, known as the "money market".

Information on customer creditworthiness is disclosed in note 11 to the financial statements.

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› Liquidity Risk

This risk arises from, among other things, the varying needs for funds to meet investment commitments and operating expenses, as well as debt maturities. The funds required to meet these cash flow outflows are obtained from Colbun's resources generated from its ordinary activities and by entering into credit facilities that ensure sufficient funds to meet projected needs for a period of time.

As of December 31, 2022, Colbun has excess cash of approximately \$1,154 million invested in interest-bearing checking accounts, time deposits and mutual funds with an average maturity of 59 days (including deposits with maturities ranging from less than 90 days to more than 90 days, the latter being included in "Other current financial assets" in the consolidated financial statements) and fixed income investments with maturities of 2 to 3 years that are expected to be held to maturity.

In addition, as of today, the Company has as additional sources of liquidity: (i) three bond lines registered in the local market, two for a total amount of UF 7 million and one for an amount of UF 7 million, and (ii) uncommitted bank lines of approximately US\$ 150 million. Fenix has uncommitted credit lines totaling US\$65 million.

In the next twelve months, the Company will have to disburse approximately US\$102 million for interest and amortization of financial debt. Interest and amortization payments are expected to be covered by the Company's cash flow generation.

As of December 31, 2022, Colbun has national risk ratings of AA by Fitch Ratings and AA by Fitch Ratings. national AA risk ratings by Fitch Ratings and Feller Rate Feller Rate, both with a stable outlook. At the international the Company's international rating is Baa2 by Moody's, BBB by S&P and BBB+ by Moody's, BBB by S&P and BBB+ by Fitch Ratings, all with a stable outlook..

As of December 31, 2021, Fenix has international risk ratings of BBB- by S&P and BBB+ by Fitch Ratings, all with a stable outlook. by S&P and by Fitch Ratings, all with a stable outlook. Fitch Ratings, all with stable outlooks.

Based on the foregoing, the Company's liquidity risk is currently considered to be limited.

Information on contractual maturities of the main financial liabilities is disclosed in note 23 of the Financial Statements.

› Risk Measurement

The Company periodically analyzes and measures its exposure to the various risk variables described in the preceding paragraphs. Risk management is carried out by a Risk Committee with the support of Corporate Risk Management and in coordination with the other divisions of the Company.

Business risks, in particular those related to fluctuations in commodity prices, are mitigated by Colbun through

indexation in energy sales contracts and hedging with derivative instruments to cover any residual exposure. Therefore, sensitivity analyses are not presented.

To mitigate the risk of equipment or project construction failures, the Company has taken out insurance to cover damage to its physical assets, damages due to business interruption, and loss of profit due to delays in the commissioning of a project. This risk is considered to be reasonably limited.

Regarding financial risks, to its exposure, Colbun performs sensitivity and value-at-risk analyses of the possible losses that the Company could incur in the event of exposure. Foreign exchange risk is considered limited as the Company's main cash flows (revenues, costs, and project disbursements) are directly or indexed to the US dollar.

The risk of accounting mismatch is mitigated by applying a maximum mismatch policy between assets and liabilities for those structural balance sheet items denominated in currencies other than the US dollar. Based on the above, as of December 31, 2022, the Company's exposure to the impact of exchange rate differences on structural items translates into a potential impact of approximately \$6.3 million every quarter, based on a 95% confidence sensitivity analysis.

The interest rate sensitivity is measured as the sensitivity of financial expenses to a 35 basis point change in the reference variable rate, which is the DOFR rate. Thus, an increase of 35 basis points in the SOFR rate would result in an increase of US\$ 33 thousand in the monthly interest expense per accrual, while a decrease in the reference rate would result in a decrease of US\$ 33 thousand in the monthly interest expense

per accrual. The Company considers its exposure to interest rate risk to be limited.

Credit risk is limited as Colbun only deals with local and international banking counterparties with high credit ratings and has established maximum exposure policies per counterparty that limit the specific concentration with these institutions. In the case of banks, local institutions have a local risk rating equal to or higher than BBB and foreign institutions have an international risk rating of investment grade.

At the end of the period under review, the financial institution with the highest proportion of cash surpluses reached 26%. With respect to existing derivatives, the Company's international counterparties have a risk equivalent to BBB+ or higher and the domestic counterparties have a local rating of BBB+ or higher. It should be noted that there is no concentration of more than 51% of the notional amount with any one counterparty.

Liquidity risk is considered low due to the Company's relevant cash position, the number of financial obligations in the next twelve months and access to additional sources of financing.

During 2022, there were no actual proceedings initiated or sanctions imposed by the SEC or any other authority for "failure to comply with physical or cyber security standards or regulations" applicable to electrical infrastructure; and neither in matters of physical or cyber security is there anything that could affect our infrastructure and operational continuity.

In addition, Colbun is in the process of complying with SGIIE and NERC-CIP.

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Economic and Operational Performance

Crime Prevention and Antitrust Model

GRI 205-2

Colbun has a Crime Prevention Model under Law No. 20,393 on Criminal Liability of Legal Entities, which aims to prevent the risks of bribery, money laundering, financing of terrorism, receiving, unfair administration, corruption among individuals, embezzlement and water pollution.

During 2022, Colbun S.A. was not notified of any action, lawsuit or proceeding against it related to Law No. 20,393 on Criminal Liability of Legal Entities, regulations related to anti-corruption policies and procedures. Nor has it been notified of any sanction or proceeding related to unfair competition, monopolistic practices or free competition. In addition, there is no current proceeding in which Colbun S.A. has these categories. This is without prejudice to requests for information made by the National Economic Prosecutor's Office (FNE) to Colbun in the context of confidential investigations carried out by the FNE in the exercise of its functions.

In the case of Fenix, it has not been notified of any action, lawsuit, or proceeding against it related to unfair competition, monopolistic practices, or free competition, nor is there any current proceeding.

Annually, the Legal Manager explains to the Board of Directors the most relevant aspects carried out during the year in terms of antitrust compliance, highlighting the special training that was held in October 2022, reaching 39 employees of Colbun, in person and "online", and covering topics such as participation in trade associations, the gas market, LNG inflexibility, case studies and recent investigations by the FNE and the TDLC.

100% of directors in Chile were informed and trained on anti-corruption policies and procedures. Meanwhile, 100% of employees were informed and 93% were trained on anti-corruption procedures. The number of informed suppliers in Chile reached 2.4%.

In Peru, 99% of employees, 69% of suppliers, 100% of customers, and 72% of the surrounding community were informed and trained on anti-corruption policies and procedures

2022 Fines and Penalty Proceedings Details

In 2021, the Environmental Superintendency fined Company 345 UTA (in the "minor" category) for the installation of equipment other than those authorized in the RCA of the Santa María power plant. The Superintendency issued this fine even though it had already filed two previous sanction proceedings for the same circumstances, and even though it had been proven that the modifications made to the aforementioned equipment did not have any negative impact on the environment or human health. The fine was appealed to the Environmental Court of Valdivia and the appeal was still pending as of December 31, 2022. There were no new environmental sanctions in Chile in 2022.

In the case of Fenix, the company was not sanctioned for violations of environmental laws and regulations in Peru in 2022.

Similarly, neither in Chile nor in Peru were any cases of discrimination brought to the attention of administrative or judicial authorities where this type of violation or non-compliance was the main subject of a claim. In addition, there were no lawsuits or claims of any kind for violations of the rights of indigenous peoples during the year.

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Economic and Operational Performance

2022 FINE DETAIL IN CHILE (Gri 419-1)

Penalties for Non-Compliance in Social Matters	Sanction Description	Monetary/ Non-Monetary	Amount US\$ (if applicable)	Sanction Status (Open/Closed)	Date of Sanction	Sanctioned Subsidiary
Income Tax Agency	Penalties, interest, and readjustments associated with the rectification of withholding tax to employees	Monetary	18,315.70	Paid	2022/08/01	Colbun
Income Tax Agency	Fines, interest, and readjustments associated with the rectification of directors' fees.	Monetary	2,603.27	Paid	2022/04/10	Colbun
Income Tax Agency	Fines, interest, and readjustments associated with the rectification of the 1946 tax return.	Monetary	120.18	Paid	2022/01/17	Colbun
Income Tax Agency	Fine associated with delay in updating information on Colbun's legal representatives	Monetary	19.31	Paid	2022/08/01	Colbun
Health Ministry	Fine associated with the lack of information on the importation of hazardous materials.	Monetary	4,642.66	Paid	2022/04/28	Colbun
Health Ministry	Fine related to lack of information on the importation of hazardous materials	Monetary	3329.03	Paid	2022/08/16	Colbun
Health Ministry	Fine associated with lack of information on the importation of hazardous materials	Monetary	3229.73	Paid	2022/09/20	Colbun
Labor Ministry	Fine associated with an occupational accident at the work site	Monetary	8,167.29	Paid	2022/05/25	Colbun
Total			40,427.17			

2022 FINE DETAIL IN PERU

2022 (Gri 419-1)

Penalties for Non-Compliance in Social Matters	Sanction Description	Amount US\$ (if applicable)	Sanction Status (Open/Closed)	Date of Sanction
ORGANISMO SUPERVISOR DE LA INVERSION EN ENERGÍA Y MINERÍA - OSINERMIN	Incorrectly determining the FISE surcharge to its free users, on twenty-six (26) occasions, during the second half of 2017.	14,218	Closed	sep-22
ORGANISMO SUPERVISOR DE LA INVERSION EN ENERGÍA Y MINERÍA - OSINERMIN	Incorrectly determining the FISE surcharge to its free users, in twenty-six (24) opportunities, during the first semester of 2018.	1,875	Closed	oct-22
MUNICIPALIDAD DE CHILCA	Out of date payments of property tax 2019.	4,775	Closed	abr-22
MUNICIPALIDAD DE CHILCA	Out of date payments of property tax 2020	2,263	Closed	may-22
MUNICIPALIDAD DE CHILCA	Out-of-date property tax payments 2021	925	Closed	may-22
MUNICIPALIDAD DE CHILCA	Out of date property tax payments 2022	33	Closed	may-22
SUPERINTENDENCIA NACIONAL DE ADUANA - SUNAT	Interest on late payment of customs duties	220	Closed	nov-22
SUPERINTENDENCIA NACIONAL DE ADUANA - SUNAT	Not destined for early clearance	118	Closed	sep-22
SUPERINTENDENCIA NACIONAL DE ADUANA - SUNAT	Not destined for early clearance	115	Closed	ene-22
Total		\$ 24,542		

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Stakeholders Management

Stakeholders Management

GRI 2-29

Colbun's Sustainability Policy, created in 2011, applies to all areas of the company and it is the responsibility of all employees to comply with it. Its basic principles include complying with legislation and corporate commitments, building relationships of trust and respecting the human rights of the various stakeholders with whom it interacts: Employees, Community and Society, Investors, Customers, Suppliers and Contractors. In the specific case of the Community and Society group, Colbun updates it periodically (or at least once a year) based on new projects, identified impacts and risks, relationship programs, and emerging leaders in civil society in each area where our facilities are located. Colbun's Community Engagement Handbook guides the stakeholder mapping process.

Colbun does not employ lobbyists or make political contributions in Chile or Peru.

ASSOCIATIONS IN CHILE TO WHERE COLBUN IS A MEMBER GRI 2-28

Organization	Description	Participation Level	Date of Entry	Original Currency	Annual Ampount (UF/\$)	Annual Amount (US\$)
Asociación Chilena de Hidrogeno www.h2chile.cl	An educational platform to teach, educate, collaborate, encourage and actually produce a significant change in the way society views hydrogen, thus positioning Chile as a leader in the production and use of "Green Hydrogen".	Partners	2020	UF	350	13,287
Asociación Gremial De Generadoras De Chile AGG www.generadoras.cl	Promotes the development of electric companies in Chile.	Partners, Board of Directors and Working Committees	2011	CLP	243,287,868	292,826
Asociación de Industriales de Antofagasta (AIA Antofagasta) https://www.aia.cl/				CLP	3,656,000	4,297
Cámara Chilena Norteamericana (AMCHAM) www.amchamchile.cl	Promotes free trade, investment, and full integration between Chile and the United States, creating value for partners and society.	Partners y Working Committees	2018	UF	92	3,300
Asociación De Industriales Del Centro ASICENT www.asicent.cl	Seeks to collaborate with the development of its members and the progress of the Maule Region.	Partners	2011	CLP	743,916	931
CÁMARA CHILENA DE LA CONSTRUCCIÓN A. CCHC VALDIVIA	FAV N° 005.2022 Membership CCHC		2022	UF	29	1,079
CÁMARA DE COMERCIO E INDUSTRIAS DE VALDIVIA CCIV	FAV N° 005.2022 Membership CCIV			CLP	2,000,000	2,059
Centro de Estudios Públicos CEP www.cepchile.cl	Its purpose is the study and dissemination of the values, principles, and institutions that serve as the basis for a free society in Chile.	Partners	2008	UF	429	16,194
Centro de Líderes Empresariales para el Cambio Climático CLG (Universidad de Chile) www.clgchile.cl	It promotes policies and actions to address climate change in Chile.	Partners, Board of Directors	2009	UF	250	9,718
Corporación para el Desarrollo de la Region de Los Ríos CODEPROVAL www.codeproval.cl	A multi-sectoral corporation that promotes the growth of the Los Ríos Region.	Partners and event sponsorship	2010	CLP	9,000,000	11,219
Corporación Municipal de Desarrollo Coronel CORCORONEL	Seeks to facilitate the social work of the companies in the commune of Coronel.	Partners, Board of Directors and Working Committees	2015	UF	70	4,362
Cámara De La Producción Y Comercio de Concepción CPCC www.cpcc.cl	Promotes the productive development of the Biobío Region.	Partners	2010	UF	96	3,757
Instituto de Auditoria Interna Chile www.iaichile.org	Promotes the development of internal auditing through the active participation of its associates, united under the slogan "Innovating in Auditing".	Partners	2020	CLP	367,200	451
Corporación De Desarrollo Del Valle De Aconcagua PROACONCAGUA www.proaconcagua.cl	Promotes the sustainable development of the Aconcagua Valley in the Valparaíso Region.	Partners, Board of Directors	2009	UF	300	11,827
Red Empresas Inclusivas REIN www.empresainclusiva.cl	Integrating people with disabilities into the labor market	Partners	2018	UF	23	887
Sociedad de Fomento Fabril SOFOFA www.sofofa.cl	Promotes and disseminates good business practices.	Partners and Counselor	2009	UF	1,112	43,135



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Stakeholders Management

ASSOCIATIONS IN CHILE TO WHERE COLBUN IS A MEMBER GRI 2-28

Organization	Description	Participation Level	Date of Entry	Original Currency	Annual Amount (UF/\$)	Annual Amount (US\$)
Centro de Medio Ambiente y Energía SOFOFA www.sofofa.cl	Design, develop and implement pilot projects that contribute to the development of cost-effective environmental and energy policies and technical excellence.	Partners	2016	CLP	15,000,000	17,119
Instituto de Auditores Internos España www.iai.es	International Standards for the Professional Practice of Internal Auditing, and provides training, information, and meeting opportunities to its partners on all aspects related to the daily work of the internal auditor.	Partners	2020	EUR	385	410
Acción Empresas ACCIÓN www.accionempresas.cl	Promotes CSR and sustainable development in Chile.	Partners, Board of Directors, work committees, event sponsorship	2011	UF	250	9,836
Instituto de Ingenieros de Chile www.iing.cl	Seeks to contribute to the promotion of science and engineering in Chile.	Partners	2010	UF	30	1,183
Corporación de desarrollo regional PRO O'Higgins	Community of companies whose purpose is to contribute to the sustainable development of the O'Higgins region.	Partners	2022	UF	120	4,569
World Energy Council Chilew (WEC) www.wec-chile.cl	Relays the most important issues of the energy sector in the country	Partners and Board of Directors	2018	UF	100	3,824
Asociación Chilena de desalinización A.G (ACADES)	Promotes the development of seawater desalination and reuse of treated wastewater as new sources of fresh water for Chile.	Partners	2022	CLP	500,000	590
				UF	100	3,744
Asoc.Chilena de Energias Renov ACERA www.acera.cl	Promotes a regulatory framework that allows NCRE to compete on equal terms with other traditional sources.	Partners and work committees	2017	UF	399	14,989
Corporación Industrial para el Desarrollo Regional del Biobío CIDERE www.ciderebiobio.cl	Works for the development of the Biobío Region.	Partners, Board of Directors, innovation and CSR roundtables	2010	UF	305	12,016
Redes Electricas www.cigre.cl	Aims to facilitate and develop the exchange of technical knowledge among all countries in the field of production and transmission of high-voltage power.	Partners	2020	CLP	1,500,000	1,870
Redes de Innovación LTDA www.clubdeinnovacion.cl	It aims to link and articulate the innovation needs of our partner companies with the local and international ecosystem, acting neutrally in the development of projects that add value to the business, enhancing learning and collaboration.	Partners	2020	UF	290	11,326
Corporación Nacional de Desarrollo de la Region del Biobío www.desarrollabiobio.cl	The fundamental purpose is to contribute to public-private articulation by promoting meeting spaces for dialogue and debate on strategic orientations.	Partners and Board of Directors	2020	UF	60	2,386
Instituto Chileno de Administración Racional de Empresas ICARE www.icare.cl	Promotes business excellence in Chile.	Partners	2008	CLP	908,824	1,072
Red de PACTO GLOBAL (Universidad Andrés Bello) www.pactoglobal.cl	Global Compact seeks to promote sustainable growth and civic responsibility of companies, which are committed to adopting the ten universal principles in their daily actions, worldwide.	Partners, Board of Directors and work committees	2015	UF	173	6,472
						510,735.89

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COLLABORATIVE INSTANCES COLBUN ADHERES TO IN CHILE

Organization Statute or Principle	Description	Date of Entry
Water Disclosure Project (Water CDP) www.cdp.net/water	Promotes the monitoring and measurement of the use of water resources worldwide.	2011
Carbon Disclosure Project (CDP) www.cdp.net	Promotes the measurement of carbon emissions of private companies and government entities worldwide.	2009
Plan Energía +Mujer, del Ministerio de Energía	Seeks to address increasing the labor insertion and decreasing the gaps of women in the energy sector.	2018
Target Gender Equality (TGE) de Pacto Global https://pactoglobal.cl/target-gender-equality/	Impact initiative to accelerate women's representation and leadership in business.	2020
Iniciativa de Paridad de Género (IPG) www.iniciativaparidadgenero.cl	Public-private alliance, promoted by the IDB and the World Economic Forum, whose purpose is to reduce gender gaps and increase the economic participation and progress of women in the labor market in our country.	2017
Club 30%	This global initiative seeks to achieve that 30% of the boards of directors of IPSA and IGPA companies are made up of women through commitments by CEOs and Presidents.	2019
Programa Bota por mi Vida www.fundacionsanjose.cl	Paper recycling in offices in the Metropolitan Region and Valparaíso Region in Chile.	2011

ASSOCIATIONS IN PERU TO WHERE COLBUN IS A MEMBER

Organization	Description	Participation Level	Date of Entry	Annual Amount (US\$)
Asociación de Buenos Empleadores (ABE) de la Cámara Americana de Comercio	An institution belonging to the American Chamber of Commerce, it promotes labor social responsibility, encouraging good practices in people management.	Supporting Partner	2017	868.42
Cámara de Comercio Americana (AmCham)	The Chamber promotes the free market system, encouraging trade, investment and exchange between Peru and the United States.	6 Category Members	2011	763.16
Cámara de Comercio Chilca Pucusana	The Chilca and Pucusana business association focused on working in favor of the population and the sustainable development of the local economy.	B Category Members	2019	1,842.11
Asociación Peruana de Energías Renovables (SPR)	A guild that brings together Peru's mining industry, hydrocarbon, and electrical energy.	A Category Member	Ago-22	3,289.47
Sociedad Nacional de Minería, Petróleo y Energía (SNMPE)	The main spokesperson for non-conventional renewable energies and related technologies in Peru and the region.	Partners and representatives of generators' subcommittee	2013	30,331.58
Total				43,771.79

COLBUN'S PARTNERSHIPS IN PERU

Organization	Description	Entry Date
Fundación Teletón San Juan de Dios	An organization that mobilizes citizen solidarity through social projects and programs to generate a cultural change for the inclusion of children and young people with physical disabilities.	2020
Banco de Alimentos Peru – Héroe Contra el Hambre	Alliance with the food bank Peru, to provide food to grassroots social organizations in the district of Chilca.	2021
Nexos+1	It is a platform for corporate climate action in Latin America.	2019

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Our Employees

Workforce

GRI 102-8,
NCG 461: 5.2

The following is a detail of Colbun's staffing. Figures as of December 31, 2022.

COLBUN'S TOTAL STAFFING IN CHILE AND PERU

Scope	2019	2020	2021	2022
Colbun Chile	949	984	1008	982
Fenix	92	102	113	321

Regarding the type of employee contracts, Colbun does not have fee contracts in Chile or Peru. In the case of Peru, there are no employees contracted for work.

STAFFING BY TYPE OF CONTRACT AND GENDER - CHILE (NGC 461-5.2)

Type of contract	2019		2020		2021		2022	
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN
Contract for works	0	0	1	14	8	31	1	1
Indefinite Term Contract	177	761	180	759	191	762	212	753
Fixd Term Contract	7	4	13	17	6	10	6	9
Total	184	765	194	790	205	803	219	763

PERCENTAGE OF PEOPLE BY TYPE OF CONTRACT AND BY GENDER - CHILE (NGC 461-5.2)

Type of contract	2019		2020		2021		2022	
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN
Contract for works	0.00%	0.00%	0.52%	1.77%	3.90%	3.86%	0.46%	0.13%
Indefinite Term Contract	96.20%	99.48%	92.78%	96.08%	93.17%	94.89%	96.80%	98.69%
Fixd Term Contract	3.80%	0.52%	6.70%	2.15%	2.93%	1.25%	2.74%	1.18%
Total	100%	100%	100%	100%	100%	100%	100%	100%

STAFFING BY TYPE OF CONTRACT AND GENDER - PERU (NCG 461-5.2)

Type of contract	2019		2020		2021		2022	
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN
Indefinite Term Contract	19	73	20	76	21	79	20	84
Fixd Term Contract	0	0	2	4	3	10	6	11
Total	19	73	22	80	24	89	2	95

PERCENTAGE OF PEOPLE BY TYPE OF CONTRACT AND BY GENDER - PERU (NCG 461-5.2)

Type of contract	2019		2020		2021		2022	
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN
Indefinite Term Contract	100%	100%	90.91%	95%	87%	88.76%	76.92%	88.42%
Fixd Term Contract	0%	0%	9.09%	5.00%	12.50%	11.24%	23.08%	11.58%
Total	100%	100%	100%	100%	100%	100%	100%	100%



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Our Workers

STAFFING BY TYPE OF WORKDAY - CHILE
(NCG 461-5.3)

Type of contract	2019		2020		2021		2022	
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN
Full Day	184	765	194	790	205	803	217	763
Part Time	0	0	0	0	0	0	1	0
Workday with Adaptability	0	0	0	0	0	0	1	0
Total	184	765	194	790	205	803	219	763

PERCENTAGE OF STAFFING BY TYPE OF WORKDAY - CHILE
(NCG 461-5.3)

Type of contract	2019		2020		2021		2022	
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN
Full Day	100%	100%	100%	100%	100%	100%	99,1%	100%
Partial day	0%	0%	0%	0%	0%	0%	0,5%	0%
Workday with Adaptability	0%	0%	0%	0%	0%	0%	0,5%	0%
Total	100%	100%	100%	100%	100%	100%	100%	100%

STAFFING BY TYPE OF WORK IN 2022 - CHILE
(NCG 461-5.3)

	WOMEN	MEN	Total
On-site	56	514	570
Hybrid (on-site + on-line)	161	247	408
100% On-line	2	2	4
Total	219	763	982

PERCENTAGE OF WORKFORCE BY TYPE OF WORK IN 2022 - CHILE
(NCG 461-5.3)

	WOMEN	MEN	Total
On-site	25.6%	67.4%	58.0%
Hybrid (on-site + on-line)	73.5%	32.4%	41.5%
100% On-line	0.9%	0.3%	0.4%
Total	100%	100%	100%

STAFFING BY TYPE OF WORKDAY - PERU
(NCG 461-5.3)

Type of contract	2019		2020		2021		2022	
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN
Full Day	19	73	22	80	24	89	26	95
Partial day	0	0	0	0	0	0	0	0
Total	19	73	22	80	24	89	26	95

PERCENTAGE OF STAFFING BY TYPE OF WORKDAY - PERU
(NCG 461-5.3)

Type of contract	2019		2020		2021		2022	
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN
Full Day	100%	100%	100%	100%	100%	100%	100%	100%
Partial day	0%	0%	0%	0%	0%	0%	0%	0%
Total	100%	100%	100%	100%	100%	100%	100%	100%

Note: In 2022, there were no compact labor adaptability employees in Fenix

STAFFING BY TYPE OF WORK IN 2022 - PERU
(NCG 461-5.3)

	WOMEN	MEN	Total
On-site	2	60	62
Hybrid (on-site + on-line)	24	35	59
Total	26	95	121

PERCENTAGE OF WORKFORCE BY TYPE OF WORK IN 2022 - PERU
(NCG 461-5.3)

	WOMEN	MEN	Total
On-site	7.7%	63.2%	51.2%
Hybrid (on-site + on-line)	92.3%	36.8%	48.8%
Total	100%	100%	100%



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Our Workers

STAFFING BY EMPLOYMENT CONTRACT AND GEOGRAPHIC LOCATION - CHILE

Region	2019		2020		2021		2022	
	Indefinite Term Contract	Temporal Agreement	Indefinite Term Contract	Temporal Agreement	Indefinite Term Contract	Temporal Agreement	Indefinite Term Contract	Temporal Agreement
II - Antofagasta	0	0	0	1	0	2	31	0
III - Atacama	0	0	0	2	5	15	5	0
RM - Metropolitana	401	9	417	30	438	24	452	11
V - Valparaíso	185	2	182	10	177	9	165	3
VI - O'Higgins	25	0	27	0	25	1	25	0
VII - Maule	89	0	86	1	85	1	74	0
VIII - Biobío	214	0	208	0	202	3	192	3
X - Los Lagos	19	0	19	1	21	0	21	0
XIV Region	5	0	0	0	0	0	0	0
Total general	938	11	939	45	953	35	965	17

STAFFING BY GEOGRAPHIC LOCATION AND GENDER IN CHILE (NCG 461 - 5.3, GRI 102-8)

Region	Woman	Men	Total
II - Antofagasta	8	23	31
III - Atacama	0	5	5
RM - Metropolitana	171	292	463
V - Valparaíso	15	153	168
VI - O'Higgins	1	24	25
VII - Maule	5	69	74
VIII - Bio Bio	17	178	195
X - Los Lagos	2	19	21
Total general	219	763	982

STAFFING BY EMPLOYMENT CONTRACT AND GEOGRAPHIC LOCATION - PERU

Region	2021		2022	
	Indefinite Term Contract	Temporal Agreement	Indefinite Term Contract	Temporal Agreement
Lima (offices Magdalena)	52	4	51	7
Chilca (power plant)	48	9	53	10
Total general	100	13	104	17

STAFFING BY GEOGRAPHIC LOCATION AND GENDER IN PERU

Geographic Location	WOMEN	MEN	Total
	Total Staffing		
Lima (offices Magdalena)	22	36	58
Chilca (power plant)	4	59	63
Total	26	95	121

NEW RECRUITMENTS AND EMPLOYEE TURNOVER - CHILE (GRI 401-1)

Category	2019	2020	2021	2022
Allocation rate	949	984	1008	982
Total outflow	79	32	71	118
Total Recruitment	66	71	98	96
Turnover rate *	8.3	3.3	7	12
New Recruitment rate	7	7.2	9.7	9.8

* Outflows / Average Staffing (No Fixed Term and Oyf)

NEW RECRUITMENTS AND EMPLOYEE TURNOVER - PERU (GRI 401-1)

Category	2019	2020	2021	2022
Allocation rate	92	96	113	121
Total outflow	9	0	6	5
Total Recruitment	13	5	20	14
Turnover rate	9.8	0	5.3	4.1
New Recruitment rate	14.1	5.2	17.7	11.6

TURNOVER RATE BY GENDER AND REGION - PERU (GRI 401-1)

Turnover Rate	Geographic Location	2021			2022		
		WOMEN	MEN	Total	WOMEN	MEN	Total
	Lima (offices Magdalena)	4.8%	5.7%	5.4%	9.1%	5.6%	6.9%
	Chilca (power plant)	0.0%	5.6%	5.3%	25.0%	0.0%	1.6%
	Total	4.2%	5.6%	5.3%	11.5%	2.1%	4.1%

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TURNOVER RATE BY GENDER AND REGION - CHILE
(GRI 401-1)

Region	2021			2022		
	WOMEN	MEN	Total	WOMEN	MEN	Total
Metropolitana Region	10.1	6.3	7.6	9.9	13.4	12.1
II Region	0.0		0.0	12.5	8.7	9.7
III Region	0.0	0.0	0.0	0.0	0.0	0.0
V Region	10.5	9.0	9.1	26.7	11.1	12.5
VI Region	0.0	8.0	7.7	0.0	25.0	24.0
VII Region	0.0	6.3	5.8	40.0	18.8	20.3
VIII Region	5.9	5.9	5.9	0.0	9.0	8.2
X Region	0.0	0.0	0.0	0.0	5.3	4.8
XIV Region				0.0	0.0	0.0
Total	9.3	6.5	7.0	11.0	12.3	12.0

TURNOVER RATES IN 2022 (%) OVER TOTAL BY AGE - CHILE
(GRI 401-1)

	Hombre	WOMEN	Total
Less than 30 years	20	8.7	15.9
Between 30 and 50 years	11.9	11.71	11.8
More than 50 years	11.9	9.1	11.5
Totales	12.3	11.0	12.0

TURNOVER RATES IN 2022 (%) OVER TOTAL BY AGE - PERU
(GRI 401-1)

	Hombre	WOMEN	Total
Less than 30 years	6.7	16.7	9.5
Entre 30 and 50 years	1.4	11.8	3.3
More than 50 years	-	-	-
Totales	2.1	7.7	4.1

TURNOVER RATE BY GENDER. CHILE-Peru. BASED ON STAFFING AVERAGES. NO FIXED TERM

Turnover Gender	COLBUN		FENIX		Consolidated	
	Total	Voluntary	Total	Voluntary	Total	Voluntary
Female	12.1%	8.1%	14.3%	9.5%	12.3%	8.2%
Male	12.6%	3.9%	4.9%	2.5%	11.8%	3.8%
Total	12.5%	4.8%	3.9%	3.9%	11.7%	4.7%



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Our Workers

Diversity and Inclusion

In Chile, 3.5% of the staff is of foreign nationality, equivalent to 34 people. Of these, the main nationalities are Venezuelan (12), Argentinean (5), and Colombian (5). In the case of Fenix, 1.7% of the staff is foreign (1 Colombian and 1 Chilean).

EMPLOYEES BY NATIONALITY, GENDER AND POSITION IN CHILE
(NCG 461-5.1.1)

Position	Chilean			Other Nationalities		
	WOMEN	MEN	Total	WOMEN	MEN	Total
Senior Management	1	10	11	0	0	0
Management (includes asistant management)	11	54	65	0	6	6
Leadership	17	106	123	1	1	2
Operator	0	33	33	0	0	0
Sales Force	3	2	5	0	0	0
Administrative	36	10	46	1	0	1
Assistant	10	8	18	0	0	0
Other professionals	114	207	321	14	8	22
Other specialist	10	316	326	1	2	3
Total	202	746	948	17	17	34

EMPLOYEES BY NATIONALITY, GENDER AND POSITION IN PERU
(NCG 461-5.1.1)

Position	Peruvian			Other Nationalities		
	WOMEN	MEN	Total	WOMEN	MEN	Total
Senior Management	0	1	1	0	0	0
Management (includes asistant management)	2	4	6	0	1	1
Leadeship	1	15	16	0	1	1
Operator	0	0	0	0	0	0
Sales Force	0	0	0	0	0	0
Administrative	7	2	9	0	0	0
Assistnt	0	1	1	0	0	0
Other professionals	16	36	52	0	0	0
Other specialists	0	34	34	0	0	0
Total	26	93	119	0	2	2

EMPLOYEES BY AGE, GENDER AND POSITION IN CHILE
(NCG 461-5.1.3)

Employees by age, gender and position	Senior Management		Management (including asistant management)		Leadership		Operator		Sales Force		Administrative		Assistant		Other professionals		Other specialists		Total		
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	Total
Over 70 years	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	1	1
Between 61 and 70 years	0	2	0	10	0	10	0	4	0	1	4	1	4	1	1	13	0	15	9	57	66
Between 51 and 60 years	1	3	3	19	2	28	0	16	0	0	9	4	4	7	5	32	0	69	24	178	202
Between 41 and 50 years	0	4	6	18	11	52	0	9	0	1	15	3	0	0	38	76	4	105	74	268	342
Between 30 and 40 years	0	1	2	13	5	16	0	3	3	0	5	0	2	0	67	78	5	108	89	219	308
Less than 30 years	0	0	0	0	0	1	0	1	0	0	4	2	0	0	17	16	2	20	23	40	63
TOTAL	1	10	11	60	18	107	0	33	3	2	37	10	10	8	128	215	11	318	219	763	982

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EMPLOYEES BY AGE, GENDER AND POSITION IN PERU
(NCG 461-5.1.3)

Employees by age, gender and position	Senior Management		Management (including asistant management)		Leadership		Operator		Sales Force		Administrative		Assistant		Other professionals		Other specialists		Total			
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	Total	
Superior a 70 years	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Entre 61 y 70 years	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	1	2
Entre 51 y 60 years	0	1	1	1	0	1	0	0	0	0	1	0	0	1	0	0	0	0	1	2	5	7
Entre 41 y 50 years	0	0	1	3	0	11	0	0	0	0	1	1	0	0	3	12	0	16	5	43	48	
Entre 30 y 40 years	0	0	0	1	0	4	0	0	0	0	1	1	0	0	11	12	0	13	12	31	43	
Inferior a 30 years	0	0	0	0	0	0	0	0	0	0	4	0	0	0	2	12	0	3	6	15	21	
TOTAL	0	1	2	5	1	16	0	0	0	0	7	2	0	1	16	36	0	34	26	95	121	

GENDER AND AGE DIVERSITY OF STAFF BY POSITION CATEGORY - PERU
GRI 405-1

Position	<30		30-50		>50		Totals		
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	Gran total
Senior Management	0	0	0	0	0	1	0	1	1
Management (includes assistant management)	0	0	1	4	1	1	2	5	7
Leadership	0	0	0	15	1	1	1	16	17
Operator	0	0	0	0	0	0	0	0	0
Sales Force	0	0	0	0	0	0	0	0	0
Administrative	4	0	2	2	1	0	7	2	9
Assistant	0	0	0	0	0	1	0	1	1
Other professionals	2	12	14	24	0	0	16	36	52
Other specialists	0	3	00	29		2	0	34	34
TOTAL	6	15	17	74	3	6	26	95	121

DIVERSITY OF STAFF BY AGE AND GENDER - CHILEGRI 405-1

Position	<30		30-50		>50		Totals		
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	Gran total
Senior Management	0	0	0	5	1	5	1	10	11
Management (includes assistant management)	0	0	8	31	3	29	11	60	71
Leadership	0	1	16	68	2	38	18	107	125
Operator	0	1	0	12	0	20	0	33	33
Sales Force	0	0	3	1	0	1	3	2	5
Administrative	4	2	20	3	13	5	37	10	47
Assistant	0	0	2	0	8	8	10	8	18
Other professionals	17	16	105	154	6	45	128	215	343
Other specialists	2	20	9	213	0	85	11	318	329
TOTAL	23	40	163	487	33	236	219	763	982



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Our Workers

Seniority

(NGC 461 5.1.4)

SENIORITY CHILE
(NGC 461 5.1.4)

Age class	Senior Management		Management (includes assistant management)		Leadership		Operator		Sales Force		Administrative		Assistant		Other Professionals		Other specialists		Total		
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	Total
Over 12 years	1	3	4	28	6	59	0	25	0	1	18	4	6	2	12	43	3	126	50	291	341
Between 9 and 12 years	0	5	2	8	6	17	0	3	0	1	6	1	2	3	15	20	0	51	31	109	140
Over 6 and menos de 9 years	0	1	1	6	1	12	0	1	0	0	1	0	1	3	18	22	1	38	23	83	106
Between 3 and 6 years	0	0	1	12	1	13	0	0	1	0	4	2	0	0	32	51	5	64	44	142	186
Less than 3 years	0	1	3	6	4	6	0	4	2	0	8	3	1	0	51	79	2	39	71	138	209
TOTAL	1	10	11	60	18	107	0	33	3	2	37	10	10	8	128	215	11	318	219	763	982

SENIORITY PERU
(NGC 461 5.1.4)

Age class	Senior Management		Management (includes assistant management)		Leadership		Operator		Sales Force		Administrative		Assistant		Other Professionals		Other specialists		Total			
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	Total	
Over 12 years	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Between 9 and 12 years	0	0	2	1	1	8	0	0	0	0	3	1	0	0	3	9	0	16	9	35	44	
Over 6 and menos de 9 years	0	1	0	1	0	4	0	0	0	0	0	0	0	1	1	3	0	6	1	16	17	
Between 3 and 6 years	0	0	0	3	0	2	0	0	0	0	2	0	0	0	4	7	0	3	6	15	21	
Less than 3 years	0	0	0	0	0	2	0	0	0	0	2	0	0	0	8	17	0	9	10	29	39	
TOTAL	0	1	2	5	1	16	0	0	0	0	7	1	0	1	16	36	0	34	26	95	121	

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Wage Gap

WAGE GAP BY GENDER - CHILE AND PERU

Category by position	CHILE			PERU		
	RATIO (WOMEN c/r MEN)	Staffing WOMEN	Staffing MEN	RATIO (WOMEN c/r MEN)	Staffing WOMEN	Staffing MEN
Officers (base salary only)	72.0%	12	70	75.3%	2	6
Officers (base salary + other monetary incentives)	69.1%			75.1%		
Management (base salary only)	102.7%	18	107	Not reported	1	16
Management (base salary + other monetary incentives)	104.5%			Ot reported		
Employees without Leadership SFGM	98.3%	189	586	80.6%	23	73

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7.4 Our Workers



Employee Training

(NCG 461, GRI 404-2)

PROGRAMS TO IMPROVE EMPLOYEE SKILLS AND TRANSITION ASSISTANCE PROGRAMS IN CHILE (NCG 461, GRI 404-2)

Training program	Description	2021		2022	
		No. of beneficiaries	% de beneficiarios respecto del total	No. of beneficiaries	% of beneficiaries in relation to total
Undergraduate Scholarships	Financing of technical or university studies.	30	3.0%	33	3.4%
Graduate Studies	Financing of post-graduate studies (Diplomas, Masters and MBA).	21	2.1%	61	6.2%
Capacitate Program	Development of soft and technical skills in employees.	204	20.2%	185	18.8%
English	English Language training	63	6.3%	63	6.4%
Crime Prevention Program	Inform relevant aspects of Law No. 20,393.	98	9.7%	99	10.1%
Induction to the Company e-learning program	Reporting relevant aspects of Law No. 20,393.			70	7.1%
Electricity Market Course	Reporting relevant aspects of the business to people who join the company.			35	3.6%
Electrical Risk Course	E-learning course that provides employees with tools to analyze, detect and prevent risks of electrical accidents in their functions.			95	9.7%
Leadership Program: Role of the Leader	Enhance the exercise of leadership in positions with personnel in charge, making known the profile of the Colbun leader and what is expected of them in this role.	169	16.8%	123	12.5%
Leadership Program: Healthy and Harassment-Free	Enhance the exercise of leadership in positions with personnel in charge, in relation to healthy and harassment-free environments.			144	14.7%
Leadership Program: Labor Relations	To enhance the exercise of leadership in positions with personnel in charge, providing tools on labor relations issues.			130	13.2%
Green Hydrogen Diploma Course	Deliver theoretical knowledge regarding green hydrogen.			31	3.2%
Internal Mentor Training	In order to enhance our gender goals, this program aims to develop internal mentors and empower them for the future accompaniment of employees.			17	1.7%
TOTAL		867		1086	

PROGRAMS TO IMPROVE EMPLOYEE SKILLS AND TRANSITION ASSISTANCE PROGRAMS IN PERU (NCG 461, GRI 404-2)

Training program	Description	2021		2022	
		No. of beneficiaries	% of beneficiaries in relation to total	No. of beneficiaries	% of beneficiaries in relation to total
Languages	Foreign language training	4	3.5%	5	4.4%
Leadership Program	Company leadership skills	22	19.5%	25	22.1%
Electricity Market, Regulation and Management Program	Technical skills focused on commercial management	5	4.4%	12	10.6%
Operational Excellence Program	Development of operations and maintenance skills	38	33.6%	23	20.4%
Information Technology	Updating in new IT tools	40	35.4%	21	18.6%
Professional Updating Program	Updating by area specialty	69	61.1%	42	37.2%
Fenix Female Talent Program	Empowerment of leaders with projection to assume leadership roles.	-	-	6	5.3%
Total		178		128	

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Employee Training

(NCG 461, GRI 404-2)

PROGRAMS AND PROCESSES TO ENSURE THE AVAILABILITY OF QUALIFIED LABOR IN CHILE (EU14)

Name of the program	Program description	Describe alliances if applicable to rating program	WOMEN		MEN	
			N° of trained employees	N° of trained employees	N° of trained employees	N° of trained employees
Safety, Occupational Health and Safety, and Environment Program	Provide knowledge to ensure the safety and integrity of our people, our operations and our environment, and to comply with regulatory requirements. It includes classroom and e-learning training on environmental, safety and health issues for generation management. A highlight of this program is the Electrical Hazards course, which was developed internally at Colbun.	N/A	22	278		
Undergraduate Scholarships	Economic support for technical or university studies, for people from plants with income up to 80 UF and with seniority of 2 years or more. The aim is to enable people who have not been able to complete their studies to do so and make them compatible with work.	N/A	1	27		
Operational Excellence	The aim of this program is to strengthen and incorporate new knowledge required by the employees in the plants, specialized according to the area in which they work. The necessary technical skills are developed according to the needs of the plants. It includes congresses, on-site training and e-learning courses, among others.	N/A	4	92		
Leadership	A program aimed at improving leadership in positions of responsibility, based on the Colbun Leader Profile. It includes specific workshops on "Profile of the Leader," "Healthy and Free Environments" and "Labor Relations and the Role of the Leader."	N/A	3	68		

PROGRAMS AND PROCESSES TO ENSURE THE AVAILABILITY OF QUALIFIED LABOR IN PERU (EU14)

Name of the program	Program description	WOMEN		MEN	
		N° of trained employees	N° of trained employees	N° of trained employees	N° of trained employees
Operational Excellence	Training oriented to improve the operation and maintenance of the CT Fenix.	1	22		
Language	Oriented to the learning / improvement of the English language.	1	4		
Management, Regulation and Electricity Market	Aimed at optimizing Fenix's commercial process in the electricity market.		12		
Information Technology	Updating of new technological tools.	2	19		
Professional Updating Program	Professional update required by the position.	16	26		
Leadership Female Talent	Empowerment of leaders projected to assume leadership roles	6			
Leadership	Oriented to provide leadership tools to collaborators with staff in charge	4	21		

AVERAGE ANNUAL HOURS OF TRAINING BY GENDER - CHILE

Category	WOMEN					MEN					TOTAL		
	Staffing Employees	N° of trained employees	% employees trained	Total hours of training	Average hours of training	Staffing Employees	N° of trained employees	% employees trained	Total hours of training	Average hours of training	Total Staff	Total Employee trained	% employees trained
Administrative	37	30	81%	711	19.2	10	7	70%	599	60	47	37	78.7%
Senior Management	1	1	100%	19	18.5	10	10	100%	156	16	11	11	100.0%
Assistant	10	5	50%	16	1.6	8	6	75%	161	20	18	11	61.1%
Sales Force	3	3	100%	293	97.7	2	2	100%	200	100	5	5	100.0%
Management (and Assistant management)	11	11	100%	628	57.0	60	58	97%	2.263	38	71	69	97.2%
Leadership	18	18	100%	1.234	68.5	104	94	90%	5.089	49	122	112	91.8%
Operator	2	2	100%	16	8.0	88	53	60%	3.299	37	90	55	61.1%
Other Professionals	124	123	99%	7.419	59.8	218	209	96%	8.643	40	342	332	97.1%
Other specialists	13	11	85%	816	62.8	263	209	79%	13.241	50	276	220	79.7%
Total	219	204	93%	11.150	50.9	763	648	85%	33.650	44	982	852	86.8%

Promedio de horas totales de capacitación por trabajador: 45.62

AVERAGE ANNUAL HOURS OF TRAINING BY GENDER - PERU

Category	WOMEN					MEN					TOTAL		
	Staffing Employees	N° of trained employees	% employees trained	Total hours of training	Average hours of training	Staffing Employees	N° of trained employees	% employees trained	Total hours of training	Average hours of training	Total Staff	Total Employee trained	% employees trained
Administrative	7	5	71%	304.0	43.43	2	2	100.0%	43.4	21.7	9	7	77.8%
Senior Management						1	1	100.0%	64.0	64.0	1	1	100.0%
Assistant						1	1	100.0%	20.0	20.0	1	1	100.0%
Gerencia	2	2	100%	73.0	36.50	5	5	100.0%	20.0	4.0	7	7	100.0%
Leadership	1	1	100%	12.0	12.00	16	13	81.3%	471.5	29.5	17	14	82.4%
Other Professionals	16	12	75%	2909.3	181.83	36	22	61.1%	2915.2	81.0	52	34	65.4%
Other specialists						34	26	76.5%	301.0	8.9	34	26	76.5%
Total	26.0	20.0	77%	3298.2	126.86	95.0	70.0	73.7%	3,835.2	40,37	121	90	74.4%

Average total hours of training per employee: 59.0

Total SOLES invested in training, by gender: 64,034.7 (Women) and 246,395 (Men)

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Performance Evaluation

2022 PERFORMANCE EVALUATION CHILE (GRI: 404-3)

Position Category	WOMEN		MEN		Total	
Senior Management	0	0.0%	9	0.9%	9	0.9%
Gerencia (y Subgerencia)	9	0.9%	57	5.8%	66	6.7%
Leadership	17	1.7%	101	10.3%	118	12.0%
Operator	2	0.2%	103	10.5%	105	10.7%
Sales Force	3	0.3%	2	0.2%	5	0.5%
Administrative	30	3.1%	10	1.0%	40	4.1%
Assistant	9	0.9%	8	0.8%	17	1.7%
Sales Force	0	0.3%	0	0.2%	0	0.5%
Other Professionals	106	10.8%	201	20.5%	307	31.3%
Other specialists	11	1.1%	234	23.8%	245	24.9%
Total	187	19.3%	725	74.0%	912	93.4%

Note: The Performance Evaluation Process is carried out for all personnel under permanent contract, who joined the company before September of the current year.

2022 PERFORMANCE EVALUATION PERU (GRI: 404-3)

Position Category	WOMEN		MEN		Total	
Senior Management	0	-	1	100.0%	1	100.0%
Gerencia (y Subgerencia)	2	100%	5	100.0%	7	100.0%
Leadership	1	100%	16	100.0%	17	100.0%
Operator	0	-	0	0.0%	0	-
Sales Force	0	-	0	0.0%	0	-
Administrative	5	71.0%	1	50.0%	6	67.0%
Assistant	0	-	1	100.0%	1	100.0%
Other Professionals	11	69.0%	32	89.0%	43	83.0%
Other specialists	0	-	26	76.0%	26	76.0%
Total general	19	73.1%	82	86.3%	101	83.5%

Note: The Performance Evaluation Process is carried out for all personnel under permanent contract, who joined the company before September of the current year.

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Our Employees

Work Climate

RESULTS OF THE ORGANIZATIONAL CLIMATE SURVEY IN CHILE, BY GENDER (COLBUN-10.TR)

Results of the Organizational Climate Survey	2019		2020		2021		2022			
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN		
Average General Trust Index© (Area Vision)	Satisfaction by gender, Area Vision (%)		83%	83%	88%	87%	87%	85%	88%	85%
Overall Satisfaction (%)	Satisfacción global (%)		83%		87%		85%		86%	
General Average Trust Index© (Corporate Vision)	% of total employees		79%		84%		82%		83%	
Cobertura	% of total employees		92%		94%		93%			

2022 RESULTS OF THE ORGANIZATIONAL CLIMATE SURVEY

Results of the Organizational Climate Survey Chile		Less than 26 years	26 to 34 years	35 to 44 years	45 to 54 years	55 o más
Average General Trust Index© (Area Vision)	Satisfaction by age, Area Vision (%)	87%	88%	85%	84%	89%
Promedio General Trust Index© (Visión Corporativa)	Satisfaction by age, Corporative Vision (%)	88%	84%	80%	83%	87%

2022 RESULTS OF THE ORGANIZATIONAL CLIMATE SURVEY

Results of the Organizational Climate Survey Chile		Less than 2 years	2 to 5 years	6 to 10 years	11 to 15 years	16 to 20 years	Over 20 years
Average General Trust Index© (Area Vision)	Satisfaction by gender, Area Vision (%)	90%	87%	86%	84%	83%	83%
General Average Trust Index© (Corporate Vision)	Satisfaction by age, Corporative Vision (%)	88%	80%	83%	82%	79%	82%

RESULTS OF THE ORGANIZATIONAL CLIMATE SURVEY IN PERU, BY GENDER (COLBUN-10.TR)

Results of the Organizational Climate Survey	2019		2020		2021		2022		
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	
Average General Trust Index© (Corporate Vision)	Satisfaction by gender, Area Vision (%)		91%	84%	95%	87%	97%	89%	
Overall Satisfaction (%)	Satisfacción global (%)		85%		85%		91%		88%
Coverage	% del total de trabajadores		88%		96%		89%		94%

RESULTS OF THE ORGANIZATIONAL CLIMATE SURVEY IN PERU, BY AGE (COLBUN-10.TR)

Results of the Organizational Climate Survey Peru		Less than 26 years	26 to 34 years	35 to 44 years	45 to 54 years	55 or more	No answer
Average General Trust Index© (Area Vision)		95	88	89	88	-	-
General Average Trust Index© (Corporate Vision)		97	91	89	86	-	-

RESULTS OF THE ORGANIZATIONAL CLIMATE SURVEY IN PERU, BY POSITION (COLBUN-10.TR)

Results of the Organizational Climate Survey Peru	General Manager and first line managers	Chief, Supervisor, other Leadership positions	Other managers and Assistant Managers	Personnel without dependents	Operator
Average General Trust Index© (Area Vision)	99	84	-	90	80
General Average Trust Index© (Corporate Vision)	99	87	-	91	81

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Our Employees

Benefits

(GRI 401-2)
Colbun has a benefits plan for permanent employees with open-ended employment contracts. Most of these benefits are included in the collective bargaining agreements for unionized employees or in their contracts for non-unionized employees.

The following table shows the relevant items that qualify as benefits, excluding those that are regularly paid as remuneration.

BENEFITS FOR FULL-TIME EMPLOYEES IN CHILE

List of Allowances/Legal Benefits	Beneficiaries Universe	Eligible Beneficiaries	Persons who used the benefit	% of benefit usage	Monetary (M) / Non Monetary (NM)
Birth, Marriage, Death Permits **	982	72	72	100%	NM
Parental Post Natal Leavel (PPP)**	982	34	10	29%	NM
List of allowances/Colbun Benefits					
Medical loans	739	38	38	100%	M
Vested Loan	883	446	446	100%	M
Housing Loan	208	66	66	100%	M
Birth Bonus	966	31	31	100%	M
Marriage Bonus	966	11	11	100%	M
Sports Reimbursement	953	456	456	100%	M
Scholarship	966	430	430	100%	M
Education bonus child +24 years	864	13	13	100%	M
Pre-University Bonus	966	30	30	100%	M
Language Reimbursement	720	28	28	100%	M
Mother/Father Death Bonus	883	25	25	100%	M
Emergency Housing	720	8	8	100%	NM
Giftcard Housing	720	30	30	100%	M
Tech Loan	720	23	23	100%	M
Degree	720	27	27	100%	NM
Enhanced Retirement Age Indemnity	580	4	4	100%	M
Supplemental Health Insurance					
Ambulatory Bonus	966	959	959	100%	M
Dental Bonus	966	518	518	100%	M
Optical Bonus	966	299	299	100%	M
Examination Bonus	966	881	881	100%	M
Medication Bonus	966	706	706	100%	M
Hospitalization Bonus	966	124	124	100%	M
Other Bonuses	966	653	653	100%	M
Life Insurance	966			#¡DIV/O!	NM
Medical Leave Pay Maintainance	966	405	405	100%	M
Christmas Toys for Children	966	429	429	100%	NM
A day for oneself	966	822	822	100%	NM
Severe Illness Leave for children and/or spouse	580	5	5	100%	NM
Petlovers	720	126	126	100%	NM
Employees with differentiated working hours (flexible working hours)	966	10	10	100%	NM
Christmas Party for Children (Nehuenco, Carena, Matriz) **	982	220	220	100%	NM
Birthday Gifts **	982	1.082	1.082	100%	NM
Christmas Basquet **	982	982	982	100%	NM

Note: All benefits apply to employees belonging to the company's permanent staff. (**)
Benefits also apply to those who have a fixed-term contract or work contract.
In the case of Headquarters workers, there is a Flexible Hours Program, in which they can advance or postpone the entry time. In addition, the offices include a lactation room.



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Our Employees

Benefits

(GRI 401-2)

BENEFITS FOR FULL-TIME EMPLOYEES IN PERU

List of Allowances/Legal Benefits	Employees who are contractually entitled to the benefit	Employees who meet the requirements or criteria to make use of the benefit	Collaborators using the benefit	benefit usage %	Type of benefit
	2022 Beneficiaries Universe	2022 Eligible Beneficiaries	Persons who used the benefit in 2022	% of benefit usage	Monetary (M) / Non Monetary (NM)
Life Insurance	121	121	1	1%	M
Social Security (EsSalud)	121	121	0	0%	M
Complementary Risk Work Insurance	121	121	1	1%	M
Birth, Marriage, Death Permits	121	121	-		NM
Parental Leave	121	95	-		NM
Medical Leave Compensation Maintenance	121	121	65	54%	M
Paternity Leave (Fenix)	95	95	3	3%	NM
Maternity Leave (Fenix)	23	46	1	2%	NM
Disability Coverage	121	121	0	0%	M

BENEFITS FOR FULL-TIME EMPLOYEES IN PERU

List of allowances/Colbun Benefits	Employees who are contractually entitled to the benefit	Employees who meet the requirements or criteria to make use of the benefit	Collaborators using the benefit	benefit usage %	Type of benefit
	2022 Beneficiaries Universe	2022 Eligible Beneficiaries	Persons who used the benefit in 2022	% of benefit usage	Monetary (M) / Non Monetary (NM)
Commute transport of Outstanding Collaborators	62	63	59	94%	NM
Time Off (2 days of Paid Leave)	113	121	0	0%	NM
Life Insurance	113	121	0	0%	M
Private Health Policy (EPS)	113	121	0	0%	M
Oncological Health Insurance Policy	113	121	0	0%	M
Medical Leave Compensation Maintenance	113	121	65	54%	M
Christmas Toys or gifts for Children	113	57	57	100%	NM
Christmas Party for Children	113	57	57	100%	NM
Days for Oneself	113	121	0	0%	NM
Disability Coverage	113	121	0	0%	M
Canasta de Navidad	113	121	121	100%	NM

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Parental Leave

Paternal and Maternal Leave in Chile

(NCG 461 5.7)

	2022		Average Days Spent During the Year in Chile		
	Women	Men	2022 Average number of days used during the year		
			Category de funciones	Women	Men
Legal parental postnatal days	84	42	Senior Management	0	0
Extra days in addition to those established by law for parental postnatal leave.	0	0	Management	0	0
People who used their postnatal leave	10	0	Leadership	102	0
People eligible to take postnatal leave	10	24	Operator	0	0
Percentage of people who made use of postnatal leave by gender	100%	0%	Sales Force	0	0
			Administrative	0	0
			Assistant	0	0
			Other Professionals	93	0
			Other specialists	0	0

Permisos Parentales y Reingresos en Chile

(GRI 401-3)

Gender	N° Health Leaves 2021 ¹	Reinstatements		No. of persons reinstated in 2021 ⁴	N° Health Leaves 2022 ¹	Reinstatements		No. of persons reinstated in 2022 ⁴	% of people reinstated in 2022
		2020 ²	2021 ³			2022 ²	2023 ³		
Men	0	0	0	0	0	0	0	0	0%
Women	7	1	6	7	10	8	2	8	3.7%
Total	7	1	6	7	10	8	2	8	0.8%

Notes:

(1): Number of employees who took maternity leave.

(2): Number of employees who returned to work after maternity leave in the previous period.

(3): Number of employees who returned to work after maternity leave in the same period.

(4): Number of employees who returned to work in the year indicated, considering those who returned to work after maternity leave in the previous years.

*In Chile, the father has the right to a special paid leave granted by the employer of 5 days in the event of the birth of a child.

Paternal and Maternal Leave in Peru

(NCG 461 5.7)

	2022		Average Days Spent During the Year in Peru		
	WOMEN	MEN	2022 Average number of days used during the year		
			Category de funciones	Women	Men
Legal parental postnatal days	98	10	Senior Management	0	0
Extra days in addition to those established by law for parental postnatal leave.	0	0	Management	0	0
People who used their postnatal leave	1	3	Leadership	0	0
People eligible to take postnatal leave	1	3	Operator	0	0
Percentage of people who made use of postnatal leave by gender	100%	100%	Sales Force	0	0
			Administrative	0	0
			Assistant	0	0
			Other Professionals	30	10
			Other specialists	0	0

Permisos Parentales y Reingresos en Peru

(GRI 401-3)

Género	N° Health Leaves 2021 ¹	Reinstatements		No. of persons reinstated in 2021 ⁴	N° Health Leaves 2022 ¹	Reinstatements		No. of persons reinstated in 2022 ⁴	% of people reinstated in 2022
		2020 ²	2021 ³			2022 ²	2023 ³		
Men	3	0	0	0	3	0	3	3	3.2%
Women	0	0	0	0	1	0	0	0	0%
Total	3	0	0	0	4	0	3	3	2.5%

Notes:

(1): Number of employees who took maternity leave.

(2): Number of employees who returned to work after maternity leave in the previous period.

(3): Number of employees who returned to work after maternity leave in the same period.

(4): Number of employees who returned to work in the year indicated, considering those who returned to work after maternity leave in the previous years.

*In Peru, the father has the right to a special paid leave granted by the employer of 10 days in the event of the birth of a child.

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Our Employees

Retirement

› Defined Benefit and Other Retirement Plan Obligations

(GRI 201-3)

Retirement plans are not included in Colbun's benefits. Notwithstanding this, the various collective bargaining agreements provide for an enhanced severance payment for employees who resign from the Company and who are of retirement age. In 2022, four employees used this benefit.

Also, as part of a year-end activity between the company's management, represented by its general manager and other executives, and the union leadership, a presentation was made to them on the pension reform promoted by the government.

› Trends in Chile and Peru

In Chile, the percentage of employees eligible to retire has remained constant over the past four years, and it is common for them to continue working. To date, Colbun has 20 employees over the legal retirement age (11 men and nine women).

In Peru, only two employees fall into this category.

PERCENTAGE OF ELIGIBLE EMPLOYEES TO RETIRE IN THE NEXT 5 TO 10 YEARS, BY JOB CATEGORY AND BY REGION, IN CHILE (EU15)

Region	Category	2019	2020	2021	2022
		Percentage (%) of employees currently or projected to be eligible to retire in 5-10 years			
Metropolitan Region	Administratives	1.73%	1.73%	1.69%	1.53%
	Officers	2.34%	2.34%	2.88%	2.85%
	Professionals	3.25%	3.25%	3.57%	3.46%
	Specialists	0.81%	0.81%	N/A	N/A
Valparaiso Region	Administratives	0.41%	0.41%	0.41%	0.41%
	Officers	0.10%	0.10%	0.10%	0.10%
	Professionals	1.12%	1.12%	1.09%	1.12%
	Specialists	2.64%	2.64%	N/A	N/A
Coquimbo Region	Other positions	N/A	N/A	3.37%	3.46%
	Officers	N/A	N/A	N/A	N/A
	Professionals	0.20%	0.20%	0.20%	0.31%
	Specialists	0.10%	0.10%	N/A	N/A
Maule Region	Other positions	N/A	N/A	0.20%	0.10%
	Administratives	N/A	N/A	0.10%	0.10%
	Officers	N/A	N/A	N/A	N/A
	Professionals	0.81%	0.81%	0.40%	0.41%
Biobio Region	Specialists	1.63%	1.63%	N/A	N/A
	Other positions	N/A	N/A	1.69%	1.32%
	Administratives	0.41%	0.41%	0.30%	0.41%
	Officers	0.30%	0.30%	0.20%	0.20%
Other Regions	Professionals	0.91%	0.91%	1.19%	1.43%
	Specialists	0.81%	0.81%	N/A	N/A
	Other positions	N/A	N/A	0.50%	0.81%
	Officers	0.10%	0.10%	0.10%	0.10%
TOTAL	Specialists	0.10%	0.10%	N/A	N/A
	Administratives	N/A	N/A	N/A	N/A
	Professionals	N/A	N/A	0.20%	0.20%
TOTAL		17.78%	17.78%	18.86%	18.74%

PERCENTAGE OF ELIGIBLE EMPLOYEES TO RETIRE IN THE NEXT 5 TO 10 YEARS, BY JOB CATEGORY AND BY REGION, IN PERU (EU15)

Region	Category	2021	2022
		Percentage (%) of employees currently or projected to be eligible to retire in 5-10 years	Percentage (%) of employees currently or projected to be eligible to retire in 5-10 years
Lima	Administratives	0%	0%
	Officers	0%	0%
	Professionals	0.88%	0.83%
	Specialists	0%	0%
	Other positions	0%	0%
Chilca	Administrativos	0%	0%
	Officers	0%	0%
	Professionals	0%	0%
	Specialists	0%	0%
	Other positions	0.88%	0.83%

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Our Employees

Unionization

COLLECTIVE BARGAINING AGREEMENTS IN CHILE (GRI 2-29)

Collective Instruments	Locality	N° of subscribed partners	Total of the facility %	Total Colbun %	Term of the agreement
Union No. 4	Power Plant Carena	18	58.06%	1.93%	01-Sep-2020 to 31-Ago-2023
	Power Plant Nehuenco	1	1.23%		
Union Santa María	Power Plant Santa María	64	60.95%	6.52%	01-Jan-2022 to 31-Dic-2024
Union N° 1	Power Plant Colbun	45	60.81%	7.64%	01-Sep-2020 to 31-Aug-2023
	Biobio Complex	11	15.28%		
	Headquarters	18	4.14%		
	Power Plant Canutillar	1	4.76%		
Union N° 2	Complex Aconcagua	75	86.21%	14.66%	01-Jan-2021 to 31-Dec-2023
	Complex Biobio	33	45.83%		
	Power Plant Canutillar	11	52.38%		
	Power Plant Candelaria	5	27.78%		
	Power Plant Los Pinos	12	66.67%		
	Power Plant Santa María	2	1.90%		
	Power Plant Colbun	3	4.05%		
	Power Plant Nehuenco	1	1.23%		
Headquarters	2	0.46%			
Union N° 3	Power Plant Candelaria	9	50.00%	7.33%	01-Nov-2020 to 31-10-2023
	Power Plant Nehuenco	63	77.78%		
Union N° 7	Complex Aconcagua	8	9.20%	20.67%	01-May-2022 to 30-04-2025
	Complex Biobio	19	26.39%		
	Power Plant Canutillar	6	28.57%		
	Power Plant Candelaria	3	16.67%		
	Power Plant Los Pinos	1	5.56%		
	Power Plant Santa María	23	21.90%		
	Power Plant Colbun	21	28.38%		
	Power Plant Nehuenco	9	11.11%		
	Power Plant Carena	6	19.35%		
Headquarters	107	24.60%			
Personnel under collective bargaining agreements		577	58.76%		
2022 Negotiation		203	20.67%		

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Our Employees

Unionization

PERCENTAGE OF UNIONIZED EMPLOYEES BARGAINING COLLECTIVELY IN CHILE
(GRI 2-29)

	2019			2020			2021			2022		
	WOMEN	MEN	Total	WOMEN	MEN	Total	WOMEN	MEN	Total	WOMEN	MEN	Total
Total N° of Employees	184	765	949	194	790	984	205	803	1.008	219	763	982
N° of Employees Covered by a *Collective Instrument	31	404	435	32	397	429	32	383	415	80	497	577
% of Employees Covered by a Collective Instrument	17%	53%	46%	16%	50%	44%	16%	48%	41%	37%	65%	59%

* Binding collective bargaining agreements are those signed by the reporting organization itself or by employers' organizations to which it belongs. These agreements may be sectoral, national, regional, organizational, or workplace agreements.

› Collective Bargaining 2022

In 2022, negotiations were held with Union No. 7 of Employees (Professionals), established in 2021. The last negotiation involved 214 employees belonging to this union, representing 37% of the employees covered by a collective agreement in the company.

A satisfactory agreement was reached for both parties for the next three years beginning May 1, 2022.

› Communication Channels with Labor Unions

Colbun has tools for people who find it necessary to send their claims, complaints or comments.

The most commonly used channel is the Ethics Committee, which consists of the Organization and People Manager, the Legal Manager and the Internal Audit Manager. This committee meets monthly or as often as necessary, depending on the circumstances. In addition, article 50 of the Internal Regulations for Order, Hygiene and Safety provides for a formal complaint procedure with deadlines and duly identified cases.

In fiscal 2022, no formal claims or complaints were received under the Internal Regulations for Order, Hygiene and Safety.

The percentage of unionized employees at Colbun reached 59% in December 2022, which compares positively with the national unionization rate of around 20%. In the case of Fenix, the Sindicato Único de Trabajadores Afiliados de Fenix Peru (SUTAFEP) was formed in 2022 with 26 employees (21.48% of the total Peruvian workforce), all of whom are associated with the Chilca plant.

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Community Engagement

Local Development

(GRI: 203-2, 413-1)

List of all community projects supported or developed by Colbun in Chile (excluding community infrastructure projects).

SOCIAL INVESTMENT PROGRAMS IN CHILE

	Social Investment Programs	Description	Description of how the Community has Participated in the Definition of the Initiative	Identify Relevant Stakeholders (Government Entities, NGOs, Citizen Groups, etc.). Citizen Groups, etc)
3	Entrepreneurship Center Program in Angostura (Biobío Cordillera Zone)	Support programs for entrepreneurs (talks on public benefits, courses on entrepreneurship topics, seed capital competitions, advice on raising development funds, business management advice, incubation programs, and e-commerce platform).	In general, all advisory services are tailored to individual needs. Continuous discussions are held with entrepreneurs, representatives of municipalities, development officers, and higher education institutions to review and update the design of bases and programs. The seed capital competitions have juries. In 2022, the Angostura Destination Tourism Board was established, which links all stakeholders to align collective development, including the Entrepreneurship Center.	Tourists, entrepreneurs and local community.
4	Productive Development and Housing Maintenance Program for families of the Alto La Paz Committee.	Program to support the product development and habitability of 29 families of the Alto La Paz Committee. Funds for the productive promotion through the development or strengthening of family enterprises, both agricultural and non-agricultural, and/or support in habitability for the maintenance or improvement of their homes through family mini-projects of 1 MM\$. In addition to the above, advice is provided for the development of projects, applications to Indap programs, and other available benefits.	Participation and execution of the projects are defined jointly with the committee's board of directors, then they are presented at the assembly and each one defines its project. Subsequently, each beneficiary is responsible for the execution of their projects with the resources provided, but they are assisted and asked for accountability.	Local entrepreneurs (main beneficiaries). Sernatur, municipalities, Corfo, Business Development Centers, Universities, and Sercotec (collaborating institutions).
8	Contribution to Los Notros School	Contribution to partially finance the educational project through support for school transportation, hiring of a second teacher and security services.	Meetings with the Municipality (sustaining party) and with the directors of the Municipal Education Department (DAEM).	River users, municipalities, firefighters and carabineros.
9	Lo Nieve - Las Basas Shuttle Bus Contribution	A program that provides connectivity to the community of Lo Nieve - Las Basas, allowing safe access to services, education and labor sources.	Meetings with the JVVV of the Lo Nieve sector.	Municipality, DAEM, School Community.
10	Social development fund	Funds allocated to functional organizations, financing initiatives that benefit all members of the organization.	Meetings with various social organizations to convene, present the bases and provide training for and training to apply. Also accompaniment in execution and accountability	Neighbors Sectors Lo Nieve Las Basas
11	Angostura Tourism Board	Groupings led by Sernatur and composed of the municipalities of Santa Bárbara and Quilaco, the Chambers of Tourism of both municipalities, the Colbun Entrepreneurship Center, and the Angostura Park of Colbun for the development of the extended destination formed by the 2 municipalities and their network of entrepreneurs.	A work plan is developed in a participatory manner among the members to promote the development of the destination and attract visitors.	Functional Organizations of the municipalities of Santa Barbara, Quilaco, Antuco, Quilleco.
12	Entrepreneurship Center	The training program, counseling, pre-incubation, incubation, direct competitive fund financing, and support for applications to public entrepreneurship funds.	Entrepreneurs prioritize and raise requirements for training, advice, or mentoring.	Local Entrepreneurs.
13	Contribution to Firefighters	Contribution to the financing of equipment and/or training of volunteers for both municipal fire brigades.	Autonomous investment of resources based on the needs and prioritization of the units, volunteers, and neighbors.	Coronel Fire Department, Charrúa Fire Department.
14	Charrúa Luminaries Project 3rd stage	The 3rd phase of the public lighting project, which includes a 1.2 km route, is an initiative carried out jointly with the Charrúa Association Board, thus achieving 100% electrification.	Neighbors participate in the needs assessment and prioritization for the financing of projects with funds from the Mesa Association.	500 residents of Charrúa
15	Charrúa School Sports Project	Sports workshops for basketball, volleyball, soccer, roller skating, etc. Basketball, volleyball, soccer, roller skating, etc., and the purchase of sports equipment. The initiative was carried out in collaboration with the company Inkia and a working alliance with the Charrúa Home School and the Charrúa Neighborhood Councils	Educational Community defined sports disciplines and implementation requirements, considering the demand of their students.	100 students of Charrúa Home School, Neighborhood Councils Charrúa, Health Committee.
16	Functional Development Funds	Competitive fund directed to social organizations of the municipality of Coronel, for the development of projects between 500,000 and 1,000,000 dollars: Physical Welfare, Education and Training, Environment, Education and Arts, and Infrastructure. It considers the award of 23 technically and socially validated initiatives; the application process takes into account the technical advice of Colbun and Fundación Trascender.	Open application, and direct execution of their initiatives, with support and financing from Colbun.	16 functional organizations of Coronel

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(GRI: 203-2, 413-1)

	Social Investment Programs	Description	Description of how the Community has Participated in the Definition of the Initiative	Identify Relevant Stakeholders (Government Entities, NGOs, Citizen Groups, etc.). Citizen Groups, etc)
17	Pesca Futuro - Support for Union Production Development	Comprehensive support program for artisanal fishermen of the municipality of Coronel, through productive development and technical advice for the application to Public Funds.	Unions define their needs and application requirements and direct the execution of their projects.	3 unions of Coronel
18	Non-Traditional Garbage Operation	Non-traditional garbage removal operation in the sectors of Alborada, Erratchou, and Estero Manco. The initiative was carried out in coordination with the Neighborhood Councils and Municipal Environment Directorate.	The diagnostic survey, the definition of streets to be intervened, the schedule and the communication channel.	3 Neighborhood Councils South Sector Coronel
19	Mammograms Operation	Free mammography operation for women of Coronel, performing a total of 180 exams by means of FALP's mobile truck.	Social leaders of the Neighborhood Councils carry out needs assessment and prioritization. Registration open to the community.	180 women of the commune
20	Training Course in Trades	Training course in forklift crane operation, equivalent to 136 hours of training for 14 residents of the commune.	Prioritization is carried out based on the demand for local supply and the requirements of the neighbors channeled through their Neighborhood Councils.	14 neighbors of the commune
21	Pilot of PM Particulate Matter reduction equipment in wood-fired home heaters.	Installation of 45 PM reducing equipment in wood stoves in Coronel, of 2 different technologies: MPZero and Ecoturbo to technically validate the effectiveness of PM reduction of the technologies (with standardized tests in the laboratory and in homes), study the thermal efficiency and confirm the usability of the equipment. The above is to evaluate the scalability of this project as a socio-environmental support measure and as a green tax compensation mechanism.	A definition of the beneficiaries of the pilot was made in conversation with the neighborhood council and the technical advisor (University of Concepción) and a broad socialization of the pilot and its objectives. This included talks on firewood pollution, heating equipment emissions, good practices, and details of the pilot program.	45 families of the commune
22	Collaborative Bay Cleaning in Lo Rojas Cove	The project aims to develop a process for extracting solid waste during the peak of the pelagic season of artisanal fishing, using a boat that carries out an orderly removal of waste, contacting the skippers of the boats, so that, at the time of landfall, they deliver their waste to proceed to transfer it to land and dispose of it properly. The project was financed by 10 companies.	This project is the result of a participatory discussion of the social councilors of the Council for Environmental and Social Recovery of Coronel (CRAS - 15 Social Organizations, 10 companies, and 10 Public Services), who reported the high level of impact on the Bay as over 250 artisanal boats are operating g in the Lo Rojas sector that does not have uniform practices of garbage removal from their vessels.	20 artisanal boats
23	Mesa Sur	Over 10 years of existence, 9 neighborhood councils of the southern sector of Coronel and the company meet to design support or social collaborations for the southern sector, and to raise/clarify socio-environmental concerns related to the Santa María operation. Territorial development funds, training, and assistance support are channeled through it.	The committee meets every two months to define actions, plan or coordinate initiatives or contributions.	9 Neighborhood Councils
24	Mesa Estero Manco	Due to the proximity of the Sector to the company and the concern to plan specific actions in the Estero Manco Sector this 2022, neighborhood councils of the sector began to meet periodically to define works, planning together a cleaning of Estero Manco and carrying out rat extermination and cleaning of non-traditional garbage.	The 3 neighborhood councils meet with the MA department of the municipality and the company to carry out a diagnosis of the sector, evaluate possible actions and prioritize them. This plan is then implemented and monitored.	3 Neighborhood Councils
25	Mesa de Turismo y Fomento Productivo Chapo Lake	Proyecto Casa del Visitante de Chapo Lake.	The project proposal is presented at several meetings of the Working Group and the opinions and suggestions of the members are gathered. Among the decisions considered is the definition of how the person who will manage the House will be defined, what information will be included in the information panels and which entrepreneurs will be considered in the tourist information map.	Municipality, Public Services (Sernatur and Seremi de Energía), Maritime Government, Neighborhood Councils, Chamber of Commerce, Tourist Advisor (TKO).

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(GRI 203-1, 203-2, 413-1)

SOCIAL INVESTMENT PROGRAMS IN PERU

Name of Project/Program	Name Related Community	Description of program and associated community pillar	% of centers where programs have been implemented, impact evaluations, community participation,	Impact evaluations, community participation, applied to the entire organization	No. of beneficiaries	
1	Policlínico Las Salinas	Las salinas - Distrito de Chilca	Health Center that serves the population, seeking to improve their quality of life through access to quality medical services. In addition to 8 medical specialties, X-ray, laboratory, and pharmacy services are provided. Since COVID-19 was established, the polyclinic has adapted some specialties for virtual and/or hybrid care, face-to-face consultation, and teleconsultation with home delivery of medicines.	100%	--2,408 treatments during 2022 - 75 % of patients very satisfied - 21 % of satisfied patients - 2 % of patients not very satisfied - 2 % of patients dissatisfied".	1,772 patients attended
2	Agua Para Chilca - "Agua de mar que transforma vidas"	Distrito de Chilca	With an investment of US\$ 4 million, a seawater purification plant was built to deliver quality drinking water free of charge to the Municipality of Chilca for daily distribution.	Las Salinas cubierto al 100% y Chilca al 38%	--8 thousand residents of Chilca benefited - 493990.9 Dollars invested to make seawater drinkable. - 379993 m3 of drinking water were delivered free of charge during 2022	8 thousand people benefited
3	Enciende Emprendedor Impulso Power	Distrito de Chilca	"Impulso Power: a program that seeks to give continuity to the learning and empowerment route of the entrepreneurs of Chilca promoted by Fenix, whose objective is to design a route to market (go to market) - based on digital strategies - so that the entrepreneurs of Chilca can improve the performance of their business (be more visible, a better reputation and increase their sales), under Human-Centered Design approach, which are processes centered on the users, respecting their dynamics, times, and logics to achieve a connected and paced learning process".	100%	· 46% of participants believe their business is better off than in 2021 - 6% of the participants consider that their business is better than in 2021. - 66% of participants consider that their business will be better in the next few months after completing the training - 92% of participants considered the Impulso Power Program to be very good or excellent in overall terms	36 entrepreneurs
4	Reactiva Turismo 2022	Distrito de Chilca	As part of the economic reactivation in the tourism sector during and post-pandemic, Fenix implemented "Reactiva Turismo" Reactiva Turismo seeks to reactivate the tourist destination Salinas - Chilca through the accompaniment and strengthening of business capacities, capital injection, and advertising promotion. All this is based on collaborative work between businesses and their associations.	100%	-22 negocios capacitados -3 fondos semillas de mil Dolares implementados - campaña de promoción en redes implementada con 2.7 millones de vistas en las principales redes sociales como Facebook, YouTube, Instagram y Tik tok	-22 families benefited directly -21 yaya beach merchants -31 umbrella merchants of playa yaya beach -Population of Las Salinas 1570 residents
5	Anemia Cero	Distrito de Chilca	"To decrease the percentage of anemia in children Less than 3 years we executed the project "Zero Anemia", hand in hand with the Micro Red de Salud Chilca - Estrategia Sanitaria de Alimentación y Nutrición Saludable; and with the valuable support of community agents, Fenix executed the project "Anemia Zero" whose specific objectives are: -Decrease the percentage of anemia in children less than 3 years diagnosed in the MR of Chilca. -To train parents to know the foods rich in iron through educational sessions. -To sensitize the beneficiary population on the importance of hemoglobin screening. To inform parents about the importance of supplementation and follow-up treatment. -To ensure that children know how to choose their food through educational and demonstrative sessions."	100%	82 children under three years left the anemic state, which represents an 84.55% success rate.	82 children
6	Huertos Hidropónicos en Comedores Populares de Chilca	Distrito de Chilca	As part of the continuous work with the soup kitchens of Chilca and aware of the crisis caused by the pandemic intensified by the political and global crisis, Fenix as part of its social investment installed hydroponic gardens in some district canteens, with the sole objective of providing them with financial savings and healthy food through crops that grow in water and use it efficiently, this initiative was developed hand in hand with the project hero against hunger that was carried out in alliance with the Food Bank Peru.	100%	520 people are served by the 10 soup kitchens in Chilca that participated in the project. 10 soup kitchens in Chilca -2540 lettuce harvested / -7620 soles saved by the 10 soup kitchens during the year".	25 women leaders in charge of soup kitchens

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SOCIAL INVESTMENT PROGRAMS IN PERU

Name of Project/Program	Name Related Community	Description of program and associated community pillar	% of centers where programs have been implemented, impact evaluations, community participation,	Impact evaluations, community participation, applied to the entire organization	No. of beneficiaries
7 Héroe Contra el Hambre	Distrito de Chilca	"The project "Hero Against Hunger" developed by Fenix in alliance with Banco de Alimentos Peru, had the objective of strengthening the work of social aid performed by the soup kitchens of the district of Chilca, at the same time empowering those in charge and imparting good practices in food handling, additionally the initiative seeks to integrate the soup kitchens of Chilca to the national network of beneficiaries of Banco de Alimentos Peru, the main components: <ul style="list-style-type: none"> · Capacity building · Pilot incorporation of canteens into the BAP network · Corporate volunteering" 	100%	"-520 people served with food through soup kitchens. - 24,752 kg of food delivered to soup kitchens - 99,009 rations delivered "	25 women leaders in charge of the soup kitchens / 13 social organizations in the district of Chilca / 520 people served by the soup kitchens.
8 Listo Para Mi Primera Chamba	Distrito de Chilca	"Fenix in alliance with TECSUP aim to design and implement a learning process sectioned into modules, based on soft skills, adaptability and identification of competencies, for young Professionals and Specialists of the district of Chilca who are in the process of insertion into the labor market. This project is ongoing and will continue its activities in March 2023".	100%	" -95% of the participants consider that the training met their expectations. - 100% of the participants consider that the content of the training was adequate for their level of experience and knowledge."	31 young people graduated from technical and/or university careers.
9 La Pre Fenix	Distrito de Chilca	Pre Fenix is an initiative of the education axis that was made possible thanks to our volunteers and the alliance with the IE Nuestra Señora de la Asunción de Chilca, we promote higher technical and/or university education for students in 4th and 5th secondary school, through the professional experience of each of our collaborators, in addition to academic reinforcement in mathematical and verbal reasoning.	100%	"-48 hours spent by volunteers -At the end of the volunteering, we found that the volunteers managed to further develop their empathy with 72.7%, as well as a new skill such as motivation with 72.7%. In addition, they enhanced their public communication skills by 63.6%. -72% of the 4th grade students had a failing grade at the beginning of the program; however, only 32% failed the final exam in the mathematical reasoning course. -88% of the 5th graders had a failing grade at the beginning of the program; however, only 33% failed the final exam in the mathematical reasoning course. -Only 14% of 4th graders passed the entrance exam; however, 80% passed the final exam in the verbal reasoning course. -Only 14% of students passed the program's entrance exam; however 75% passed the exit exam."	"23 FENIX volunteers -82 students participated -1 educational institution".
10 Yo tengo Energía	Distrito de Chilca	"Older adults are a population in many cases relegated by society; however Fenix in the framework of its social investment program and by way of vindication, executes the workshops called "I have Energy" which were divided into the following modules: <ul style="list-style-type: none"> -Emotional Body Wellness Workshopl -Green Medicine Kits Workshop -Spirituality and Healing -Wellness and Happiness -Flowers that last in Time Workshop -Handmade Soap and Natural Salts workshop -Mother Earth: Therapeutic Gardens -We are Energy: The Art of Healing with the Hands -Christmas Crafts". 	100%	30 senior citizens and their families benefited from the program.	30 senior citizens and their families benefited from the program.

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SOCIAL INVESTMENT PROGRAMS IN PERU

Name of Project/Program	Name Related Community	Description of program and associated community pillar	% of centers where programs have been implemented, impact evaluations, community participation,	Impact evaluations, community participation, applied to the entire organization	No. of beneficiaries	
11	Foster a tree	Adopta un árbol	For the fifth consecutive year, Fenix implemented the Adopt-a-tree program, whose objective is to forest and improve the ornamental beauty of Las Salinas, promoting the adoption of trees among the neighbors of the area, who are responsible for their care, while at the same time contributing to the improvement of the environment.	100%	100 neighbors fostered a tree	100 neighbors
12	de Vuelta al Cole 2022	Distrito de Chilca	As part of the return to school after the most critical stage of the pandemic, the basic education centers resumed classes after two years, during which time the educational facilities were in a state of abandonment, Fenix together with another company in the sector decided to implement the "Back to School" program whose objective was to have the minimum infrastructure conditions (bathrooms, electrical system, etc.) for a proper return to school, in parallel school supplies were delivered and thus alleviate the economy of parents in the district.	100%	"-8 educational institutions impacted -2009 beneficiary students "	2009 students benefited
13	Yo Reciclo	Distrito de Chilca	"In order to generate an environmental care culture in the new generations, Fenix developed the project "Yo Reciclo" in which 2 educational institutions of Chilca participated, the project included the following modules: -TRAINING WORKSHOPS ON PAPER RECYCLING -RECYCLING CAMPAIGNS SCHOOL BIO-GARDEN -PICTORIAL EXHIBITION "I RECYCLE".	100%	"01 recycling fair with a painting exhibition -53 families and commercial establishments were involved -342.90 soles of income from recycling concepts."	1,150 students benefited
14	Talleres Con Energia	Centro Poblado Las salinas - Distrito de Chilca	"In order to promote physical activity and art among its neighbors, in 2022 Fenix implemented the workshops with energy, led by artists from the district of Chilca, a space in which children, girls, adults and seniors participated. The modules of these workshops are: -Dance classes -Guitar lessons".	100%	39 neighbors directly benefited	39 neighbors directly benefited
15	Cuentas Públicas	Distrito de Chilca	In order to promote physical activity and art among its neighbors, in 2022 Fenix implemented the workshops with energy, led by artists from the district of Chilca, a space in which children, girls, adults and seniors participated. The modules of these workshops are:	100%	36 attendees	36 attendees

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COMMUNITY INFRASTRUCTURE INVESTMENT IN CHILE (GRI 203-1)

Project Name	Community Name	Project Description	Infrastructure and Support Services Project Impact	Project Duration	Value Invested (USD)	Community or Local Economic Impact
Programa de desarrollo colaborativo de Proyectos de inversión municipal	Santa Bárbara, Quilaco, Antuco, Quilleco y Alto a Biobío	A program that helps small municipalities prepare and design infrastructure projects (build portfolios) for municipalities to apply for available public funds. These projects are developed hand in hand with the community associated with each project. The indicated contribution has 2 parts. The first corresponds to the regular portfolio, which implied 99 MM\$ and resulted in 9 new projects distributed in the municipalities of Santa Barbara, Quilaco, Quilleco, and Antuco, plus carryovers. The second corresponds to an exceptional supplement of \$90 million and resulted in 6 additional projects for the municipalities of Santa Barbara, Quilaco, and Alto Biobío.	Mejoramiento de infraestructura comunitaria y calidad de vida.	Annual (since 2017)	222,405.9	Improvement of community infrastructure and quality of life. In addition, generation of temporary local employment (during the execution of each project).
Contribution to Rural Drinking Water Committees (RWC)	Comité Los Notros.	Advice on RPA management, including management of water rights registration (2 RPAs in process) and co-funding for a project to install solar panels (1 RPA) to reduce drinking water production costs.	Reduction of drinking water production costs that are passed on to the end user	Annual (since 2012)	5,075.0	Ensure the supply of drinking water to the community.
Mejoramiento zona de baño camping Los Notros	Santa Bárbara	Enabling area with smooth and concreted walls, which reduce the formation of muddy areas.	Improvement of infrastructure and competitiveness of the campground.	6 months	124,241.0	Recuperación de capacidad productiva y generación de empleo local.
Pilot flow increase warning system	Santa Bárbara y Quilaco	System to alert swimmers and fishermen of river flow variations, 15 minutes before they occur. In this first stage it consists of 3 traffic lights that are located at specific points of the river.	Accident prevention	Annual (under implementation and door in progress)	126,248.0	Reduce accident risks.
Parque Angostura	Santa Bárbara y Quilaco	A set of tourist attractions created under the wing of Power Plant Angostura that highlight the value of local nature, culture, and the productive potential of the community. They include 1) an open trail with native forest plus a viewpoint, 2) three certified campsites with direct access to the reservoir, 3) two free access beaches, with lifeguards and swimming area, 4) an educational Visitor Center that disseminates tourism, history, local flora and fauna, and 5) an arboretum (reserve of 4.2 hectares of native species). It has been operating since 2014 and each summer the park receives 100,000 visitors.	Tourism, Employment and Economic Development.	Annual (since 2014)	211,018.0	1) Tourist income. According to the 2021-2021 visitor satisfaction survey, daily spending per person is \$21,800, which, considering the 92,000 summer visitors, generates an aggregate expenditure of over \$2,000 million for the over 70 entrepreneurs of the expanded destination that provide lodging, food, handicrafts, services, etc. 2) Free and high quality service for the 100,000 visitors per year, 3) Employment. During the summer season, the park generates over 52 direct jobs at the park's attractions, in addition to the 15 entrepreneurial families that have permanent sales stands in the park (an estimated 20 additional employees).
Aporte a Escuela Los Notros	Santa Bárbara	Contribution to partially finance the educational project through support for school transportation, the hiring of a second teacher and security services.	Access and quality of education.	Annual since 2013	35,294.1	Better access to and quality of education in the sector.
Aporte Bus de acercamiento Lo Nieve Las Basas	Santa Bárbara	Program that provides connectivity to the community of Lo Nieve - Las Basas, allowing safe access to services, education and labor sources.	Connectivity of vulnerable rural zones.	Annual since 2018	29,574.0	Improved quality of life.
Fondo desarrollo social	Santa Bárbara, Quilaco, Antuco y Quilleco	Fund for functional organizations, financing initiatives that benefit all members of the organization.	Increased community social participation.	Annual since 2021	23,529.0	Increased participation
Proyecto Luminarias Charrúa 3era etapa	Charrúa		Improve community services and environmental conditions.	8 months	5,663.0	Improve safety conditions, visibility and quality of life for neighbors who lacked public lighting.
Proyecto Casa del Visitante de Lago Chapo.	Lago Chapo	Construction of the Visitor's House at Lake Chapo, which includes a cafeteria that will be given in commodatum for local administration and neighbors will be hired to work and offer their products/ services.	Increased access to tourist areas. In addition, education about the local flora and fauna is increased.	2 years	185,789.0	High

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COMMUNITY INFRASTRUCTURE INVESTMENT IN CHILE (GRI 203-1)

Project Name	Community Name	Project Description	Infrastructure and Support Services Project Impact	Project Duration	Value Invested (USD)	Community or Local Economic Impact
CERCO PERIMETRAL RINCÓN DE PATAGUA	RINCÓN DE PATAGUA / Colbun	The perimeter fence of the neighborhood headquarters and sports club of Rincon de Patagua was built to contribute to the security and beautification of the public space.	NOT COMPLETED	3 months	11,400.0	No realizado
BAÑOS Colbun ALTO	COLBUN ALTO/ COLBUN	This project was originated by the community and community council of Colbun Alto as a historical requirement. As community council, they were in charge 2028 of the campsite, which until that year was municipal, so based on community dialogues, the need arose to build and improve the facilities of the campsite, which consists of building bathrooms for men and women, as well as bathrooms for people with disabilities.	NOT COMPLETED	6 months	62,500.0	Not completed
PASEO PRETIL MACHICURA	COLBUN ALTO/ COLBUN	This project is carried out with the municipality of COLBUN and arises from the need to generate a recreational and touristic space open to the community throughout the year. It was submitted as an initiative to the mideo and awarded the resources. It will have 18 seating stations, photovoltaic led lights, vinocular, railings along its entire length, low water consumption lamps, plaques with information about bird watching in the Machicura reservoir and parking for people with reduced mobility.	NOT COMPLETED	9 months	208,333.0	Not completed

In 2022 there were no community displacements associated with energy infrastructure projects.

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Environment

(GRI 302-1, 302-2, 303-3)

Climate Change

TOTAL ENERGY CONSUMPTION/TOTAL OCCUPIED ENERGY AND SPECIFIC CONSUMPTION IN CHILE

	Unit	2019	2020	2021	2022
Total energy consumption within the organization	Tera Joules	47,820	48,390	54,145	61,227
Organization-specific consumption	Tera Joules /GWh				4.65

Note: Specific consumption is based on gross generation.

INTERNAL ENERGY CONSUMPTION/ELECTRICITY CONSUMPTION IN POWER PLANTS OFFICES AND CORPORATE OFFICES IN CHILE

Type of Source	Unit	2019	2020	2021	2022	Power Plant
Electricity	Tera Joules	86	71	80	83	
% renewable energy		42%	44%	43%	48,7%	
Total		86	71	80	83	

EXTERNAL ENERGY CONSUMPTION/ENERGY OCCUPIED BY SUPPLIERS (SCOPE 3) - CHILE (302-2)

Type of Source	Unit	2022
Diesel	Tera Joules	375

TOTAL ENERGY CONSUMPTION/TOTAL OCCUPIED ENERGY AND SPECIFIC CONSUMPTION IN PERU

	Unit	2019	2020	2021	2022
Total energy consumption within the organization	Tera Joules	26,721	20,343	21,982	27,726
Organization specific consumption	Tera Joules /GWh		-	-	6

Note: Specific consumption is based on gross generation.

ENERGY CONSUMED FROM SEIN IN POWER PLANT AND CORPORATE OFFICES - PERU

Type of Source	Unit	2019	2020	2021	2022
Electricity	Tera Joules	4	22.1	11.7	1.9
% renewable energy		62%	65%	62%	56%
Total		4	22.1	11.7	1.9

ENERGY CONSUMPTION REDUCTION AT FENIX - PERU (GRI 302-4)

Name of initiatives	Description	Location	Type of energy included in reductions	Unit	2020	2021	2022
Procurement of more Efficient Gas Turbine Air Filters		Power Plant Térmica Fénix	Thermal	GJ	36070.2	118976.2	118976.2
				MWh	8697.47	33048.9	33048.9

No reduction in energy consumption in Chile in 2022.

EXTERNAL ENERGY CONSUMPTION/ENERGY USED BY SUPPLIERS (SCOPE 3) - PERU (302-2)

Type of Source	Unit	2022
Diesel	Tera Joules	16

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Environment

(GRI 302-1, 302-2, 303-3)

Ozone Depleting Substances Emissions

(GRI 305-6)

SF6 gas is used as an insulator in transformers, circuit breakers, and other electrical equipment. Although potential leaks of this gas are more likely to be isolated events, they could be caused by a failure in the joints, seals, or gaskets of the specified equipment.

As in previous years, there were no SF6 gas leaks at our facilities in 2022, reflecting the efforts of our facilities maintenance department. Notwithstanding the above, it is pertinent to mention that in the event of a leak, it is reported in the incident reporting system (SRI) as an environmental incident. A preliminary incident report is prepared and an investigation is initiated to determine the cause of the leak. Finally, a lessons-learned report is prepared on the investigated incident and, if necessary, an action plan is put in place to prevent a recurrence.

SF6 GAS EMISSIONS - CHILE

Contaminant	Unit	2019	2020	2021	2022
SF6	Kg	5	0	0	0
% coverage		100	100	100	100
Total Emissions	TCO2e	117.5	0	0	0

In the case of Fenix, there were no SF6 emissions in the reporting period.

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Environment

(GRI 305-5)

SCOPE 3 EMISSIONS - CHILE

Indirect emissions (Scope 3)	Unit	2019	2020	2021	2022
Total emissions	tCO2e	27,289	22,445	35,063	28,217
Data coverage (in % of total upstream and downstream operations considered)	% del total de operaciones anteriores y posteriores consideradas	100	100	100	100
Category - Indirect emissions (Scope 3)	Emission calculation methodology	Emissions in the year 2019 (metric tons CO2e)	Emissions in the year 2020 (metric tons CO2e)	Emissions in the year 2021 (metric tons CO2e)	Emissions in the year 2022 (metric tons CO2e)
Fuel and energy activities (not included in Scope 1 or 2)	"Maritime: information is requested on the port of origin, ship, and quantity of coal transported to the fuel area. Land: information is requested from suppliers on the route and number of trips. Coal and ash transport (internal): information is requested from suppliers on fuel consumed per year. Ash and coal: information is requested from the service provider on the type of vehicle and distance traveled, as well as the time of use and performance of generators".	22,595.2	17,500.1	29,539.5	16,740.2
Upstream transportation and distribution	Information on quantity (mass) of products transported and distance is requested on a monthly basis from the supplier company.	1.2	1.5	1.5	1.4
Waste generated in operations	The plants report monthly the waste generated by type.	190.4	448.2	558.1	360.5
Business travel	Information is requested from the agency on the flights made by Colbun personnel during the year.	409.3	84.7	154.5	457.6
Employee commuting	"Transportation in plants: information on vehicle type, performance and distance traveled is requested from service providers. Transportation of OOC employees: origin-destination survey".	4,093.3	4,410.9	4,702.4	10,576.3
Other downstream	Information on fuel consumption per year is requested from the service provider.	0.0	0.0	107.1	81.3

SCOPE 3 EMISSIONS - Peru

Indirect emissions (Scope 3)	Unit	2019	2020	2021	2022
Total emissions	tCO2e	1,104	1,108	1,443	1,267
Data Coverage (in % of total upstream and downstream operations considered)	% del total de operaciones anteriores y posteriores consideradas	100	100	100	100
Category - Indirect emissions (Scope 3)	Methodology for calculating emissions	2019 emissions (metric tons of CO2e)	2020 emissions (metric tons of CO2e)	2021 emissions (metric tons of CO2e)	2022 emissions (metric tons of CO2e)
Waste generated in operations	On a monthly basis, the Power Plant reports the waste generated by type.	270.1	26.7	320.3	113.7
Business travel	Information is requested from the agency on flights performed by Fenix personnel during the year.	82.3	10.4	3.8	34.5
Employee commuting	Transportation in plants: information on vehicle type, performance and distance traveled is requested from the service providers.	751.5	1,071.2	1,118.5	1,118.5

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Environment

(GRI: 303-1, 303-2)

Water Resources and Drought

Water Interaction as a Shared Resource

(GRI 303-1)

Regarding water use, Colbun's power plants use water from different sources, depending on their location and type of technology.

› Run-of-river hydroelectric power plants

Surface water from a river is diverted for energy production and is returned at the same volume and under the same conditions. Since the end of the 1990s, environmental qualification decrees have established minimum flows (ecological flows) in the rivers affected, volumes that cannot be used for energy production, and that must be allowed to flow to guarantee the continuity of the existing ecosystems. This is the case, for example, with the Angostura, Rucúe, Quilleco, Hornitos, La Mina, and Canutillar (Lenca branch) power plants. Due to the decrease in runoff in the last decade in the central-southern zone of the country, it is very important to maintain constant communication with the supervising bodies of the rivers and basins where the power plants are located, as is the case in the Aconcagua and Maule river basins.

› Reservoir Hydroelectric Power Plants

In these cases, surface water is used to generate electricity that has accumulated in the reservoir, and these resources are returned to the same watershed. The Colburn, Machicura, and Angostura plants fall into this category. The Canutillar plant is the only Colburn plant located near a protected area, such as the Alerce Andino National Park.

In all its hydroelectric plants, Colbun has carried out studies on the fish fauna present in the corresponding basins, in order to determine the existing conditions of biodiversity and its evolution.

› Thermal Power Plants

Colbun's thermal power plants use water in their cooling processes. In the case of the Santa María plant and the Fenix plant (Peru), this water comes from the sea and is returned to the same body of water. For the first plant, the Universidad de Concepción has

been monitoring the temperature and other variables in Coronel Bay for several years, and no impact on biodiversity has been detected.

In the case of the natural gas power plants (Nehuenco and Candelaria), the water used is a subway and comes from authorized wells, and several measures have been implemented to use water more efficiently. At the Neuenco complex, which has a battery of 20 wells to supply its cooling water needs, a numerical model of the aquifer under the power plant has been developed, which is updated every year before the low water level, with the aim of anticipating the conditions of the aquifer and providing a pumping plan for the wells that optimizes the use of the resource and the security of supply, as well as anticipating mitigation plans in the event of shortages. In addition, a reverse osmosis plant was built to demineralize the water, allowing it to be recirculated several times in the cooling process, thus reducing consumption. There is no history of negative impacts on biodiversity in these cases.

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Environment

(GRI: 303-1, 303-2)

Water Resources and Drought

Approach Used to Identify Water-Related Impacts and How Those Impacts are Addressed

The main tool used by Colbun is the relationship with the communities and water user organizations, such as the monitoring committees and canal associations of the basins where the facilities are located. Regular meetings are held, the frequency of which depends on the organization, and in special cases, to resolve specific situations, local meetings are held with the community. In some cases, communication is mediated by the company's Public Affairs Management, with technical support from the power plants and the departments that facilitate the respective efforts (Engineering, Environment and Water Resources, among others). For example, in the Aconcagua River Basin, which is facing more than 12 years of mega-drought, regular meetings are held with the communities to identify possible disagreements or impacts related to the operation of the power plants of the Aconcagua Complex.

These meetings are attended by representatives of Colbun (Public Affairs, Environment, Aconcagua Complex and Water Resources) and neighborhood councils, and we highlight the participation of representatives of the Oversight Board of the First Section of the Aconcagua River. Issues related to the exercise of water rights, water distribution, increased sedimentation, and also due to the effects of extreme drought, among others, were addressed.

In other basins, such as the Maule and Biobío, the relationship is direct with the Company's Water Resources Division, and initiatives for sharing the resource are being addressed and synergies sought for better use of this resource.

In addition, the impacts related to water are evaluated in all phases of development of Colbun's projects, within the framework of the Environmental Impact Assessment System. Environmental regulations require companies to present plans for mitigation, restoration or environmental compensation.



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Environment

(GRI: 303-1, 303-2)

Water Resources and Drought

Description of Water Management Risks and Analysis of Strategies and Practices to Mitigate Them

SASB IF-EU-140A.3

According to Chilean regulations, effluent discharges must comply with different criteria depending on the body of water that receives the effluent, as well as the disposal site and its characteristics. For this reason, there is the DS MINSEGPRES N°90/00, which establishes the Emission Standard for the Regulation of Pollutants Associated with Liquid Waste Discharges to Marine and Inland Surface Waters, which first determines which discharges are subject to compliance with this standard, the parameters to be monitored, and the level of requirements that will depend on the place of disposal, whether it is a river and has dilution capacity or not, whether it is a lake, or whether it is in the sea inside or outside the coastal protection zone. In the case of discharges to groundwater, through infiltration works, there is DS MINSEGPRES N°46/02, which establishes the Standard for the Emission of Liquid Waste to Groundwater, which determines which discharges are subject to compliance with this standard and establishes requirements according to the vulnerability of the aquifer that will receive such discharges. In addition, there is NCh 1333/78 Water Quality Requirements for Different Uses, which establishes the parameters to be controlled and the limits allowed for uses such as

irrigation and recreation. There are also some surface watercourses and bodies of water that, due to their characteristics, have quality standards that define a level of quality to be maintained and therefore have higher discharge requirements when their capacity to absorb and purify pollutants is exceeded.

In addition, in the case of projects that have undergone an Environmental Impact Assessment (EIA), the discharges from the facilities are planned according to the provisions of the Environmental Authorizations (RCA) and Self-Monitoring Resolutions, which are monitored and certified by the SMA (Superintendencia del Medio Ambiente). These are specific to each plant. In addition, facilities that cannot be connected to the sewerage system have wastewater treatment systems that are constantly inspected and monitored.

Water is used for different purposes at the plants, so its quantity (flow rates), physicochemical characterization, and treatment before disposal are specific to each plant. Likewise, the standards or limits for discharges depend on the receiving medium, whether it is surface water, coastal outfall, or infiltration into the ground.



Colbun also carries out voluntary monitoring to characterize these discharges and the quality of the receiving waters. The profile of the receiving water mass is always taken into account, as this varies the level of quality requirements of the discharge. In bodies of

larger water masses, there will be a dilution capacity in the receiving body of the discharged flow, which will allow for higher limits for discharges; on the other hand, the limits will be different in cases where the receiving water mass cannot exert a dilution effect on the discharge.



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Environment

(GRI: 303-1, 303-2)

Water Resources and Drought

Water-Related Goals and Objectives

Colbun S.A. has measured and determined the water footprint of its processes and has set targets to reduce its consumption, both operational (generation activities and cooling systems of the thermoelectric plants) and non-operational (drinking water consumption and irrigation in the facilities). In this context, initiatives and objectives to reduce water withdrawals have been promoted, with a priority focus on facilities located in basins with water deficits.

The company became the first producer in Chile to obtain the Blue Certificate for its sustainable water management in 2022. This certification recognizes companies that have implemented integrated water management measures in their production processes and services, to contribute to the country's water security. In the case of Colbun, the recognition was

Water Extraction and Consumption in Water Stressed Zones (SASB: IF-EU-140a.1)

		2022	
		Chile	Peru
Percentage of water withdrawn in regions with high or extremely high initial water stress	Considering freshwater and seawater	1.3%	0%
	Considering freshwater	96.2%	0%
Percentage of water consumed in regions with high or extremely high initial water stress	Considering freshwater and seawater	82.6%	0%
	Considering freshwater	95.2%	0%

for measuring the water footprint of its Los Pinos thermoelectric power plant, based on ISO 14,046. This is part of the work carried out by the company as part of the Blue Certificate Clean Production Agreement, promoted by Corfo's Sustainability and Climate Change Agency and the Fundación Chile.

According to the agreement, each company must apply the ISO 14,046 international standard for water footprint assessment, which identifies direct water consumption (internal production), indirect consumption (supply chain), and the possible effects of production on human health and ecosystems (impact indicators).

This tool makes it possible to identify critical points and design measures to reduce water consumption and its impact on the territory.



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Environment

(GRI: 303-1, 303-2)

Water Resources and Drought

› Managing Impacts

Related to Water Discharges

GRI: 303-2
SASB: IF-EU-140A.2

According to Chilean regulations, effluent discharges must comply with different criteria depending on the body of water that receives the effluent, as well as the disposal site and its characteristics. For this reason, there is the DS MINSEGPRES N°90/00, which establishes the Emission Standard for the Regulation of Pollutants Associated with Liquid Waste Discharges to Marine and Inland Surface Waters, which first determines which discharges are subject to compliance with this standard, the parameters to be monitored, and the level of requirements that will depend on the place of disposal, whether it is a river and has dilution capacity or not, whether it is a lake, or whether it is in the sea inside or outside the coastal protection zone. In the case of discharges to groundwater, through infiltration works, there is DS MINSEGPRES N°46/02, which establishes the Standard for the Emission of Liquid Waste to Groundwater, which determines which discharges are subject to compliance with this standard and establishes requirements according to the vulnerability of the aquifer that will receive such discharges. In addition, there is NCh 1333/78 Water Quality Requirements for Different Uses, which establishes the parameters to

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Regarding non-compliance incidents related to water quantity or quality, in March 2022, one of the 35 parameters measured in wastewater discharges from the Nehuenco Complex (Decree 90 of 2000) was found to exceed the standard, specifically the presence of boron. This situation was reported to the authority and quickly corrected, returning to the permitted parameters.

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Environment

(GRI: 304-1, 304-2, 304-3, 304-4)

Biodiversity

According to Chilean regulations, works and activities of a certain size must be subject to an environmental assessment. This means that projects with significant actual and potential direct and indirect impacts must undergo an environmental assessment and commit to mitigation, compensation, and restoration measures with the authorities, in addition to ongoing monitoring of the effectiveness of these measures (fish planting, reforestation, flora enrichment, rescue and relocation of fauna, among others).

Colbun's projects, mostly power generation with an installed capacity of more than 3 MW, are subject to this assessment, which determines the potential impacts and the need to implement measures. This assessment includes an analysis of the existing biodiversity in the project's area of influence and the potential impacts of the project, taking into account both temporary and permanent works and activities. For example, in 2022, the Celda Solar photovoltaic project and the Junquillos wind project were submitted to the Environmental Assessment System and a biodiversity baseline study was considered as part of the required procedures.

Regarding the additional studies carried out by the Company to assess biodiversity, in 2019, a survey of all the lands owned by Colbun was carried out to detect areas with potential for biodiversity development. This study covered a total of approximately 11,000 hectares and as a result of the work developed, the areas were categorized into high, medium, and low potential for biodiversity. The results of the study can be seen in the biodiversity sheets and maps on the following pages. In addition, at the end of 2022, Colbun conducted a complete compilation of historical and current information on vertebrate fauna species in all facilities in

Chile and Peru. The results of this analysis are detailed in the "Protected Species" section below.

The only facility located near a critical biodiversity area is the Canutillar Power Plant (888 hectares), as it is adjacent to the Alerce Andino National Park and the Llanquihue National Reserve, whose management plans are carried out by CONAF. In the same area, Colbun currently has a Royal Right of Conservation (430 hectares).

During the year 2022, no new significant impacts have been identified in Colbun's projects and power plants in Chile and Peru.

COLBUN LAND PROPERTIES LOCATED ADJACENT TO PROTECTED AREAS.
(GRI 304-1)

Colbun Operation Center	Type of operation (operation, office, etc.)	Name of biodiversity-rich land	Geographic Location of the Area	Area and/or surface in Km2	Position of the company related to the protected area	Description of the area (protected/ non-protected)	Biodiversity value of the area
Power Plant Canutillar	Civil Works -Canutillar Power Plant	Parque Nacional Alerce Andino	Los Lagos Region	392.5	Adyacente	Protected	Evergreen forest species
Power Plant Canutillar	Obras civiles de Power Plant Canutillar	Reserva Nacional Llanquihue	Los Lagos Region	339.7	Adyacente	Protected	Evergreen and larch forests, fauna associated with these natural environments, important volcanic and geomorphological features and scenic values of remarkable attraction.



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Environment

(GRI 302-1, 302-2, 303-3)

Biodiversidad

(GRI: 304-1, 304-2, 304-3, 304-4)

NATURE OF SIGNIFICANT DIRECT AND INDIRECT IMPACTS ON BIODIVERSITY (GRI 304-2)

Colbun Operation Center	High Biodiversity Area (yes/no)	Área Protegida (si/no)	Impacts (direct/indirect)	Impact description
Angostura Hydroelectric Power Plant	YES	NO	Protected species affected by construction of Angostura power plant	As part of the environmental assessment of the Angostura power plant, Colbun committed to the enrichment of a degraded forest with species with conservation problems in a total area of more than 35 hectares as compensation for the need to cut species in conservation status for the construction of the power plant.

BIODIVERSITY EXHIBITION AND ASSESSMENT CHILE AND PERU*

	No. of Sites	Area (hectares)
a) No. of sites and total area used for operational activities	28	12,114
b) Number of sites and area where biodiversity impact assessments have been carried out in the last 5 years.	28	12,114
c) Of those evaluated in letter b), number of sites that are close to critical biodiversity zones, and area involved.	1	888
d) Of those mentioned in letter c), number of sites with biodiversity management plans and area covered	1	888

*This information includes all plants in operation and projects under construction in Chile and Peru.

PROTECTED/RESTORED HABITATS (GRI 304-3)

Name of Habitats Protected or Restored	Geographic Location	Protected and/or restored area (hectares)	Restoration Measures	Effectiveness of Measure
Fdo.Villa Rivas	Com. Contulmo, Prov. Arauco	0,3	Enrichment with 4 species in conservation status	Flora Conservation Status Enrichment Plan Report.
Fdo. Cabaña Eugenia	Power Plant Angostura, Com. Sta. Bárbara, Prov. Biobío	40	Enrichment of degraded forest	Annual Monitoring Report of the Preservation Management Plan.
Ribera Embalse Angostura	Power Plant Angostura, Com. Sta. Bárbara, Prov. Biobío	3,6	Reforestation of riverbanks for wildlife refuge	Riverbank Reforestation Report
Bosque Nativo con potencial melífero	Power Plant Angostura, Com. Sta. Bárbara, Prov. Biobío	125	Research project under development in association with Universidad de Concepción and COASBA (Beekeepers Cooperative) to see the potential for honey and soil recovery.	Third year of research in which the number of hives and amount of honey production has been increasing.
Conversión de plantaciones exóticas por bosque nativo	Power Plant Los Pinos, Prov. Biobío	20	Conversion of exotic plantations (pine) to native forest (quillay).	Forestry Management Plan
Parque Nativo Nehuenco	Complejo Nehuenco, Quillota	3,6	Reforestación destinada a potenciar incorporación de flora y fauna	Annual Performance Report
Bosque Nativo con potencial melífero	Complejo Aconca - gua, Los Andes	15,5	Reforestation aimed at enhancing the incorporation of flora and fauna	Agreement with PRODESAL and local beekeepers to produce differentiated honey - San Esteban Municipality
Bosque Nativo con potencial melífero	Power Plant Canutillar	200	Reforestation and native forest, destined to melifera production.	Report of results of honey production increase and physicochemical analysis of honey.
Derecho Real de Conservación Rincón del Sur (NUEVA)	Power Plant Canutillar	436	Royal Conservation Right (DRC) that protects in perpetuity 436 hectares located on the shores of Lake Chapo, in the Lakes Region. These lands form a biological corridor that connects the Alerce Andino National Park and the Llanquihue National Reserve. This agreement signed between Colbún and Fundación Tierra Austral, in addition to preserving the natural heritage of most of the area under DRC, will allow recreational activities and low-impact tourism in strategic areas.	Fundación Tierra Austral's report on the annual status of the Rincon del Sur Conservation Area.

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Environment

(GRI 302-1, 302-2, 303-3)

Biodiversity

(GRI: 304-1, 304-2, 304-3, 304-4)

Protected Species List

(GRI 304-4)

During 2022, Colbun has progressed in meeting the goals of its Biodiversity Strategy, as well as establishing the Biodiversity Standard, which allows power plants and projects to facilitate the implementation of the different guidelines. Among the activities carried out, the knowledge of species in Category of Conservation according to the IUCN list and their habitats (Guideline 2 of the Biodiversity Strategy) was promoted, concentrating particularly on the Rincón del Sur conservation area (Royal Right of Conservation - DRC), where important efforts were made to know in detail the flora and fauna, using traditional methodologies for collecting biota information, as well as an innovative methodology for knowledge of our biodiversity, using Environmental DNA.

The method collects DNA present in the environment to identify the vertebrates of the place, through traces of their genetic material resulting from their physiological processes; saliva, excretions, skin replacement, etc.. This non-invasive and precise monitoring has confirmed the presence of species previously identified by traditional methods and added 12 native species that had not been detected in previous monitoring; among them are the huillín, chilla fox, fío fío, silky mouse, and various amphibians native to this biodiversity hotspot.

In addition, and as part of line 5 of the Biodiversity Strategy, related to promoting knowledge and understanding of biodiversity among all the company's employees, we are continuing with initiatives to promote and protect the biodiversity present in the surroundings of our operations, a process that will culminate in 2023 as part of the environmental objectives of each of our power plants.

Finally, at the end of 2022, we conducted a complete compilation of historical and current information on vertebrate species at all of the company's facilities. This survey took into account information from baselines, biodiversity sheets, sporadic monitoring and environmental follow-up, among others. The analysis of this information has allowed us to obtain a general overview of the different species present in the area of influence of our facilities and projects, which is a first step towards improving our knowledge of endangered species and their evolution over time.

Based on the studies and analyses conducted by the company, our facilities and operations in Chile and Peru do not affect any protected species.

The following tables show the species included in the Red List of the IUCN (International Union for Conservation of Nature) and in the national lists of protected species that are found in the areas of influence of Colbun's facilities and projects in Chile and Fenix in Peru.

LIST OF PROTECTED SPECIES IN CHILE

Flora or Fauna Species	Geographic Location	Extinction Risk Level*
Alsodes verrucosus	Canutillar - Chapo Lake, LoLagos Region	Endangered
Basilichthys microlepidotus	Angostura, Quilleco, Biobio Region	Insufficient data (IUCN), Vulnerable and RCE.
Beilshmidia miersii	Nehuenco, Valparaíso Region	Vulnerable
Brachygalaxias bullocki	Canutillar - Chapo Lake, Los Lagos Region	Insufficient data (IUCN), Vulnerable and RCE.
Bufo rubropunctatus	Santa María, Biobio Region	Vulnerable
Bullockia maldonadoi	Angostura, Biobio Region	Insufficient data (IUCN), Endangered and RCE.
Buteo ventralis	Rucúe, Santa María, Biobio Region	Vulnerable
Caudiverbera caudiverbera	Rucúe, Santa María, Biobio Region	Vulnerable
Cheirodon galusdae	Angostura, Quilleco, Biobio Region	Insufficient data (IUCN), Vulnerable and RCE.
Chinchilla chinchilla	Diego de Almagro, Atacama Region	Endangered
Citronella mucronata	Angostura, Biobio Region	Vulnerable
Diplomystes nahuelbutaensis	Río Rucúe and Laja, Huequecura and Biobío (Biobio Region), Maule River (Maule Region)	Insufficient data (IUCN), Endangered and RCE.
Eucryphia glutinosa	Angostura, Biobio Region	Endangered
Fitzroya cupressoides	Chapo Lake (Canutillar), Los Lagos Region	Endangered
Geotria australis	Canutillar - Chapo Lake, Los Lagos Region	Insufficient data (IUCN), Endangered and RCE.
Laterallus jamaincensis	Rucúe, Santa María, Biobio Region	Endangered
Leopardus guigna	Rucúe, Santa María, Angostura, Biobio Region, y Canutillar - Chapo Lake Los Lagos Region.	Vulnerable
Liolaemus audituvelatus	Diego de Almagro (Atacama Region)	Vulnerable
Liolaemus gravenhorstii	Quilleco, Biobio Region	Endangered
Liolaemus manueli	Diego de Almagro (Atacama Region)	Endangered
Liolaemus monticola	Aconcagua, Valparaíso Region	Vulnerable
Liolaemus poconchilensis	Celda Solar, Arica y Parinacota Region	Endangered
Liolaemus torresi	Horizonte, Inti Pacha, Antofagasta Region	Endangered
Lontra felina	Santa María, Biobio Region	Endangered
Lontra provocax	Rucúe (Region Biobío), Canutillar - Chapo Lake (Los Lagos Region).	Endangered
Myotis atacamensis	Horizonte e Inti Pacha (Antofagasta Region), Diego de Almagro (Atacama Region)	Endangered
Octodon bridgesi	Rucúe Biobio Region	Vulnerable
Percilia irwini	Río Rucúe, Laja, Huequecura y Biobío (Biobio Region)	Insufficient data (IUCN), Vulnerable and RCE.
Persea lingue	Angostura, Biobio Region	LC (IUCN), Vulnerable en RCE.
Pilgerodendron uviferum	Chapo Lake (Canutillar), Los Lagos Region	Vulnerable
Porlieria chilensis	Aconcagua, Valparaíso Region	Vulnerable en RCE, no listado en IUCN
Pristidactylus torquatus	Angostura, Biobio Region	Vulnerable
Rhinella atacamensis	Diego de Almagro (Atacama Region), Inti Pacha (Antofagasta Region).	Vulnerable
Rhinoderma darwini	Rucúe, Santa María, Biobio Region.	Endangered
Rhinoderma rufum	Santa María, Biobio Region	Endangered crítico
Telmatobufo venustus	Rucúe, Santa María, Biobio Region.	Endangered
Trichomycterus areolatus	Colbun-La Mina (Maule Region), Canutillar - Chapo Lake (Los Lagos Region), Angostura, Rucúe, Quilleco (Biobio Region)	Insufficient data (IUCN), Vulnerable and RCE.
Vulthur gryphus	Horizonte (Antofagasta Region), Aconcagua (Valparaíso Region), Rucúe (Biobio Region)	Vulnerable

*The following IUCN categories are presented as being at Risk of Extinction: CR: Critically Endangered, EN: Endangered and VU: Vulnerable. When species are classified DD (Data Deficient) according to IUCN, but have a national classification according to the relevant Species Classification Regulations (SRR), they were also included in this listing.

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Environment

(GRI: 304-1, 304-2, 304-3, 304-4)

Biodiversidad

(GRI: 304-1, 304-2, 304-3, 304-4)

LIST OF PROTECTED SPECIES IN PERU
(GRI 304-4)

Flora or Fauna Species	Geographic Location	Extinction Risk Level(UICN)
Phoenicopterus chilensis	Chilca Beach, Ñave Beach, San Pedro Beach, Yaya Beach, Puerto San Pedro Wetlands; Peru (Fénix)	Almost endangered
Charadrius nivosus	Chilca Beach, Ñave Beach, San Pedro Beach, Yaya Beach, Puerto San Pedro Wetlands; Peru (Fénix)	Almost endangered
Larosterna inca	Chilca Beach, Ñave Beach, San Pedro Beach, Yaya Beach, Puerto San Pedro Wetlands; Peru (Fénix)	Almost endangered
Thalasseus elegans	Chilca Beach, Ñave Beach, San Pedro Beach, Yaya Beach, Puerto San Pedro Wetlands; Peru (Fénix)	Almost endangered
Pelecanus thagus	Chilca Beach, Ñave Beach, San Pedro Beach, Yaya Beach, Puerto San Pedro Wetlands; Peru (Fénix)	Almost endangered
Pelecanoides garnotii	Chilca Beach, Ñave Beach, San Pedro Beach, Yaya Beach, Puerto San Pedro Wetlands; Peru (Fénix)	Almost endangered
Spheniscus humboldti	Chilca Beach, Ñave Beach, San Pedro Beach, Yaya Beach, Puerto San Pedro Wetlands; Peru (Fénix)	Vulnerable
Phalacrocorax bougainvillii	Chilca Beach, Ñave Beach, San Pedro Beach, Yaya Beach, Puerto San Pedro Wetlands; Peru (Fénix)	Almost endangered
Phalacrocorax gaimardi	Chilca Beach, Ñave Beach, San Pedro Beach, Yaya Beach, Puerto San Pedro Wetlands; Peru (Fénix)	Almost endangered

CONSULTANTS AND NGOS SUPPORTING COLBUN TO IMPLEMENT ITS BIODIVERSITY STRATEGY IN CHILE AND PERU

Consultor	Expertise.
Era Sustentable	Terrestrial fauna monitoring.
Fundación de Conservación Tierra Austral	Biodiversity and conservation studies.
BioAmérica	Terrestrial fauna and bird monitoring.
Riparia	Forest inventory, biomass and carbon sequestration in native forests at Power Plant Angostura.
Everis	Carbon sequestration and ecosystem services of native forests at Power Plant Canutillar.
Ciencia Ambiental	Monitoring of terrestrial fauna.
Ecogestión Ambiental	Ichthyic fauna, phyto- and zoobenthos, phyto- and zooplankton; water quality.
Photosíntesis	Biodiversity studies.
SGS Chile Ltda	Ichthyic fauna, macrophytes, phyto- and zoobenthos and zooplankton, water quality.
Golder Associates (Peru)	Ichthyic fauna, macrophytes, phyto- and zoobenthos and zooplankton, water quality.
ECOGEN	Fauna monitoring through environmental DNA analysis.
EULA, Centro de Ciencias Ambientales	Monitoring of water quality and aquatic ecosystems.

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Fichas de Biodiversidad

AREA OF POTENTIAL VALUE FOR BIODIVERSITY - GUAQUIVILO

GENERAL FACTS
 Region: Maule
 Commune: Colbun
 Property Surface: 1,095.93 hectares
 Surface area of potential value for biodiversity:
 0.48 ha. Not fit
 1.05 ha. Poor
 322.52 ha. Fair
 712.07 ha. Good
 59.81 ha. Excellent

GENERAL REMARKS
 Project located in the mountain range of Maule Region attracting great interest for national biological conservation mainly due to the presence of species with a very restricted distribution contemplated in Law 20,283 as part of the Preservation Forest, such as Lleuque and Belloto del Sur (Southern acorn tree), in addition to endemic fauna and in a conservation category, such as the Chilean Lizard, the Jewel Lizard as well as fish such as the Chilean Silverside and the Bagrecito (Catsfish), both present in Melado river.

CONSERVATION TARGETS
 MOUNTAIN CYPRESS | HUALO | CHILEAN TREE LIZARD

Species in conservation category

Flora	Fauna	Forest Floor
a) Trees - Cordillera Cypress (NT) - Winter's Bark-Canelo (LC) - Hualo (NT) - Lleuque (VU) - Lingue (LC) - Frangel (NT) - Southern acorn (EN) b) Herbaceous - Calceolaria pallida (EN) c) Ferns - Black stick (LC) - Quilquil (LC) - Dennstaedia glauca (VU)	a) Mammals - Long haired field mouse (LC) - Culpeo fox (LC) - Grey fox (LC) - Puma (NT) b) Birds - Chilean pigeon (LC) - Rufous-legged Owl (NT) - Black faced ibis (LC) - Condor (VU) - White-throated hawk (R) - Magellanic woodpecker (EN) - Burrowing Parakeet (VU) - Torrent Duck (NT) - Slender-billed Parakeet (LC)	- 29.31% Low Andean Mediterranean shrubland of white grass and Discaria articulata - 69.93% Andean temperate Mediterranean-deciduous forest of Coihue and Cipres de cordillera - 0.72% Andean Mediterranean deciduous forest of Hualo and Pellin oak c) Reptiles - Chilean lizard (LC) - Slender Jeweled Lizard (LC) - Schroeder's Tree Iguana (VU) d) Amphibians - Warty toad (LC) e) Fish - Chilean silverside (VU) - Catfish (VU)
Notable species	Endemic species	Native forest cadastre
- Cordillera Cypress - Hualo - Belloto del sur- Southern acorn (Declared a natural monument by Decree No. 13/1995)	Flora - Lleuque - Southern acorn Fauna a) Reptiles - Chilean lizard - Slender Jeweled Lizard - Schroeder's Tree Iguana b) Fish - Chilean silverside - Catfish c) Birds - Slender-billed Parakeet	- Dense Mature-secondary forest 0.38% - Semi-dense Low-level forest 0.61% - Open Mature forest 2% - Dense Mature forest 0.17% - Semi-dense Mature forest 0.36% - Open Secondary forest 3.3% - Dense Secondary forest 3.64% - Semi-dense Secondary forest 6.43% - Open Secondary 1.13%

Glossary
 CR = Critically Endangered
 DE = Insufficient data
 EN = in danger
 EW = Extinct in the wild
 EX = Extinct
 FP = Out of danger
 IC = Insufficiently known
 LC = Least concern
 NT = Almost threatened
 R = Rare
 VU = Vulnerable

Developed by CSW

AREA OF POTENTIAL VALUE FOR BIODIVERSITY - CANUTILLAR

GENERAL FACTS
 Region: Los Lagos
 Communes: Cocham o, Puerto Montt
 Property surface: 677.93 hectares
 Surface area of potential value for biodiversity:
 2.13 ha. Not fit
 0.92 ha. Poor
 3.56 ha. Fair
 51.44 ha. Good
 619.88 ha. Excellent

GENERAL REMARKS
 Set of properties that surround Lake Chapo and the Reloncavi estuary, largely dominated by mainly dense temperate Evergreen and temperate Andean native formations, widely represented in the SNASPE (Chilean national public system of protected areas).
 It highlights the great wealth of ferns present in the area and the presence of fish in a vulnerable state of conservation such as the Lamprey and the Bagrecito.

CONSERVATION TARGETS
 CANELO | MABLE WOOD FROG | CHILEAN TREE MOUSE

Species in conservation category

Flora	Fauna	Forest Floor
a) Trees - Canelo (LC) b) Herbaceous - Sanguinaria (LC) c) Ferns - Filu-lahuén (LC) - Palmita (LC) - Helecho de las cascadas (LC) - Costilla de vaca (LC) - Palito negro (LC) - Hymenophyllum fuciforme (LC) - Hymenophyllum pectinatum (LC) - Hymenophyllum plicatum (LC) - Hymenophyllum secundum (LC) - Hymenophyllum seselifolium (LC) - Yerba del lagarto (LC)	a) Mammals - Long haired field mouse (LC) - Chilean tree mouse (LC) b) Birds - White throated hawk (R) - Chucaco Tapaculo (LC) - Huet-huet Tapaculo (LC) c) Amphibians - Mable wood frog (LC) d) Fish - Lamprea de bolsa (VU) - Puye (LC) - Catfish (VU)	- Inland temperate Evergreen Forest of Coihue de Chiloe and sharp leaves Mañio 95.71% - Andean temperate resinous forest of Alerce 0.02% Forest types - Cordillera Cypress 3.36% - Coihue - Rauli - Tepa 2.57% - Magallanic Coigue 4.20% - Oak - Rauli - Coihue 1.94% - Evergreen 68.41% - Not applicable* 3.81%
Notable species	Endemic species	Native forest cadastre
- Misodendrum gayanum	Flora - Palmita Fauna a) Ferns - Hymenophyllum fuciforme - P almilla	- Dense Mature-Secondary forest 9.53% - Mature forest open 3.41% - Dense Mature forest 8.05% - Semi-dense Mature forest 7.19% - Open Secondary 8.81% - Dense Secondary 22.62% - Semi-dense Secondary 15.69% - Open Secondary forest 1.82% - Semi-dense Secondary forest 3.36% - Semi-dense arborescent scrub 2.21% - Semi-dense scrub 1.60%

Glossary
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 EX = Extinct
 FP = Out of danger
 IC = Insufficiently known
 LC = Least concern
 NT = Almost threatened
 R = Rare
 VU = Vulnerable

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Fichas de Biodiversidad

AREA OF POTENTIAL VALUE FOR BIODIVERSITY - ANGOSTURA

GENERAL FACTS
 Region: Bío Bío
 Communes: Quilacán, Barbañe
 Property Surface: 1.355,46 hectares
 Surface area of potential value for biodiversity:
 57,11 ha. Not fit
 357,67 ha. Poor
 739,4 ha. Fair
 162,7 ha. Good
 38,5 ha. Excellent

GENERAL REMARKS
 This sector is home to tree species such as Lleuque and Guindo Santo, contemplated in Law 20,283 constituting the Native Preservation Forest. In addition, the presence of Copihue (Chilean bell flower) stands out, its habitat is highly fragmented and dispersed. In fauna the great wealth of fish species in conservation category stands out, such as the freshwater Tollo (Dogfish), the Pocha de Los Lagos or the Chilean Silverside.

CONSERVATION TARGETS

Compositional biodiversity

Structural biodiversity

Species in conservation category

<p>Flora</p> <ul style="list-style-type: none"> -Cordillera Cypress (NT) -Canelo (LC) -Guindo Santo (VU) -Lingüe (LC) -Lleuque (V) -Pali Negro (Adiantum scabrum) (C) -Blechnum asperum (NE) <p>Fauna</p> <ul style="list-style-type: none"> a) Mammals <ul style="list-style-type: none"> -Pudú (VU) b) Birds <ul style="list-style-type: none"> -Rufous-legged owl (VU) -Red shoveler (LC) -Spectacled duck (NT) -Southern American painted snipe (NT) -Chilean pigeon (NT) -Huet-Huet tapaculo (C) -Black-faced ibis (LC) c) Reptiles <ul style="list-style-type: none"> -Jewel lizard (C) d) Amphibian <ul style="list-style-type: none"> -Sapite cuatro ojos (NE) e) Fish <ul style="list-style-type: none"> -Pochade los Lagos (VU) -Carmelita Concepción (V) -Tollos de agua dulce (EN) -Pejerrey lino (VU) -Bagre grande (VU) -Bagre chico (VU) -Lamprea de los Lagos (VU) -Bagre chico (VU) <p>Notable species</p> <ul style="list-style-type: none"> -Cordillera Cypress -Copihue (Protected by decree No. 129/1971 modified by decree No. 121/1985) -Big catfish -Litre (Protected by decree No. 366) -Bollén (Protected by decree No. 366) <p>Glossary</p> <ul style="list-style-type: none"> CR = Critically Endangered DE = Endangered EN = Insufficiently known EW = In danger EX = Extinct in the wild EX = Extinct 	<p>Fauna</p> <ul style="list-style-type: none"> a) Mammals <ul style="list-style-type: none"> -Pudú (VU) b) Birds <ul style="list-style-type: none"> -Rufous-legged owl (VU) -Red shoveler (LC) -Spectacled duck (NT) -Southern American painted snipe (NT) -Chilean pigeon (NT) -Huet-Huet tapaculo (C) -Black-faced ibis (LC) c) Reptiles <ul style="list-style-type: none"> -Jewel lizard (C) d) Amphibian <ul style="list-style-type: none"> -Sapite cuatro ojos (NE) e) Fish <ul style="list-style-type: none"> -Pochade los Lagos (VU) -Carmelita Concepción (V) -Tollos de agua dulce (EN) -Pejerrey lino (VU) -Bagre grande (VU) -Bagre chico (VU) -Lamprea de los Lagos (VU) -Bagre chico (VU) <p>Endemic species</p> <ul style="list-style-type: none"> a) Trees <ul style="list-style-type: none"> -Lleuque -Guindo Santo -Lingüe -Lleuque -Corcón -Bollén b) Ferns <ul style="list-style-type: none"> -Pali Negro (Adiantum scabrum) c) Liana <ul style="list-style-type: none"> -Copihue <p>Fauna</p> <ul style="list-style-type: none"> a) Reptiles <ul style="list-style-type: none"> -Lagartija b) Fish <ul style="list-style-type: none"> -Freshwater Tollo -Pochade los Lagos -Carmelita Concepción -Chilean silverside -Bagre grande <p>Native forest cadastre</p> <ul style="list-style-type: none"> -Dense Mature forest 0.05% -Open Secondary Forest 0.69% -Dense Secondary forest 3.02% -Semi-dense Secondary forest 8.13% -Dense Secondary 0.18% -Semi-dense Secondary 0.10%
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AREA OF POTENTIAL VALUE FOR BIODIVERSITY - LA MINA

GENERAL FACTS
 Region: Maule
 Communes: San Clemente
 Property surface: 689.6 hectares
 Surface area of potential value for biodiversity:
 37.28 ha. Not fit
 13.34 ha. Poor
 314.77 ha. Fair
 219.71 ha. Good
 104.51 ha. Excellent

GENERAL REMARKS
 In this area it is possible to observe the altitudinal transition of the native vegetation of Maule Region. In the lower areas the presence of forests dominated by Oak, Rauli and Colihue stands out, which as the altitude and slope increases, mix with the Cordillera Cypress. In high altitude areas, it is possible to observe the gradual disappearance of forests to make way for high Andean shrub and herbaceous formations. This transition or ecotone produces a diversity of habitat for fauna, which results in greater specific wealth, where the presence of charismatic species and in a conservation category such as the Condor and Trichahue stands out, while in Maule river waters that cross the property, it is possible to find fish fauna at risk of extinction such as the Chilean Silverside and the Bagre chico.

CONSERVATION TARGETS

Compositional biodiversity

Structural biodiversity

Species in conservation category

<p>Flora</p> <ul style="list-style-type: none"> a) Trees <ul style="list-style-type: none"> -Cordillera Cypress (NT) -Canelo (LC) -Huab (NT) -Lingüe (LC) -Frangel (NT) b) Herbaceous <ul style="list-style-type: none"> -Doradillo (LC) c) Ferns <ul style="list-style-type: none"> -Palo negro (LC) -Quilicil (LC) <p>Notable species</p> <ul style="list-style-type: none"> -Cordillera Cypress -Huab <p>Glossary</p> <ul style="list-style-type: none"> CR = Critically Endangered DE = Insufficiently known EN = In danger EW = Extinct in the wild EX = Extinct 	<p>Fauna</p> <ul style="list-style-type: none"> a) Mammals <ul style="list-style-type: none"> -Long haired field mouse (LC) -Zorro culpeo (LC) b) Birds <ul style="list-style-type: none"> -Black-faced ibis (LC) -Andean Condor (VU) -Slender-billed Parakeet (LC) -Torrent duck (NT) -Chilean pigeon (LC) -Burrowing Parakeet (VU) -White-throated Hawk (R) -Magellanic Woodpecker (EN) c) Reptiles <ul style="list-style-type: none"> -Chilean lizard (LC) -Jewel lizard (LC) d) Fish <ul style="list-style-type: none"> -Chilean silverside (V) -Bagre chico (VU) -Freswaters Tollo (EN) <p>Endemic species</p> <ul style="list-style-type: none"> a) Trees <ul style="list-style-type: none"> -Cordillera Cypress <p>Fauna</p> <ul style="list-style-type: none"> a) Reptiles <ul style="list-style-type: none"> -Jewel Lizard b) Fish <ul style="list-style-type: none"> -Chilean silverside -Bagre chico c) Birds <ul style="list-style-type: none"> -Slender-billed Parakeet <p>Native forest cadastre</p> <ul style="list-style-type: none"> -Semi-dense Secondary 52,11%
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Fichas de Biodiversidad

AREA OF POTENTIAL VALUE FOR BIODIVERSITY - RUCUE

GENERAL FACTS
 Region: Biobío
 Communes: Quilacay, Tucapel, Antuco
 Property surface: 710.91 hectares
 Surface area of potential value for biodiversity: 25.11 ha. Not fit 3.27 ha. Poor 508.36 ha. Fair 169.78 ha. Good 4.39 ha. Excellent

GENERAL REMARKS
 Rucue power plant is located in Biobío region, next to the Laja river, an endemic fish habitat with a greatly diminished population such as the freshwater Tollo, and also for some very limited habitat such as the Carmelita de Concepción. It also shelters birds in conservation category such as the Black-necked Swan or the Andean Gull and amphibians in danger of extinction such as Darwin's Little Frog. As a highlight, this property includes a relevant part of the Quillaibu stream creek that is home to tree species contemplated in Law 20,283, which could constitute the Native Preservation Forest, such as the Guindo santo and the Naranjillo.

CONSERVATION TARGETS

Compositional biodiversity: **DARWIN'S FROG**, **NARANJILLO**, **FRESHWATER TOLLO**

Structural biodiversity: **DARWIN'S FROG**, **NARANJILLO**, **FRESHWATER TOLLO**

Species in conservation category

Flora	Fauna	Fish
a) Trees -Cordillera Cypress (NT) -Naranjillo (VU) -Guindo santo (VU)	a) Mammals -Long haired field mouse (LC) b) Birds -Chilean pigeon (LC) -Rufous-legged Owl (NT) -Andean Gull (R) -Black-necked Swan (EN) -Osprey (VU) c) Amphibian -Sapito de cuatro ojos (R) -Ranita de Darwin (R) -Ranita de antitaz (R)	-Freshwater Tollo (EN) -Chilean silverside (NT) -Puye (VU) -Carmelita de Concepción (EN) -Pochade Los Lagos (VU) -Bagre chico (VU)

Endemic species

Flora	Fauna
a) Trees -Naranjillo -Guindo santo -Quillaibu b) Herbaceous -Menta de árbol	a) Fish -Freshwater Tollo -Pochade Los Lagos -Carmelita de Concepción -Chilean silverside

Notable species

Flora	Fauna
-Cordillera Cypress -Naranjillo -Quillaibu (Protected by decree N°366 / 1944 modified by decree N°2250 / 1955)	-Freshwater Tollo -Pochade Los Lagos -Carmelita de Concepción -Chilean silverside

Forest Floor

- Coihue and Lingue Mediterranean deciduous forest 76.4%
- Andean temperate deciduous forest of Rauli and Palo Santo (Dasyphyllum diacanthoides) 23.64%

Forests types

- Sclerophyllous 12.12%
- Roble - Rauli - Coihue 19.5%

Native forest cadastre

- Open Mature Secondary forest 0.01%
- Dense Mature Secondary forest 0.21%
- Semi-dense Mature fores 0.07%
- Open Secondary forest 8.8%
- Dense secondary fores 8.03%
- Open Secondary forest 5.53%
- Semi-dense Secondary forest 8.98%

Glossary
 CR = Critically Endangered
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 EN = In danger
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 EX = Extinct
 FP = Out of danger
 IC = Insufficiently known
 LC = Least concern
 NT = Almost threatened
 R = Rare
 VU = Vulnerable

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AREA OF POTENTIAL VALUE FOR BIODIVERSITY - COLBUN COMPLEX

GENERAL FACTS
 Region: Maule
 Communes: Colbun, Yerbos Buenas, San Clemente
 Property surface: 3,980.87 hectares
 Surface area of potential value for biodiversity: 28.87 ha. Not fit 3,433.23 ha. Poor 418.94 ha. Fair 89.01 ha. Good 10.82 ha. Excellent

GENERAL REMARKS
 The area of this power plant has presence of heterogeneous floristic components, with few remnants of native vegetation, mainly composed of temperate and sclerophyllous elements. The presence of Hualo forests stands out and it is also possible to observe typical species of the interior Mediterranean forest, thorny interior Mediterranean and the Andean Mediterranean. Among the fauna elements of interest, we can mention the presence of the Andean Gull, Torrent Duck, the Chilean Flamingo and the Magellanic Woodpecker.

CONSERVATION TARGETS

Compositional biodiversity: **HUALO**, **MAGELLANIC WOODPECKER**, **CANELO**

Structural biodiversity: **HUALO**, **MAGELLANIC WOODPECKER**, **CANELO**

Species in conservation category

Flora	Fauna	Fish
a) Trees -Canelo (LC) -Hualo (NT) -Lingue (LC)	a) Mammals -Culpeo fox (LC) b) Birds -Cocoi Heron (LC) -White-throated Hawk (R) -Magellanic Woodpecker (EN) -Andean Gull (R) -Burrowing Parakeet (VU) -Torrent Duck (NT) -Chilean pigeon (LC) -Chilean Flamingo (R) -Chucazo Tapacayo (LC) -Spectacled Duck (NT) -Rufous-legged Owl (NT)	-Chilean silverside (LC) -Pochade Los Lagos (VU) -Peca tucha (LC) -Bagre chico (VU)

Endemic species

Flora	Fauna
-Coihue -Escobillo -Roble-Hualo -Roble-Rauli-Coihue	a) Fish -Pochade Los Lagos

Notable species

Flora	Fauna
-Hualo -Pingo-pingo -Litre (Protected by decree N°366 / 1944) -Bordo (Protected by decree N°366 / 1944) -Quillaibu (Protected by decree N°366 / 1944 modified by decree N°2250 / 1955)*	-Chilean Flamingo (R) -M ayú

Forest Floor

- Inland Mediterranean thorny forest of Hawthorn and Litre 4.91%
- Litre and Peumo inland Mediterranean sclerophyllous forest 12.34%
- Litre and Radal Andean Mediterranean sclerophyllous forest 14.14%
- Coihue and Algarrobo inland Mediterranean deciduous forest 2.14%
- Hualo and Coihue Andean Mediterranean deciduous forest 5.1

Forests types

- Coihue - Roble 0.6%
- Escobillo 3.3%
- Roble-Hualo 0.6%
- Roble-Rauli-Coihue 0.7%

Native forest cadastre

- Dense Mature forest 0.06%
- Open Secondary forest 0.15%
- Dense Secondary forest 0.95%
- Semi-dense Secondary forest 3.06%

Glossary
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 EX = Extinct
 FP = Out of danger
 IC = Insufficiently known
 LC = Least concern
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 VU = Vulnerable

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AREA OF POTENTIAL VALUE FOR BIODIVERSITY - SAN PEDRO

GENERAL FACTS
 Region: Los Ríos
 Communes: Los Lagos, Panguipulli
 Property surface: 186.3 hectares
 Surface area of potential value for biodiversity:
 35.44 ha. Not fit
 0.27 ha. Poor
 68.61 ha. Fair
 74.98 ha. Good
 7 ha. Excellent

GENERAL REMARKS
 San Pedro power plant is located between patches of Coihue and laurel forest formations. Undoubtedly, its main attribute is the presence of the San Pedro River, suitable environments for native fish species that are seriously threatened, such as Freshwater Tollo de agua dulce and the Chilean Silversided. Among the terrestrial species of interest, mammals such as the Puma, the Güña and the Pudú or amphibians such as the Red Toad, the Banded wood Frog, the Gray Wood Frog and the Coico Toad stand out.

CONSERVATION TARGETS

Compositional biodiversity

Species in conservation category

GUÑA **PUDÚ** **COPHUE**

Forest Floor
 -Coihue and Ulmo interior temperate laurel forest 100%

Forest types
 -Roble Raül Cehue 20,3%
 -Sempervirente 16,4%

Native forest cadastre
 -Open Mature Secondary forest 7.30%
 -Dense Mature Secondary forest 6.84%
 -Semi-dense Mature Secondary forest 5.83%
 -Dense Mature forest 3.02%
 -Open Secondary forest 0.81%
 -Dense Secondary forest 11.87%
 -Semi-dense Secondary 1.27%

Fauna

a) Mammals
 -Long haired field mouse (LC)
 -Chinguecomún (LC)
 -Ratarabórea (LC)
 -Puma (R)
 -Zorrochil (LC)
 -Coipo (LC)
 -Montecolmón (NT)
 -Güña (VU)
 -Pudú (VU)

b) Birds
 -Rufous-tailed Hawk (R)
 -Chuco tapaculo (LC)
 -Rufous-legged Owl (NT)
 -Black-faced ibis (LC)
 -Chilean pigeon (LC)
 -Slender-billed parakeet (LC)

c) Reptiles
 -Lagarto de vientre azul (LC)
 -Lagarto esbelto (LC)

d) Amphibians
 -Rana moteada (LC)
 -Sapo común (Eupsophus roseus) (VU)
 -Sapo de cuatro (VU)
 -Rana de antifaz (NT)

e) Fish
 -Puyo (Galaxias maculatus) (LC)
 -Puyo grande (LC)
 -Pechilá (A. taeniatus) (EN)
 -Puyo (Brachygalaxias bullocki) (VU)
 -Puyo (Galaxias platei) (LC)
 -Carmelita (EN)
 -Perca Trucha (LC)
 -Pejerrey chileno (VU)
 -Bagreco (NT)
 -Cauque (VU)
 -Tollo de agua dulce (EN)
 -Pochá del sur (VU)
 -Lamprea de bolsa (VU)

Endemic species

Singular species
 -Pilpilvúo
 -Quilmy
 -Avelha
 -Naba
 -Coihue (Protected by decree N°129 / 1971 modified by decree N° 121/1985)
 -Coguilha
 -Tapa
 -Palmeño
 -Palmá
 -Botelái
 -Cohue
 -Roble

Glossary
 CR = Critically Endangered
 DE = Insufficient data
 EN = In danger
 EW = Extinct in the wild
 EX = Extinct
 FP = Out of danger
 IC = Insufficiently known
 LC = Least concern
 NT = Almost threatened
 R = Rare
 VU = Vulnerable

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AREA OF POTENTIAL VALUE FOR BIODIVERSITY - ACONCAGUA COMPLEX

GENERAL FACTS
 Region: Valparaíso
 Communes: Los Andes, San Esteban
 Property surface: 338.31 hectares
 Surface area of potential value for biodiversity:
 163.42 ha. No aptitude
 65.73 ha. Poor
 107.56 ha. Fair
 1.6 ha. Good

GENERAL REMARKS
 In Aconcagua complex it is possible to observe the altitudinal progression of the vegetation, starting in its lowest areas with remnants of Mediterranean Andean sclerophyllous forest, to scrub and Andean Mediterranean grasslands characteristic of the phytogeographic elements of Central Andes. The presence of species in conservation category such as the Guayacán, the Condor and the Andean Gull stands out.

CONSERVATION TARGETS

Compositional biodiversity

Species in conservation category

GUAYACÁN **LAGARTO NITIDO** **CÓNDOR**

Forest Floor
 -Low Andean Mediterranean scrub of white grass and Chilca 10.94%
 -Mediterranean grassland of Nastanto and Menonvillea spathulata 0.06%
 -Inland Mediterranean thorny scrub of Tralhuén and Colliguay 55.53%
 -Frangel and Guindilla Mediterranean Andean sclerophyllous forest 32.12%
 -Low Andean Mediterranean scrub of Liareta and Grape of mountain range 1.22%

Forest types
 -Sclerophyllous 18.20%
 -Not applicable * 43.38%
 * The percentage assigned to the "Not applicable" typology included in Forest Types indicates the non-existence of a Forest type surface, not ruling out the presence of Meadows or Thickets.

Native forest cadastre
 -Open Secondary forest 13.54%
 -Dense Secondary forest 0.01%
 -Wide open Secondary forest 1.92%
 -Semi-dense Secondary forest 2.73%
 -Open scrub 11.00%
 -Open arborescent scrub 7.75%
 -Dense arborescent scrub 0.41%
 -Wide open arborescent scrub 7.89%
 -Semi-dense arborescent scrub 5.72%
 -Open succulent scrub 0.11%
 -Wide open succulent scrub 1.99%
 -Dense scrub 2.01%
 -Wide open scrub 1.16%
 -Semi-dense scrub 5.33%

Fauna

a) Mammals
 -Culpeo fox (LC)
 -Chilla fox (LC)

b) Birds
 -White throated hawk (R)
 -Andean gull (R)
 -Peregrine Falcon (LC)
 -Chilean pigeon (LC)
 -Andean Condor (V)

c) Reptiles
 -Lagarto maniscato (LC)
 -Lagarto tido (NT)
 -Lagarto esbelto (LC)

d) Amphibians
 -Sapito cuatroojos (LC)

Endemic species

Singular species
 Quillay (Protected by decree N°366 / 1944 modified by decree N°2250 / 1955)
 Yerba de platero
 Guayacán (Protected by decree N°366 / 1944)

Glossary
 CR = Critically Endangered
 DE = Insufficient data
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 EW = Extinct in the wild
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 FP = Out of danger
 IC = Insufficiently known
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Environment

(GRI 302-1, 302-2, 303-3)

Fichas de Biodiversidad

AREA OF POTENTIAL VALUE FOR BIODIVERSITY - NEHUENCO



GENERAL FACTS
 Region: Valparaíso
 Communes: Quinta, Limache
 Property Surface: 68.53 hectares
 Surface area of potential value for biodiversity:
 11.26 ha. Not fit
 1.97 ha. Poor
 52.68 ha. Fair
 2.62 ha. Good

GENERAL REMARKS
 This power plant is located in the sclerophyllous ecoregion, characteristic of central Chile, with riparian intrusions due to its proximity to the Aconcagua river; it possesses remnants of sclerophyllous forest and scrub. It is located in one of the most important ecosystems for national biological conservation. The presence of Northern Belloto stands out, a tree species protected by Law 20,283.

CONSERVATION TARGETS

- CHILLA FOX
- BOIDO
- NORTHERN BELLOTO

Compositional biodiversity

Species in conservation category

Flora	Fauna
a) Trees - Northern Belloto (Acorn) (V)	a) Mammals - Chilla Fox (LC)

Notable species

- Bolido (Protected by decree N°366 / 1944)
- Quillay (Protected by decree N°366 / 1944 modified by decree No. 2250/1955)

Endemic species

Flora	Fauna
a) Trees - Boído - Northern Belloto	Endemic fauna does not appear in this area

Structural biodiversity

Forest floor

- Litre and Peumo Mediterranean coastal sclerophyllous forest 100%

Forest types

- Sclerophilic 1.08%
- Not applicable* 51.78%

* The percentage assigned to the "Not applicable" typology included in Forest Types indicates the non-existence of a Forest type surface, not ruling out the presence of Meadows or Thickets.

Native forest cadastre

- Wide open Secondary forest 1.01%
- Semi-dense Secondary forest 0.07%
- Open arborescent scrub 22.56%
- Semi-dense arborescent scrub 29.22%

Glossary

CR = Critically Endangered	FP = Out of danger	R = Rare
DE = Insufficient data	IC = Insufficiently known	VU = Vulnerable
EN = In danger	LC = Least concern	
EW = Extinct in the wild	NT = Almost threatened	
EX = Extinct		

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AREA OF POTENTIAL VALUE FOR BIODIVERSITY - CARENA



GENERAL FACTS
 Region: Metropolitana
 Communes: Curacaví, Mapu
 Property Surface: 146.11 hectares
 Surface area of potential value for biodiversity:
 8.52 ha. Not fit
 98.49 ha. Poor
 39.1ha. Fair

GENERAL REMARKS
 Carena power plant is located in the sclerophyllous ecoregion of central Chile, this area is considered to have one of the highest endemism of vascular plants in the country, and at the same time, has few areas with official protection, therefore any conservation effort is a great contribution to national biodiversity. This power plant has tree species, in its enclosure, contemplated in Law 20,283 as part of the Native Preservation Forest.

CONSERVATION TARGETS

- PEREGRINE FALCON
- QUILLAY
- GUAYACAN

Compositional biodiversity

Species in conservation category

Flora	Fauna
a) Trees - Algarrobo (VU) - Guayacán (V)	a) Mammals - Culpeo Fox (LC) - Chilla Fox (LC)
b) Cactaceae - Quilay (V)	b) Birds - Peregrine Falcon (LC)
c) Herbaceous - Puya (LC)	c) Reptiles - Lagartija lemniscata (LC) - Lagartija amarilla (LC) - Lagarto oscuro (LC)
d) Shrubbery - Cola de caballo (LC)	

Notable species

- Yerba del Platero
- Quillay (Protected by decree N°366 / 1944 modified by decree N°2250 / 1955)
- Litre (Protected by decree N°366 / 1944)

Endemic species

Flora	Fauna
a) Trees - Quillay - Litre	a) Birds - Chilean Tinamou
b) Shrubbery - Cola de caballo	b) Reptiles - Lagartija amarilla - Lagarto oscuro
c) Herbaceous - Puya	

Structural biodiversity

Forest floors

- Litre and Radal Andean Mediterranean Sclerophyllous Forest 32.9%
- Peumo and Bolido Mediterranean coastal sclerophilic forest 62.85%
- Inland Mediterranean thorny forest of Espinos and Algarrobo 4.23%

Forest types

- Sclerophyllous 21.11%
- Not applicable* 53.82%

* The percentage assigned to the "Not applicable" typology included in Forest Types indicates the non-existence of a Forest type surface, not ruling out the presence of Meadows or Thickets.

Native forest cadastre

- Semi-dense Mature Secondary forest 0.02%
- Open Secondary forest 18.08%
- Semi-dense Secondary forest 3%
- Open scrub 15.81%
- Open arborescent scrub 9.23%
- Wide open scrub 0.56%
- Semi-dense scrub 1.54%
- Plantations 26.68%

Glossary

CR = Critically Endangered	FP = Out of danger	R = Rare
DE = Insufficient data	IC = Insufficiently known	VU = Vulnerable
EN = In danger	LC = Least concern	
EW = Extinct in the wild	NT = Almost threatened	
EX = Extinct		

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Environment

(GRI 302-1, 302-2, 303-3)

Fichas de Biodiversidad

AREA OF POTENTIAL VALUE FOR BIODIVERSITY - LOS PINOS



GENERAL FACTS
 Region: Biobío
 Communes: Cabraón
 Property Surface: 47.72 hectares
 Surface area of potential value for biodiversity:
 7.11 ha. Not fit
 27.28 ha. Poor
 13.27 ha. Fair
 0.06 ha. Excellent

GENERAL REMARKS
 Los Pinos power plant is located in the transition of the intermediate depression and the foothills of Biobío region that conserves remnants of native vegetation. This is a region strongly impacted by agricultural and forestry uses. Its spatial configuration and orientation make it a natural biological corridor for altitudinal migratory species.

CONSERVATION TARGETS



Compositional biodiversity

Species in conservation category

- Flora**
- a) Trees
 - Lingue (LC)
 - Olivillo (LC)
 - b) Herbaceous
 - Menta de Copihue (LC)
 - c) Ferns
 - Costilla vaca (LC)
 - Quilay (E)
 - Wiel-wien (LC)
 - Yerba de la adianto (LC)
 - Yerba brava (E)
 - Palto negro (Adiantum chilense) (LC)
 - d) Cactaceae
 - Yerba del guanaco (NT)

- Fauna**
- a) Mammals
 - Long haired field Mouse (LC)
 - Guña (VU)
 - b) Birds
 - Chilean pigeon (LC)
 - Chucao tapaculo (LC)
 - Huet-huet tapaculo (LC)
 - c) Reptiles
 - Valdivian lizard (E)
 - d) Amphibians
 - Sapichu cuatro ojos (NT)

- Notable species**
- Chilean hazelnut
 - Copihue (Protected by Decree N°129 / 1971 modified by decree N°121 / 1985)
 - Olivillo (Protected by decree N°366 / 1944)

- Endemic species**
- Flora**
 - a) Herbaceous
 - Mentade arcto
 - b) Lianas
 - Copihue
 - Fauna**
 - a) Birds
 - Chucao Tapaculo

Glossary
 CR = Critically Endangered
 DE = Insufficient data
 EN = In danger
 EW = Extinct in the wild
 EX = Extinct

FP = Out of danger
 IC = Insufficiently known
 LC = Least concern
 NT = Almost threatened

R = Rare
 VU = Vulnerable

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AREA OF POTENTIAL VALUE FOR BIODIVERSITY - SAN CLEMENTE



GENERAL FACTS
 Region: Maule
 Communes: San Clemente
 Property surface: 14.86 hectares
 Surface area of potential value for biodiversity:
 3.51 ha. Not fit
 0.69 ha. Poor
 9.89 ha. Fair
 0.77 ha. Good

GENERAL REMARKS
 Pre-Andean sector in an environment fragmented by monocultures with remnant patches of native vegetation, mainly composed by sclerophylic elements, where endemic tree and shrub species such as Quillay, Litre, Bollén and Canelo stand out, harboring endemic fauna species such as the Jewel Lizard, the Chilean Lizard, the Choroy (Slender-billed Parakeet) and the Trichahue (Burrowing Parakeet).

CONSERVATION TARGETS



Compositional biodiversity

Species in conservation category

- Flora**
- a) Trees
 - Lingue (LC)
 - Canelo (LC)
 - Frangul (E)
 - b) Ferns
 - Palto negro (Adiantum chilense) (LC)
 - Adiantum alpinum (LC)

- Fauna**
- a) Mammals
 - Culpeo fox (E)
 - Chilla fox (E)
 - Bridges's degu (LC)
 - b) Birds
 - Chilean pigeon (LC)
 - Slender-billed Parakeet (LC)
 - Burrowing Parakeet (VU)
 - c) Reptiles
 - Jewel Lizard (LC)
 - Long tailed snake (LC)
 - Weeping Lizard (LC)
 - Wreath tree iguana (LC)

- Notable species**
- Quillay (Protected by decree N°366 / 1944 modified by decree N°2250 / 1955)
 - Coihue
 - Pingo pongo
 - Litre (Protected by decree N°366 / 1944)
 - Bollén (Protected by decree N°366 / 1944)

- Endemic species**
- Flora**
 - a) Trees
 - Quilay
 - Litre
 - Bollén
 - Frangul
 - Ran
 - Corcoán
 - b) Shrubbery
 - Michay
 - c) Herbaceous**
 - Mitump
 - Tupa
 - d) Ferns**
 - Lianas

- Forest floors**
- Inner Mediterranean sclerophyllous forest of Litre and Boldo 99.95%
 - Litre and Radal Mediterranean Andean sclerophyllous forest 0.05%
- Forest types**
- Sclerophyllous 4.86%
- Native forest cadastre**
- Open Secondary forest 0.01%
 - Dense Secondary forest 4.46%
 - Semi-dense Secondary forest 0.39%

Glossary
 CR = Critically Endangered
 DE = Insufficient data
 EN = In danger
 EW = Extinct in the wild
 EX = Extinct

FP = Out of danger
 IC = Insufficiently known
 LC = Least concern
 NT = Almost threatened

R = Rare
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Environment

(GRI 302-1, 302-2, 303-3)

Fichas de Biodiversidad

AREA OF POTENTIAL VALUE FOR BIODIVERSITY - CANDELARIA



GENERAL FACTS
 Region: Libertador Bernardo O'Higgins
 Communes: Codegua, Mostazal
 Property surface: 18.36 hectares
 Surface area of potential value for biodiversity:
 5.86 ha. Not fit
 7.69 ha. Poor
 4.81 ha. Fair

GENERAL REMARKS
 Property adjacent to Codegua estuary, it has large areas of scarce vegetation, mainly primary successional shrubs and some native sclerophyllous elements. In the surroundings of this property it is possible to find the jewel lizard, an endemic species that has a conservation category.

CONSERVATION TARGETS



JEWEL LIZARD



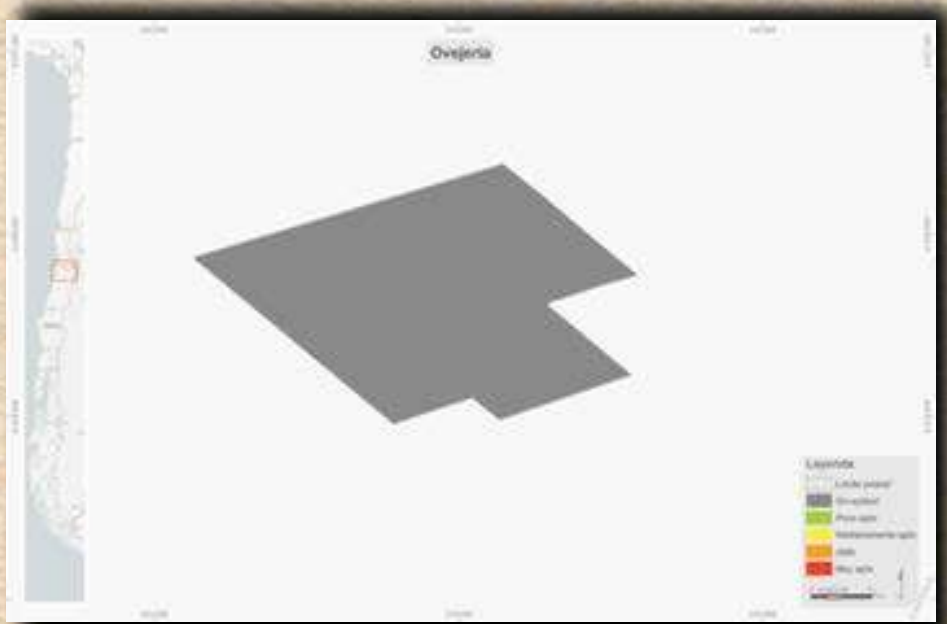
CULPEO FOX



BURROWING PARAKEET

Compositional biodiversity		Structural biodiversity	
Species in conservation category			
<p>Flora</p> <p>a) Trees - Northern Acorn tree (VU) - Algarrobo (VU)</p>	<p>Fauna</p> <p>a) Mammals - Culpeo fox (LC)</p> <p>b) Birds Burrowing parakeet (VU)</p> <p>c) Reptiles - Jewel lizard (LC) - Wreath tree iguana (LC)</p>	<p>Forest floors - Espino y Algarrobo inland Mediterranean thorny forest 97.39% - Quillay and Litr Andean Mediterranean sclerophyllous forest 2.6%</p> <p>Forest types - Sclerophyllous 29.96%</p> <p>Native fores cadastre - Wide open Secondary fores 29.92% - Semi-dense Secondary forest 0.04%</p>	
<p>Notable species</p> <p>Quillay (Protected by decree Nº366 / 1944 modified by decree Nº2250 / 1955) Algarrobo (Protected by decree Nº366 / 1944)</p>		<p>Endemic species</p> <p>Flora a) Trees - Quillay - Peumo - Northern Acorn tree</p> <p>b) Shrubbery - Lilén - Bailahuén - Corontillo</p> <p>Fauna a) Reptiles - Jewel lizard</p>	
<p>Glossary CR = Critically Endangered DE = Insufficient data EN = In danger EW = Extinct in the wild EX = Extinct</p>		<p>FP = Out of danger IC = Insufficiently known LC = Least concern NT = Almost threatened</p> <p>R = Rare VU = Vulnerable</p>	


AREA OF POTENTIAL VALUE FOR BIODIVERSITY - OVEJERIA



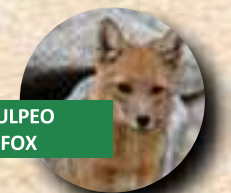
GENERAL FACTS
 Region: Metropolitana
 Communes: Til Til
 Property surface: 18.06 hectares
 Surface area of potential value for biodiversity:
 17.17 ha. Not fit
 0.27 ha. Poor
 0.62 ha. Fair

GENERAL REMARKS
 This property does not have suitable surfaces to carry out biological conservation actions or programs.


CONSERVATION TARGETS



PEREGRINE FALCON



CULPEO FOX



ALGARROBO

Compositional biodiversity		Structural biodiversity	
Species in conservation category			
<p>Flora</p> <p>a) Trees - Algarrobo (VU) - Guayacán (VU) b) Shrubbery - Verba del platero (LC) c) Cactaceae - Quisco (NT)</p>	<p>Fauna</p> <p>a) Mammals Culpeo fox (LC)</p> <p>b) Birds Peregrine fox(LC)</p> <p>c) Reptiles - Wreath tree iguana (LC) - Jewel lizard(LC)</p>	<p>Forest floors - Interior thorn bush of Espino y Algarrobo 100%</p> <p>Forest types - Sclerophyllous 93.73%</p> <p>Native forest cadastre - Open prairie scrub 93.73%</p>	
<p>Notable species</p> <p>- Algarrobo (Protected by decree Nº366 / 1944) - Guayacán (Protected by decree Nº366 / 1944)</p>		<p>Endemic species</p> <p>Flora a) Trees - Guayacán</p> <p>Fauna a) Reptiles - Jewel lizard</p>	
<p>Glossary CR = Critically Endangered DE = Insufficient data EN = In danger EW = Extinct in the wild EX = Extinct</p>		<p>FP = Out of danger IC = Insufficiently known LC = Least concern NT = Almost threatened</p> <p>R = Rare VU = Vulnerable</p>	



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Environment

Environmental Impact Assessment

(NCG 461 8.1.3)

Chile's Environmental Impact Assessment System (SEIA, <https://www.sea.gob.cl/>), administered by the Environmental Assessment Service (SEA), is a preventive environmental management tool that allows the authority to determine before a project is implemented, whether it: i) complies with current environmental legislation, and ii) addresses potential significant environmental impacts, including biodiversity, emissions, water, waste, among others.

All projects submitted by Colbun to the Environmental Assessment System can be found at the following link: [More](#) As of December 31, 2022, the Company has submitted 53 projects for environmental processing.

Please click on the links below for more details on the environmental review process for projects submitted in 2022:

- **Celda Solar Photovoltaic Project:** [More](#)
- **Junquillos Wind Project:** [More](#)

Learn more about other renewable energy projects approved in recent years that have RCAs:

- **Horizonte Wind Project:** [More](#)
- **Inti Pacha Photovoltaic Project:** [More](#)
- **Jardín Solar Photovoltaic Project:** [More](#)
- **Diego de Almagro Sur Photovoltaic Project:** [More](#)

Depending on the commitments established in the Environmental Qualification Resolution (RCA) of the power plants and projects (publicly available) and the general environmental regulatory and normative framework, there are different internal and external systems to control and monitor environmental compliance. The M-Risk tool, which is the legal compliance tool of the management system, where the environmental commitments are loaded and helps us with traceability, supporting documentation, indicating deadlines, and those responsible for each commitment. The head offices and projects are responsible for managing compliance with these commitments, while the Internal Audit Department and the Sustainability and Environment Department support and monitor this management. Externally, the Superintendency of the Environment and other environmental public services monitor compliance with all of the above through their programs and supervisory powers.



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Affordability and Energy Efficiency

Effect of external factors on the affordability of electricity for clients

(IF-EU 240.a4)

The energy supply in the National Electric System has undergone complex moments in the last years, and it is a challenge for all the actors of the system to face and overcome these scenarios. The four main factors that indicate this scenario are:

- An extreme drought.
- Limitations and congestion in the lines to transport the new renewable energy from the north to the power plant zone.
- A sharp increase in the purchase price of LNG and diesel, in the context of the recovery of world demand after COVID-19.
- Delay in the entry of new renewable energy projects in our country due to the impact of the pandemic on the logistics supply chain.

In this context, and without prejudice to the efforts being promoted and coordinated by the authority at the level of the National Electric System to avoid possible rationing, Colbun has an emergency plan that provides for several actions, such as:

- Reinforcement of the diesel supply chain.
- Securing Liquefied Natural Gas (LNG) supply.
- Reinforcement of the diesel supply chain. Securing Liquefied Natural Gas (LNG) supply. Adjusting the maintenance program of one of the power generation units, maintaining the Company's high safety levels. Overall, during 2022 Colbun had a sufficient level of generation to fully meet its electricity supply commitments.

RATES FOR CLIENTS

IF-EU-240a.1	CLIENTS		
	Residential	Commercial	Industrial
Retail power rate	N/A As a generating company we do not have residential customers.	Not disclosed. The contract price with free customers is confidential and cannot be disclosed.	Not disclosed. The contract price with free customers is confidential and cannot be disclosed.

RESIDENTIAL CUSTOMER BILLING

IF-EU-240a.2	500 Kwh	1000 kwh
Factura mensual promedio de clientes residenciales	N/A As a generating company we do not have residential customers.	N/A As a generating company we do not have residential customers.

CUT-OFF OF SUPPLY TO RESIDENTIAL CLIENTS

IF-EU-240a.3	Corte de suministro por no pago	% conectado antes de 30 días
Residential Clients	N/A As a generating company we do not have residential customers.	N/A As a generating company we do not have residential customers.

TARIFF STRUCTURE

IF-EU-420a.1	Desacoplada	LRAM
% of revenues	N/A. U.S. regulation.	N/A. U.S. regulation.

ENERGY SUPPLIED WITH SMART GRID

IIF-EU-420a.2	(%/MWh)
% of electric charge	Not applicable. Colbun does not have transmission networks that supply clients (neither in Chile nor in Peru).

LENGTH OF TRANSMISSION LINES (SASB: IF-EU-000.C)

Colbun currently has 3 km of transmission lines, associated with the connection of the Diego de Almagro Photovoltaic Power Plant.

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Affordability and Energy Efficiency

CLIENT ENERGY EFFICIENCY

ISASB: IF-EU-420a.3	Clients		
	Residential	Commercial	Industrial
Electricity savings from efficiency measures in MWh	N/A. We do not have residential clients	The Company offers energy efficiency solutions through Colbun Soluciones by Efizity. For commercial customers, we offer consumption monitoring and control projects, where savings from 3% to 7% can be seen in those branches where such projects are implemented.	The Company offers energy efficiency solutions through Colbun Soluciones by Efizity. For industrial customers, it offers the implementation of Energy Management Systems (EMS) based on ISO 50.001. On average, companies that implement EMS achieve 4.5% savings in their energy consumption in the first cycle of operation of the system.

CLIENT SATISFACTION

Client Satisfaction	Unidad	2018	2019	2020	2021	2022
Client Satisfaction Chile	% of satisfied clients	90%	88%	92%	95%	93%
Client Coverage Chile	% clients	100%	100%	100%	94%	94%
Client Satisfaction Peru	% of satisfied clients	100%	96%	95%	100%	100%
Client Coverage Peru	% clients	100%	100%	100%	100%	100%
Client Satisfaction Consolidated	% of satisfied clients	91%	89%	92%	96%	93,7%
Client Coverage Consolidated	% clients	100%	100%	100%	94%	95%

Note: This refers to the favorable responses to the statement "I am satisfied with the service provided by this company", included in the Annual Customer Survey. Regarding the use of Colbun's online platforms or services, based on the Annual Customer Survey, 44% indicated that they accessed them.

NUMBER OF CLIENTS SUPPLIED

IF-EU-000.A	Chile	Peru	Total
No. of generation clients	314	40	0
No. of residential clients	0	0	69
No. of commercial clients	51	10	278
No. of industrial clients served	255	23	347

EFFICIENCY IN COLBUN THERMAL POWER PLANTS IN CHILE (%) (EU 11)

Power Plant	Energy source	Energy Efficiency	Age of Power Plants
Nehuenco 1	LNG	54.2%	23
Nehuenco 2	LNG	54.2%	19
Candelaria 1	LNG	28.2%	17
Candelaria 1	DIE	29.0%	17
Candelaria 2	LNG	28.3%	17
Candelaria 2	DIE	29.0%	17
Los Pinos	DIE	39.9%	14
Santa María	CRB	36.6%	11

MATERIALS USED BY WEIGHT OR VOLUME IN CHILE (301-1)

Material	Unit	2019	2020	2021	2022	% increase/decrease over previous year
Diesel	Million m3	0.020	0.021	0.088	0.063	-28%
Natural Gas	Million m3	846	781	799.242	1049.907	31%
Coal	Million tons	707	796	924.948	885.743	-4%

ENERGY SUPPLIED (MWh)

IF-EU000.B	Chile	Peru	Total
Residential clients	0	0	0
Commercial clients	538.633	69.811,50	11.958.932
Industrial clients	8.936.408	241.128,58	241.128,58
Other retail clients	0	0	2.032.839,99
Wholesales clients	2.414.080	2.032.839,99	14.232.901

EFFICIENCY IN COLBUN THERMAL POWER PLANTS IN PERU (%) (EU 11)

Power Plant	Energy source	Energy Efficiency	Age of Power Plants
Fenix	LNG	57.4%	9

MATERIALS USED BY WEIGHT OR VOLUME IN PERU (301-1)

Material	Unit	2019	2020	2021	2022	% aumento/disminución respecto al año anterior
Diesel	Million m3	0.0004	0.0022	0.0042	0.000025	-99%
Natural Gas	Million m3	670	508	608	769	26%

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Letter of Verification Integrated Annual Report





INDEPENDENT PROFESSIONAL'S LIMITED ASSURANCE REPORT ON THE IDENTIFIED SUSTAINABILITY INFORMATION REPORTED IN THE INTEGRATED ANNUAL REPORT OF COLBUN S.A.

Santiago, April 18, 2023

Dear Shareholders and Directors
Colbun S.A.


Scope
We have performed a limited assurance engagement on the following sustainability information of Colbun S.A. for the year ended December 31, 2022, to be included in its Integrated Report 2022 (Identified Sustainability Information). Integrated Report 2022 (Identified Sustainability Information). This engagement was performed by a multidisciplinary team including assurance professionals and specialized engineers.

Identified Sustainability Information
The Sustainability Information identified and verified in the Integrated Report for the year ended December 31, 2022, is disclosed in the Index "06 - General Information", Section 6.5 "Reporting Standards Indicators", items:
- Index of indicators of the Global Reporting Initiative (GRI), from pages 150 to 153.
- Index of NCG No. 461 CMF Standard Indicators, page 154
- Sustainability Accounting Standards Board (SASB) Index, page 155
- Index of the World Economic Forum (WEF), page 156
Our review was limited to the information reported in the Integrated Annual Report for the year ended December 31, 2022, and we have not performed any procedures regarding prior periods or any other items included in the Integrated Annual Report, and, accordingly, we express no conclusions on such matters.

Criteria
The criteria used by Colbun S.A. to prepare the Disclosed Sustainability Information are set forth in Index "06 - General Information" in Section "6.1 About this Integrated Report" on page 141 of the Integrated Report 2022 (hereinafter "the Criteria"), which take into account the following norms and standards General Rule No. 461 of the Financial Markets Commission (CMF), the standards of the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB) and the recommendations of the World Economic Forum (WEF).

Santiago, April 18, 2023
Colbun S.A.
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Responsibility of Colbun S.A. for the sustainability information identified
Colbun S.A. Management is responsible for the preparation and presentation of the Sustainability Information by the established criteria. This responsibility includes designing, implementing, and maintaining relevant internal control so that the preparation of the reported sustainability information is free from material misstatement, whether due to fraud or error.



Inherent limitations
The lack of a significant body of established standards on which to base the valuation and measurement of non-financial information allows for the use of different, but acceptable, standards, measures, and measurement techniques, which may affect comparability between companies. The quantification of greenhouse gas emissions is subject to inherent uncertainty due to the incomplete scientific knowledge used to determine emission factors and the values needed to combine emissions of different gases.


Independence and Quality Control
We have conducted our work by the independence standards and international ethical requirements of the Code of Ethics for Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which is based on the fundamental principles of integrity, objectivity, professional competence, and due care, confidentiality, and professional conduct. Our firm maintains a robust system of quality control that includes documented policies and procedures for compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Auditor's Responsibility
Our review was conducted by the International Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000) and the International Auditing and Assurance Standards Board's (IAASB) Assurance Engagements on Greenhouse Gas Emissions (ISAE 3410). Those standards require that we plan and perform the review to obtain limited assurance about whether the identified sustainability information presented in the Integrated Annual Report should be materially modified so that it is free from material misstatement.

Santiago, April 18, 2023
Colbun S.A.
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A limited assurance engagement involves assessing the appropriateness in the circumstances of Colbun S.A.'s use of the criteria as a basis for the preparation of the identified sustainability information reported in the Integrated Report, assessing the risks of material misstatement of such indicators whether due to fraud or error, responding to assessed risks as necessary in the circumstances, and evaluating the overall presentation of the identified sustainability information. A limited assurance engagement is significantly narrower in scope than a reasonable assurance engagement, both in terms of the risk assessment procedures, including an understanding of internal control and information systems, and the procedures performed in response to the identified risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of procedures performed, an inspection of documents, analytical procedures, evaluation of the appropriateness of quantification methods and reporting policies, and reconciliation of underlying records.



In performing the procedures described above, we considered the following, considering the circumstances of the engagement:

- Conducting inquiries of those responsible for the sustainability information identified;
- Understanding the process for collecting and reporting the identified sustainability information;
- Performing limited substantive procedures based on the identified sustainability information to verify that the data has been appropriately measured, recorded, compiled and reported and is consistent with its supporting documentation and/or has been obtained from sources that have verifiable support;
- Verify that the financial information included as part of the sustainability information is derived from either accounting records or financial statements audited by an independent public accounting firm as of December 31, 2022.

The procedures performed in a limited assurance engagement vary in nature and time and are less extensive than those performed in a reasonable assurance engagement. Accordingly, the level of assurance obtained on a limited assurance engagement is substantially less than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion on whether the identified sustainability information reported in the Integrated Annual Report of Colbun S.A. has been prepared, in all material respects, by the criteria applied.

Santiago, April 18, 2023
Colbun S.A.
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Conclusion
Based on the procedures we performed and the evidence we obtained, nothing has come to the attention that causes us to believe that the Identified Sustainability Information reported in the Integrated Annual Report of Colbun S.A. for the year ended December 31, 2022, is not prepared, in all material respects, by the criteria applied.

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Carbon Footprint Verification Letter



Informe Aseguramiento Independiente

Hemos sido contratados por la Administración de Colbún S.A. (en adelante, la "Compañía"), para informar y entregar una conclusión de seguridad limitada independiente con respecto a si la evaluación del Cálculo de la Huella de Carbono corporativa está en cumplimiento con los siguientes estándares: Corporate Accounting and Reporting Standard – Revised Edition del GHG Protocol, los documentos del IPCC Guidelines for National Greenhouse Gas Inventories (2006) y la Norma ISO 14064 Gases Efecto Invernadero en todos sus aspectos significativos bajo ISAE 3410 (en adelante "el Informe") para el año terminado el 31 de diciembre de 2022 (el "Trabajo de Aseguramiento").

Los indicadores Cálculo de Huella de Carbono cubiertos por este Trabajo de Aseguramiento limitado son:

Alcances asegurados	Unidad	Valor
Alcance 1	t CO _{2eq}	5.847.489
Alcance 2	t CO _{2eq}	7.003
Alcance 3	t CO _{2eq}	29.484
Total	t CO _{2eq}	5.883.976

Responsabilidades de Colbún S.A.

Colbún S.A. confirma que la parte responsable por el Cálculo de Huella de Carbono corporativa y el medidor o evaluador de la información de dicho informe es la Unidad de Cambio Climático, de la Gerencia de Medio Ambiente.

Nuestro trabajo se ha realizado sobre la base de que Colbún S.A. reconoce y entiende que la Unidad de Cambio Climático, de la Gerencia de Medio Ambiente, es responsable de:

- La presentación de la información del Cálculo de la Huella de Carbono corporativa de Colbún S.A. en cumplimiento con los lineamientos establecidos en el Corporate Accounting and Reporting Standard – Revised Edition del GHG Protocol, los documentos del IPCC Guidelines for National Greenhouse Gas Inventories (2006) y la Norma ISO 14064 Gases Efecto Invernadero.
- El diseño, la implementación y el mantenimiento del control interno que la Unidad de Cambio Climático, de la Gerencia de Medio Ambiente, determinan que es necesario para permitir el cumplimiento de los lineamientos establecidos en el Corporate Accounting and Reporting Standard – Revised Edition del GHG Protocol, los documentos del IPCC Guidelines for National Greenhouse Gas Inventories (2006) y la Norma ISO 14064 Gases Efecto Invernadero, que esté exenta de incumplimientos, ya sea causados por fraude o error.

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Santiago
Av. Presidente Riesco 5685,
piso 15, Las Condes

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Identification of the Company



(GRI

Company Name

Colbun S.A.

Chilean Ta ID Number

96.505.760-9

Type of Entity:

Sociedad Anónima Abierta

Enrollment in the Securities Registry:

N° 0295

Address:

Av. Apoquindo 4775, piso 11, Santiago, Chile

Telephone:

(56 2) 2460 4000

Fax:

(56 2) 2460 4005

Web Site:

www.colbun.cl

Twitter:

@ColbunEnergia

Facebook:

www.facebook.com/ColbunEnergia/

Instagram:

@energiacolbun

LinkedIn:

<https://www.linkedin.com/company/colbun-s-a/>

Financial Statements External Auditors:

EY Servicios Profesionales de Auditoría y Asesorías SpA.

Carbon Footprint External Auditors:

KPMG Auditores Consultores Ltda.

External Auditors Economic, Social and Environmental Indicators:

PricewaterhouseCoopers Consultores Auditores SpA.

Materiality, Content Development and Use of Standards:

Reportability.

Photography:

Archivo Colbun.

Graphic Design:

DA.

Printing:

Not Applicable.

Contact Information:

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+56 2 24604428 Sustainability and Environment Management.

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Responsibility Statement



In accordance with the provisions of General Rule No. 283 of the Financial Market Authority, we, the undersigned, declare under penalty of perjury that all the information contained in this Integrated Annual Report is a faithful representation of the truth, for which we assume the corresponding legal responsibility.

Hernan Rodríguez Wilson
Chairman
7.051.490-7

Bernardo Larraín Matte
Vice Chairman
7.025.583-9

Vivianne Blanlot Soza
Director
6.964.638-7

José Ignacio Escobar Troncoso
Chief Executive Officer
13.332.998-6

Marcela Angulo González
Independent Director
7.804.559-0

Jaime Maluk Valencia
Independent Director
10.608.502-1

Juan Carlos Altmann Martín
Director
11.807.905-1

María Emilia Correa Pérez
Independent Director
21.667.056-6

Francisco Matte Izquierdo
Director
16.612.252-K

Rodrigo Donoso Munita
Director
15.363.942-6

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Consolidated Financial Statements
for the period ended December 31, 2022 and 2021

COLBÚN S.A. AND SUBSIDIARIES
Thousand of U.S. dollars

This report contains the following:

- Report of Independent Auditors
- Consolidated Financial Statements
- Notes to the Consolidated Financial Statement



EY Chile
Avda. Presidente
Riesco 5435, piso 4,
Las Condes, Santiago

Tel: +56 (2) 2676 1000
www.eychile.cl

Independent Auditor's Report

(Translation of a report originally issued in Spanish)

To Shareholders and Directors
Colbún S.A.

We have audited the accompanying consolidated financial statements of Colbún S.A. and subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, shareholders' equity and cash flows for the years then ended and their corresponding notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). This includes the design, implementation and maintenance of internal control that is adequate to provide a reasonable basis for the preparation and fair presentation of consolidated financial statements that are free of material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We conducted our audits in accordance with Generally Accepted Auditing Standards in Chile. Such standards require that we plan and carry out our work in order to achieve a reasonable degree of assurance that the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In order to do these risk assessments, the auditor considers the relevant internal control for the preparation and fair presentation of the entity's consolidated financial statements to design audit procedures that are appropriate in the circumstances, but without the purpose of expressing an opinion on the effectiveness of the entity's internal control. Consequently, we express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the significant accounting estimates made by Management, as well as an evaluating the overall presentation of the consolidated financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide us with a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Colbún S.A. and subsidiaries as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Santiago, Chile
January 31, 2023

A handwritten signature in blue ink, appearing to read 'M Borowski', is positioned above the printed name.

Marek Borowski
EY Audit Ltda.

Colbún S.A. and Subsidiaries
Consolidated Classified Statements of Financial Position
as of December 31, 2022 and 2021
(In thousands of U.S. dollars)
(Translation of the report originally issued in Spanish - See note 2)

ASSETS	Note N°	December 31, 2022 ThUS\$	December 31 2021 ThUS\$
Current assets			
Cash and cash equivalents	8	198,063	392,418
Other financial assets, current	9	937,777	931,663
Other non-financial assets, current	21	36,129	57,478
Trade and other receivables, current	10	329,100	307,190
Receivables due from related parties, current	12.b	18	48
Inventories, current	13	95,028	70,598
Current tax assets	20.a	92,192	7,041
Total current assets		1,688,307	1,766,436
Non-current assets			
Other financial assets, non-current	9	19,971	99,931
Other non-financial assets, non-current	21	42,962	43,222
Trade and other receivables, non-current	10	62,000	3,356
Equity-accounted investees	16.a	16,385	14,195
Intangible assets other than goodwill	17	65,198	68,152
Goodwill	6	5,573	5,573
Property, plant and equipment	18	4,517,284	4,421,566
Right-of-use assets	19	120,559	113,387
Deferred tax assets	22.b	67,735	66,690
Total non-current assets		4,917,667	4,836,072
TOTAL ASSETS		6,605,974	6,602,508

The accompanying notes are integral part of these consolidated financial statements

Colbún S.A. and Subsidiaries
Consolidated Classified Statements of Financial Position
as of December 31, 2022 and 2021
(In thousands of U.S. dollars)
(Translation of the report originally issued in Spanish - See note 2)

LIABILITIES AND EQUITY	Note N°	December 31, 2022 ThUS\$	December 31 2021 ThUS\$
Current liabilities			
Other financial liabilities, current	23.a	95,557	279,118
Short-term lease liabilities	24	11,074	9,746
Trade and other payables	25	294,367	205,706
Payables due to related parties, current	12.b	32,509	12,574
Other current provisions	26	46,717	43,344
Current tax liabilities	20.b	3,321	89,232
Current provisions for employee benefits	27	27,983	23,426
Other non-financial liabilities, current	28	31,136	15,858
Total current liabilities		542,664	679,004
Non-current liabilities			
Other financial liabilities, non-current	23.a	1,925,613	1,944,259
Long-term lease liabilities	24	125,026	116,572
Trade and other payables, non-current	25	441	9,475
Other provisions, non-current	26	58,624	56,858
Deferred tax liabilities	22.b	961,543	922,647
Provisions for employee benefits, non-current	27	33,078	25,941
Other non-financial liabilities, non-current	28	6,108	6,326
Total non-current liabilities		3,110,433	3,082,078
Total liabilities		3,653,097	3,761,082
Equity			
Share capital	29.a	1,282,793	1,282,793
Retained earnings	29.f	959,285	833,180
Share premium	29.c	52,595	52,595
Other reserves	29.e	522,907	552,059
Equity attributable to the shareholders of the Parent		2,817,580	2,720,627
Non-controlling interests	-	135,297	120,799
Total equity		2,952,877	2,841,426
TOTAL LIABILITIES AND EQUITY		6,605,974	6,602,508

The accompanying notes are integral part of these consolidated financial statements

Colbún S.A. and Subsidiaries

Consolidated Statements of Income for the Period and Other Comprehensive Income
for the periods ended December 31, 2022 and 2021

(In thousands of U.S. dollars)

(Translation of the report originally issued in Spanish - See note 2)

STATEMENTS OF COMPREHENSIVE INCOME BY NATURE	Note N°	January - December	
		2022 ThUS\$	2021 ThUS\$
Revenue	7 and 30	1,974,023	1,439,744
Raw materials and consumables	31	(1,069,431)	(781,973)
Employee benefit expenses	32	(84,027)	(79,672)
Depreciation and amortization expenses	33	(219,514)	(213,163)
Other expenses, by nature	-	(57,209)	(57,903)
Other gains (losses)	37	(77,674)	606,647
Income from operations	-	466,168	913,680
Finance income	34	29,052	4,968
Finance costs	34	(88,723)	(86,347)
Share of profit of equity-accounted investees and joint ventures	16 and 36	12,165	6,697
Foreign currency translation differences	35	(2,662)	(13,826)
Profit before income taxes	-	416,000	825,172
Tax expense (benefit) from continuing operations	22.a	(105,533)	(284,992)
Profit (loss) from continuing operations		310,467	540,180
PROFIT (LOSS)		310,467	540,180
Net profit attributable to			
Shareholders of the Parent	29.h	295,969	545,298
Non-controlling interests	-	14,498	(5,118)
PROFIT (LOSS)		310,467	540,180
Earnings per share			
Basic earnings per share - Continuing operations US\$/share	29.h	0.01688	0.03110
Basic earnings per share		0.01688	0.03110
Diluted earnings per share - Continuing operations US\$/ share	29.h	0.01688	0.03110
Diluted earnings per share		0.01688	0.03110

The accompanying notes are integral part of these consolidated financial statements

Colbún S.A. and Subsidiaries

Consolidated Statements of Income for the Period and Other Comprehensive Income (continued)
for the periods ended December 31, 2022 and 2021

(In thousands of U.S. dollars)

(Translation of the report originally issued in Spanish - See note 2)

STATEMENTS OF OTHER COMPREHENSIVE INCOME	Note	January - December	
	N°	2022 ThUS\$	2021 ThUS\$
Net profit		310,467	540,180

Components of other comprehensive income that will not be reclassified to profit or loss for the period, before taxes

Profit (loss) for new measurements of defined benefit plans	-	(2,298)	13,808
Total other comprehensive (loss) income that will not be reclassified to profit or loss for the period, before taxes	-	(2,298)	13,808

Components of other comprehensive income (loss) that will be reclassified to profit or loss for the period, before taxes

Gain (loss) for foreign currency translation differences	-	54	2,941
Gain (loss) from cash flow hedges	-	1,273	(32,407)
Share of comprehensive income (loss) on associates and joint ventures using the equity	-	(130)	246
Total other comprehensive income (loss) that will be reclassified to profit or loss for the period, before taxes		1,197	(29,220)
Other components of other comprehensive income (loss), before taxes		(1,101)	(15,412)

Income taxes related to components of other comprehensive income that will not be reclassified to income for the period

Income tax related to new measurements of defined benefit plans	22.c	620	(3,728)
-----------------------------------------------------------------	------	-----	---------

Income taxes related to components of other comprehensive income that will be reclassified to the result of the period

Income tax related to share of other comprehensive income (loss) on associates and joint ventures using the equity method	22.c	35	(66)
Income tax related to cash flow hedges	22.c	(344)	8,750
Income tax related to components of other comprehensive income (loss)		311	4,956
Total other comprehensive income (loss)		(790)	(10,456)
Total comprehensive income (loss)		309,677	529,724

Comprehensive income (loss) attributable to:

Shareholders of the Parent		295,179	534,842
Non-controlling interests		14,498	(5,118)
TOTAL COMPREHENSIVE INCOME		309,677	529,724

The accompanying notes are integral part of these consolidated financial statements

Colbún S.A. and Subsidiaries
Consolidated Statements of Cash Flows - Direct Method
for the periods ended December 31, 2022 and 2021
(In thousands of U.S. dollars)
(Translation of the report originally issued in Spanish - See note 2)

STATEMENT OF CASH FLOW - DIRECT METHOD	Note N°	December 31, 2022 ThUS\$	December 31, 2021 ThUS\$
Cash flows from (used in) operating activities			
Cash receipts from operating activities			
Cash receipts from sale of goods and rendering of services	-	2,223,810	1,708,846
Cash receipts from premiums and services, annuities and other benefits of subscribed policies	-	18	-
Other cash receipts from operating activities	-	71,238	1,689
Cash payments for operating activities			
Cash payments to suppliers for goods and services	-	(1,398,857)	(1,098,903)
Cash payments to and on behalf of employees	-	(72,158)	(72,102)
Cash payments for premiums and services, annuities and other benefits of subscribed policies	-	(23,706)	(16,747)
Other cash payments for operating activities	-	(130,812)	(89,117)
Cash generated from operating activities	-	669,533	433,666
Dividends received	-	9,880	15,697
Interest received	-	32,036	3,441
Income taxes refunded (payments)	-	(232,260)	(117,423)
Other cash receipts (payments)	-	12,779	(963)
Net cash flows from operating activities		491,968	334,418
Cash flows from (used in) investing activities			
Proceeds from the sale of other long-term assets, classified as investing activities	-	5,237	1,186,362
Acquisition of property, plant and equipment	-	(274,430)	(253,738)
Other cash receipts (payments)	-	70,979	(317,111)
Net cash flows from (used in) investing activities		(198,214)	615,513
Cash flows from (used in) financing activities			
Loans received	-	160,000	600,000
Long-term loans received	-	160,000	600,000
Payment of lease liabilities	-	(11,186)	(10,425)
Payment of loans	-	(365,507)	(68,957)
Dividends paid	-	(151,868)	(1,244,739)
Interest paid	-	(83,380)	(76,476)
Other cash (payments) receipts	-	(20,695)	405
Net cash used in financing activities	8.c	(472,636)	(800,192)
Net increase (decrease) in cash and cash equivalents before the effect of movements in exchange rates on cash held		(178,882)	149,739
Effects of movements in exchange rates on cash and cash equivalents			
Effects of movements in exchange rates on cash and cash equivalents		(15,473)	(11,428)
Net increase (decrease) in cash and cash equivalents		(194,355)	138,311
Cash and cash equivalents as of January 1		392,418	254,107
Cash and cash equivalents as of December 31	8	198,063	392,418

The accompanying notes are integral part of these consolidated financial statements

Colbún S.A. and Subsidiaries
Statements of Changes in Equity
for the periods ended December 31, 2022 and 2021
(In thousands of U.S. dollars)
(Translation of the report originally issued in Spanish - See note 2)

Statement of Changes in Equity	Note	Equity attributable to shareholders of the Parent										Non-controlling interests	Equity
				Changes in other reserves						Retained earnings (accumulated deficit)	Equity attributable to shareholders of the Parent		
		Share capital	Share premium	Translation difference reserve	Hedging reserve	Actuarial profit or loss reserve of defined benefit plans	Accumulated other comprehensive income	Other reserves	Total other reserves				
ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$		
Balance as of January 1, 2022		1,282,793	52,595	(253,174)	(14,524)	-	(267,698)	819,757	552,059	833,180	2,720,627	120,799	2,841,426
Increase (decrease) of equity due an error		-	-	-	-	-	-	-	-	-	-	-	-
Balance as of January 1, 2022, adjusted		1,282,793	52,595	(253,174)	(14,524)	-	(267,698)	819,757	552,059	833,180	2,720,627	120,799	2,841,426
Changes in equity													
Comprehensive income													
Profit (loss) for the period										295,969	295,969	14,498	310,467
Other comprehensive income				54	834	(1,678)	(790)	-	(790)	-	(790)	-	(790)
Dividends										(198,226)	(198,226)	-	(198,226)
Increase (decrease) from other changes		-	-	-	-	1,678	1,678	(30,040)	(28,362)	28,362	-	-	-
Total changes in equity		-	-	54	834	-	888	(30,040)	(29,152)	126,105	96,953	14,498	111,451
Equity as of December 31, 2022	29	1,282,793	52,595	(253,120)	(13,690)	-	(266,810)	789,717	522,907	959,285	2,817,580	135,297	2,952,877

Statement of Changes in Equity	Note	Equity attributable to shareholders of the Parent										Non-controlling interests	Equity
				Changes in other reserves						Retained earnings (accumulated deficit)	Equity attributable to shareholders of the Parent		
		Share capital	Share premium	Translation difference reserve	Hedging reserve	Actuarial profit or loss reserve of defined benefit plans	Accumulated other comprehensive income	Other reserves	Total other reserves				
ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	
Balance as of January 1, 2021		1,282,793	52,595	(256,115)	8,953	-	(247,162)	956,941	709,779	1,414,284	3,459,451	125,917	3,585,368
Increase (decrease) of equity due an error		-	-	-	-	-	-	-	-	-	-	-	-
Balance as of January 1, 2021, adjusted		1,282,793	52,595	(256,115)	8,953	-	(247,162)	956,941	709,779	1,414,284	3,459,451	125,917	3,585,368
Changes in equity													
Comprehensive income													
Profit (loss) for the period										545,298	545,298	(5,118)	540,180
Other comprehensive income				2,941	(23,477)	10,080	(10,456)	-	(10,456)	-	(10,456)	-	(10,456)
Dividends										(1,273,666)	(1,273,666)	-	(1,273,666)
Increase (decrease) from other changes		-	-	-	-	(10,080)	(10,080)	(137,184)	(147,264)	147,264	-	-	-
Total changes in equity		-	-	2,941	(23,477)	-	(20,536)	(137,184)	(157,220)	(581,104)	(738,824)	(5,118)	(743,942)
Equity as of December 31, 2021	29	1,282,793	52,595	(253,174)	(14,524)	-	(267,698)	819,757	552,059	833,180	2,720,627	120,799	2,841,426

The accompanying notes are integral part of these consolidated financial statements

COLBÚN S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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COLBÚN S.A. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(In thousands of U.S. dollars)
(Translation of the report originally issued in Spanish - See note 2)

1. General information

Colbún S.A. was incorporated via public deed on April 30, 1986, witnessed by the Public Notary Mr. Mario Baros G. and registered at sheet 86 with the Trade Register of the Real Estate Registry of Talca on May 30, 1986. The Company's Tax Identification Number is 96.505.760-9.

The Company is registered as a publicly held shareholders' corporation in the Securities Registry under number 0295 on September 1, 1986, and subject to the inspection by the Financial Market Commission. The Company's shares are traded on the Santiago Stock Exchange and Santiago Electronic Stock Exchange.

As of December 31, 2022, Colbún is a power generation company and the Parent of the Group (hereinafter, the Company, the Entity or Colbún), which is composed of ten entities: Colbún S.A. and nine Subsidiaries.

The Company's registered address is located at Avenida Apoquindo 4775, 11th floor, Las Condes, Santiago.

The Company's line of business is the generation, transportation and distribution of energy, as explained in Note 2.

The control of the Company is performed in accordance with a control and joint venture agreement entered into by Forestal O'Higgins S.A. and other companies. It is hereby expressly established that the aforementioned joined control and operation agreement considers limitations to the free disposal of shares. The Parent is controlled by the members of the Larraín Matte, Matte Capdevila and Matte Izquierdo families, in the form and proportional interests indicated below.

- Patricia Matte Larraín, Taxpayer ID 4.333.299-6 (6.49%) and his children María Patricia Larraín Matte, Taxpayer ID 9.000.338-0 (2.56%); María Magdalena Larraín Matte, Taxpayer ID 6.376.977-0 (2.56%); Jorge Bernardo Larraín Matte, Taxpayer ID 7.025.583-9 (2.56%), and Jorge Gabriel Larraín Matte, Taxpayer ID 10.031.620-K (2.56%).
- Eliodoro Matte Larraín, Taxpayer ID 4.336.502-2 (7.22%) and his children Eliodoro Matte Capdevila, Taxpayer ID 13.921.597-4 (3.26%); Jorge Matte Capdevila, Taxpayer ID 14.169.037-K (3.26%), and María del Pilar Matte Capdevila, Taxpayer ID 15.959.356-8 (3.26%).
- Bernardo Matte Larraín, Taxpayer ID 6.598.728-7 (8.05%) and his children Bernardo Matte Izquierdo, Taxpayer ID 15.637.711-2 (3.35%); Sofía Matte Izquierdo, Taxpayer ID 16.095.796-4 (3.35%), and Francisco Matte Izquierdo, Taxpayer ID 16.612.252-K (3.35%).

Natural persons indicated above are part of the same corporate group due to family relationship.

As of December 31, 2022, in accordance with Title XV of Law No. 18,045, shareholders representing 49.92% of the voting right shares are detailed as follows:

Controlling Group	No of shares	Ownership %
Minera Valparaíso S.A.	6,166,879,733	35.17
Forestal Cominco S.A.	2,454,688,263	14.00
Forestal Bureo S.A.	57,710,155	0.33
Forestal Constructora y Comercial del Pacífico Sur S.A.	34,126,083	0.19
Forestal Cañada S.A.	22,308,320	0.13
Inversiones Orinoco S.A.	17,846,000	0.10
Inmobiliaria Bureo S.A.	38,224	0.00
Total Participación	8,753,596,778	49.92

2. Business description

Corporate purpose of the Company

The Company's line of business is the production, transportation, distribution, and supply of energy and capacity, for which it may acquire and exploit concessions and grants or use rights obtained. Likewise, it is empowered to transport, distribute, supply and commercialize natural gas for sale to industrial or generating processes. It can provide advisories in the field of engineering both domestically and abroad.

For the convenience of the reader, the consolidated financial statements and their accompanying notes have been translated from Spanish to English.

Description of business in Chile

Main assets

The power generation matrix is composed of hydroelectric power plants (reservoir and run-of-the-river) and coal-fired, diesel and gas power plants (combined and conventional cycles), and renewable energies from variable sources, which in total provide an installed capacity of 4,025 MW to the National Power System ("SEN" for its Spanish acronym).

Hydroelectric power plants have an installed capacity of 1,627 MW distributed among 17 plants: Colbún, Machicura, San Ignacio, Chiburgo, San Clemente and La Mina, located in the Maule Region; Rucúe, Quilleco and Angostura, located in the Biobío Region; Carena, in the Metropolitan Region; Los Quilos, Blanco, Juncal, Juncalito, Chacabuquito and Hornitos, in the Valparaíso Region; and Canutillar, in Los Lagos Region. Colbún, Machicura, Canutillar and Angostura power plants have their own reservoirs, whereas the remaining hydroelectric power plants are run-of-the-river.

Thermal power plants have an installed capacity of 1,586 MW and are distributed in the Nehuenco located in the Valparaíso Region; Candelaria power plant in the O'Higgins Region; and Los Pinos and Santa María power plants, located in the Biobío Region.

The solar plants have a total capacity of 239 MW and are distributed in the Diego de Almagro photovoltaic park Sur (230 MW), located in the Diego de Almagro commune in the Atacama Region and the photovoltaic park Ovejería (8 MW), located in the commune of Tiltil, Metropolitan Region.

Additionally, progress is being made on the Horizonte wind project in north of Chile, where it is expected to build the largest wind farm in the country and in Latin America with an installed capacity of close to 800 MW. Along with the above, the photovoltaic project Machicura Solar (9 MW), a power plant located in the district of Colbún in the Maule Region, is in the commissioning stage for a next entry into commercial operation.

Business policy

The Company's commercial policy is to achieve a proper balance between commitments to sell power and its own efficient generation capacity with the objective of increasing and stabilizing operation margins, maintaining an acceptable level of risks in drought conditions. As a result of this policy, the Company ensures that sales or purchases in the spot market, difference market, are limited, due to the price variations experienced by this secondary market.

Main customers

The client portfolio is composed of regulated and unregulated customers.

The regulated customers supplied during 2022 are: CGE Distribución S.A. and Enel Distribución Chile S.A.

Additionally, Colbún supplied energy and power to a set of 310 unregulated customers, of which the main customers by energy consumption (greater than 100 GWh-annual) are: Codelco para its Salvador, Andina, Ventanas and El Teniente divisions, BHP for the Minera Escondida Ltda.y Minera Spence S.A. sites, CMPC Group (CMPC Pulp S.A., Cartulinas CMPC.S.A., CMPC Maderas S.A., Forestal Mininco S.A. and Forsac S.A.), Compañía Minera Zaldivar SpA, Cementos Bío Bío Group (Bio Bío Cementos S.A., Inacal S.A., Cementos Bío Bío del Sur S.A., Arenex S.A. and Minera El Way S.A.), Walmart Group (Abarrotes Económicos S.A., Administradora de Supermercados Express Ltda., Administradora de Supermercados Hiper Ltda., Logística, Transporte and Servicios LTS Ltda., Sermob Ltda, Walmart Chile Alimentos and Servicios Ltda., Walmart Chile Mayorista Ltda. and Walmart Chile S.A.), Cementos Polpaico Group (Cementos Polpaico S.A., Cementos Bicentenario S.A., Áridos Aconcagua S.A., Sociedad Pétreos S.A.) and Minera Meridian Ltda.

The Power Market

The Chilean power sector has a regulatory framework of almost four decades of operations. Such framework allowed developing a highly dynamic industry with significant private equity interest and has been able to comply with the increasing power demand.

Chile has three interconnected systems and Colbún operates in the largest, the National Power System (SEN), which comprises Arica in the north and Isla Grande de Chiloé in the south. The consumption in this zone represents 99% of total power demand in Chile. Colbún has a market share of approximately 16% in power generation.

The pricing system identifies different mechanisms for the short and long-term. For short-term pricing, the sector is based on a marginal cost scheme, including security and efficiency criteria in distributing resources. Power marginal costs result from the actual operation of the electric system in accordance with the financial merit programming conducted by the National Electrical Coordinator (CEN, for its Spanish acronym) and relate to the variable cost of production of the most expensive unit under operation in every hour. Capacity payments are calculated based on the sufficiency power of plants, i.e., the reliable level of capacity that could be provided to supply the system at the point of high demand, considering the uncertainty associated with the availability of supplies, forced and programmed unavailabilities, and unavailability of the facility which connects the unit to the Transmission and Distribution System. The Power capacity price is determined as an economic indicator, which represents the investment in most efficient units to address power demand during high demand hours.

Additionally, there is the complementary services market that provides the system with the technical resources for a safe and efficient operation, and where the coordinators must have their technical resources for the provision of these services. There are 3 allocation methods; auction, direct provision, and bidding, and which will depend mainly on the levels of competition of the particular service.

For long-term pricing, power generation companies may have two types of customers: regulated and unregulated.

As a result of Law No. 20,018 passed on January 1, 2010, in the market of regulated customers, composed of distribution companies, generation companies' sale power at the price resulting from competitive and public tenders.

Unregulated customers comprise those with a connection power exceeding 5,000 kW, and they freely negotiate their prices with suppliers.

Note that the regulation allows users with connection power between 500 kW and 5,000 kW to select between systems of regulated or unregulated prices, with a minimum of four years in each system.

Since December 2019, two tariff stabilization processes have been implemented for regulated customers, with the aim of keeping the price of energy fixed, and that they are not exposed to significant variations derived from the rise in the exchange rate and the price of fuels. With these mechanisms, the price observed by regulated customers is not the price derived from public tenders. The current mechanism was promulgated with Law 21,472 and will be valid until the year 2032.

Spot market is where power generation companies trade at marginal cost energy and capacity (on an hourly basis) surplus or deficit resulting from their commercial position, net of production capacity, since dispatch orders relate to financial merit and are exogenous to each power generation company. In order to provide greater certainty to the payment chain that is generated from the Short-Term Market, the coordinators must provide annual guarantees based on a model carried out by the National Electricity Coordinator. These guarantees are intended to cover the financial responsibilities of a company participating in the market, in the event that it declares itself unable to comply due to insolvency or another reason.

To inject energy into the system and supply energy and capacity to its customers, Colbún uses transmission facilities as per the rights granted by the power legislation. Additionally, the law today requires that companies that withdraw energy from the system to sell it to final customers or distributors must prove that a portion of their withdrawals in each calendar year comes from non-conventional renewable generation means.

In 2021, the Energy Efficiency Law was published in the Official Gazette, a law that promotes the rational and efficient use of energy resources. Among the measures considered by law is the implementation of an energy management system (SGE) in large consumers, a category in which Colbún is considered. This implies important challenges, such as the reduction of energy intensity at the country level of at least 10% by 2030, compared to 2019.

Description of business in Peru

Combined cycle gas-fired thermoelectric power plant of 573 MW located in Las Salinas, Chilca district, 64 kilometers south of Lima, owned by the subsidiary Fenix Power Peru. Its location is considered strategic, since it is near the Camisea gas pipeline and Chilca power substation, allowing power generation at an efficient cost.

The power plant began its commercial operation in December 2014 and is composed of two General Electric dual (gas or diesel) turbines generating 60% of its power, and a General Electric steam turbine generating the remaining 40%. This plant is considered a strategic asset in the Peruvian power market since it is one of the most efficient in the country and the third largest at domestic level.

Fenix has capacity of 573 MW, which results in a market share of approximately 7.7% in the SEIN in energy production.

Main customers

Regulated customers with long-term contracts: Distriluz Group formed by Electronorte, Electronoroeste, Electrocentro and Hidrandina, COELVISAC, Enel Distribución, Electricidad del Oriente, Electro Dunas and Luz del Sur.

Generation customers: CELEPSA.

Unregulated customers: Pamolsa, Minera Luren, B. Braun, Garment, Del Ande, Grupo Patio, UTP, Chavimochic, Logística AQP, Laboratorios Portugal, Modipsa, Idat, Fibrforte, Oceano Seafood, Pesquera Altair, Induamérica Chiclayo, Cerámicos Lambayeque, Tejidos San Jacinto, Koplast, Minera Huinac, PROCOMSAC, SEAL Distribución S.A., Medic Ser, Oncocenter, Promotora Asistencial, AIPSAA, Unión de negocios corporativos, EMEMSA, NOVAPERU, CENCOSUD, METICO, Patio Oficinas Group, Fabricaciones Rema and CALSA.

The Power Market

Peru restructured the power market in 1992 by the Electricity Act No. 25,844: Energy Concessions Act). Also, during the last 4 years significant reforms have been made to the sector's regulatory framework.

The Peruvian power market has at national level as of December 2022, a installed capacity of 15.4 GW of 13.46 GW approximately, of which 13.6 GW corresponds to the capacity installed in the National Interconnected Power System (SEIN), Of this last figure, about 56% is thermal capacity, 39% hydraulic, and the remaining 5% based on renewable energies. Accordingly, natural gas is critical at the domestic thermal power generation level, because of its significant reserves and exploration wells, being Camisea the main deposit with approximately 10.1 trillion cubic feet.

The pricing system identifies two types of customers: regulated users that consume less than 200 kW and unregulated customers (large private users that consume more than 2,500 kW). Customers with a demand between 200 kW and 2,500 kW have the option to be considered as regulated or unregulated.

The National Interconnected Power System (SEIN for its Spanish acronym) is managed by a System Economic Operation Committee (COES for its Spanish acronym), incorporated as a nonprofit private entity and as a legal personality under public law. The COES is composed of other SEIN agents (power generation companies, transmitters, distribution companies and unregulated customers) and their decisions are mandatory for all agents. Its objective is to coordinate SEIN's short, medium, and long-term operations, ensuring system security, use of power resources, as well as planning the development of SEIN transmission and managing the Short-Term Market, the latter based on marginal costs.

In terms of energy consumption, the energy demand to the fourth quarter of 2022 was approximately 14.7 TWh, concentrated in the mining and residential sectors. In the same fourth quarter of 2021, the system's demand was 13.8 TWh.

3. Significant Accounting policies

3.1 Accounting policies

These Consolidated Financial Statements of Colbun S.A. and subsidiaries as of December 31, 2022, have been prepared in accordance with International Financial Standards (IFRS) as issued by International Accounting Standards Board (IASB).

These Consolidated Financial Statements have been prepared assuming that the company will continue as a going concern and were approved by the Board of Directors for issue at their Meeting held on January 31, 2023.

The accounting policies set out below have been used in the preparation of these Consolidated Financial Statements.

a. Basis of preparation and period - These Consolidated Financial Statements of Colbún S.A. and subsidiaries comprise the following:

- Statements of Financial Position as of December 31, 2022 and 2021.
- Statement of Comprehensive Income as of December 31, 2022 and 2021.
- Statement of Cash Flows as of December 31, 2022 and 2021.
- Statements of Changes in Equity as of December 31, 2022 and 2021.
- Notes to the Financial Statements.

The information contained in these Consolidated Financial Statements is the responsibility of the Company.

These Consolidated Financial Statements have been prepared under the historical cost basis, except for those assets and liabilities recognized at fair value (note 3 h. and 3 i).

a.1 Functional currency - The Company's functional currency is the United States dollar, which is the currency that mainly impacts sale prices of goods and services in the markets in which the Company operates. All financial information in these Consolidated Financial Statements has been rounded in Thousands of United States dollar (ThUS\$) to the nearest number, except otherwise indicated.

b. Consolidation basis - The Consolidated Financial Statements include the financial statements of the Parent and controlled companies.

Control is established as the base for determining which entities are consolidated in the Consolidated Financial Statements.

Subsidiaries are those in which Colbún S.A. is exposed to, or has rights to, variable returns from its interests in those entities and has the ability to affect those returns through its power over the entities. In general, the Company's power over its subsidiary arises from holding the majority of the voting rights provided by the subsidiary's equity instruments.

The detail of subsidiaries is as follows:

Consolidated company	Country	Funcional currency	Tax ID No.	Ownership % as of			
				12.31.2022			12.31.2021
				Direct	Indirect	Total	Total
Colbún Desarrollo SpA	Chile	US\$	76.442.095-0	100	-	100	100
Santa Sofía SpA	Chile	US\$	76.487.616-4	100	-	100	100
Colbún Perú S.A.	Peru	US\$	0-E	100	-	100	100
Inversiones de Las Canteras S.A.	Peru	US\$	0-E	-	51	51	51
Fenix Power Perú S.A.	Peru	US\$	0-E	-	51	51	51
Desaladora del Sur S.A.	Peru	PEN	0-E	-	51	51	51
Efizity Ingeniería SpA.	Chile	Ch\$	76.362.527-3	100	-	100	100
Efizity SpA	Chile	Ch\$	76.236.821-8	-	100	100	100
Efizity S.A.C.	Perú	PEN	0-E	-	100	100	100

Variations in the consolidation perimeter

During the 2022 period, no changes in the consolidation perimeter has been made.

All intercompany transactions and balances have been eliminated in consolidation, as well as non-controlling interest have been recognized which relates to the ownership interest percentage of third parties in subsidiaries, which is included separately in Colbún's consolidated equity.

b.1 Business combinations and goodwill - Business combinations are recognized using the acquisition method. The acquisition cost is the sum of the consideration transferred, measured at fair value at the acquisition date, and the amount of the acquire non-controlling interest, if any. For each business combination, the Company determines whether the non-controlling interest of the acquire is measured at fair value or proportional to the net identifiable assets of the acquire. Related acquisition costs are accounted for as incurred in other expenses.

When the Company acquires a business, it assesses the financial assets and financial liabilities acquired for their appropriate classification based on contractual terms, economic conditions and other related conditions at the acquisition date. This includes separating the embedded derivatives of the acquired business' main contracts.

If the business combination is conducted by stages, ownership interests previously maintained in the acquired equity are measured at fair value at the acquisition date, and gains or losses are recognized in the income statement.

Any contingent consideration transferable by the acquired is recognized at fair value at the acquisition date. Contingent considerations which are classified as financial assets or financial liabilities in accordance with IFRS 9 Financial Instruments are measured at fair value, accounting for changes in fair value as gain or loss or through comprehensive income. In the events contingent considerations are not within the scope of IFRS 9, these are measured in accordance with the related IFRS. If the contingent consideration classified as equity, this is not revalued, and any subsequent settlement is recorded in net equity.

Goodwill is the excess of the sum of the consideration transferred recognized on the net value of assets acquired and liabilities assumed. If the fair value of net assets acquired exceeds the amount of the transferred consideration, the Company conducts a new assessment to ensure that all assets acquired and liabilities assumed have been appropriately identified, and reviews all procedures applied to conduct the measurement of the amount recognized at the acquisition date. If the new assessment results in an excess of fair value of net assets acquired on the aggregate amount of the consideration transferred, the difference is recognized as profit in the income statement.

Subsequent to initial recognition, goodwill is recognized at cost less any accumulated impairment losses. For impairment testing, goodwill acquired in a business combination is allocated, at the acquisition date, to each Company's cash-generating unit which is expected to receive benefits, regardless if there are other assets or liabilities of the acquire allocated to those units. Once the business combination is completed (concludes the measurement process) goodwill is not amortized and the Company reviews on a regular basis it's carrying amounts to recognize any impairment losses.

When goodwill is part of the cash-generating unit and a portion of such unit is derecognized, goodwill related to such disposed operations is included in the carrying amount of the operations when determining gains or losses obtained at disposal. Goodwill derecognized is measured based on the relative value of the disposed operation and the portion of the cash-generating unit maintained.

b.2 Non-controlling interest - The value of non-controlling interest in subsidiaries' equity and comprehensive income is presented under captions "Total Equity: Non-controlling interest" of the consolidated statement of financial position and "Net profit attributable to non-controlling interests" and "Comprehensive income attributable to non-controlling interest" in the statement of comprehensive income.

b.3 Interest in unconsolidated structured entities - On May 17, 2010, as per the D.E. N° .3,024, the Ministry of Justice grants legal personality and approves the Colbún Foundation's bylaws (hereinafter the "Foundation"). Main objectives of the Foundation address the following:

The promotion, encouragement and support of all type of projects and activities that aim to improve living conditions in the neediest sectors.

Research, development and dissemination of culture and arts. The Foundation will be able to participate in the formation, organization, management and support of all entities, institutions, associations, groups and organizations, either public or private, which have the same goals.

The Foundation will support all entities mainly involved in the dissemination, research, encouragement and development of culture and arts.

The Foundation may finance the acquisition of real estate, equipment, furniture, laboratories, classrooms, museums and libraries, and finance the collection of infrastructures to support professional enhancement.

Additionally, the Foundation may finance research and development, prepare and implement training programs, provide training for development and finance the publishing and distribution of books, brochures and any types of publications.

This legal entity is not considered in the consolidation process, as being a non-profit entity, the Company expects no economic benefit from it.

c. Equity-accounted investees - Correspond to interests in entities where Colbún has joint control with other company or in which it exercises significant influence.

The equity method comprises recognizing initially at acquisition cost and subsequently adjusted for the changes in net assets of the acquire.

If the amount is negative the interest is zero unless there is a commitment by the Company to restore the entity's equity, which then records the related provision for risks and expenses.

Dividends received by these companies are recognized by reducing the interest value, and profit or loss obtained by these entities, which corresponds to Colbún as per its interest, are included net of tax effects in the profit or loss account "Interest in gains (losses) of associates and joint ventures accounted for using the equity method."

The detail of companies accounted for using the equity method is as follows:

Relationship	Company	Country	Funcional currency	Tax ID N°	Ownership % as of	
					12.31.2022	12.31.2021
					Direct	Direct
Associate	Electrogas S.A.	Chile	US\$	96.806.130-5	42.5	42.5

c.1 Investment in associates - Associates are those entities in which the Company has significant influence, but not control or joint control, over their financial and operating policies. Overall, significant influence exists when the Company has between 20% and 50% of voting rights of other company.

c.2 Investments in joint ventures - Relate to entities in which the Company has joint control over its activities, as established by contractual terms and which requires unanimous consent to make relevant decisions by all venturers.

d. Effect of foreign exchange rate fluctuations - Transactions in foreign and domestic currency, other than functional currency, are translated to the functional currency using the exchange rates prevailing at the transaction dates.

Profits and losses in foreign currency that result from the settlement of these transactions and from conversion at the closing exchange rates for monetary assets and liabilities denominated in currencies other than the functional currency, are recognized in the statement of comprehensive income, unless they have to be recognized in other retained earnings, as in the case of cash flow hedges and net investment hedges. In addition, the translation of balances receivable and payable at each reporting date in currency other than functional currency of the financial statements which are part of the consolidation perimeter, is conducted at closing exchange rates. Differences in measurement are recognized as finance income and finance costs under foreign currency translation differences.

e. Translation Basis - Assets and liabilities denominated in Chilean pesos, Euros, Peruvian soles and inflation adjusted units have been translated into United States dollars at the exchange rates at the reporting date, as per the following:

Exchange rate	12.31.2022	12.31.2021
Chilean pesos	855.86	844.69
Euros	0.9344	0.8839
Peruvian soles	3.8200	3.9980
Inflation adjusted units	0.0244	0.0273

f. Property, plant and equipment - Property, plant and equipment held for the generation of power services or administrative purposes, are presented at cost less subsequent depreciation and impairment losses, if applicable. This cost value includes, separate from the acquisition price of assets, the following concepts as permitted by IFRS:

- Finance cost of loans intended to finance assets under construction is capitalized during the construction period.
- Personnel expenses directly related to assets under construction.
- Costs of extensions, modernization or improvements representing an increase in the productivity, capacity or efficiency or lengthening of the useful lives of assets, are capitalized as higher cost of the related assets.
- Substitutions or renovations of assets that increase their useful lives, or their economic capacity, are recorded as the higher value of the respective assets, with the consequent accounting derecognition of the substituted or renovated assets.
- Dismantling, removal and restoration costs of property, plant and equipment are recognized based on the legal obligation of each project (note 3.n.2).

Assets under construction will be transferred to property, plant and equipment in operation after the end of the test period, from which date their depreciation commences.

Periodic maintenance, conservation and repair expenses are recorded directly in profit or loss as costs for the period in which they are incurred.

Items of property, plant and equipment, net of their residual value is depreciated by allocating, on a straight-line basis, the cost of different items comprising over their estimated useful life (note 5 a. (i)).

The residual values and useful lives of items of property, plant and equipment are reviewed at each reporting date and adjusted if required.

g. Intangible assets other than goodwill - Intangible assets acquired individually are measured initially at cost. The cost of intangible assets acquired in business combinations is their fair value at the date of acquisition. Subsequent to initial recognition, are measured at cost less accumulated amortization and impairment losses.

The Company assesses at initial recognition if the useful life of intangible assets is definite or indefinite.

Assets with finite useful life are amortized throughout their remaining economic useful life and assessed for impairment when such indicators exist. The amortization period and amortization of intangible assets with definite useful life are reviewed at least at each reporting date. The criteria used for the recognition of impairment losses of these assets and their recoveries are recorded in note 5 b.

Changes in expected useful life or consumption pattern of future economic benefits materialized in the asset are considered to change the period or amortization method, if applicable, and treated as a change in the accounting estimate. Amortization expenses of intangible assets with definite useful life are recognized in the statement of comprehensive income.

h. Financial instruments

h.1 Financial assets - Financial assets are classified at initial recognition in three measurement categories:

- a) At amortized cost
- b) Fair value through other comprehensive income (equity)
- c) Fair value through profit or loss

h.1.1 Amortized cost - It is intended to maintain a financial asset until obtaining contractual cash flows on an established date. Expected cash flows relate mainly to payments of principal and interest on the principal amount outstanding.

h.1.2 Fair value through other comprehensive income (equity) - To classify an asset at fair value through other comprehensive income as principle it has to comply with the requirement of the sale of financial assets for which the principal owed amount is expected to be recovered in a given term in addition to interests, if applicable.

h.1.3 Fair value through profit or loss - The last classification provided as an option by IFRS 9 is financial assets at fair value through profit or loss for the year.

Based on its business model, the Company holds financial assets at amortized costs as the main financial asset as it aims to recover its future cash flows on a given date seeking the collection of principals owed plus interests on the principal, if applicable. Loans and receivables are the main financial assets non-derivative from the Group, with fixed or determinable payments that are not quoted in an active market. Loans and receivables are included in the caption Trade and other receivables in the Statement of Financial Position. They must initially be recognized at fair value and subsequently at amortized cost in accordance with the effective interest method less the allowance account for impairment losses.

h.1.4 Derecognition of financial assets - The Company derecognizes financial assets only when the rights to receive the cash flows have been canceled, voided, expired or have been transferred.

h.1.5 Impairment of non-derivative financial assets - The Company applies a simplified approach and records expected credit losses in all its debt securities, loans and trade receivables, whether for a 12-month period or for lifetime, as established by IFRS 9.

Objective evidence of impairment includes significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or arrears in the payment, are considered indicators that the trade receivable is impaired. Impairment is the difference between the carrying amount of the asset and the real value of estimated future cash flows discounted at the effective interest rate. Losses are recognized in the statement of comprehensive income and reflected in a provision account.

When a receivable is classified as a doubtful account, after all reasonable mechanisms of collection, either judicial or pre-judicial, have been exhausted as per the related legal report; and its related write-off applies, this is recorded against the impaired trade receivables account.

When the fair value of an asset is lower than the acquisition cost, if objective evidence exists that the asset is impaired and such impairment is not temporal, the difference is recorded directly in losses for the year.

Financial assets at fair value through profit or loss are not subject to impairment tests.

h.2. Financial liabilities

h.2.1 Classification as debt or equity - Debt instruments and equity instruments are classified as either financial liabilities or equity, as per their contractual terms.

h.2.2 Equity instruments - Correspond to any agreement representing a residual interest in the net assets of an entity after all its liabilities are deduced. Equity instruments issued by Colbún S.A. are recognized at the amount of the consideration received, net of direct costs of issuance. Currently, the Company only issues single series shares.

h.2.3 Financial liabilities - Financial liabilities are classified as financial liability at "fair value through profit or loss" or "other financial liabilities".

h.2.4 Financial liabilities at fair value through profit or loss - Financial liabilities are classified at fair value through profit or loss when the financial liability is either held for trading or it is designated at fair value through profit or loss. These are measured at fair value and changes therein, including any interest expenses, are recognized in profit or loss.

h.2.5 Other financial liabilities - Other financial liabilities, including bank borrowings and bonds payable and promissory notes, are measured initially at the amount of cash received, net of transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method for calculating the amortized cost of a financial liability and allocating interest expense throughout the relevant period. The effective interest rate corresponds to the rate that discounts estimated future cash flows payable throughout the expected life of the financial liability or, if appropriate, a shorter period when the associated liability has a prepayment option to be applied.

h.2.6 Derecognition of financial liabilities - The Company derecognizes financial liabilities only when obligations are canceled, voided or expired.

i. Derivatives - The Company entered into derivative instruments to mitigate its exposure to interest rate fluctuation related to exchange rates and fuel prices.

Changes in fair value of these instruments at the reporting date are recognized in the consolidated statement of comprehensive income unless these are designated as hedge accounting and meet the conditions established in IAS 39 to apply such criterion. For hedge accounting purposes, the Company continues to apply the criteria established in IAS 39.

Hedges are classified as follows:

- **Fair value hedges:** correspond to a hedge of the exposure to changes in fair value of a recognized asset or liability or an unrecognized firm commitment attributable to a particular risk. For this hedge, both the hedge instrument value and the hedged item are recognized in the statement of comprehensive income, offsetting both effects in the same caption.
- **Cash flow hedges:** correspond to a hedge of the exposure to the fluctuation in cash flows attributable to a particular risk associated with a recognized asset or liability, or a highly probable forecasted transaction. Changes in the fair value of derivatives are recognized, with respect to the effective portion of the hedges, in equity reserve under "Cash flow hedges." Retained earnings or an accumulated deficit in such caption are transferred to the statement of comprehensive income to the extent that the underlying portion has an impact on the statement of comprehensive income for the hedged risk, netting such effect in the same heading in the statement of comprehensive income. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the statement of comprehensive income.

A hedge is considered to be highly effective when changes in fair value or in cash flows of the underlying asset directly attributable to the hedged risk are offset by the changes in the fair value or cash flows of the hedged instrument with an effectiveness within a range between 80% and 125%. For the period covered by these Consolidated Financial Statements, the Company designated certain derivatives as hedging instruments of highly probable forecasted transactions or hedging instruments related to foreign currency risks of a firm commitment (cash flow hedging instruments).

The Company has designated all its derivatives as hedge accounting instruments.

j. Inventory - This caption includes gas, oil and coal stock, and warehouse inventory (spare parts and materials), which are valued at cost, net of possible obsolescence determined in each period. Cost is determined using their weighted average purchase price.

j.1 Impairment of spare parts (obsolescence) basis - The impairment of spare parts estimate (obsolescence) is established based on an individual and general assessment performed by specialists of the Company, who assess turnover and technological obsolescence criteria on the stock held in warehouses of each Power plant.

k. Statement of cash flows - For the preparation of the statement of cash flows, the Company uses the following definitions:

Cash and cash equivalents comprise cash on hand, term deposits in credit institutions and other highly liquid short-term investment with original maturities up to three months and subject to an insignificant risk of changes in their valuation. Bank overdrafts are classified as current liabilities in the statement of financial position.

Operating activities: are the principal revenue-producing activities usually conducted by the Company and other activities that are not investing or financing activities.

Investing activities: Correspond to acquisition, disposal or sale activities by other means of long-term assets and other investments not included in cash and cash equivalents.

Financing activities: Activities that generate changes in the size and composition of net equity and financial liabilities.

l. Income tax - The Company determines the taxable basis and calculates income tax in accordance with current tax legislation in each period.

Deferred taxes arising from temporary differences and other events generating differences between the accounting and tax basis of assets and liabilities are recorded in accordance with IAS 12 "Income Taxes."

Current income tax is recognized in the statement of income or in the statement of other comprehensive income based on where the profit or loss from which they arose are recorded. Differences between the carrying amount of the assets and liabilities and their tax base generate the basis on which deferred taxes are calculated using the tax rates that are expected to be in force when the assets are realized, and liabilities are settled.

Changes in deferred tax assets or liabilities generated are recorded in profit or loss in the consolidated statement of comprehensive income or in total equity captions under the statement of financial position, based on where the profit or loss from which they arose are recorded.

A deferred tax asset is recognized only to the extent that is probable that future taxable profits will be available against which the temporary difference can be utilized to recover temporary difference deductions and use the tax losses.

At each reporting date, the Company reviews the deferred tax assets and liabilities recorded to verify that they remain effective and adjusted on a timely basis based on the results of such analysis.

For the consolidated financial statement balances, the Company and its subsidiaries offset deferred tax assets and liabilities if, and only if, they relate to the income tax, which corresponds to that same tax administration, only to the extent that the Company is legally entitled to offset current tax assets with current tax liabilities.

m. Severance indemnity payments - Obligations recognized as severance indemnity payments arise as a result of collective and individual agreements subscribed by employees of the Company, in which the Company's commitment is established, and are classified as "Defined post-employment benefits." The Company recognizes employee benefit costs based on an actuarial calculation in accordance with IAS 19 "Employee benefits", which includes variables such as life expectancy, salary increases and turnover, among others.

At the reporting date, the amount of net actuarial liabilities accrued is presented in the item Provisions for employee benefits, current and Provisions for employee benefits, non-current in the consolidated statement of financial position.

The Company recognizes all actuarial gains and losses arising from the valuation of defined benefit plans in other comprehensive income. Accordingly, all costs related to benefit plans are recorded as personnel expenses in the statement of comprehensive income.

n. Provisions - Obligations maintained at the reporting date in the statement of financial position, arising as a result of past events which may generate highly-probable equity losses to the Company, which amount and timing can be reliably estimated, are recorded as provisions at the amount which it is estimated that the Company would have to disburse to settle the obligation.

Provisions are reviewed on a regular basis and are quantified considering the best information available at the reporting date of these consolidated financial statements.

n.1 Restructuring - A provision for restructuring expenses is recognized when the Company approves a detailed and formal restructuring plan, and such restructuring has commenced or is publicly announced. The Company accrues no future operating costs.

n.2 Dismantling - Future disbursements by the Company related to the closure of its facilities are included at the asset amount at fair value, recognizing the related provision for dismantling or remediation at the commencement of the plant's operations. The Company assesses on an annual basis its estimate on future disbursements indicated above, increasing or decreasing the asset value based on the results of such estimate (see Note 26 c).

o. Accrued vacations - Vacation expenses are recorded in the year the right is accrued, in conformity with IAS 19.

p. Revenue from contracts with customers - Revenue from the sale of power in Chile and Peru is recognized at the fair value of the amount received or receivable and represents the amount for services rendered during the normal course of business, less any related discount or tax, in accordance with IFRS 15.

Revenue is classified in the following categories:

Sale of goods - For contracts with customers in which the sale of equipment is the unique obligation, the adoption of IFRS 15 has no impact on the Company's revenue or profit or loss because revenue is recognized at a point in time when the control of the asset is transferred to the customer upon delivering the goods. The Company has impact associated with the individual sale of goods, because it is not currently engaged in the sale of goods as a single contract for the sale of goods.

Rendering of services - Colbún provides power supply and capacity to both unregulated and regulated customers. The Company recognizes revenue for services based on the physical delivery of energy and capacity. Services are satisfied over time because the customer simultaneously receives and consumes the benefits provided by the Company. Consequently, the Company recognizes revenue from such service contracts over time instead of at a point in time.

A description of the Company's main revenue recognition policies for each type of customer is presented below.

- **Regulated customers - distribution companies:** Revenue from the sale of power is recorded based on physical delivery of energy and capacity in conformity with long-term agreements at a bid price.
- **Unregulated customers - Connection capacity exceeding 5,000 KW in Chile and between 200 KW and 2,500 KW in Peru:** Revenue from the sale of power for these customers is recorded based on the physical delivery of energy and capacity, at fees established in the related contracts.
- **Spot market customers:** Revenue from the sale of power is recorded based on the physical delivery of energy and capacity to other power-generation companies at the marginal cost of energy and capacity. The spot market is legally organized through Delivery Centers (CEN in Chile and COES in Peru) where energy and capacity surplus and deficit is traded. Energy and capacity surpluses are recognized as revenue, and deficits are recorded as costs in the consolidated statement of comprehensive income.

The Company only receives short-term prepayments from its customers related to operations and maintenance services. These are recognized as other financial liabilities. However, the Company may receive long-term prepayments from customers from time to time. In accordance with the current accounting policies, the Company recognizes such prepayments as deferred revenue by virtue of non-current liabilities classified in the statement of financial position. No interests were accrued on long-term prepayments received by virtue of the accounting policy currently in force.

The Company should determine whether a significant finance component exists in its contracts. However, the Company decided to use the practical expedient provided by IFRS 15, and will not adjust the amount committed in the consideration for the effects of a significant financing component in the contracts, when the Company expects, at the onset of the contract, that the period between the time in which the entity transfers an asset or service committed with the customer and the time in which the customer pays for such good or service is one year or less. Consequently, at short-term the Company shall not account for a financing component, even if this is a significant component.

Based on the nature of the services offered and the objective of the payment terms, the Company has concluded that there is no significant financing component in these contracts.

The Company does not record under revenue the gross income from economic benefits received when it acts as agent or commission agent on behalf of third parties, and it only records the payment or commission it expects to receive.

Any tax received by customers and forwarded to government authorities (e.g. VAT, taxes on sales and tributes, etc.) is recorded on a net basis, and therefore excluded from revenue in the consolidated statement of comprehensive income.

Finance income is composed of interest income in funds invested, gains from the sale of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss and gains from hedge instruments that are recognized in comprehensive income. Interest income is recognized as it accrues in profit or loss at the amortized cost using the effective interest method.

q. Dividends - Article No. 79 of the Chilean Public Company Act establishes that, except otherwise unanimously agreed in at the Annual Shareholder's Meeting, by unanimity of the issued shares, publicly traded companies must annually distribute as cash dividend to their shareholders, at pro rata of their interests or in the proportional amount established by the Company's by-laws, in the event preference shares exist, at least 30% of net profit for each year, except if the Company has to absorb accumulated losses from prior years.

At each reporting date, the Company estimates the amount of the obligation with its shareholders, net of provisional dividends that have been approved during the year, and recognizes them as "Trade and other payables, current" and as "Trade payables due to related parties", as appropriate, with a charge to equity.

Provisional and definitive dividends are recorded as decreases in equity at their approval by the relevant individuals which, in the first case, generally corresponds to the Company's Board of Directors, and in the second case the responsibility relates to the Shareholders' Ordinary Meeting.

r. Environment - In the event of environmental liabilities, these are recognized on based on the current interpretation of environmental laws and regulations, when is probable that a current obligation will be produced and the amount of such liability can be estimated reliably.

Investments in infrastructure projects intended to comply with environmental requirements are performed in conformity with the general accounting criteria related to property, plant and equipment.

s. Classification of balances as current or non-current - Balances in the accompanying consolidated statement of financial position are classified on the basis of their maturities - i.e., balances maturing within twelve months or less are classified as current; whereas balances maturing in periods exceeding twelve months are classified as non-current.

t. Leases - The implementation of IFRS 16 implies that, for lessees, most of the leases are recognized in the balance sheet, which significantly changes the companies' financial statements and related ratios. Colbun maintains lease agreements for its offices, parking lots, warehouses, pickup trucks and printers.

t.1 Lessee - From the lessee's standpoint, in the commencement date of a lease, the Company recognizes an asset representing the right to use the underlying asset during the lease term (right-of-use asset) and a liability representing its obligation to make lease payments (lease liability), except leases which term is less than 12 months (with no renewal), and leases where the underlying asset amounts to less than US\$5,000. The lessee shall recognize interest expense on the lease liability separately from the amortization expense for the right-of-use asset.

t.1.1 Initial recognition - At the commencement date, a lessee shall measure the right-of-use asset at cost; whereas a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

t.1.2 Classification - All leases are classified as finance lease, as the lessee records a right-of-use asset and a lease liability at the commencement date.

t.1.3 Remeasurement - In addition, lessees will be required to remeasure the lease liability if certain events occur (e.g. a change in the lease term, a change in future lease payments resulting from a change in an index or a rate used to determine those payments). A lessee shall recognize the amount of the lease liability as an adjustment to the right-of-use asset.

t.1.4 Depreciation charge - A lessee shall apply the depreciation requirements in IAS 16 Property, Plant and Equipment in depreciating the right-of-use asset.

t.1.5 Impairment - A lessee shall apply IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

t.2 Lessor - Lessor accounting in accordance with IFRS 16 is substantially similar to the accounting under IAS 17. Lessors will continue to classify leases as finance or operating leases at the commencement date, based on the substance of the transaction. Leases in which substantially all the risks and rewards inherent to the ownership of the underlying asset are transferred are classified as finance leases. The remaining leases are classified as operating leases.

Operating lease payments are expensed on a straight-line basis over the term of the lease, unless another systematic basis of distribution is more representative.

u. Transactions with related parties - The transactions between the Company and its dependent subsidiaries, which are related parties, are part of the Company's usual transactions with respect to its objective and conditions, and these are eliminated in the consolidation process. The identification of the relationship between the Parent, Subsidiaries, Joint Ventures and Related Parties are detailed in Note 3.1 and section b and c. All transactions are performed under the market terms and conditions.

v. Government grants - Government grants are measured at the fair value of the asset received or receivable. A grant with no specific future performance conditions is recognized in income when the amount obtained for the grant is received. A grant establishing specific future performance conditions is recognized in income when such conditions are met.

Government grants are presented separated from the asset to which they relate. Government grants recognized in income are presented separately in the notes. Government grants received before the compliance with the revenue recognition criteria are presented as a separate liability in the statement of financial position.

The Company recognizes no amount for types of government aid to which no fair value can be allocated. However, if these exist, the Company discloses the information of such aid.

w. Interest costs - Interest costs directly attributable to the acquisition, construction or development of an asset which implementation or sale requires an extended period, are capitalized as part of the cost of such asset. The Company has established as a policy the capitalization of interests based on the construction phase. The remaining interest costs are recognized as expenses in the period they are incurred. Financial expenses include interests and other costs incurred by the Company with respect to the financing obtained.

x. Contingent assets and liabilities - A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly under the Company's control, or a present obligation arising from past events which has not been recognized because:

- It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the

Company. These will not be recognized in the financial statements but will have to be disclosed in the notes to the consolidated financial statements.

y. Non-current assets held for sale - Non-current assets or groups of assets for their disposal are classified as available for sale when their book value will be recovered mainly through a sale transaction and the sale is considered highly probable within the next 12 months. These assets are recorded at book value or at fair value less the costs necessary to carry out their sale, whichever is lower, in accordance with IFRS 5.

3.2 New accounting pronouncements

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2022. Those that may be relevant for the Group are indicated below:

3.2.1. Amendments effective from January 1, 2022

Amendments		Mandatory application date
IFRS 3	Reference to the Conceptual Framework	January 1, 2022
IAS 16	Property, Plant and Equipment - Proceeds before Intended Use	January 1, 2022
IAS 37	Onerous Contracts - Costs of Fulfilling a Contract	January 1, 2022
IFRS 1, IFRS 9, IFRS 16, IAS 41	2018-2020 annual improve cycle	January 1, 2022

Reference to the Conceptual Framework (Amendments to IFRS 3): In May 2020, the IASB issued Amendments to *IFRS 3 Business Combinations - Reference to the Conceptual Framework*. The amendments are intended to replace the reference to a previous version of the IASB's *Conceptual Framework* (the 1989 Framework) with a reference to the current version issued in March 2018 without significantly changing its requirements.

The amendments add an exception to the recognition principle of IFRS 3 to avoid the problem of potential “day 2” gains or losses arising from liabilities and contingent liabilities that would be within the scope of IAS 37 Provisions, Contingent Liabilities and Assets. Contingencies or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria of IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

At the same time, the amendments add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for acquisition-date recognition.

The amendments must be applied prospectively.

Property, Plant and Equipment: Proceeds before Intended Use (Amendment to IAS 16): The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds from the sale of items produced while bringing that asset to the location and condition necessary for it to operate in the manner intended by management. Instead, an entity recognizes the revenue from the sale of those items and the costs of producing those items in profit or loss.

The amendment should be applied retroactively only to items of PP&E available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

Onerous Contracts - costs of fulfilling a contract (Amendment to IAS 37): In May 2020, the IASB issued amendments to *IAS 37 Provisions, Contingent Liabilities and Contingent Assets* to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments are intended to provide clarity and help ensure consistent application of the standard. Entities that previously applied the incremental cost approach will see provisions increase to reflect the inclusion of costs related directly to contract activities, whilst entities that previously recognized contract loss provisions using the guidance from the former standard, IAS 11 Construction Contracts, will be required to exclude the allocation of indirect overheads from their provisions. Judgment will be required to determine which costs are "directly related to contract activities", but we believe the guidance in IFRS 15 will be relevant.

The amendments should be applied prospectively to contracts for which an entity has not yet complied with all of its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Early application is allowed and must be disclosed.

Annual improvements to IFRS standards 2018-2020 (IFRS 1, IFRS 9, IFRS 16 and IAS 41): The IASB has issued "Annual improvements to IFRS standards 2018-2020". The pronouncement contains amendments to four International Financial Reporting Standards (IFRS) as a result of the IASB's annual improvements project.

IFRS 1: Subsidiary as a first-time adopter. The amendment allows a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation and for the effects of the business combination in which the parent acquired the subsidiary. This amendment also applies to an associate or joint venture that chooses to apply paragraph D16(a) of IFRS 1.

IFRS 9: Fees in the '10 per cent' test for derecognition of financial liabilities. The amendment clarifies what fees an entity includes when applying the "10 percent" test in paragraph B3.3.6 of IFRS 9 when assessing whether to write off a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by the entity or the lender on behalf of the other.

IFRS 9: Fees in the '10 percent' test for derecognition of financial liabilities. The amendment clarifies what fees an entity includes when evaluating whether the terms of a new or modified financial liability are materially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by the borrower or the lender on behalf of the other. There is no similar proposed amendment to IFRS 39.

An entity applies the amendment to financial liabilities that are modified or exchanged from the beginning of the annual reporting period in which the entity first applies the amendment.

IFRS 16: Leasing incentives. The amendment removes the illustration of lessor payments in relation to leasehold improvements in Illustrative Example 13 accompanying IFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16 .

IAS 41: Taxation on fair value measurements. The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude tax cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements of IFRS 13.

IAS 41: Taxation on fair value measurements. The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude cash flows for tax when measuring the fair value of assets within the scope of IAS 41.

The amendments are applicable for the first time in 2022, however, they do not have an impact on the financial statements of the entity.

3.2.2. Accounting pronouncements effective starting from January 1, 2023 and thereafter:

Standards issued by the IASB yet to be adopted		Mandatory application date
IFRS 17	Insurance Contracts	January 1, 2023

IFRS 17 Insurance Contracts: In May 2017, the IASB issued IFRS 17 Insurance Contracts, a new accounting standard specific to insurance contracts that covers recognition, measurement, presentation and disclosure. Once it enters into force, it will replace IFRS 4 Insurance Contracts issued in 2005. The new standard applies to all types of insurance contracts, regardless of the type of entity that issues them, as well as to certain guarantees and financial instruments with certain characteristics of discretionary participation. Some exceptions within the scope may apply.

In December 2021, the IASB amended IFRS 17 to add a transition option for a "classification overlay" to address potential accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented on initial application of IFRS 17.

If an entity chooses to apply the classification overlay, it can only do so for comparative periods to which IFRS 17 applies (that is from the date of transition to the date of initial application of IFRS 17).

IFRS 17 will be effective for periods beginning on or after January 1, 2023, requiring comparative figures. Early application is permitted, provided that the entity applies IFRS 9 Financial Instruments on or before the date on which IFRS 17 is applied for the first time.

Amendments issued by the IASB yet to be adopted		Mandatory application date
IAS 1	Classification of Liabilities as Current or Non-Current	January 1, 2023
IAS 1	Material accounting policies	January 1, 2023
IAS 8	Definition of an accounting estimate	January 1, 2023
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023
IAS 1	Classification of non-current liabilities with restrictions	January 1, 2024
IFRS 16	Pasivos por arrendamientos relacionados a ventas con arrendamiento posterior	January 1, 2024
IFRS 10 - IAS 8	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Mandatory date deferred indefinitely

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 Presentation of Financial Statements): In January 2020, the Board issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current.

The amendments will be effective for annual periods beginning on or after 1 January 2023. The entities need to carefully consider whether there are any aspects of the amendments that suggest that terms of their existing loan agreements should be renegotiated. In this context, it is important to highlight that the amendments must be applied retrospectively.

Disclosure of Accounting Policies (Amendment IAS 1 Presentation of Financial Statements): In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement No. 2 Make materiality judgments, in which it provides guidance and examples to help entities apply material judgments to accounting policy disclosures.

The amendments are intended to help entities provide accounting policy disclosures that are most useful by:

- Replace the requirement that entities disclose their "significant" accounting policies with the requirement to disclose their "material" accounting policies.
- Include guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

When evaluating the relative importance of information on accounting policies, entities should consider both the size of the transactions and other events or conditions and the nature of these.

The amendment will be effective for annual periods beginning on or after January 1, 2023.

Changes in Accounting Estimates and Errors - Definition of Accounting Estimates (Amendment to IAS 8 Accounting Policies): In February 2021, the IASB issued amendments to IAS 8, introducing a new definition of "accounting estimates". The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and correction of errors. In addition, they clarify how entities use measurement techniques and inputs to develop the accounting of estimates.

The amended standard clarifies that the effects on an accounting estimate resulting from a change in an input or a change in a measurement technique are changes in accounting estimates, provided that these are not the result of correcting errors from previous periods. This definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not bug fixes.

The amendment will be effective for annual periods beginning on or after January 1, 2023.

Deferred tax related to assets and liabilities arising from a single transaction (Amendment to IAS 12 Income Taxes): The amendment establishes that the main change in deferred tax related to assets and liabilities arising from a single transaction (amendments to the IAS 12) is an exemption from initial recognition of the exemption provided for in IAS 12.15 (b) and IAS 12.24. Consequently, the initial recognition of the exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. This is also explained in the newly inserted paragraph IAS 12.22A.

The amendment will be effective for annual periods beginning on or after January 1, 2023.

IAS 1 Classification of non-current liabilities with restrictions (covenants): In October 2022, the IASB issued amendments to IAS 1 which are based on those originally established in Exposure Draft ED/2021/9 Non-current liabilities with restrictions, Proposed amendments to IAS 1 (the Exposure Draft). In the amendment, the IASB clarifies that only the restrictions with which an entity must comply at or before the reporting date will affect the classification of a liability as current or non-current.

The amendment requires an entity to disclose the fact when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on future compliance with the restrictions within twelve months. This disclosure is required to include information about the restrictions and related liabilities. The disclosures should include information about the nature of future restrictions and when compliance is applicable, as well as the carrying amount of related liabilities. The purpose of this information is to enable users to understand the nature of future restrictions and to assess the risk that a liability classified as non-current may be repayable within twelve months.

In addition, if the facts and circumstances indicate that an entity may have difficulty complying with such restrictions, those facts and circumstances must be disclosed. For example, mitigation measures taken by the entity before or after the reporting period may be relevant in disclosing such facts and circumstances.

Similarly, if the entity had not complied by the end of the reporting period with such future restrictions, it might be appropriate to disclose that fact.

The amendment will be effective for annual periods beginning on or after January 1, 2024. Early application is permitted.

This modification does not have significant effects for the Company.

IFRS 16 Lease Liabilities Related to Sales-Leaseback: The amendment addresses the requirements that a seller-lessee uses to measure the lease liability that arises in a sale-leaseback transaction.

The amendment provides that after the inception date of a sale-leaseback transaction, the seller-lessee applies paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of IFRS 16 to the lease liability arising from the leaseback. In applying paragraphs 36-46 of IFRS 16, the seller-lessee determines the “lease payments” or “revised lease payments” in such a way that the seller-lessee would not recognize any amount of gain or loss related to the right of use that it conserves. The application of these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss related to the partial or total termination of a lease, as required by paragraph 46(a) of IFRS 16.

The amendment does not prescribe specific measurement requirements for lease liabilities that arise from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in the seller-lessee determining “lease payments” that are different from the general definition of lease payments in Appendix A of IFRS 16. The seller- The lessee shall develop and apply an accounting policy that results in information that is relevant and reliable in accordance with IAS 8.

A seller-lessee applies the amendment to annual reporting periods beginning on or after January 1, 2024. Early application is permitted and that fact must be disclosed. A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale-leaseback transactions made after the date of initial application (ie the amendment does not apply to sale-leaseback transactions made before from the date of initial application). The initial application date is the beginning of the annual reporting period in which an entity first applied IFRS 16.

This modification does not have significant effects for the Company.

Sale or Contributions of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28): The amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) address a recognized inconsistency between the requirements of IFRS 10 and those of IAS 28 (2011) in the treatment of the sale or contribution of assets between an investor and its associate or joint venture. The amendments, issued in September 2014, establish that when the transaction involves a business (whether it is in a subsidiary or not), all the profit or loss generated is recognized. A partial gain or loss is recognized when the transaction involves assets that do not constitute a business, even when the assets are in a subsidiary. The mandatory application date of these amendments is yet to be determined as the IASB is awaiting the results of its research project on accounting under the equity method. These amendments must be applied retrospectively, and early adoption is allowed, which must be disclosed.

This modification does not have significant effects for the Company.

3.3 Responsibility for the information and estimates made

The information contained in the accompanying Consolidated Financial Statements is responsibility of the Company's Board of Directors which expressly indicates that it has fully implemented the principles and criteria contained in IFRS, as issued by the IASB.

The preparation of the consolidated financial statements requires the use of judgments, estimates and assumptions that affect assets and liabilities at the reporting date, and income and expense amounts during the reporting period. These estimates are based on the best knowledge of Management on the reported amounts, events or actions.

In the preparation of these Consolidated Financial Statements, the following estimates have been used:

- Useful lives and residual values of property, plant and equipment, and intangible assets (see Note 3.1.f and 5.a).
- Valuation of assets to determine the existence of impairment losses (see Note 5.b)
- Assumptions used to calculate the fair value of financial instruments (see Note 3.1.h)
- Assumptions used in the actuarial calculation of liabilities and employee obligations (see Note 3.1.m)
- Probability of occurrence and the amount of undetermined or contingent liabilities (see Note 3.1.n)
- The tax returns of the Company and its subsidiaries, which will be submitted to relevant tax authorities in the future and which have been used as a basis for recording different income tax-related amounts in the accompanying consolidated financial statements (see Note 3.1.l).
- Financial assumptions and estimated economic life for calculating the provision for dismantling (see note 3.n.2)
- Measurement of the allowance for expected credit losses for trade receivables and contract assets (3.h.1.5).

Although such estimates have been made considering the best information available at the reporting date, it is possible that future events require changes (increases or decreases) in such estimates for subsequent periods; this would be applied prospectively at the date in which such change is acknowledged, recognizing the effects of changes in estimates in the subsequent consolidated financial statements, in conformity with IAS 8.

4. Risk management

4.1 Risk management policy

The risk management policy is oriented to safeguard the Company's stability and sustainability principles, identifying and managing sources of uncertainty that affect or may affect the Company.

A comprehensive risk management policy involves identifying, measuring, analyzing, mitigating, and controlling different risks of the Company's different management departments, as well as estimating the impact on the Company's consolidated position, and its follow-up and control over time. This process involves both the Company's Senior Management and the areas that take such risks.

The acceptable risk limits, risk measurement metrics, and risk analysis periodicity are policies regulated by the Company's Board of Directors.

The risk management function is the CEO's responsibility as well as of each division and department of the Company and has the support of the Risk Management and the supervision, monitoring and coordination of the Risk and Sustainability Committee.

4.2 Risk factors

The Company's activities are exposed to different risks, which have been classified as electric business risks and financial risks.

4.2.1 Electric business risks

a. Hydrological risk

To comply with its commitments in dry hydrologic conditions, Colbún must operate its combined thermal cycle plants or by default operate its back-up thermal plants or even buy energy on the spot market. This situation could raise Colbún's costs, increasing earnings variability depending on the hydrological conditions.

The Company's exposure to hydrological risk is reasonably mitigated by a commercial policy aimed at maintaining a balance between competitive power generation (hydraulic in an average-to-dry year, or cost-efficient coal-based or natural gas-based thermal power generation, other cost-efficient renewable energy properly supported by other power generation sources given their intermittence and volatility) and commercial commitments. Under extreme conditions and continuous droughts, a possible lack of water for cooling could affect the power-generating capacity of the combined cycles. Colbún owns a Reverse Osmosis Plant in 2017, which allows reducing up to 50% the water used in the cooling process of combined cycles of the Nehuenco Complex.

In Peru, Colbún owns combined cycle power plant and has a commercial policy oriented towards committing such energy base on short and long-term contracts. Exposure to dry hydrology is limited, as it would have an impact only in case of eventual operational failures which would force the Company to resort to the spot market. In addition, the Peruvian power business has an efficient thermal power offering and availability of natural gas sufficient to cover such risk.

b. Fuel price risk

In Chile, in situations of low water availability in its hydraulic plants, Colbún mainly uses its thermal plants and purchases energy in the spot market at marginal cost. The aforementioned generates a risk due to possible fluctuations in the international fuel prices. Part of this risk is mitigated through contracts with sale prices indexed to fuel price fluctuations. In addition, the Company performs hedging programs with different derivative instruments, such as options that set the price of fuel at an agreed value. On the contrary, in case of water surplus, the Company may be in a selling position in the spot market, whose price would be, in part, determined by fuel prices, but the company would be in a selling position, with less exposure to fuel prices.

In Peru, the cost of natural gas has a lower dependence to international prices, given the significant domestic natural gas production, which allows it to limit exposure to this risk. As in Chile, the remaining portion exposed to international price fluctuations is mitigated through indexation formulas in its energy sales contracts.

Accordingly, exposure to risk related to fuel prices fluctuations is partly mitigated.

c. Fuel supply risk

The Company entered into a contract with Enap Refinerías S.A. ("ERSA"), which includes a reserved regassification capacity and supply for 13 years which became effective on January 1, 2018. This agreement allows the Company to have natural gas to operate two combined cycle units during a large part of the first semester which is the period of the year in which the availability of water resources is lower. Colbún has also the possibility to access to additional natural gas through spot purchases allowing to have an efficient support under adverse hydrological conditions during the second half of the year. In addition, gas supply contracts have been entered with Argentine producers (Pampa Energía, Pan América Energy, Pluspetrol and Total Austral), to complement the gas supply of LNG. Considering these new contracts, Colbún has agreements to import from Argentina totaling 3,030,000 m³ of gas per day, for the months October 2022 to April 2023.

On its part, in Peru, Fenix has long-term contracts with the ECL88 Consortium (Pluspetrol, Pluspetrol Camisea, Hunt, SK, Sonatrach, Tecpetrol and Repsol) and gas transportation agreements with TGP.

With respect to purchases of coal for Santa María thermal power plant, the Company conducts tender processes (the most recent conducted in June 2022), inviting significant international suppliers and awarding the supply to established suppliers who have both physical and financial support. This is performed in accordance with an early purchases policy and an inventory management policy to substantially mitigate the risk of fuel unavailability.

d. Equipment malfunction and maintenance risk

The availability and reliability of the Company's power-generating units are critical to the business. Accordingly, Colbún holds a policy of conducting regular maintenance, preventive and predictive maintenance to its equipment, based on its suppliers' recommendations, and has a hedge policy for this type of risk through insurances for its physical assets, including coverage for physical damages and damages due to stoppages.

e. Project construction risk

The development of new generation and transmission projects may be affected by factors such as: delays in obtaining permits, regulatory framework changes, litigation, increase in equipment and labor prices, opposition from local and international stakeholders, adverse geographical conditions, natural disasters, accidents and other unforeseen events.

The Company's exposure to these risks is managed through a commercial policy that considers the effects of possible delays in projects. In addition, the Company includes certain flexibility to term estimates and construction costs. Additionally, the Company's exposure to these risks is partially mitigated through subscribing "All Construction Risk" insurance policies which cover both physical damages and profit losses due to a delay in service resulting from a casualty, both with standard deductibles for this type of insurance.

The companies in the industry face a very challenging power market, with considerable involvement from different interest groups, mainly neighboring communities and NGOs, which legitimately demand more participation and spotlight. As part of this complex scenario, environmental processing deadlines have become uncertain, which are usually followed by extensive judicial processes. The above has resulted in a decrease in construction of projects of relevant sizes.

Colbún has a policy which calls for integrating social and environmental considerations to the development of its projects. In addition, the Company has developed a social bonding model which allows it to work jointly with neighboring communities and society in general, starting with a transparent citizen participation and trust-building process in the early stages of projects, and during their life cycle.

f. Regulatory risks

Regulatory stability is essential for the energy sector where investment projects require significant terms to obtain permits, investment development, performance and return. Colbún believes regulatory changes must be made considering the complexities of the energy system and maintaining adequate incentives for investments. It is important that the regulations provide clear and transparent rules, which consolidate the trust of the sector's agents.

Chile

In the context of the constitutional process originated from the called "Agreement for Peace and the New Constitution", and the subsequent approval of the drafting of a new Constitution through a plebiscite, the Constitutional Convention drafted a proposed text for a new Constitution that was officially presented to the public on July 4, 2022. This proposal was rejected by the public on September 4, 2022. On December 12, 2022, the "Agreement for Chile" was signed, a new draft constituent process that was dispatched by the National Congress for the signature of the President of the Republic on January 11, 2023. This process has three incumbent bodies, the Constitutional Council, the Expert Commission, and the Technical Admissibility Committee. These bodies will be in charge of drafting a new draft constitution, which must be ratified or rejected by the public through a plebiscite with a mandatory vote. The process will end on November 26, 2023 with the

ratification plebiscite, and its result will be fundamental since it could result in changes to the institutional framework applicable to business activity in the country.

Enacted Laws

On Tuesday, August 2, 2022, Law 21,472 was enacted, which created a transitory mechanism for stabilizing energy prices for customers subject to price fixing, which will be differentiated by consumption segment. This mechanism is complementary to the one enacted by Law 21,185 of 2019 and lasts until December 31, 2032. The main characteristics of the mechanism are:

- **Rate Stabilization Fund.** It creates a US\$500 million fund, to which all customers -regulated and free-will contribute through an additional public service charge that will depend on monthly consumption. This fund will be administered by the General Treasury of the Republic.
- **Client Protection Mechanism (MPC).** It commits resources with a limit of US\$1,800 million for the payment to the generators of the differences that occur between the stabilized tariff of the clients and the price that corresponds to pay by contract. Said differences may be collected by the suppliers through a transferable credit title, issued by the Ministry of Finance, which considers the financial costs and has a state guarantee.

On Tuesday, August 2, 2022, Law 21,472 was enacted, which created a transitory mechanism for stabilizing energy prices for customers subject to price fixing, which will be differentiated by consumption segment.

This mechanism is complementary to the one enacted by Law 21,185 of 2019 and lasts until December 31, 2032. The main characteristics of the mechanism are:

- **Storage:** Allows “pure” or “isolated” storage systems, that is, those that are not part of a generation plant, to be remunerated for the energy and power injected into the system, allowing them to participate in transfer balances economic in the short-term wholesale market.
- **Generation-consumption systems:** Enables the efficient connection of “generation-consumption” systems, which have their own generation capacity with renewable energy.
- **Electromobility:** Encourages the sale of electric vehicles, equating the value of their circulation permits to that of equivalent internal combustion cars and enables them to participate in the electricity market as storage systems.

Main Developments in Bills in Processing

The ERNC quota Bill is in the first constitutional process with urgency qualified for immediate discussion and is being analyzed by the mining and energy commission of the Chamber of Deputies. The project currently under discussion considers the following changes to the General Law of Electric Services:

- a) Increase the goals of large-scale renewable generation, imposing the generation companies to commercialize at least 60% of NCRE by 2030 and, in addition, to commercialize at least 40% of NCRE by 2030 in each temporary block within the day, promoting the management of energy from variable sources through storage systems.
- b) Establish a traceability system of the renewable nature of the energy that is marketed, for which it obliges the National Electricity Coordinator to have information systems for the follow-up and record of traceability of the energy trade. The methodology will be determined by regulation.

- c) Promote distributed generation, through the definition of terms and costs of connection to the distribution network. It also considers an increase in the injection limit capacity of residential customers, from 300 to 500 kW, and the possibility that municipalities act as coordinators of residential generation facilities.

One of the main risks of this project is that the energy generated by reservoirs will not be counted for ERNC quotas.

On June 29, 2022, a motion was submitted to the Chamber of Deputies that modifies Law 19,300 and aims to regulate the process of social, environmental, energy and economic transition within the framework of the commitments and needs to reduce GEI emissions, protection of sinkholes and ecosystems. The project defines the concept of socio-ecological fair transition in addition to establishing seven principles, which will guide this process. In addition, it establishes that the State may approach production and consumption cycles holistically, considering communities and nature, in order to move towards a declining, decarbonized, waste-free economy that promotes nature-based solutions. The project is currently without urgency and in the first constitutional process.

Additionally, since July of this year, the urgency of the project presented to the Senate on July 15, 2020, which requires an Environmental Qualification Resolution for projects evaluated or approved prior to the creation of the current Environmental Institution, has been permanently updated. The project that expands the definition of Environmental Protection in Law No. 19,300 on General Bases of the Environment and adds a subsection that establishes that any project or activity likely to cause environmental impact will require for its approval and/or execution, the resolution that qualifies it environmentally. This is complemented by the incorporation of a transitory article that establishes that projects or activities that do not currently have an Environmental Qualification Resolution will have a strict deadline of 12 months to obtain it, from the publication of this modification. The processing of the project was resumed in December 2021 and currently has simple urgency and must be reviewed in the Senate by the Environment and National Assets and Mining and Energy Commission.

On the other hand, on October 5, a motion was entered in the Chamber of Deputies that modifies Law No. 19,300 and regulates the installation, and coexistence with neighboring communities, of Aero generation complexes and photovoltaic plants. The project covers aspects of design and construction; such as minimum distance between towers, type of soil allowed, and restrictions on the location of adjoining projects. Regarding the environmental impact and its respective evaluation, the project establishes minimum characteristics to present the EIA, in addition to criteria that regulate the shadow effect of these. A fundamental aspect of the project is the creation of effective instances of citizen participation, considering the co-development of the project with the neighboring communities. Finally, it is established that the Superintendence of the Environment and of Electricity and Fuels will be in charge of supervising the norms emanating from this project, and that non-compliance with the minimum distances could trigger a revocation of the environmental qualification resolution. This project is without urgency and must be reviewed by the Environment and Natural Resources Commission.

In 2017, through a parliamentary motion, the bill that modifies Law 19,300 was presented, in order to establish restrictions on the processing of projects in areas declared latent or saturated. This project was in the second legislative process in July 2020, and was resumed by the executive in June 2022, making present the simple urgency for its processing. The purpose of the project is to regulate the investments that are to be installed in areas declared latent or saturated, while prevention or decontamination plans, respectively, are not issued. For this it establishes that; projects that have a significant impact on emissions will especially require an Environmental Impact Study (EIA), while those that produce a critical impact must have their respective EIAs rejected. The project is currently in its second legislative process, under review by the Environment and Natural Resources Commission, with urgency.

Legislative Agenda Ministry of Energy

During October, energy minister Diego Pardow presented the executive's legislative agenda in congress. In view of the process of energy transition and decarbonization of the matrix, the ministry raised its two axes under which it will work in the short term; increase the installed capacity of the system by 25 GW by 2030 and reinforce the electrical transmission system with new lines and substations. To this end, he established the following priorities on the legislative agenda:

- **Improvement of the General Law of Electric Services (LGSE):**

This Bill would have two main objectives: first, to generate an exception in the Law so that public service concessionaires of medium-sized systems can be vertically integrated, given the special characteristics that own in these areas; and the second, to modify the mechanism of the transmission expansion works, which are currently being tendered by the Coordinator and which has generated a significant delay in the development of new works. Therefore, the project intends to return to a process similar to the one that existed before Law No. 20,936.

- **Law for the improvement of the SEC:**

Proposal for a law that aims to provide more robust tools to the Superintendency, so that it can monitor and sanction supply cuts. For this, the project intends to update the scope of the service to the new energy sources; reinforce the attributions in the resolution of claims, incorporate the performance approach in the inspection; and improve the power to interpret energy regulations and the power to sanction. The executive will wait for the aforementioned projects to be completed in order to prioritize this one.

On the other hand, the ministry will address the issue of hydrogen through the budget law, incorporating Strategic Energy Plans in Regions (PEER) with a focus on said technology.

Additionally, the ministry proposed to the industry the development of an Energy Transition bill that would be broad in scope for the sector, and that would be presented in December 2022, which to date has not happened.

Short Term Market

In October 2022, the insolvency situation of two generation companies in the electricity sector was known, which were subsequently withdrawn from the short-term market and their respective guarantees were executed. This event has raised various alarms in the sector that range from the operation of the system, the supply tenders for regulated clients, the short-term guarantees, and the high levels of dumping at the national level. For this reason, the National Energy Commission convened a Public-Private Roundtable on the Short-term Market (MCP) whose objective was to analyze the particular and systemic causes that would be influencing this situation. The Ministry of Energy, the Superintendency of Electricity and Fuels, the National Electrical Coordinator and trade associations of the sector participated in the instance. In total, 60 proposals were put forward by the organizations and unions, which were analyzed and consolidated by the CNE in a report published on January 6, 2023. Among the proposals contained in the report, there is the improvement of guarantees, improvements in the bidding rules for regulated supply, modification to the planning and pricing process, storage incentives, implementation of the intraday phase, incorporation of monitoring and control elements in the transmission networks, greater reportability of side payments and systemic costs, and the carrying out a joint analysis between the CNE and the MEN to continue analyzing measures in the context of the CCM, among others. Each of these modifications will be addressed by different regulatory bodies within a maximum period of 36 months.

News Rationing Decree

On September 7, through decree 74, the Ministry of Energy extended the preventive rationing decree (DS No. 51/2021) until March 31, 2023 and reduced the water reserve to 66 GWh.

Peru

On February 26, 2022, Law No. 31429 was published in the Official Gazette El Peruano, which modifies Law No. 27510, Law that creates the Electricity Social Compensation Fund (hereinafter, “FOSE Law”). Said modifications will be applicable as of the tariff schedule for the month of January 2023 and have a special impact on free users of the electricity sector, since these have been included as subjects that will be affected by the FOSE surcharge. Before the approved modifications, free users were already making monthly contributions to finance the Energy Social Inclusion Fund (FISE), a support program to expand the energy frontier in vulnerable segments of the population. Thus, the inclusion of free users as subjects affected by the FOSE surcharge would mean that they make a double contribution to finance the same purpose, that is, offset the residential electricity rate.

Through Ministerial Resolution No. 227-2022-MINEM dated June 24, 2022, the Ministry of Energy and Mines (“MINEM”) ordered the publication of the proposed legislative initiative “Law that modifies Law 28832, Law to ensure the efficient development of Electricity Generation” along with its explanatory statement in order to receive contributions and/or comments from interested parties and citizens, within a period of 30 calendar days. As indicated in the Bill, its purpose is to guarantee the safe, reliable and efficient supply of electricity, and to promote the diversification of the energy matrix.

On October 28, 2022, Law 31,598 was published, which brought forward to November 2022 the validity of Law 31,429, which introduced modifications to Law 27,510, the Law that creates the Electricity Social Compensation Fund (“FOSE Law”).

Law 31,429, published on February 26, 2022, mainly provided:

- The increase in the range of beneficiaries by the FOSE to those users with a monthly consumption equal to or less than 140 kW/h per month (before, it was a consumption equal to or less than 100 kWh per month) and;
- The incorporation of free users to the universe of affected users with a surcharge for FOSE financing (before, only regulated users paid).

The same Law 31,429 originally established that the modifications made to the FOSE Law would enter into force as of January 2023. However, through Law 31,598 its validity was brought forward to November 2022. In this way, from November 2022, the range of users benefited by the FOSE increases; and, in addition, the invoices for the electric service to free users will include the FOSE charge for its financing.

g. Risk of variation in demand/supply and sales price of electricity

The projection of future power demand is very relevant information for determining the market price.

In Chile, a low demand growth, as well as a decrease in fuel prices and an increase in solar and wind renewable energy projects, resulted in a decrease in the short-term price of power (marginal cost) during the last years.

Regarding long-term prices, the bidding processes for the supply of regulated customers finished in August 2016, October 2017 and August 2021 resulted in an important decrease in prices offered and granted, which reflects the greater competitive dynamics present in this market, and the impact of the introduction of new technologies - mainly solar and wind power- with a significant decrease in costs as a result of their widespread growth. Although the Company expects that these factors triggering such competitive dynamics and price trends will remain in the future, it is difficult to determine their precise impact on the long-term power prices.

In addition, and because of the difference in power prices between regulated and unregulated customers, certain customers have adopted the unregulated customer regime. The above may occur given the option included in power laws which allow customers with power connections between 500 kW and 5,000 kW to be categorized as regulated or unregulated customers. Colbún has one of the most efficient power generation plants in Chile, and therefore it has the capacity of offering competitive conditions to these customers.

In Peru, there is also a temporary imbalance between supply and demand, mainly generated from the increase in efficient supply (hydroelectric and natural gas plants).

The growth in renewable energy from variable sources in the Chilean market (and potentially in Peru) such as solar and wind power generation, may generate integration costs, and therefore may affect the operating conditions of the remaining portion of the power system, particularly in the absence of a complementary services market which adequately remunerates the services required to manage the variability of such power generation sources.

Energy demand in Chile has grown about 0.1% during 4Q22 compared to 4Q21, while Peru has experienced an increase of approximately 6.2% compared to 4Q21.

It should be noted that the complex world economic outlook, could carry to a contraction of the economies in Chile and Peru, which will surely have effects on future electricity demand.

4.2.2 Financial risks

Financial risks are related to the Company's inability to perform transactions or comply with obligations from its operations due to lack of funding, changes in interest rates, exchange rates, bankruptcy of related parties, or other financial variables of the market that may materially affect Colbún.

a. Exchange rate risk

Exchange rate risk relates mainly to fluctuations in currency coming from two sources. The first source of exposure is cash flows related to investment revenues, costs and expenses denominated in foreign currencies other than the functional currency (United States dollars).

The second source of exposure relates to the accounting mismatch between assets and liabilities in the Statement of Financial Position denominated in a currency other than the functional currency.

The exposure to cash flows in currencies other than the U.S. dollar is limited, as practically all the Company's sales are denominated directly or adjusted to the U.S. dollar.

Likewise, its main costs relate to purchases of natural gas and coal, which incorporate pricing formulas based on international prices denominated in U.S. dollars.

With respect to disbursements related to investment projects, the Company incorporates inflation-adjusted rates in its contracts with suppliers, and resorts to the use of derivatives to determine cash outflows in currencies other than the U.S. dollar.

The accounting mismatch exposure is mitigated by applying a policy of maximum mismatch between assets and liabilities for structural items denominated in currencies other than U.S. dollar. Accordingly, Colbún maintains a relevant share of its cash surpluses in U.S. dollars and occasionally resorts to the use of derivatives, mainly currency swaps and forwards.

b. Interest rate risk

Is related to changes in interest rates affecting the value of future cash flows based on variable interest rates, and variances in the fair value of assets and liabilities based on fixed interest rates that are accounted for at fair value. To mitigate such risk, the Company uses fixed interest rate swaps.

As of December 31, 2022, the Company's financial debt is 92% denominated at a fixed rate and 8% at a floating rate.

c. Credit risk

The Company's exposure to this risk is derived from the possibility that a counterparty fails to comply with its contractual obligations and generates financial or economic losses. Historically, all counterparties Colbún has engaged with to render energy services have complied with their payments.

Colbún has recently expanded its presence in the medium and small unregulated customer segment, for which it has implemented new procedures and controls related to the risk assessment of these type of customers and a follow-up of their collection. Allowance for doubtful accounts calculations are performed on a quarterly basis based on the risk analysis of each customer considering, among other factors, its credit rating, payment behavior and industry.

With respect to placements in cash and derivatives, Colbún performs transactions with high credit rated entities. In addition, the Company has established interest limits by counterparty, which are regularly approved by the Board of Directors and periodically reviewed.

As of December 31, 2022, the Company invests its cash surpluses in interest-bearing current account, short-term mutual funds (of bank subsidiaries) and in time deposits in local and international banks. The latter correspond to short-term mutual funds, with duration of less than 90 days, known as "money market".

Information on customer's credit ratings is disclosed in note 11 to these Consolidated Financial Statements.

d. Liquidity risk

Such risk is derived from several fund needs to address investment commitments and business expenses, debt maturities, among others. The required funds to meet such outflows are obtained from Colbún's own revenue and by engaging credit revolving facilities to ensure sufficient funds will be available to support expected needs for a period.

As of December 31, 2022, Colbún has cash surpluses of approximately US\$1,176 million, invested in interest-bearing checking accounts, time deposits and Mutual funds with an average duration of 57 days (it includes time deposits with a duration of less than and greater than 90 days, where the latter are recorded as "Other financial assets, current" in the Consolidated Financial Statements) and fixed-income investments with a term of 2 to 3 years that are estimated to be held until maturity.

Likewise, the Company has the following additional sources of liquidity available: (i) three line of bonds registered with the local market, two for UF 7 million as a whole and one for UF 7 million, and (ii) uncommitted credit revolving facilities for approximately US\$150 million. For its part, Fenix Power has uncommitted lines for a total of US\$65 million, contracted with two local banks.

Within the next twelve months, the Company will have to disburse approximately US\$102 million associated with interests on financial debt and debt repayments. The payment of interests and repayments are expected to be covered by the Company's internally generated cash flows.

As of December 31, 2022, Colbún has the following local risk ratings: AA by Fitch Ratings and Feller Rate, with stable outlook. At international level, the Company's ratings are Baa2 by Moody's, BBB by S&P and BBB+ by Fitch Ratings, all with stable outlooks.

As of December 31, 2022, Fenix Power risk ratings are BBB- by S&P and by Fitch Ratings, both with stable outlooks.

Considering the foregoing, it is assessed that the Company's liquidity risk is currently limited. Information on contractual maturities of the main financial liabilities is disclosed in Note 23 of the Financial Statements.

4.3 Risk measurement

The Company regularly analyzes and measures its exposure to several risk variables. Risk management is performed by a Risk Committee, supported by the Corporate Risk Management and coordinated with the other divisions of the Company.

With respect to business risks, specifically those related to variances in commodity prices, Colbún has implemented mitigating actions consisting of index-adjustments in energy sales contracts and hedges through derivative instruments to hedge any possible remaining exposure. Because of this reason, the Company performs no sensitivity analysis.

The Company has insurance policies in force to cover damages to its physical assets, disruptions and loss of profits due to delays in the commencement of a project to mitigate the risk of equipment failure or project development. Such risk is currently considered to be reasonably controlled.

For measuring the financial risk exposure, Colbún performs a sensitivity analysis and value at risk analysis to monitor possible losses assumed by the Company in the event such exposure exists. Foreign currency exchange risk is considered low because the Company's main cash flows (project revenue, costs and expenditures) are directly denominated in, or adjusted to, U.S. dollars.

The accounting mismatch exposure is mitigated by applying a policy of maximum mismatch between assets and liabilities for structural items in the Balance Sheet denominated in currencies other than U.S. dollar. As of December 31, 2022, the Company's exposure to this risk relates to a potential impact of approximately US\$6.3 million for quarterly foreign currency exchange differences, based on a sensitivity analysis with a 95% reliance.

The exposure associated with the variation in interest rates is measured as the sensitivity of the financial expense before a change of 35 basis points in the reference variable rate, this being the DOFR rate. In this way, an increase of 35 basis points in the SOFR rate would mean an increase in the accrual monthly financial expense of US\$33,000, while a drop in the reference rate would result in a reduction of US\$33,000 in financial expense. accrual monthly. The Company considers the interest rate variation risk limited.

The credit risk is low because Colbún operates solely with domestic and foreign bank counterparties with high credit rating and has established the maximum exposure policies for each counterparty, which limit the specific concentration with such institutions. For banks, the local institutions have risk ratings equal to or of more than BBB and foreign entities have investment grade international risk ratings.

At the closing date, the financial institution which accounts for the highest share of cash surpluses has 26%. For existing derivatives, the Company's foreign counterparties have risk ratings equivalent to BBB+ or higher and domestic counterparties have local ratings of BBB+ or higher. It should be noted that in derivatives, none of the counterparty concentrates more than 51% in notional terms.

Liquidity risk is low by virtue of the Company's significant cash position, the amount of financial obligations for the following twelve months and access to additional sources of financing.

5. Critical Accounting policies

Management necessarily makes judgments and estimates that have a significant effect on the amounts recorded in the Consolidated Financial Statements. Changes in the assumptions and estimates could have a significant impact on the financial statements. The key estimations and judgments used by Management for the preparation of these consolidated financial statements are detailed below.

a. Calculation of depreciation and amortization, and estimation of the related useful lives

Property, plant and equipment, and intangible assets other than goodwill with finite useful lives, are depreciated and amortized on a straight-line basis over the estimated useful lives of the assets. Useful lives have been estimated and determined considering technical aspects, their nature and status.

Estimated useful lives as of December 31, 2022 are as follows:

(i) Useful lives of property, plant and equipment:

The detail of the useful lives of the main items of Property, plant and equipment is as follows:

Classes of property, plant and equipment	Useful life (years)	Average remaining useful life (years)
Buildings	10 - 65	30
Machinery	4 - 20	10
Transport equipment	5 - 15	5
Office equipment	5 - 12	6
IT equipment	3 - 10	5
Power-generating asset	2 - 100	41
Transmission line operation and maintenance	20	11
Right-of-use assets	2 - 31	12
Other property, plant and equipment	10 - 80	29

Additional detail per class of plants is presented below

Classes of plants	Useful life (years)	Average remaining useful life (years)
Power-generating facilities		
Hydroelectric power plants		
Civil works	10 - 100	69
Electromechanical equipment	2 - 100	20
Thermal power plants		
Civil works	10 - 60	19
Electromechanical equipment	2 - 60	15
Solar power plant		
Electromechanical equipment	5 - 25	24
Civil works	25	25

(ii) Useful lives of intangible assets other than goodwill (with finite useful lives):

Intangible assets from contracts with customers are mainly acquired contracts for energy supply.

Other material intangible assets refer to software, rights, concessions and other easements with finite useful lives. These assets are amortized in accordance with their expected useful lives.

Intangible assets	Useful life (years)	Average remaining useful life (years)
Customer contractual relationships	2 - 15	9
Software	1 - 15	5

At the closing date of each period, the Company assesses whether there is any indicator of impairment of assets. If any such indication exists, then the asset's recoverable amount is estimated to determine the impairment amount.

(iii) Intangible assets with indefinite useful lives:

The Company analyzed the useful lives of intangible assets, with indefinite useful lives (e.g., certain right-of-way easements or water rights, among others), and concluded there is no foreseeable time limit in which the asset would generate net cash inflows. For these intangible assets, the Company determined that their useful lives are indefinite.

b. Impairment of non-financial assets (tangible and intangible assets other than goodwill, excluding goodwill)

At the closing date of each year, or at any date as deemed necessary, the value of assets is assessed to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated to determine the amount of any impairment. For identifiable assets that do not generate cash flows independently, the recovery of the cash-generating unit (CGU) of the asset is estimated. Accordingly, it has been determined that assets located in Chile represent one CGUs, the Generation business, whereas all assets located in Peru represent another CGU.

For CGUs that have required possible impairment losses analysis, future cash flows are based on the updated Strategic Plan approved by Colbún, as applicable, for most recent long-term budgets or estimates approved, considering the regulation and expectations for market development per the available sector forecasts and the historical experience on price evolution and volumes produced.

Likewise, to estimate future cash flows in the calculation of residual values, the Company uses and compares different valuation techniques, including all maintenance investments, and, if applicable, renewal investments required to maintain the CGU production capacity.

Parameters considered by the Company to determine growth rates, which represent each business long-term growth, are adjusted per the long-term growth in Chile.

Additionally, parameters considered for the calculation of discount rates before taxes are determined based on historical and updated market information and considering indebtedness level and capital structure assumptions consistent with the market context and the Company's financing policy.

For CGUs assigned to intangible assets with an indefinite useful life, the recoverability analysis is conducted systematically at each reporting date, or at any date deemed necessary, except if considered that the most recent calculations of a CGU's recoverable amount from the prior period may be used for verifying the amount of the impairment of such unit in the current period, as it complies with the following criteria:

- a) Assets and liabilities comprising such unit have not significantly changed since the latest recoverable amount calculation.
- b) The latest recoverable amount calculation resulted in an amount that significantly exceeded the unit's carrying amount; and
- c) Based on an analysis performed on the events and circumstances that had changed since the latest recoverable amount was calculated, it is unlikely that the current recoverable amount determination will be less than the unit's current carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use, which comprises the current value of future estimated cash flows generated by the asset or a CGU. For calculating the tangible or intangible asset recoverable amount, the Company uses the value in use criterion.

To estimate the value in use, the Company prepares its estimate of future pre-tax cash flows based on the most recent budgets approved by Management. These budgets include the best estimates available on the income and costs of the cash-generating units, using the best available information, such as experience and future expectations.

Such cash flows are discounted to calculate their current amount at a pre-tax rate which considers the capital cost of the business in which it operates. Their calculation considers the current cost of money and risk premiums generally used for business purposes.

In the event the recoverable amount is less than the asset's carrying amount, the related allowance for impairment losses is recognized as "Other Gains (losses)" in the Statement of Comprehensive Income. Impairment losses recognized in an asset in prior years will be reversed if there has been a change in the estimations on their recoverable amount increasing the value of the asset with a credit to profit or loss with the limit of the carrying amount that the asset would have had no unwinding been conducted.

c. Fair value of derivatives and other financial instruments

As described in Note 3.1, Management uses its criteria to select an appropriate valuation technique for financial instruments that are not quoted in an active market. The Company applies valuation techniques commonly used by market professionals. For derivative financial instruments, Management makes assumptions based on rates quoted in the market and adjusted according to the instrument specific characteristics. Other financial instruments are valued using a cash flow update analysis based on supported assumptions, and on market prices or rates, if possible.

6. Goodwill

On September 3, 2020, Colbún S.A. acquired 100% of the voting shares of Efizity Ingeniería SpA ("Efizity"), a company organized under Chilean law.

Efizity is a company whose business is the provision of value-added services complementary to the energy supply in any form, including the design and implementation of energy efficiency solutions, carrying out installations and land works for monitoring and control of electrical installations.

In accordance with IFRS 3, the measurement period is the period after the acquisition date during which the acquirer can adjust the provisional amounts recognized in a business combination. This period shall not exceed one year from the date of acquisition.

The fair values of Efizity's identifiable assets acquired and assumed liabilities, at the acquisition date, were ThUS\$243, generating a goodwill of ThUS\$ 5,573.

7. Segment reporting

Colbún's main line of business is the power generation and sale. Accordingly, the Company has assets that generate such power, which is sold to several customers under power purchase agreements and others without contracts in accordance with the regulations in force.

Colbún's management control system analyzes generation business from the perspective of a mix of hydraulic/thermal assets that produce power to serve a customer portfolio. Consequently, resource allocation and performance measures are analyzed separately per each business.

Certain classification criteria are, for example, the type of asset: generation; production technology: hydroelectric power plants (which can be run-of-the-river or dam-based) and thermal power plants (which can be coal-based, combined cycle, open-cycle, etc.). Customers are classified in accordance with the concepts included in the Chilean electric regulation for unregulated and regulated customers and spot market; and in accordance with electric regulations currently in force in Peru for regulated and unregulated customers (see note 2).

In general, there is no direct relation between each power generation company and the supply agreements, but these are established according to Colbún's total capacity, fully supplying them at any moment with the most efficient generation on its own or on behalf of third parties purchasing energy in the spot market from other power generation companies. An exception is Codelco in Chile, which has entered into two power purchase agreements with the Company. One of these agreements is covered by the full power generation fleet and the other has its preferential supply from the generation of Santa María power plant, which in accordance with the modification of this contract dated October 27, 2022, will be gradually replaced by renewable energy and future projects that are developed and built.

Colbún is part of the SEN dispatch system in Chile and SEIN dispatch system in Peru. The generation of each of power plants within the systems are defined by its dispatch order, in accordance with the definition of economic optimum for both systems.

The electricity regulation for the power generation business for both systems in which Colbún is involved, contemplates a conceptual division of power and capacity, not for being two different physical elements, but for economically efficient pricing. This is the reason for distinguishing energy priced in monetary units for energy unit (KWh, MWh, etc.) and capacity priced in monetary units for capacity unit - time unit (KW-month).

As Colbún operates in the generation business, in which it is also involved in two electric systems, the National Electric System in Chile and the National Interconnected Electric System in Peru, for the purpose of applying IFRS 8, information by segments has been organized in accordance with the generation segment, differentiated by geographical distribution by country.

Operating segments: Power generation and sales (Chile and Peru) are reviewed on a regular basis and differentiated by the highest authority responsible for making decisions at the Company (Board of Directors and Senior Management).

The table below presents information by operating segment:

Segment operating results as of 12.31.2022	January - December				
	Chile Generation	Peru Generation	Operating segments	Elimination of intersegment revenue	Total operating segments
Revenue					
Revenue	1,721,502	252,521	1,974,023	-	1,974,023
Revenue from transactions with other operating segments	-	-	-	-	-
Total revenue from third parties and transactions with other operating segments	1,721,502	252,521	1,974,023	-	1,974,023
Raw materials and consumables	(939,146)	(130,285)	(1,069,431)	-	(1,069,431)
Employee benefit expenses	(75,190)	(8,837)	(84,027)	-	(84,027)
Interest expenses	(64,653)	(24,070)	(88,723)	-	(88,723)
Interest income	28,664	388	29,052	-	29,052
Depreciation and amortization expenses	(183,786)	(35,728)	(219,514)	-	(219,514)
Share of profit or loss of equity-accounted associates and joint ventures	25,311	-	25,311	(13,146)	12,165
Income tax expense from continuing operations	(96,818)	(8,715)	(105,533)	-	(105,533)
Profit (loss) before taxes	390,627	38,519	429,146	(13,146)	416,000
Profit (loss) from continuing operations	293,809	29,804	323,613	(13,146)	310,467
Profit (loss)	293,809	29,804	323,613	(13,146)	310,467
Assets	6,026,833	719,479	6,746,312	(140,338)	6,605,974
Equity-accounted investees	156,723	-	156,723	(140,338)	16,385
Incorporation of non-current assets other than financial instruments, deferred tax assets, assets related to defined benefit plans and rights arising from insurance contracts	320,122	13,662	333,784	-	333,784
Liabilities	3,208,791	444,306	3,653,097	-	3,653,097
<i>Equity</i>					2,952,877
Liabilities and equity					6,605,974
Impairment losses recognized in profit or loss for the year	-	-	-	-	-
Cash flows from (used in) operating activities	395,792	96,176	491,968	-	491,968
Cash flows from (used in) investing activities	(180,606)	(17,608)	(198,214)	-	(198,214)
Cash flows from (used in) financing activities	(415,283)	(57,353)	(472,636)	-	(472,636)

Continued

Segment operating results as of 12.31.2021	Chile Generation	Chile Transmission (*)	Peru Generation	Operating segments	Elimination of intersegment revenue	Total operating segments
Revenue						
Revenue	1,231,576	19,383	171,821	1,422,780	16,964	1,439,744
Revenue from transactions with other operating segments	5,648	26,364	-	32,012	(32,012)	-
Total revenue from third parties and transactions with other operating segments	1,237,224	45,747	171,821	1,454,792	(15,048)	1,439,744
Raw materials and consumables	(716,583)	(8,930)	(88,472)	(813,985)	32,012	(781,973)
Employee benefit expenses	(73,289)	-	(6,383)	(79,672)	-	(79,672)
Interest expenses	(60,563)	(301)	(25,483)	(86,347)	-	(86,347)
Interest income	4,775	7	186	4,968	-	4,968
Depreciation and amortization expenses	(174,948)	(8,718)	(35,448)	(219,114)	5,951	(213,163)
Share of profit or loss of equity-accounted associates and joint ventures	21,014	-	-	21,014	(14,317)	6,697
Income tax expense from continuing operations	(262,815)	(7,252)	(14,925)	(284,992)	-	(284,992)
Profit (loss) before taxes	808,005	26,783	4,701	839,489	(14,317)	825,172
Profit (loss) from continuing operations	545,190	19,531	(10,224)	554,497	(14,317)	540,180
Profit (loss)	545,190	19,531	(10,224)	554,497	(14,317)	540,180
Assets	6,022,948	-	704,694	6,727,642	(125,134)	6,602,508
Equity-accounted investees	139,329	-	-	139,329	(125,134)	14,195
Incorporation of non-current assets other than financial instruments, deferred tax assets, assets related to defined benefit plans and rights arising from insurance contracts	269,914	-	6,595	276,509	-	276,509
Liabilities	3,301,748	-	459,334	3,761,082	-	3,761,082
<i>Equity</i>						2,841,426
Liabilities and equity						6,602,508
Impairment losses recognized in profit or loss for the year	(144,190)	-	-	(144,190)	-	(144,190)
Cash flows from (used in) operating activities	301,417	58,319	65,569	425,305	(90,887)	334,418
Cash flows from (used in) investing activities	654,962	(27,190)	(12,259)	615,513	-	615,513
Cash flows from (used in) financing activities	(797,436)	(37,966)	(55,677)	(891,079)	90,887	(800,192)

(*) The company Colbún Transmission S.A. was disposed on September 30, 2021.

Information about products and services

Sales in the main geographical markets	January - December	
	2022 ThUS\$	2021 ThUS\$
Chile Generation		
Energy sales	1,424,336	966,381
Power sales	171,299	128,226
Other income	125,867	136,969
Subtotal	1,721,502	1,231,576
Chile Transmission (*)		
Sales from tolls	-	45,747
Subtotal	-	45,747
Peru Generation		
Energy sales	201,385	125,407
Power sales	42,209	40,729
Other income	8,927	5,685
Subtotal	252,521	171,821
Total reportable segments	1,974,023	1,449,144
Elimination of inter-segment revenue	-	(9,400)
Total sales	1,974,023	1,439,744

(*) The company Colbún Transmission S.A. was disposed on September 30, 2021.

Information on sales to main customers

Main customers	January - December			
	2022		2021	
	ThUS\$	%	ThUS\$	%
Chile Generation				
Corporación Nacional del Cobre Chile	561,663	28%	457,587	32%
Minera Escondida Ltda.	194,972	10%	-	0%
CGE Distribución S.A.	170,714	9%	156,297	11%
Enel Generación Chile S.A.	113,039	6%	45,956	3%
ENGIE Energía Chile S.A.	74,923	4%	14,873	1%
Enel Distribución Chile S.A.	104,549	5%	101,385	7%
Minera Spence S.A.	37,349	2%	-	0%
Otros	464,293	24%	455,478	31%
Subtotal	1,721,502	88%	1,231,576	85%
Chile Transmission (*)				
Colbún S.A.	-	0%	26,364	2%
Corporación Nacional del Cobre Chile	-	0%	7,444	1%
Anglo American S.A.	-	0%	3,129	0%
Otros	-	0%	8,810	1%
Subtotal	-	0%	45,747	4%
Peru Generation				
Luz del Sur	101,707	5%	75,224	5%
Enel Distribución Perú S.A.A.	27,957	1%	19,572	1%
Comite De Operación Economica Del SEIN	15,096	1%	1,990	0%
Electricidad Del Peru Electroperu	13,131	1%	6,666	0%
Compañía Eléctrica El Platanal	9,923	1%	8,640	1%
Empresa De Generación Huallaga Sociedad	8,214	0%	3,205	0%
Engie	7,703	0%	6,914	0%
Otros	68,790	3%	49,610	5%
Subtotal	252,521	12%	171,821	11%
Total reportable segments	1,974,023	100%	1,449,144	100%
Elimination of inter-segment revenue	-		(9,400)	
Total sales	1,974,023		1,439,744	

(*) The company Colbún Transmission S.A. was disposed on September 30, 2021.

8. Cash and cash equivalents

a. Detail

As of December 31, 2022, and 2021, this caption is composed of the following:

Cash and cash equivalents	12.31.2022 ThUS\$	12.31.2021 ThUS\$
Cash on hand	55	45
Cash in banks	83,112	346,545
Time deposits	109,993	22,922
Other cash equivalents	4,903	22,906
Total cash and cash equivalents	198,063	392,418

Term deposits have maturities of less than three months from the acquisition date and accrue market interest applicable to these types of short-term investments.

Other liquid instruments relate to fixed income mutual fund deposits in Chilean pesos, Euros and U.S. dollars, of low risk, which are recognized at deposit value at the reporting date of these consolidated financial statements.

As of December 31, 2022, and 2021, in addition to these instruments, the Company has other term deposits with a maturity of more than three months from the acquisition date, which are presented in Note 9.

b. Detail by currency

The detail of cash and cash equivalents by currency, considering the effects of derivatives, is as follows:

Currency	12.31.2022	12.31.2021
	Currency ThUS\$	Currency ThUS\$
EUR	964	300
CLP	103,479	80,972
PEN	8,844	7,088
USD	84,776	304,058
Total	198,063	392,418

⁽¹⁾ Considers the effect of exchange rate forwards subscribed to redenominate certain Time Deposits in pesos to dollars.

c. Reconciliation of liabilities arising from financial activities

Liabilities arising from financing activities	Balance as of 01.01.2022 ThUS\$	Cash flow ThUS\$	Changes that do not represent cash flows				Balance as of 12.31.2022 ThUS\$
			Dividends ThUS\$	Interests ThUS\$	Valuation ThUS\$	Other ThUS\$	
Finance lease liabilities ⁽¹⁾	126,318	(21,701)	-	10,140	354	20,989	136,100
Banks payable	25,046	157,456	-	2,347	-	-	184,849
Bonds Payable ⁽²⁾	2,159,155	(456,523)	-	75,725	10,682	27,938	1,816,977
Dividends payable	1,907	(151,868)	156,072	-	-	-	6,111
Total	2,312,426	(472,636)	156,072	88,212	11,036	48,927	2,144,037

Liabilities arising from financing activities	Balance as of 01.01.2021 ThUS\$	Cash flow ThUS\$	Changes that do not represent cash flows				Balance as of 12.31.2021 ThUS\$
			Dividends ThUS\$	Interests ThUS\$	Valuation ThUS\$	Other ThUS\$	
Finance lease liabilities ⁽¹⁾	134,757	(21,050)	-	9,618	1,341	1,652	126,318
Banks payable	25,531	(990)	-	608	(103)	-	25,046
Bonds Payable ⁽²⁾	1,635,985	466,587	-	67,555	(1,990)	(8,982)	2,159,155
Dividends payable	254	(1,244,739)	1,246,392	-	-	-	1,907
Total	1,796,527	(800,192)	1,246,392	77,781	(752)	(7,330)	2,312,426

⁽¹⁾ See note 24

⁽²⁾ See note 23.a

9. Other financial assets

As of December 31, 2022, and 2021, this caption is composed of the following:

	Current		Non-current	
	12.31.2022 ThUS\$	12.31.2021 ThUS\$	12.31.2022 ThUS\$	12.31.2021 ThUS\$
Time deposits ⁽¹⁾	857,244	926,961	-	-
Hedge derivative instruments ⁽²⁾ (see note 14.1)	1,368	4,702	-	-
Investment for share offering	-	-	6	126
Bonds fixed-income investments	79,165	-	19,965	99,805
Total	937,777	931,663	19,971	99,931

⁽¹⁾ As of December 31, 2022, investments in term deposits that were classified in this caption have an original average investment term less than six months and the remaining average maturity term was 80 days. Cash flows related to these investments are presented in the statements of cash flows as cash flows from investing activities in other cash receipts (payments).

⁽²⁾ Relates to the current positive mark-to-market adjustments of hedging derivatives in place at each reporting date.

10. Trade and other receivables

As of December 31, 2022, and 2021, this caption is composed of the following:

Caption	Current		Non-current	
	12.31.2022 ThUS\$	12.31.2021 ThUS\$	12.31.2022 ThUS\$	12.31.2021 ThUS\$
Trade receivables by contract	317,194	285,506	62,000	3,356
Other receivables ⁽¹⁾	11,906	21,684	-	-
Total	329,100	307,190	62,000	3,356

⁽¹⁾ As of December 31, 2022, the current balance comprises recoverable taxes for ThUS\$ 749 and other minor items for ThUS\$ 11,157. (ThUS\$ 3,533 and ThUS\$ 18,151 as of December 31, 2021, respectively). Company believes these assets are recoverable within 12 months.

The average collection period is 30 days.

The Balances of trade receivables classified in Non-Current, correspond mainly to accounts receivable, whose accounting treatment is derived by the application of Law No. 21,185 of 2019 that creates a temporary price stabilization mechanism (PEC) and the Law N° 21,472 of the year 2022 that establishes a temporary mechanism for customer protection (MPC).

Considering debtors' solvency, current regulations, and in accordance with the doubtful accounts policy stated in our accounting policies (see Note 3.1.h.1.5), the Company records the expected credit losses in all its trade receivables, either for 12 months or during the term of the asset by applying the simplified approach as established in IFRS 9. Accordingly, it has established an allowance for doubtful accounts, which in Management's opinion, properly hedges the amount of risk of default for such receivables.

The detail of changes in the provision for impairment of trade and other receivables is as follows:

Impairment	Current		Non-current	
	12.31.2022	12.31.2021	12.31.2022	12.31.2021
	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance	2,344	2,750	-	-
Increase (decrease) in the allowance	6,899	5,069	3,092	-
Impairment losses	5	7	-	-
Reversal of impairment losses	(4,187)	(5,482)	-	-
Closing balance	5,061	2,344	3,092	-

The fair value of trade and other receivables is not significantly different from their carrying amount.

As of December 31, 2022, and 2021, the analysis of trade receivables is as follows:

a) Aging of trade receivables portfolio

Invoiced	Balance as of 12.31.2022					
	Current ThUS\$	1-30 days ThUS\$	31-60 ThUS\$	61-90 ThUS\$	Over 91 days ThUS\$	Total ThUS\$
Trade receivables, regulated	345	216	-	-	1	562
Trade receivables, unregulated	28,163	2,859	770	65	1,386	33,243
Other receivables	48,319	677	66	218	556	49,836
Allowance for impairment losses	(4,805)	(205)	-	-	(51)	(5,061)
Subtotal	72,022	3,547	836	283	1,892	78,580
Invoices to be issued	Balance as of 12.31.2022					
	Current ThUS\$	1-30 days ThUS\$	31-60 ThUS\$	61-90 ThUS\$	Over 91 days ThUS\$	Total ThUS\$
Trade receivables, regulated	81,015	-	-	-	-	81,015
Trade receivables, unregulated	123,190	-	-	-	-	123,190
Other receivables	34,409	-	-	-	-	34,409
Subtotal	238,614	-	-	-	-	238,614
Total Trade Receivables	310,636	3,547	836	283	1,892	317,194
No. of customers (unaudited)	390	65	30	22	136	

Invoiced	Balance as of 12.31.2021					
	Current ThUS\$	1-30 days ThUS\$	31-60 ThUS\$	61-90 ThUS\$	Over 91 days ThUS\$	Total ThUS\$
Trade receivables, regulated	264	971	1	-	312	1,548
Trade receivables, unregulated	22,423	409	198	100	2,149	25,279
Other receivables	1,862	1,223	22	12	494	3,613
Allowance for impairment losses	(2,261)	(19)	(1)	-	(63)	(2,344)
Subtotal	22,288	2,584	220	112	2,892	28,096

Invoices to be issued	Balance as of 12.31.2021					
	Current ThUS\$	1-30 days ThUS\$	31-60 ThUS\$	61-90 ThUS\$	Over 91 days ThUS\$	Total ThUS\$
Trade receivables, regulated	84,905	-	-	-	-	84,905
Trade receivables, unregulated	72,100	-	-	-	-	72,100
Other receivables	100,405	-	-	-	-	100,405
Subtotal	257,410	-	-	-	-	257,410
Total Trade Receivables	279,698	2,584	220	112	2,892	285,506

No. of customers (unaudited)	341	70	36	20	108
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b) Customers in legal collection

As of December 31, 2022, the Company has a customer in judicial collection for a total of ThCh\$55,386, equivalent to ThUS\$58.

11. Financial Instruments

a. Financial instruments by category

Accounting policies related to financial instruments have been applied to the following categories:

a.1 Assets

December 31, 2022	Amortized cost	Fair value	Total
	ThUS\$	ThUS\$	ThUS\$
Cash on hand and cash in banks (see Note 8)	-	83,167	83,167
Time deposits and other cash equivalents (see Note 8)	109,993	4,903	114,896
Trade and other receivables ⁽¹⁾ (see Note 10)	328,351	-	328,351
Trade receivables due from related parties (see Note 12.b.1)	18	-	18
Derivative financial instruments (see Note 14.1)	-	1,368	1,368
Other financial assets (see Note 9)	956,374	-	956,374
Total	1,394,736	89,438	1,484,174

December 31, 2021	Amortized cost	Fair value	Total
	ThUS\$	ThUS\$	ThUS\$
Cash on hand and cash in banks (see Note 8)	-	346,590	346,590
Time deposits and other cash equivalents (see Note 8)	22,922	22,906	45,828
Trade and other receivables ⁽¹⁾ (see Note 10)	303,657	-	303,657
Trade receivables due from related parties (see Note 12.b.1)	48	-	48
Derivative financial instruments (see Note 14.1)	-	4,702	4,702
Other financial assets (see Note 9)	1,026,766	-	1,026,766
Total	1,353,393	374,198	1,727,591

⁽¹⁾ As of December, 2022, recoverable taxes for ThUS\$ 749 are not considered. As of December 31, 2021, the balance related to current recoverable taxes amounted to ThUS\$ 3,533.

a.2 Liabilites

December 31, 2022	Amortized cost	Fair value	Total
	ThUS\$	ThUS\$	ThUS\$
Interest-bearing borrowings (see Note 23.c.1 and c.2)	2,001,826	-	2,001,826
Lease liabilities (see Note 24)	136,100	-	136,100
Derivative financial instruments (see Note 14.1)	-	19,344	19,344
Trade and other payables (see Note 25)	294,808	-	294,808
Payables due to related parties (see Note 12.b.2)	32,509	-	32,509
Total	2,465,243	19,344	2,484,587

December 31, 2021	Amortized cost	Fair value	Total
	ThUS\$	ThUS\$	ThUS\$
Interest-bearing borrowings (see Note 23.c.1 and c.2)	2,184,201	-	2,184,201
Lease liabilities (see Note 24)	126,318	-	126,318
Derivative financial instruments (see Note 14.1)	-	39,176	39,176
Trade and other payables (see Note 25)	215,181	-	215,181
Payables due to related parties (see Note 12.b.2)	12,574	-	12,574
Total	2,538,274	39,176	2,577,450

b. Credit quality of financial assets

Credit quality of financial assets that have not expired or have no impairment losses can be assessed by credit classification ("rating") provided to the Company's counterparties by renowned domestic and foreign risk rating.

Credit quality of financial assets	12.31.2022 ThUS\$	12.31.2021 ThUS\$
Customers with local risk rating		
AAA	110,733	77,650
AA+	28,853	35,243
AA	54,336	1,371
AA-	28,909	11,649
A+	9,790	44,649
Total	232,621	170,562
Customers with no local risk rating		
Total	84,573	114,944
Cash in banks and bank short-term deposits, local market		
AAA	847,547	808,912
AA+	42,416	-
AA	31	43,563
A+ or less	-	27
Total	889,994	852,502
Cash in banks and bank short-term deposits, international market ^(*)		
AA-	2,380	5,318
A+ or less	162,933	461,559
Total	165,313	466,877
Cash in international fixed-income investments (*)		
A	19,162	23,633
BBB+	36,307	20,369
BBB or less	43,661	55,803
Total	99,130	99,805
Counterparty derivative financial assets, national market		
AAA	-	720
AA	-	430
A+ or less	12	-
Total	12	1,150
Counterparty derivative financial assets, international market (*)		
AA-	452	1,776
A+ or less	904	1,776
Total	1,356	3,552

(*) Foreign Risk classification

12. Related parties disclosures

Operations between the Company and its subsidiaries, which are related parties, are part of the Company's customary transactions associated with its line of business and conditions, which have been eliminated on the consolidation process. Relationships between the Controller, subsidiaries, associates, joint ventures, and special purpose entities, are detailed in Note 3.1, section b. and c.

a. Controlling interests

As of December 31, 2022, the distribution of ownership interest is as follows:

Shareholders	Ownership %
Minera Valparaíso S.A. ^(*)	35.17
Forestal Cominco S.A. ^(*)	14.00
Antarchile S.A.	9.58
AFP Habitat S.A. ^(**)	6.18
Banco de Chile por cuenta de State Street	4.38
AFP Provida S.A. ^(**)	4.11
AFP Capital S.A. ^(**)	3.84
AFP Cuprum S.A. ^(**)	1.80
Banco Santander - JP Morgan	1.70
Banchile Corredores de Bolsa S.A	1.61
Otros accionistas	17.63
Total	100.00

^(*) Entities owned by Parent Group (Matte Group).

^(**) It relates to the consolidated interest for each Pension Fund Administrator.

b. Balances and transactions with related parties

Receivables from, payables due to and transactions with related parties were conducted under market terms and conditions and are adjusted in accordance with Article No. 44 of Law No. 18,046 (the "Public Company Act").

b. 1. Trade receivables due from related parties

Tax ID N°	Company	Country	Relationship	Currency	Current	
					12.31.2022 ThUS\$	12.31.2021 ThUS\$
96.806.130-5	Electrogas S.A.	Chile	Associate	US\$	-	11
96.853.150-6	Papeles Cordillera S.A.	Chile	Common business group	Ch\$	-	37
65.027.584-5	Fundación Colbún	Chile	Special purpose entity	Ch\$	18	-
Total					18	48

b. 2. Trade payables due from related parties

Tax ID N°	Company	Country	Relationship	Currency	Current	
					12.31.2022 ThUS\$	12.31.2021 ThUS\$
99.520.000-7	Compañía de Petróleos de Chile Copec S.A.	Chile	Director and controlling shareholder	Ch\$	666	1,392
97.080.000-K	Banco Bice	Chile	Common group	Ch\$	-	1
96.806.980-2	Entel PCS Telecomunicaciones S.A.	Chile	Common group	Ch\$	-	6
90.412.000-6	Minera Valparaíso S.A.	Chile	Controlling shareholder	US\$	22,776	7,967
79.621.850-9	Forestal Cominco S.A.	Chile	Controlling shareholder	US\$	9,067	3,171
65.027.584-5	Fundación Colbún	Chile	Special purpose entity	Ch\$	-	37
Total					32,509	12,574

There are no guarantees granted to or received from related parties for transactions with related parties.

b. 3. Disclosures of transactions with related parties

TAX ID N°	Company	Country	Relationship	Currency	Transaction	January - December			
						2022		2021	
						Amount ThUS\$	Effect on profit or loss (debit) credit ThUS\$	Amount ThUS\$	Effect on profit or loss (debit) credit ThUS\$
77.017.930-0	Transmisora Eléctrica de Quillota Ltda. (*)	Chile	Joint Venture	Ch\$	Toll for using facilities	-	-	754	(633)
				UF	Revenue for services rendered	-	-	150	126
				US\$	Dividend received	-	-	1,625	-
96.806.130-5	Electrogas S.A.	Chile	Associate	US\$	Gas transport service	7,416	(6,323)	7,018	(5,898)
				US\$	Diesel transport service	1,935	(1,626)	37	(31)
				US\$	Dividend declared ⁽¹⁾	3,929	-	9,388	-
				US\$	Dividend received ⁽²⁾	5,950	-	6,005	-
97.080.000-K	Banco Bice	Chile	Common group	Ch\$	Expenses for services received	84	(71)	21	(18)
96.731.890-6	Cartulinas CMPC S.A.	Chile	Parent common director	Ch\$	Easements	-	-	1,082	909
				Ch\$	Sale of energy and capacity	11,425	9,601	10,167	8,544
96.532.330-9	CMPC Pulp SpA.	Chile	Common group	Ch\$	Sale of energy and capacity and energy transport	30,355	25,508	30,975	26,029
79.621.850-9	Forestal Cominco S.A.	Chile	Controlling shareholder	US\$	Dividends ⁽³⁾	21,846	-	177,586	-
90.412.000-6	Minera Valparaíso S.A.	Chile	Controlling shareholder	US\$	Dividends ⁽³⁾	323,885	-	446,147	-
99.520.000-7	Compañía de Petróleos de Chile Copec S.A.	Chile	Director and controlling shareholder	Ch\$	Diesel supply service	40,970	(33,709)	54,415	(45,727)
96.806.980-2	Entel PCS Telecomunicaciones S.A.	Chile	Common group	Ch\$	Telephone services	207	(174)	209	(176)
96.925.430-1	Sercor S.A.	Chile	Common director	Ch\$	Stock administration service	90	(76)	142	(119)
90.844.000-5	Kupfer Hermanos S.A.	Chile	Common director	Ch\$	Purchase of personal protective equipment	71	(60)	52	(44)
				Ch\$	Sale of energy and capacity	201	169	180	151
76.351.385-8	Orion Power S.A.	Chile	Common group	Ch\$	Operation and maintenance service	72	(61)	201	(169)
76.138.547-K	Mega Archivos S.A.	Chile	Common director	Ch\$	Document storage service	22	(18)	27	(23)
93.628.000-5	Molibdenos y Metales S.A.	Chile	Common group	Ch\$	Sale of energy and capacity	3,270	2,748	3,557	2,989
79.943.600-0	Forsac SpA.	Chile	Common group	Ch\$	Sale of energy and capacity	384	323	403	339
95.304.000-K	CMPC Maderas SpA.	Chile	Common group	Ch\$	Sale of energy and capacity	10,179	8,554	12,760	10,722
				US\$	Sale from service rendered	-	-	402	337
96.853.150-6	Papeles Cordillera S.A.	Chile	Common group	US\$	Transformer sale	1,038	872	37	37
91.440.000-7	Forestal Mininco SpA	Chile	Common group	Ch\$	Sale of energy and capacity	203	171	180	151

(*) On December 30, 2021, the sale of the entire participation in the Joint Venture of Transmisora Eléctrica de Quillota Ltda. (equivalent to 50% of the social rights) was materialized, to the companies APG Energy & Infra Investments Chile Expansion SpA, and CELEO Redes Chile Expansion SpA.

(1) Dividends declared by Electrogas S.A.

- In March 2021, Electrogas declared a provisional dividend charged to the profits of the year 2020 for ThUS\$ 14,090, of which to Colbún corresponds to ThUS\$ 5,988 (42,5%).
- In December 2021, Electrogas declared an interim dividend charged to 2021 profits for ThUS\$8,000, of which ThUS\$3,400 (42.5%) corresponds to Colbún.
- In April 2022, Electrogas declared an interim dividend charged to 2021 profits for ThUS\$9,245, of which ThUS\$3,929 (42.5%) corresponds to Colbún.

(2) Dividends paid by Electrogas S.A.

- In November 2022, a dividend payment of ThUS\$5,950 is received.

(3) Dividends declared and paid to Minera Valparaíso S.A. and Forestal Cominco S.A.

- Corresponds to the final dividend agreed at the Shareholders' Meeting on April 28, 2022 and paid on May 12, 2022.
- Corresponds to the interim dividend agreed by the Board of Directors on November 29, 2022 and paid on December 16, 2022.
- Corresponds to the final dividend agreed at the Shareholders' Meeting on April 29, 2021 and paid on May 12, 2021.

c. Management personnel and senior management

Members of senior management and other individuals that are considered members of the Company's Management, as well as the shareholders or natural persons or legal entities they represent have entered into no unusual and/or significant transactions as of December 31, 2022, and 2021.

The Company is managed by the Board of Directors which is composed of 9 members, who remain in their position for a 3-year period and may be re-elected.

In the Ordinary Board Meeting held on June 28, 2022, Mr. Andrés Lehuedé Broomley presented his resignation from the position of Director of Colbún S.A., which he made effective as of that same date. The Board of Directors agreed to designate Mr. Jaime Maluk Valencia as his replacement until the next Ordinary Shareholders' Meeting, at which time the Company's Board of Directors must be completely renewed.

In the Ordinary Board Meeting held on November 29, 2022, Mr. Bernardo Matte Larraín submitted his resignation as Director of Colbún S.A., which he made effective as of that same date. The Board of Directors agreed to appoint Mr. Francisco Matte Izquierdo as his replacement until the next Ordinary Shareholders' Meeting, at which time the Company's Board of Directors must be completely renewed.

d. Board of Directors' Committee

As per Article 50 bis of Law No. 18.046 the "Public Company Act," Colbún and its subsidiaries have a Directors' Committee composed of 3 members, who are invested with the powers provided by such article.

e. Compensation and other benefits

As per Article 33 of Law No. 18.046 (the "Public Company Act"), the Board will be compensated for the performance of their duties and the amount of such compensation is established annually by the shareholders at the Company's General Ordinary Shareholders' Meeting.

As of December 31, 2022, and 2021, the amounts paid, including amounts paid to the members of the Directors' Committee, are detailed as follows:

e.1 Board of Directors' remuneration

Name	Position	January - December					
		2022			2021		
		Colbún Board ThUS\$	Variable remuneration ThUS\$	Directors Committee ThUS\$	Colbún Board ThUS\$	Variable remuneration ThUS\$	Directors Committee ThUS\$
Hernán Rodríguez Wilson ⁽¹⁾	Chairman	129	305	-	142	100	-
Bernardo Larraín Matte ⁽¹⁾	Deputy-chairman	67	153	-	71	50	-
Vivianne Blanlot Soza ⁽¹⁾	Director	67	153	-	71	50	-
María Emilia Correa ⁽¹⁾	Director	67	153	22	71	50	24
Rodrigo José Donoso Munita ⁽¹⁾	Director	67	153	22	71	50	24
Marcela Alejandra Angulo González ⁽¹⁾	Director	67	153	22	46	-	16
Juan Carlos Altmann Martín ⁽¹⁾	Director	67	158	-	46	-	-
Jaime Maluk Valencia ⁽¹⁾	Director	34	75	-	-	-	-
Francisco Matte Izquierdo ⁽¹⁾	Director	6	12	-	-	33	-
Bernardo Matte Larraín	Director	61	134	-	71	17	-
Andrés Lehuedé Bromley	Director	34	77	-	71	50	-
Luz Granier Bulnes	Director	-	-	-	25	50	8
Juan Eduardo Correa García	Director	-	-	-	25	50	-
TOTAL		666	1,526	66	710	500	72

⁽¹⁾ Current Directors as December 31, 2022.

e.2 Board Counseling Expenses

For the periods ended December 31, 2022, and 2021, the Board of Directors did not incur in advisory expenses.

e.3 Compensation of Senior Management members who are not Directors

Name	Position
José Ignacio Escobar Troncoso	Chief Executive Officer
Juan Eduardo Vásquez Moya	Business and Energy Officer
Sebastián Moraga Zúñiga	Finance and Administration Officer ⁽¹⁾
Eduardo Lauer Rodríguez	Engineering and Project Officer
Rodrigo Pérez Stiepovic	Legal Affairs Officer
Paula Martínez Osorio	Organization and People Officer
Heraldo Alvarez Arenas	Internal Audit Officer
Heinz Müller Court	Innovation and Development Officer
Daniel Gordon Adam	Environmental Officer
Pedro Felipe Vial Lyon	Public Affairs Officer
Juan Elias Salinas Ulloa	Commercial Officer

⁽¹⁾ On January 11, 2023, Miguel Alarcón Villegas was elected as Finance and Administration Officer and Sebastián Moraga Zúñiga took over as Development Officer.

The remuneration earned by key management personnel amounts to:

Concept	January - December	
	2022 ThUS\$	2021 ThUS\$
Short-term employee benefits	4,248	3,887
Other long-term benefits	915	377
Termination benefits	818	135
Total	5,981	4,399

e.4 Receivables and payables and other transactions

As of December 31, 2022, and 2021, there are no receivables and payables between the Company and its Directors and Managers.

e.5 Other transactions

There are no other transactions conducted between the Group's Directors and Managers.

e.6 Guarantees pledged by the Company in favor of its Directors

As of December 31, 2022, and 2021, the Company records no such operations.

e.7 Incentive plans for Senior Executives and Managers

The Company has benefits for all the executive area, in accordance with the individual performance and goal achievement assessments at the divisional and corporate level.

e.8 Indemnities paid to Senior Executives and Managers

During the period ended December 31, 2022, and 2021, there were no payments for such concept.

e.9 Guarantee clauses: Company's Board of Directors and Management

The Company has no guarantee clauses agreed with Directors and Managements.

e.10 Consideration plans associated with shares' quote.

The Company has no such operations.

13. Inventories

As of December 31, 2022, and 2021, this caption is composed of the following:

Inventory	12.31.2022 ThUS\$	12.31.2021 ThUS\$
Spare parts for maintenance	21,267	22,806
Coal	65,581	43,955
Oil	9,827	4,910
Gas Line Pack	1,509	1,866
Allowance for obsolescence ⁽¹⁾	(3,156)	(2,939)
Total	95,028	70,598

⁽¹⁾ Relates to the impairment estimate on the spare part stock, which is applied in accordance with the Policy.

There is no inventory pledged as collateral to secure compliance with debt obligations.

Inventories costs recognized as expense

As of December 31, 2022, and 2021, the use of inventory recognized as expenses is detailed as follows:

Inventory Cost	January - December	
	2022 ThUS\$	2021 ThUS\$
Warehouse consumption	13,083	8,906
Oil (see note 31)	70,418	49,346
Gas (see note 31)	520,148	394,380
Coal (see note 31)	126,405	89,660
Total	730,054	542,292

14. Derivative instruments

Following the financial risk management policy described in Note 4, the Company enters into contracts with financial derivatives to hedge its exposure to interest rate variances, currency (exchange rate) and fuel prices.

Interest rate derivatives are used to determine or limit the variable interest rate of financial obligations and relate to interest rate swaps.

Currency derivatives are used to establish the U.S. dollar exchange for Chilean peso (Ch\$), inflation-adjusted units (UF), Euro (EUR) and Peruvian sol (PEN), as a result of its existing obligations denominated in currencies other than U.S. dollar. Such instruments are mainly Forwards and Cross Currency Swaps.

Derivatives on fuel prices are used to mitigate the Company's fluctuations in sales revenue and energy production cost risk derived from a change in fuel prices used for such purposes. Instruments used are mainly options and forwards.

As of December 31, 2022, the Company classified all its hedges as "Cash flow hedges".

14.1 Hedging instruments

As of December 31, 2022, and 2021, this caption includes the valuation of financial instruments for such periods, detailed as follows:

Hedging assets		Current		Non-current	
		12.31.2022 ThUS\$	12.31.2021 ThUS\$	12.31.2022 ThUS\$	12.31.2021 ThUS\$
Currency hedging instrument	Cash flow hedges	12	1,151	-	-
Fuel price hedge	Cash flow hedges	1,356	3,551	-	-
Total (see note 9)		1,368	4,702	-	-
Hedging liabilities		Current		Non-current	
		12.31.2022 ThUS\$	12.31.2021 ThUS\$	12.31.2022 ThUS\$	12.31.2021 ThUS\$
Currency hedging instrument	Cash flow hedges	19,344	39,176	-	-
Interest rate hedging instrument	Cash flow hedges	-	-	-	-
Total (see note 23.a)		19,344	39,176	-	-
Hedging instruments, net		(17,976)	(34,474)	-	-

The portfolio of hedging instruments at Colbún S.A. and subsidiaries is as follows:

Hedging instrument	Fair value Hedging instrument		Underlying asset hedged	Hedged risk	Type of hedge
	12.31.2022 ThUS\$	12.31.2021 ThUS\$			
Currency forwards	(15,649)	(17,931)	Future Project Disbursements	Exchange rate	Cash flow
Currency forwards	(1,204)	(16)	Customers	Exchange rate	Cash flow
Currency forwards	(2,479)	1,151	Financial Investments	Exchange rate	Cash flow
Currency forwards	-	(46)	Remuneration	Exchange rate	Cash flow
Cross Currency Swaps	-	(21,183)	Bonds payable	Exchange rate and interest rate	Cash flow
Coal options	1,356	3,551	Oil and gas purchases	Coal price	Cash flow
Total	(17,976)	(34,474)			

As of December 31, 2022, the Company determined no gains or losses associated with ineffective cash flow hedges that should be recognized in profit or loss.

14.2 Fair value hierarchy

The fair value of financial instruments recognized in the Statements of Financial Position has been determined based on the following hierarchy, in accordance with inputs used to conduct such measurement:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of December 31, 2022, the calculation of fair value of all financial instruments subject to measurement, has been determined based on Level 2 of the hierarchy.

15. Investment in subsidiaries

The consolidated financial statements include the financial statements of the Parent and subsidiaries. Information on subsidiaries as of December 31, 2022, and 2021, is detailed below.

Subsidiary	12.31.2022						
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity	Revenue	Net profit (loss)
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Colbún Desarrollo SpA	160	-	1	-	159	-	-
Santa Sofía SpA	-	13,126	180	-	12,946	-	(1,862)
Colbún Perú S.A.	22,141	140,819	1,107	-	161,853	-	15,899
Inversiones de Las Canteras S.A.	1,193	276,555	1,126	507	276,115	-	29,593
Fenix Power Perú S.A.	102,828	616,650	113,001	331,304	275,173	252,521	29,804
Desaladora Del Sur S.A.	233	2	9	-	226	-	(4)
Efizity Ingeniería SpA	1,210	(305)	294	-	611	1,137	(890)
Efizity SpA	978	472	1,636	79	(265)	3,110	(159)
Efizity S.A.C.	48	24	126	-	(54)	140	4

Subsidiary	12.31.2021						
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity	Revenue	Net profit (loss)
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Colbún Desarrollo SpA	160	-	1	-	159	-	(1)
Santa Sofía SpA	-	14,988	180	-	14,808	-	17
Colbún Perú S.A.	21,260	125,722	1,033	-	145,949	-	(6,015)
Inversiones de Las Canteras S.A.	742	247,018	658	589	246,513	-	(10,445)
Fenix Power Perú S.A.	65,125	639,569	86,174	373,160	245,360	171,821	(10,224)
Desaladora Del Sur S.A.	224	1	6	-	219	-	(6)
Efizity Ingeniería SpA	1,073	87	463	-	697	1,449	(292)
Efizity SpA	983	329	1,416	-	(104)	1,580	(53)
Efizity S.A.C.	59	21	136	-	(55)	161	17

16. Equity-accounted investees

a. Equity-accounted investees

The detail of equity-accounted investees and its movements as of December 31, 2022, and 2021, is described below.

Relationship	Company	Number of shares	Ownership percentage 12.31.2022 %	Balance as of 01.01.2022 ThUS\$	Accrued profit or loss ThUS\$	Dividends ThUS\$	Equity Reserve		Settlement ThUS\$	Other increase (decrease) ThUS\$	Total 12.31.2022 ThUS\$
							Foreign currency transaction difference	Reserve in hedge derivatives			
							ThUS\$	ThUS\$			
Associate	Electrogas S.A.	175,076	42.5%	14,195	12,165	(9,880)	-	(95)	-	-	16,385
Total				14,195	12,165	(9,880)	-	(95)	-	-	16,385

Relationship	Company	Number of shares	Ownership percentage 12.31.2021 %	Balance as of 01.01.2021 ThUS\$	Accrued profit or loss ThUS\$	Dividends ThUS\$	Equity Reserve		Settlement ThUS\$	Other increase (decrease) ThUS\$	Total 12.31.2021 ThUS\$
							Foreign currency transaction difference	Reserve in hedge derivatives			
							ThUS\$	ThUS\$			
Associate	Electrogas S.A.	175,076	42.5%	16,368	7,035	(9,388)	-	180	-	-	14,195
Joint Venture	Transmisora Eléctrica de Quillota Ltda. ⁽¹⁾	-	50.0%	10,481	(338)	(6,171)	(1,844)	-	(2,128)	-	-
Total				26,849	6,697	(15,559)	(1,844)	180	(2,128)	-	14,195

⁽¹⁾ On December 30, 2021, the sale of the total share of the Joint Venture of Transmisora Eléctrica de Quillota Ltda. (equivalent to 50% of the social rights) was made, to the companies APG Energy & Infra Investments Chile Expansion SpA, and CELEO Redes Chile Expansion SpA.

b. Financial information about investments in associates and joint ventures

The information in the financial statements of the Company's associates and joint ventures as of December 31, 2022, and 2021, is as follows:

Relationship	Company	12.31.2022							
		Current assets ThUS\$	Non-current assets ThUS\$	Current liabilities ThUS\$	Non-current liabilities ThUS\$	Equity ThUS\$	Revenue ThUS\$	Operating costs ThUS\$	Retained earnings (accumulated deficit) ThUS\$
Associate	Electrogas S.A.	17,981	33,306	5,597	7,138	38,552	48,739	(3,829)	28,622

Relationship	Company	12.31.2021							
		Current assets ThUS\$	Non-current assets ThUS\$	Current liabilities ThUS\$	Non-current liabilities ThUS\$	Equity ThUS\$	Revenue ThUS\$	Operating costs ThUS\$	Retained earnings (accumulated deficit) ThUS\$
Associate	Electrogas S.A.	8,286	37,074	3,933	8,027	33,400	33,314	(3,393)	16,554

Additional information

i) Electrogas S.A.:

Electrogas S.A. is a company engaged in the transportation of natural gas and other fuels. It has a pipeline between "City Gate III" located in San Bernardo, Santiago, Chile and "Plant Gate" located in Quillota, Valparaíso, Chile, and a pipeline from "Plant Gate" to Colmo, Concón, Valparaíso, Chile. Its main customers are Enel Generación Chile S.A., Colbún S.A., Empresa de Gas Quinta Región (Gasvalpo), Energas S.A. and Enap Refinerías Concón.

Colbún has a direct ownership interest of 42.5% in such company.

17. Intangible assets other than goodwill

a. Detail by classes of intangible assets

The detail, as of December 31, 2022, and 2021, is as follows:

Intangible assets, net		12.31.2022 ThUS\$	12.31.2021 ThUS\$
Rights not internally generated	Emission rights for particulate matter	9,582	9,582
	Concessions	202	202
	Water rights	10,074	10,074
	Easements	15,763	15,667
	Intangible assets related to customers	27,482	30,658
Licenses	Software	2,095	1,969
Total		65,198	68,152
Intangible assets, gross		12.31.2022 ThUS\$	12.31.2021 ThUS\$
Rights not internally generated	Emission rights for particulate matter	9,582	9,582
	Concessions	228	228
	Water rights	10,093	10,093
	Easements	16,945	16,849
	Intangible assets related to customers	46,815	46,815
Licenses	Software	17,901	17,110
Total		101,564	100,677
Accumulated amortization		12.31.2022 ThUS\$	12.31.2021 ThUS\$
Rights not internally generated	Concessions	(26)	(26)
	Water rights	(19)	(19)
	Easements	(1,182)	(1,182)
	Intangible assets related to customers	(19,333)	(16,157)
Licenses	Software	(15,806)	(15,141)
Total		(36,366)	(32,525)

b. Movements in intangible assets

As of December 31, 2022, and 2021, this caption comprises the following:

Movements for the period 2022	Rights not internally generated					Licenses	Intangibles assets, net ThUS\$
	Emission rights for particulate matter ThUS\$	Concessions ThUS\$	Water rights ThUS\$	Easements ThUS\$	Intangible assets related to customers ThUS\$	Software ThUS\$	
Opening balance as of 01.01.2022	9,582	202	10,074	15,667	30,658	1,969	68,152
Additions	-	-	-	852	-	-	852
Disposals	-	-	-	(756)	-	-	(756)
Transport from assets under construction	-	-	-	-	-	791	791
Amortization expenses (see Note 33)	-	-	-	-	(3,176)	(665)	(3,841)
Closing balance as of 12.31.2022	9,582	202	10,074	15,763	27,482	2,095	65,198

Movements for the period 2021	Rights not internally generated					Licenses	Intangibles assets, net ThUS\$
	Emission rights for particulate matter ThUS\$	Concessions ThUS\$	Water rights ThUS\$	Easements ThUS\$	Intangible assets related to customers ThUS\$	Software ThUS\$	
Opening balance as of 01.01.2021	9,582	202	17,436	58,288	33,834	2,768	122,110
Additions	-	-	-	790	-	-	790
Disposals	-	-	-	(39,644)	-	-	(39,644)
Accumulated depreciation of disposals	-	-	-	802	-	-	802
Impairment losses recognized in other comprehensive income	-	-	(7,362)	(4,437)	-	-	(11,799)
Transfer between assets	-	-	-	-	-	41	41
Amortization expenses	-	-	-	(132)	(3,176)	(840)	(4,148)
Closing balance as of 12.31.2021	9,582	202	10,074	15,667	30,658	1,969	68,152

As detailed in Note 5.b, the Company's Management, in its assessment, determined that there is no impairment of intangible assets' carrying amount. The Company has no intangible assets pledged as collateral to secure compliance with its debt obligations.

18. Property, plant and equipment

a. Detail of property, plant and equipment

As of December 31, 2022, and 2021, the caption property, plant and equipment is detailed as follows:

Property, plant and equipment, net	12.31.2022 ThUS\$	12.31.2021 ThUS\$
Land	300,750	303,766
Building, construction and facilities	82,853	81,896
Machinery	-	-
Transport equipment	252	332
Office equipment	6,394	762
IT equipment	10,940	11,281
Power-generating assets	3,575,793	3,554,259
Assets under construction	269,802	212,633
Other property, plant and equipment	270,500	256,637
Total	4,517,284	4,421,566
Property, plant and equipment, gross	12.31.2022 ThUS\$	12.31.2021 ThUS\$
Land	300,750	303,766
Building, construction and facilities	147,864	143,458
Machinery	825	825
Transport equipment	1,379	1,492
Office equipment	9,311	6,894
IT equipment	15,853	20,063
Power-generating assets	6,112,492	5,917,731
Assets under construction	533,210	476,041
Other property, plant and equipment	405,005	389,588
Total	7,526,689	7,259,858
Accumulated depreciation and impairment of property, plant and equipment	12.31.2022 ThUS\$	12.31.2021 ThUS\$
Building, construction and facilities	(65,011)	(61,562)
Machinery	(825)	(825)
Transport equipment	(1,127)	(1,160)
Office equipment	(2,917)	(6,132)
IT equipment	(4,913)	(8,782)
Power-generating assets	(2,536,699)	(2,363,472)
Assets under construction	(263,408)	(263,408)
Other property, plant and equipment	(134,505)	(132,951)
Total	(3,009,405)	(2,838,292)

b. Movements in property, plant and equipment

As of December 31, 2022, and 2021, the caption property, plant and equipment, net is composed of the following:

Movements for the period 2022	Land	Building, construction and facilities	Machinery	Transport equipment	Office equipment	IT equipment	Power-generating assets	Assets under construction	Other property, plant and equipment	Property, plant and equipment, net
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance as of 01.01.2022	303,766	81,896	-	332	762	11,281	3,554,259	212,633	256,637	4,421,566
Additions	244	-	-	-	2	7	973	246,535	67,699	315,460
Increase (decrease) resulting from other movements	-	(3)	-	(17)	(3)	(12)	-	104,819	(104,819)	(35)
Disposals	-	-	-	(96)	(4,314)	(6,546)	(33,587)	-	-	(44,543)
Accumulated depreciation of disposals	-	-	-	96	4,314	6,543	20,176	-	-	31,129
Impairment losses recognized in other comprehensive income	(3,260)	-	-	-	-	-	-	-	-	(3,260)
Transport from assets under construction	-	4,409	-	-	6,732	2,341	256,062	(294,185)	23,850	(791)
Transport between assets	-	-	-	-	-	-	(28,687)	-	28,687	-
Depreciation expenses (see Note 33)	-	(3,449)	-	(63)	(1,099)	(2,674)	(193,403)	-	(1,554)	(202,242)
Total movements	(3,016)	957	-	(80)	5,632	(341)	21,534	57,169	13,863	95,718
Closing balance as of 12.31.2022	300,750	82,853	-	252	6,394	10,940	3,575,793	269,802	270,500	4,517,284

Movements for the period 2021	Land	Building, construction and facilities	Machinery	Transport equipment	Office equipment	IT equipment	Power-generating assets	Assets under construction	Other property, plant and equipment	Property, plant and equipment, net
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Opening balance as of 01.01.2021	306,647	86,064	1,052	363	918	2,127	3,721,350	280,406	449,077	4,848,004
Additions	14,837	1	-	45	-	2	8,675	177,168	72,860	273,588
Increase (decrease) resulting from other movements	367	(1)	-	1	-	(1)	(1,228)	(19)	3	(878)
Disposals	(17,463)	-	-	(185)	-	(1)	-	(95,172)	(261,722)	(374,543)
Accumulated depreciation of disposals	-	-	-	182	-	-	-	-	-	182
Impairment losses recognized in other comprehensive income	-	-	-	1	-	(3)	(5)	(128,928)	(5)	(128,940)
Transport from assets under construction	(622)	-	-	-	-	9,735	11,644	(20,822)	65	-
Transfer between assets	-	20	(1,052)	-	-	-	1,032	-	(17)	(17)
Depreciation expenses	-	(4,188)	-	(75)	(156)	(578)	(187,209)	-	(3,624)	(195,830)
Total movements	(2,881)	(4,168)	(1,052)	(31)	(156)	9,154	(167,091)	(67,773)	(192,440)	(426,438)
Closing balance as of 12.31.2021	303,766	81,896	-	332	762	11,281	3,554,259	212,633	256,637	4,421,566

c. Other disclosures

i) Colbún S.A. and its subsidiaries have entered into insurance policies to cover the possible risks to which the different items of property, plant and equipment may be exposed, as well as possible claims that might be presented because of the performance of their business activities. Such policies sufficiently cover the risks to which they are exposed.

Additionally, loss of profit that may result from a claim is covered by insurance policies engaged by the Company.

ii) As of December 31, 2022, and 2021, the Company had commitments associated with the acquisition of property, plant and equipment for construction agreements for ThUS\$ 647,328 and ThUS\$ 727,412, respectively. The companies with which it operates are Enercon GmbH, Enercon Chile SpA, Ing.Y Construcción Sigdo Koppers S.A., Hitachi Energy Chile S.A., among others.

iii) As of December 31, 2022, and 2021, the accrued capitalized interest costs (IAS 23), are as follows:

Concept	January - December	
	2022 ThUS\$	2021 ThUS\$
Interest costs		
Capitalized interest costs	9,882	6,087
Total interest costs incurred	9,882	6,087
Cost capitalization rate for loans eligible for capitalization	10.02%	8.68%

iv) Additional information required for XBRL taxonomy

1. Disbursements recognized during the construction

Disbursements recognized during the construction, gross	12.31.2022 ThUS\$	12.31.2021 ThUS\$
Assets under construction	274,430	253,738
Total	274,430	253,738

2. Assets fully depreciated still in use

Assets fully depreciated still in use, gross	12.31.2022 ThUS\$	12.31.2021 ThUS\$
Building, construction and facilities	6,941	1,596
Machinery	-	-
Transport equipment	358	678
Office equipment	1,005	5,139
IT equipment	925	7,208
Power-generating assets	370,844	129,414
Other property, plant and equipment	1,396	1,536
Total	381,469	145,571
Assets fully depreciated still in use, accumulated depreciation	12.31.2022 ThUS\$	12.31.2021 ThUS\$
Building, construction and facilities	(6,293)	(1,444)
Transport equipment	(355)	(676)
Office equipment	(1,000)	(5,139)
IT equipment	(922)	(7,208)
Power-generating assets	(333,580)	(116,694)
Other property, plant and equipment	(1,396)	(1,536)
Total	(343,546)	(132,697)

v) Detail of other property, plant and equipment:

As of December 31, 2022, and 2021, this caption comprises the following:

Other property, plant and equipment, net	12.31.2022 ThUS\$	12.31.2021 ThUS\$
Substations	25,245	7,873
Transmission lines	9,418	7,725
Spare parts classified as property, plant and equipment	229,201	236,238
Other property, plant and equipment	6,636	4,801
Other property, plant and equipment, net	270,500	256,637
Other property, plant and equipment, gross	12.31.2022 ThUS\$	12.31.2021 ThUS\$
Substations	59,997	42,022
Transmission lines	41,920	39,728
Spare parts classified as property, plant and equipment	229,201	236,238
Other property, plant and equipment	15,219	10,077
Other property, plant and equipment, gross	346,337	328,065
Accumulated depreciation and impairment of other property plant and equipment	12.31.2022 ThUS\$	12.31.2021 ThUS\$
Substations	(34,752)	(34,149)
Transmission lines	(32,502)	(32,003)
Other property, plant and equipment	(8,583)	(5,276)
Total depreciation and impairment	(75,837)	(71,428)

vi) Detail of power-generating assets

Power-generating assets, net		12.31.2022	12.31.2021
		ThUS\$	ThUS\$
Power-generating civil works	Hydropower	1,589,882	1,607,622
	Coal-fired thermal power	233,437	248,263
	Oil and gas-fired thermal power	42,178	44,583
	Solar power	4,987	131
Power-generating equipment and machinery	Hydropower	488,104	530,119
	Coal-fired thermal power	376,900	411,848
	Oil and gas-fired thermal power	692,230	703,845
	Solar power	148,075	7,848
Balance of power-generating assets, net		3,575,793	3,554,259

Power-generating assets, gross		12.31.2022	12.31.2021
		ThUS\$	ThUS\$
Power-generating civil works	Hydropower	2,242,241	2,232,780
	Coal-fired thermal power	361,414	359,190
	Oil and gas-fired thermal power	59,395	59,395
	Solar power	5,086	162
Power-generating equipment and machinery	Hydropower	970,430	954,700
	Coal-fired thermal power	639,793	639,658
	Oil and gas-fired thermal power	1,698,820	1,662,420
	Solar power	152,737	9,426
Balance of power-generating assets, gross		6,129,916	5,917,731

Accumulated depreciation and impairment of power-generating assets		12.31.2022	12.31.2021
		ThUS\$	ThUS\$
Power-generating civil works	Hydropower	(652,359)	(625,158)
	Coal-fired thermal power	(127,977)	(110,927)
	Oil and gas-fired thermal power	(17,217)	(14,812)
	Solar power	(99)	(31)
Power-generating equipment and machinery	Hydropower	(482,326)	(424,581)
	Coal-fired thermal power	(262,893)	(227,810)
	Oil and gas-fired thermal power	(1,006,590)	(958,575)
	Solar power	(4,662)	(1,578)
Total depreciation and impairment		(2,554,123)	(2,363,472)

19. Right-of-use assets

a. Detail Right-of-Use assets

The right-of-use assets recognized as of December 31, 2022, and 2021, are as follows:

Right-of-use assets, Net	12.31.2022 ThUS\$	12.31.2021 ThUS\$
Transmission line operation and maintenance	8,603	9,449
Right-of-use office equipment	89	86
Right-of-use facilities	19,255	3,246
Right-of-use vehicles	1,100	366
Right-of-use Calidda gas pipeline	91,019	100,121
Right-of-use IT equipment	493	119
Total	120,559	113,387
Right-of-use assets, Gross	12.31.2022 ThUS\$	12.31.2021 ThUS\$
Transmission line operation and maintenance	18,081	18,081
Right-of-use office equipment	467	377
Right-of-use facilities	28,444	8,267
Right-of-use vehicles	5,586	3,451
Right-of-use Calidda gas pipeline	127,427	127,427
Right-of-use IT equipment	3,536	603
Total	183,541	158,206
Accumulated depreciation right-of-use assets	12.31.2022 ThUS\$	12.31.2021 ThUS\$
Transmission line operation and maintenance	(9,478)	(8,632)
Right-of-use office equipment	(378)	(291)
Right-of-use facilities	(9,189)	(5,021)
Right-of-use vehicles	(4,486)	(3,085)
Right-of-use Calidda gas pipeline	(36,408)	(27,306)
Right-of-use IT equipment	(3,043)	(484)
Total	(62,982)	(44,819)

As of December 31, 2022, and 2021, the company maintain in its records leases related to its offices, warehouse, parking lots, vehicles, computers and printers.

The subsidiary Fenix maintains contracts with:

1. Consorcio Transmantaro S.A. (hereinafter CTM), in which CTM is obliged to provide maintenance and operating services to the 8-km transmission line between the substation Chilca and the thermoelectric power plant Fenix. Such contract has a term of 20 years (with 13 years remaining) and accrues an annual interest of 12%. Additionally, CTM is obliged to build facilities for the rendering of transmission line services.
2. Contract entered into with Gas Natural de Lima y Callao (Calidda), by which Calidda agrees to provide the gas distribution service from the City Gate located in the city of Chilca, for which a regulation and control plant has been installed (ERC, for its acronym in Spanish), which is an iron pipeline. Such contract is effective for 20 years (with 13 years remaining), per a volume of 84.1 MMpcd. It includes a Take or Pay of 100% equivalent to 84.1MMpcd which should be paid in the month the service is rendered. The interest rate associated with the finance lease amounts to 7% per year.

b. Movements of right-of-use assets

The composition and movement of assets by right of use, net as of December 31, 2022, and 2021, has been as follows:

Movements for the period 2022	Transmission line operation and maintenance ThUS\$	Right-of-use office equipment ThUS\$	Right-of-use facilities ThUS\$	Right-of-use vehicles ThUS\$	Right-of-use Calidda gas pipeline ThUS\$	Right-of-use IT equipment ThUS\$	Right-of-use assets, Net ThUS\$
Opening balance as of 01.01.2022	9,449	86	3,246	366	100,121	119	113,387
Additions	-	86	17,386	-	-	-	17,472
Contract modification	-	1	1,180	1,653	-	1,029	3,863
Finished contract	-	-	(732)	-	-	-	(732)
Depreciation expenses (see Note 33)	(846)	(84)	(1,825)	(919)	(9,102)	(655)	(13,431)
Total movements	(846)	3	16,009	734	(9,102)	374	7,172
Closing balance as of 12.31.2022	8,603	89	19,255	1,100	91,019	493	120,559

Movements for the period 2021	Transmission line operation and maintenance ThUS\$	Right-of-use office equipment ThUS\$	Right-of-use facilities ThUS\$	Right-of-use vehicles ThUS\$	Right-of-use Calidda gas pipeline ThUS\$	Right-of-use IT equipment ThUS\$	Right-of-use assets, Net ThUS\$
Opening balance as of 01.01.2021	9,067	59	4,458	364	109,223	320	123,491
Additions	-	99	755	1,277	-	-	2,131
Contract modification	1,228	(3)	(32)	-	-	-	1,193
Finished contract	-	-	(81)	(162)	-	-	(243)
Depreciation expenses (see Note 33)	(846)	(69)	(1,854)	(1,113)	(9,102)	(201)	(13,185)
Total movements	382	27	(1,212)	2	(9,102)	(201)	(10,104)
Closing balance as of 12.31.2021	9,449	86	3,246	366	100,121	119	113,387

As of December 31, 2022, and 2021, the present value of future payments arising from contracts recognized as leases are detailed as follows:

December 31, 2022	0-1 year ThUS\$	1-5 years ThUS\$	Over 5 years ThUS\$	Total ThUS\$
Gross	21,497	73,991	102,415	197,904
Interests	(10,423)	(30,471)	(20,910)	(61,804)
Present value (see note 24.a)	11,074	43,520	81,506	136,100

December 31, 2021	0-1 year ThUS\$	1-5 years ThUS\$	Over 5 years ThUS\$	Total ThUS\$
Gross	20,509	73,760	108,481	202,750
Interests	(10,764)	(35,340)	(30,328)	(76,432)
Present value (see note 24.a)	9,745	38,420	78,153	126,318

20. Current taxes

The balance of current taxes receivable and payable presented in current assets and liabilities as of December 31, 2022, and 2021, respectively, are detailed below:

a. Current tax assets

	Current	
	12.31.2022 ThUS\$	12.31.2021 ThUS\$
Recoverable taxes from previous years	2	3,130
Recoverable taxes for the year (See note 22.a.1)	88,986	1,381
Other taxes to be recovered	3,204	2,530
Total	92,192	7,041

b. Current tax liabilities

	Current	
	12.31.2022 ThUS\$	12.31.2021 ThUS\$
Payable taxes for the year (See note 22.a.1)	3,062	89,232
Payable taxes previous years	259	-
Total	3,321	89,232

21. Other non-financial assets

As of December 31, 2022, and 2021, this caption comprises the following:

	Current		Non-current	
	12.31.2022 ThUS\$	12.31.2021 ThUS\$	12.31.2022 ThUS\$	12.31.2021 ThUS\$
Insurance premium for facilities and civil responsibility	19,416	16,207	-	-
Prepayments ⁽¹⁾	16,555	41,121	41,902	41,589
Other miscellaneous assets	158	150	1,060	1,633
Total	36,129	57,478	42,962	43,222

⁽¹⁾ Corresponds to advance payments to domestic and foreign suppliers.

22. Income taxes

a. Income tax benefit (expense)

Income tax benefit (expense)	January - December	
	2022 ThUS\$	2021 ThUS\$
Current income tax (expense) benefit		
Current income taxes	(67,934)	(221,998)
Adjustments to prior-year current income tax expense	212	(96)
Total current income tax expense, net	(67,722)	(222,094)
Deferred income tax (expense) benefit		
Deferred income tax benefit arising from temporary differences	(37,811)	(62,898)
Total deferred income tax benefit, net	(37,811)	(62,898)
Income tax benefit (expense)	(105,533)	(284,992)

As of December 31, 2022, and 2021, income tax benefit (expense) and deferred taxes from foreign and domestic parties is detailed as follows:

Income tax benefit (expense)	January - December	
	2022 ThUS\$	2021 ThUS\$
Domestic current income tax (expense) benefit	(59,317)	(220,964)
Foreign current income tax (expense) benefit	(8,405)	(1,018)
Total current income tax (expense) benefit, net	(67,722)	(221,982)
Domestic deferred income tax benefit (expense)	(37,582)	(48,166)
Foreign deferred income tax benefit (expense)	(229)	(14,844)
Total deferred income tax benefit (expense)	(37,811)	(63,010)
Income tax expense charged to profit or loss	(105,533)	(284,992)

a.1 Reconciliation of current taxes

As of December 31, 2022, and 2021, the reconciliation of current taxes to income tax is as follows:

Current tax reconciliation		12.31.2022					
Company	Current taxes (profit or loss)	Current taxes for equity adjustments	Monthly provisional income tax payments	Other credits	Tax under Article No. 21 (profit or loss)	Tax assets	Tax liabilities
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Colbún S.A.	(59,528)	273	146,768	1,079	-	88,592	-
Efizity Ingeniería SpA.	-	-	4	-	-	4	-
Efizity SpA.	-	-	56	-	-	56	-
Efizity S.A.C.	-	-	1	-	-	1	-
Colbún Perú S.A.	-	-	243	80	-	323	-
Inversiones Las Canteras S.A.	-	-	7	3	-	10	-
Fenix Power S.A.	(8,405)	-	3,339	2,004	-	-	(3,062)
Total	(67,933)	273	150,418	3,166	-	88,986	(3,062)

Current tax reconciliation		12.31.2021					
Company	Current taxes (profit or loss)	Current taxes for equity adjustments	Monthly provisional income tax payments	Other credits	Tax under Article No. 21 (profit or loss)	Tax assets	Tax liabilities
	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$	ThUS\$
Colbún S.A.	(217,661)	7,584	120,876	932	-	-	(88,269)
Efizity Ingeniería SpA.	-	-	7	10	-	17	-
Efizity SpA.	(106)	-	19	7	-	-	(80)
Efizity S.A.C.	-	-	1	-	-	1	-
Colbún Perú S.A.	(1,018)	-	135	-	-	-	(883)
Inversiones Las Canteras S.A.	-	-	9	-	-	9	-
Fenix Power S.A.	-	-	1,354	-	-	1,354	-
Total	(218,785)	7,584	122,401	949	-	1,381	(89,232)

As of December 31, 2022, Colbún S.A., together with its subsidiaries, it generated tax profits, however, a recoverable tax was recorded, regarding the Provision for Consolidated Income Tax, net of monthly provisional payments (PPM) and credits for ThUS\$ 88,896.

In the case of the foreign subsidiary Fenix Power Perú S.A., as of December 31, 2022, it recognizes accumulated tax losses of ThUS\$ 173,976, which are expected to be reversed in the future; accordingly, a deferred tax asset was recognized.

In accordance with IAS 12, a deferred tax asset for tax losses is recognized when Management has determined that is probable that future taxable income will be available against which they can be offset. This situation occurs in subsidiaries that recognize tax losses.

a.2 Reconciliation of consolidated tax expense and calculation of effective rate

Income tax benefit (expense)	January - December			
	2022		2021	
	Amount ThUS\$	Rate %	Amount ThUS\$	Rate %
Profit before income taxes	416,000		825,172	
Tax expense using the legal rate ⁽¹⁾	(112,320)	27.0%	(222,796)	27.0%
Differences between US dollars and tax financial accounting in local currency through deferred taxes ⁽²⁾	5,559	-1.3%	(13,542)	1.6%
Other differences ⁽³⁾	1,228	-0.3%	(48,654)	5.9%
Income tax expense	(105,533)	25.4%	(284,992)	34.5%

⁽¹⁾ As of December 31, 2022, and 2021, the income tax expense was calculated using the tax rate of 27% (Law No. 20.780) that applies in Chile. Regarding the differences in tax rates with foreign subsidiaries (29.5%), they are presented in other differences.

⁽²⁾ In accordance with the International Financial Reporting Standards (IFRS), the Company and its subsidiaries recognize their tax and financial operations at their functional currency which is the U.S. dollar, except for the subsidiaries of the Efizity Group. With respect to the foreign subsidiaries, the local currency is used for tax purposes.

⁽³⁾ As of December 31, 2022, the concept "Other Differences" corresponds to permanent differences for the recognition of the accrued results of associated companies.

b. Deferred taxes

At each reporting period, deferred tax assets and liabilities are detailed as follows:

Deferred tax assets	12.31.2022 ThUS\$	12.31.2021 ThUS\$
Deferred taxes related to tax losses	51,625	57,132
Deferred taxes related to provisions	33,493	29,245
Deferred taxes related to obligations for post-employment benefits	9,016	8,060
Deferred taxes related to anticipated income	2,216	1,774
Deferred taxes related to rights-of-use	3,481	2,766
Deferred taxes related to contingencies	2,772	2,772
Deferred taxes related to unrealized gain or loss	292	292
Deferred tax assets	102,895	102,041
Deferred tax liabilities	12.31.2022 ThUS\$	12.31.2021 ThUS\$
Deferred taxes related to depreciation	(970,277)	(929,851)
Deferred taxes related to finance costs	(16,405)	(18,246)
Deferred taxes related to intangible assets	(8,853)	(9,849)
Deferred taxes related to inventory	(1,165)	(1,636)
Deferred taxes related to hedging instruments	(3)	1,584
Deferred tax liabilities	(996,703)	(957,998)
Total deferred tax assets and liabilities, net	(893,808)	(855,957)

Deferred taxes movements	12.31.2022 ThUS\$	12.31.2021 ThUS\$
Deferred Taxes as of January 1	(855,957)	(852,319)
Tax loss	(5,507)	(30)
Hedge instruments	(1,587)	1,801
Intangibles	996	1,938
Right-of-use	715	768
Contingency	-	2,237
Post-employment benefit	956	(4,092)
Anticipated income	442	(4,164)
Investments in subsidiaries and associates ⁽¹⁾	-	(4,735)
Inventory	471	(848)
Provisions	4,248	4,118
Financial cost	1,841	798
Property, plant and equipment	(40,426)	(1,429)
Deferred Taxes as of December 31	(893,808)	(855,957)

⁽¹⁾ See note 3.1.c

The net position of deferred taxes per company is as follows:

Net deferred tax position by company				
Company	Net position			
	Non-current asset		Non-current liability	
	12.31.2022 ThUS\$	12.31.2021 ThUS\$	12.31.2022 ThUS\$	12.31.2021 ThUS\$
Fenix Power Perú S.A.	65,882	66,191	-	-
Santa Sofía SpA.	1,571	173	-	-
Efizity SpA.	251	175	-	-
Efizity Ingeniería SpA.	7	130	-	-
Efizity S.A.C.	22	20	-	-
Desaladora del Sur S.A.	2	1	-	-
Inversiones de Las Canteras S.A.	-	-	(407)	(489)
Colbún S.A.	-	-	(961,136)	(922,158)
Subtotal	67,735	66,690	(961,543)	(922,647)
	Net deferred taxes		(893,808)	(855,957)

c. Income taxes in other comprehensive income

	January - December	
	2022 ThUS\$	2021 ThUS\$
Cash flow hedges	(344)	8,750
Defined benefit plans	620	(3,728)
Income tax related to components of other comprehensive income	276	5,022
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	35	(66)
Income tax related to components of other comprehensive income	311	4,956

23. Other financial liabilities

As of December 31, 2022, and 2021, this caption comprises the following:

a. Obligations with financial institutions

Other financial liabilities	Current		Non-current	
	12.31.2022 ThUS\$	12.31.2021 ThUS\$	12.31.2022 ThUS\$	12.31.2021 ThUS\$
Interest-Bearing Loans	27,393	25,046	157,456	-
Bond payables (Bonds, bills of exchange) ⁽¹⁾	48,820	214,896	1,768,157	1,944,259
Hedging derivatives ⁽²⁾	19,344	39,176	-	-
Total	95,557	279,118	1,925,613	1,944,259

⁽¹⁾ Interest accrued for bonds payable have been determined using the effective rate.

⁽²⁾ See note 14.1

b. Financial debt by currency

The financial debt value of Colbún (bank liabilities and bonds), considering only the effect of derivative instruments (liability position) is as follows:

Financial debt by currency	12.31.2022 ThUS\$	12.31.2021 ThUS\$
U.S. Dollar	2,001,826	2,186,236
Euros	19,008	-
Inflation-adjusted units	336	37,141
Total	2,021,170	2,223,377

c. Maturity and currency of the obligations with financial institutions

c.1 Bank borrowings

As of 12.31.2022				
Debtor's Tax ID No.	96505760-9	0-E	0-E	
Debtor's name	Colbún S.A.	Fenix Power Perú S.A.	Fenix Power Perú S.A.	
Debtor's country	Chile	Peru	Peru	
Creditor's ID number	0-E	0-E	0-E	
Creditor's name	Sumitomo Mitsui Banking	Banco de Credito del Perú	Scotiabank	
Country of the creditor company	USA	Peru	Peru	
Currency or inflation-adjusted unit	US\$	US\$	US\$	
Amortization frequency	Bullet	Annual	Annual	
Interest type	Variable	Variable	Fixed	
Basis	Sofr 3M	-	-	
Effective rate	5.68%	2.30%	3.00%	
Nominal rate	5.45%	2.30%	3.00%	
Nominal amounts		ThUS\$		Total ThUS\$
Up to 90 days	2,106	-	-	2,106
90 days to 1 year		10,205	15,082	25,287
1-3 years	-	-	-	-
1-2 years		-	-	-
2-3 years		-	-	-
3-5 years	-	-	-	-
3-4 years		-	-	-
4-5 years		-	-	-
Over 5 years	160,000	-	-	160,000
Subtotal nominal amounts	162,106	10,205	15,082	187,393
Nominal amounts		ThUS\$		Total ThUS\$
Up to 90 days	2,106	-	-	2,106
90 days to 1 year	-	10,205	15,082	25,287
Current Interest-Bearing Loans	2,106	10,205	15,082	27,393
1-3 years	-	-	-	-
1-2 years		-	-	-
2-3 years		-	-	-
3-5 years	-	-	-	-
3-4 years		-	-	-
4-5 years		-	-	-
Over 5 years	157,456	-	-	157,456
Non-current Interest-Bearing Loans	157,456	-	-	157,456
Total Interest-Bearing Loans	159,562	10,205	15,082	184,849

Bank borrowings (continued)

As of 12.31.2021			
Debtor's Tax ID No.	0-E	0-E	
Debtor's name	Fenix Power Perú S.A.	Fenix Power Perú S.A.	
Debtor's country	Peru	Peru	
Creditor's ID number	0-E	0-E	
Creditor's name	Banco de Credito del Perú	Scotiabank	
Country of the creditor company	Peru	Peru	
Currency or inflation-adjusted unit	US\$	US\$	
Amortization frequency	Annual	Annual	
Interest type	Variable	Fixed	
Basis	-	-	
Effective rate	2.02%	3.65%	
Nominal rate	2.02%	3.65%	
Nominal amounts	ThUS\$		Total ThUS\$
Up to 90 days	-	-	-
90 days to 1 year	10,002	15,044	25,046
1-3 years	-	-	-
1-2 years	-	-	-
2-3 years	-	-	-
3-5 years	-	-	-
3-4 years	-	-	-
4-5 years	-	-	-
Over 5 years	-	-	-
Subtotal nominal amounts	10,002	15,044	25,046
Carrying amounts	ThUS\$		Total ThUS\$
Up to 90 days	-	-	-
90 days to 1 year	10,002	15,044	25,046
Current Interest-Bearing Loans	10,002	15,044	25,046
1-3 years	-	-	-
1-2 years	-	-	-
2-3 years	-	-	-
3-5 years	-	-	-
3-4 years	-	-	-
4-5 years	-	-	-
Over 5 years	-	-	-
Non-current Interest-Bearing Loans	-	-	-
Total Interest-Bearing Loans	10,002	15,044	25,046

c.2 Bonds payable

As of 12.31.2022					
Debtor's Tax ID No.	96.505.760-9	96.505.760-9	96.505.760-9	0-E	
Debtor's name	Colbún S.A.	Colbún S.A.	Colbún S.A.	Fenix Power Peru S.A.	
Debtor's country	Chile	Chile	Chile	Peru	
Creditor's ID number	-	-	-	-	
Serie	144A/RegS	144A/RegS	144A/RegS	144A/RegS	
Maturity date	10-10-2027	03-06-2030	01-19-2032	09-20-2027	
Currency or inflation-adjusted unit	US\$	US\$	US\$	US\$	
Amortization frequency	Bullet	Bullet	Bullet	Biannual	
Interest type	Fixed	Fixed	Fixed	Fixed	
Basis	Fixed	Fixed	Fixed	Fixed	
Effective rate	5.11%	3.89%	3.33%	4.57%	
Nominal rate	3.95%	3.15%	3.15%	4.32%	
Nominal amounts	ThUS\$				Total ThUS\$
Up to 90 days	-	4,988	8,453	14,000	27,441
90 days to 1 year	4,334	-	-	14,000	18,334
1-3 years	-	-	-	40,000	40,000
1-2 years	-	-	-	24,000	24,000
2-3 years	-	-	-	16,000	16,000
3-5 years	500,000	-	-	36,000	536,000
3-4 years	-	-	-	18,000	18,000
4-5 years	500,000	-	-	18,000	518,000
Over 5 years	-	500,000	600,000	150,000	1,250,000
Subtotal nominal amounts	504,334	504,988	608,453	254,000	1,871,775
Carrying amounts	ThUS\$				Total ThUS\$
Up to 90 days	-	4,988	8,453	17,045	30,486
90 days to 1 year	4,334	-	-	14,000	18,334
Current performance bonds	4,334	4,988	8,453	31,045	48,820
1-3 years	-	-	-	39,060	39,060
1-2 years	-	-	-	23,513	23,513
2-3 years	-	-	-	15,547	15,547
3-5 years	475,871	-	-	35,363	511,234
3-4 years	-	-	-	17,569	17,569
4-5 years	475,871	-	-	17,794	493,665
Over 5 years	-	476,827	591,600	149,436	1,217,863
Non-current performance bonds	475,871	476,827	591,600	223,859	1,768,157
Total performance bonds	480,205	481,815	600,053	254,904	1,816,977

Bonds payable (continued)

As of 12.31.2021								
Debtor's Tax ID No.	96.505.760-9	96.505.760-9	96.505.760-9	96.505.760-9	96.505.760-9	96.505.760-9	0-E	
Debtor's name	Colbún S.A.	Colbún S.A.	Colbún S.A.	Colbún S.A.	Colbún S.A.	Colbún S.A.	Fenix Power Peru S.A.	
Debtor's country	Chile	Chile	Chile	Chile	Chile	Chile	Peru	
Creditor's ID number	499	538	-	-	-	-	-	
Serie	Serie F	Serie I	144A/RegS	144A/RegS	144A/RegS	144A/RegS	144A/RegS	
Maturity date	05-01-2028	06-10-2029	10-10-2027	07-10-2024	03-06-2030	01-19-2032	09-20-2027	
Currency or inflation-adjusted unit	UF	UF	US\$	US\$	US\$	US\$	US\$	
Amortization frequency	Biannual	Biannual	Bullet	Bullet	Bullet	Bullet	Biannual	
Interest type	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	
Basis	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	
Effective rate	4.46%	5.02%	5.11%	4.80%	3.89%	3.33%	4.57%	
Nominal rate	3.40%	4.50%	3.95%	4.50%	3.15%	3.15%	4.32%	
Nominal amounts	ThUS\$							Total ThUS\$
Up to 90 days	95,902	75,223	-	3,345	4,988	-	13,500	192,958
90 days to 1 year	-	-	4,334	-	-	3,728	13,500	21,562
1-3 years	-	-	-	157,410	-	-	52,000	209,410
1-2 years	-	-	-	-	-	-	28,000	28,000
2-3 years	-	-	-	157,410	-	-	24,000	181,410
3-5 years	-	-	-	-	-	-	34,000	34,000
3-4 years	-	-	-	-	-	-	16,000	16,000
4-5 years	-	-	-	-	-	-	18,000	18,000
Over 5 years	-	-	500,000	-	500,000	600,000	168,000	1,768,000
Subtotal nominal amounts	95,902	75,223	504,334	160,755	504,988	603,728	281,000	2,225,930
Carrying amounts	ThUS\$							Total ThUS\$
Up to 90 days	93,850	74,282	-	3,345	4,988	-	16,870	193,335
90 days to 1 year	-	-	4,334	-	-	3,727	13,500	21,561
Current performance bonds	93,850	74,282	4,334	3,345	4,988	3,727	30,370	214,896
1-3 years	-	-	-	156,513	-	-	50,981	207,494
1-2 years	-	-	-	-	-	-	27,468	27,468
2-3 years	-	-	-	156,513	-	-	23,513	180,026
3-5 years	-	-	-	-	-	-	33,117	33,117
3-4 years	-	-	-	-	-	-	15,548	15,548
4-5 years	-	-	-	-	-	-	17,569	17,569
Over 5 years	-	-	471,485	-	474,077	590,889	167,197	1,703,648
Non-current performance bonds	-	-	471,485	156,513	474,077	590,889	251,295	1,944,259
Total performance bonds	93,850	74,282	475,819	159,858	479,065	594,616	281,665	2,159,155

c.3 Expected interests by currency of the obligations with financial institutions:

Liability	Currency	Interests as of 12.31.2022		Capital	Maturity date	Maturity					Total interests	Total debt
		Accrued	Forecasted			Up to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	Over 5 years		
Bond 144A/RegS 2017 (Fenix Power Perú)	US\$	305	43,103	254,000	20-09-2027	5,483	5,180	18,045	14,700	-	43,408	297,408
Bond 144A/RegS 2017	US\$	4,334	94,416	500,000	11-10-2027	-	19,750	39,500	39,500	-	98,750	598,750
Bond 144A/RegS 2020	US\$	4,988	113,137	500,000	06-03-2030	7,875	7,875	31,500	31,500	39,375	118,125	618,125
Bond 144A/RegS 2021	US\$	8,453	171,097	600,000	19-01-2032	9,450	9,450	37,800	37,800	85,050	179,550	779,550
Loan SMBC	US\$	2,058	59,848	160,000	05-10-2029	2,227	6,609	17,698	17,674	17,698	61,906	221,906

Liability	Currency	Interests as of 12.31.2021		Capital	Maturity date	Maturity					Total interests	Total debt
		Accrued	Forecasted			Up to 3 months	3 to 12 months	1 to 3 years	3 to 5 years	Over 5 years		
Bond 144A/RegS 2017 (Fenix Power Perú)	US\$	3,437	51,810	281,000	20-09-2027	6,065	5,774	20,160	16,383	6,865	55,247	336,247
Serie F Bond	UF	14	292	2,600	24-01-2022	306	-	-	-	-	306	2,906
Serie I Bond	UF	5	359	2,045	24-01-2022	364	-	-	-	-	364	2,409
Bond 144A/RegS 2014	US\$	3,345	17,905	157,410	10-07-2024	3,542	3,542	14,166	-	-	21,250	178,660
Bond 144A/RegS 2017	US\$	4,334	114,166	500,000	11-10-2027	-	19,750	39,500	39,500	19,750	118,500	618,500
Bond 144A/RegS 2020	US\$	4,988	128,887	500,000	06-03-2030	7,875	7,875	31,500	31,500	55,125	133,875	633,875
Bond 144A/RegS 2021	US\$	3,728	189,997	600,000	19-01-2032	-	14,175	37,800	37,800	103,950	193,725	793,725

d. Committed and uncommitted revolving credit facilities

The Company has uncommitted bank lines for an approximate amount of US\$ 150 million.

Fenix Power has credit lines for a total of US\$65 million with six banks, of which US\$25 million are contracted with two local banks with a one-year term.

Other Lines:

The Company has three bond lines registered in the CMF, one for an amount of UF 7 million with a term of thirty years (since its approval in August 2009), and two for a joint amount of UF 7 million with a term of ten and thirty years (since its approval in February 2020), and against which no placements have been performed as of to date.

24. Lease Liabilities

As of December 31, 2022, and 2021, this caption comprises the following:

Lease liabilities	Current		Non-current	
	12.31.2022 ThUS\$	12.31.2021 ThUS\$	12.31.2022 ThUS\$	12.31.2021 ThUS\$
Lease liabilities	11,074	9,746	125,026	116,572
Total	11,074	9,746	125,026	116,572

Lease obligation

Debtor's Tax ID No.	Debtor's name	Debtor's country	Creditor's name	Currency or inflation-adjusted unit	Amortization frequency	Effective rate	Nominal rate	Up to 90 days	90 days to 1 year	Liabilities under lease agreements, current	1 to 3 years	3 to 5 years	Over 5 years	Liabilities under lease agreements, non-current	Total liabilities under lease agreements
96505760-9	Colbún S.A.	Chile	Bice Vida Compania De Seguros S.A.	UF	Monthly	6.35%	6.35%	238	234	472	-	-	-	-	472
96505760-9	Colbún S.A.	Chile	Inmobiliaria Las Cruces SpA	UF	Monthly	2.85%	2.85%	147	392	539	803	-	-	803	1,342
96505760-9	Colbún S.A.	Chile	Inmobiliaria Playa Blanca S.A.	UF	Monthly	2.85%	2.85%	54	54	108	-	-	-	-	108
96505760-9	Colbún S.A.	Chile	Cia. De Leasing Tattersall S.A.	UF	Monthly	5.57%	5.57%	294	266	560	317	-	-	317	877
96505760-9	Colbún S.A.	Chile	Nuevo Capital Leasing SpA	UF	Monthly	6.07%	6.07%	112	222	334	170	-	-	170	504
96505760-9	Colbún S.A.	Chile	Ministerio de Bienes Nacionales	UF	Annual	3.45%	3.45%	-	62	62	126	126	1,624	1,876	1,938
96505760-9	Colbún S.A.	Chile	Ministerio de Bienes Nacionales	UF	Annual	3.45%	3.45%	-	64	64	128	128	1,669	1,925	1,989
96505760-9	Colbún S.A.	Chile	Ministerio de Bienes Nacionales	UF	Annual	3.45%	3.45%	540	-	540	1,092	1,092	10,927	13,111	13,651
76362527-3	Efizity Ingenieria SPA	Chile	Inmobiliaria Arturo Prat Ltda.	UF	Monthly	5.25%	5.25%	21	58	79	-	-	-	-	79
0-E	Fenix Power Peru S.A.	Perú	Laila Fatima Gaber B.	US\$	Monthly	5.50%	5.50%	5	45	50	128	109	-	237	287
0-E	Fenix Power Peru S.A.	Perú	Renta Equipos SA	US\$	Monthly	3.40%	3.40%	12	45	57	95	-	-	95	152
0-E	Fenix Power Peru S.A.	Perú	Renta Equipos SA	US\$	Monthly	4.00%	4.00%	1	4	5	15	-	-	15	20
0-E	Fenix Power Peru S.A.	Perú	Renta Equipos SA	US\$	Monthly	6.02%	6.02%	1	1	2	9	-	-	9	11
0-E	Fenix Power Peru S.A.	Perú	Ricoh del Perú SAC	US\$	Monthly	3.40%	3.40%	3	10	13	1	-	-	1	14
0-E	Fenix Power Peru S.A.	Perú	Inversiones Nuevo Capital Perú	US\$	Monthly	4.00%	4.00%	5	-	5	-	-	-	-	5
0-E	Fenix Power Peru S.A.	Perú	Calidda ⁽¹⁾	US\$	Monthly	7.00%	7.00%	1,852	5,555	7,407	16,406	18,783	59,742	94,931	102,338
0-E	Fenix Power Peru S.A.	Perú	Consortio Transmataro S.A.	US\$	Quarterly	12.00%	12.00%	186	591	777	1,800	2,192	7,544	11,536	12,313
Lease Liabilities, Total										11,074				125,026	136,100

⁽¹⁾ See note 19.a.2

Debtor's Tax ID No.	Debtor's name	Debtor's country	Creditor's name	Currency or inflation-adjusted unit	Amortization frequency	Effective rate	Nominal rate	Up to 90 days	90 days to 1 year	Liabilities under lease agreements, current	1 to 3 years	3 to 5 years	Over 5 years	Liabilities under lease agreements, non-current	Total liabilities under lease agreements
96505760-9	Colbún S.A.	Chile	Bice Vida Compania De Seguros S.A.	UF	Monthly	5.00%	5.00%	214	659	873	530	-	-	530	1,403
96505760-9	Colbún S.A.	Chile	B.Raices Santa Lucia SA	UF	Monthly	5.00%	5.00%	185	568	753	456	-	-	456	1,209
96505760-9	Colbún S.A.	Chile	Cia. De Leasing Tattersall S.A.	UF	Monthly	5.00%	5.00%	178	-	178	-	-	-	-	178
96505760-9	Colbún S.A.	Chile	Vigatec S.A.	UF	Monthly	5.00%	5.00%	51	136	187	326	142	-	468	655
96505760-9	Colbún S.A.	Chile	Nuevo Capital Leasing SpA	UF	Monthly	0.40%	0.40%	(102)	43	(59)	-	-	-	-	(59)
76362527-3	Efizity Ingenieria SPA	Chile	Inmobiliaria Arturo Prat Ltda.	UF	Monthly	1.31%	1.31%	18	49	67	-	-	-	-	67
0-E	Fenix Power Peru S.A.	Perú	Laila Fatima Gaber B.	US\$	Monthly	5.50%	5.50%	2	36	38	67	193	-	260	298
0-E	Fenix Power Peru S.A.	Perú	Renta Equipos SA	US\$	Monthly	3.40%	3.40%	8	30	38	143	9	-	152	190
0-E	Fenix Power Peru S.A.	Perú	Renta Equipos SA	US\$	Monthly	4.00%	4.00%	1	5	6	24	12	-	36	42
0-E	Fenix Power Peru S.A.	Perú	Ricoh del Perú SAC	US\$	Monthly	3.40%	3.40%	2	6	8	14	-	-	14	22
0-E	Fenix Power Peru S.A.	Perú	Inversiones Nuevo Capital Perú	US\$	Monthly	4.00%	4.00%	9	36	45	5	-	-	5	50
0-E	Fenix Power Peru S.A.	Perú	Calidda (1)	US\$	Monthly	7.00%	7.00%	1,730	5,192	6,922	15,333	17,554	69,450	102,337	109,259
0-E	Fenix Power Peru S.A.	Perú	Consortio Transmataro S.A.	US\$	Quarterly	12.00%	12.00%	165	525	690	1,655	1,957	8,702	12,314	13,004
Lease Liabilities, Total										9,746				116,572	126,318

⁽¹⁾ See note 19.a.2

25. Trade and other payables

As of December 31, 2022, and 2021, trade and other payables are composed of the following:

	Current		Non-current	
	12.31.2022 ThUS\$	12.31.2021 ThUS\$	12.31.2022 ThUS\$	12.31.2021 ThUS\$
Trade payables	259,739	190,576	-	-
Dividends payable	34,535	13,420	-	-
Other payables	93	1,710	441	9,475
Total	294,367	205,706	441	9,475

The main suppliers or creditors, with their respective representativeness percentages as of December 31, 2022, are:

Main Commercial Creditors	%
Interocean Coal Sales, Llc	9.83%
Pampa Energia	5.98%
Strabag SpA	4.40%
Alfa Trasmisora de Energia S.A.	3.62%
Total Austral S.A.	3.27%
Compañía Electrica el Plantanal S.A.	2.90%
Siemens Energy Spa	2.80%
Mapfre Seguros	2.44%
Chubb Seguros Chile S.A	2.29%
Pluspetrol Peru Corporation S.A.	1.97%
General Electric Global Services GMBH del Peru	1.96%
Transelec S.A.	1.85%
ENAP Refinerias S.A.	1.75%
Transportadora De Gas Del Peru S.A.	1.53%
Ge Global Parts & Products, Gmbh	1.49%
Southbridge Seguros	1.46%
Compañía Puerto De Coronel S.A.	1.33%
Gas Natural de Lima y Callao S.A.	1.21%
Pluspetrol S.A.	1.19%
Otros	46.73%
	100 %

Stratification of the portfolio of trade and other payables:

Concept	As of 12.31.2022		As of 12.31.2021	
	Current ThUS\$	Total ThUS\$	Current ThUS\$	Total ThUS\$
Goods	70,026	70,026	80,817	80,817
Services	187,176	187,176	82,051	82,051
Others	2,537	2,537	27,708	27,708
Total	259,739	259,739	190,576	190,576

As of December 31, 2022, the amounts payable for invoices receivable for goods and services amount to ThUS\$ 147,570; as of December 31, 2021, it amounted to ThUS\$ 159,487.

For accounts payable to suppliers, the average payment period is 15 days from the date of receipt of the invoice; as a result of this, the fair value does not differ significantly from the related carrying amount.

26. Other provisions

a. Description of provisions

As of December 31, 2022, and 2021, this caption comprises the following:

Provisions	Current		Non-current	
	12.31.2022 ThUS\$	12.31.2021 ThUS\$	12.31.2022 ThUS\$	12.31.2021 ThUS\$
From legal proceedings	12,813	12,478	-	-
Decommissioning, restoration and rehabilitation costs Related to the environment	-	-	58,624	56,858
	33,904	30,866	-	-
Total	46,717	43,344	58,624	56,858

b. Movements in provisions during the period

As of December 31, 2022, and 2021, this caption comprises the following:

Movements in provisions	From legal proceedings ⁽¹⁾ ThUS\$	Decommissioning, restoration and rehabilitation costs ThUS\$	Related to the environment ⁽²⁾ ThUS\$	Total ThUS\$
Opening balance as of 01.01.2022	12,478	56,858	30,866	100,202
Increase (decrease) related to transfers and other changes, other provisions	(202)	-	(5,874)	(6,076)
Increase in existing provisions, other provisions	537	1,766	33,904	36,207
Provisions used, other provisions	-	-	(24,992)	(24,992)
Balance as of 12.31.2022	12,813	58,624	33,904	105,341

Movements in provisions	From legal proceedings ⁽¹⁾ ThUS\$	Decommissioning, restoration and rehabilitation costs ThUS\$	Related to the environment ⁽²⁾ ThUS\$	Total ThUS\$
Opening balance as of 01.01.2021	3,785	46,785	25,585	76,155
Increase (decrease) related to transfers and other changes, other provisions	(1,220)	-	-	(1,220)
Increase in existing provisions, other provisions	9,913	10,073	24,794	44,780
Provisions used, other provisions	-	-	(19,513)	(19,513)
Balance as of 12.31.2021	12,478	56,858	30,866	100,202

⁽¹⁾ Provisions for differences and/or tax administrative contingencies (see note 38.c).

⁽²⁾ Corresponds to the provision for tax expense that is levied on the emissions on thermoelectric plants (Law 20,780).

c. Decommissioning

The non-current balance corresponds to the disbursement related to the decommission of certain facilities, and future costs associated with the removal of certain assets and rehabilitation of specific land.

d. Restructuring

The Company has not established or recorded any provisions for this concept.

e. Litigations

As of December 31, 2022, and 2021, the Company recognized provisions for litigation in accordance with IAS 37 (see note 38, letter c).

27. Provisions for employee benefits

a. Employee benefits

The Company recognizes provisions for benefits and bonuses for its employees, such as accrued vacations, benefits for termination of project contracts and performance incentives.

As of December 31, 2022, and 2021, this caption comprises the following:

Employee benefits	Current		Non-current	
	12.31.2022 ThUS\$	12.31.2021 ThUS\$	12.31.2022 ThUS\$	12.31.2021 ThUS\$
Accrued vacations, current	6,368	5,935	-	-
Performance bonus, current	12,716	9,439	-	-
Other benefits	1,461	-	2,691	2,025
Provision for severance indemnity payments	7,438	8,052	30,387	23,916
Total	27,983	23,426	33,078	25,941

b. Movements in provision during the period

As of December 31, 2022, and 2021, this caption comprises the following:

Movements in provisions	Accrued vacations, current ThUS\$	Performance bonus, current ThUS\$	Other benefits, current ThUS\$	Provision for severance indemnity payments ThUS\$	Total ThUS\$
Opening balance as of 01.01.2022	5,935	9,439	-	8,052	23,426
Increase in existing provisions, other provisions	1,946	13,246	1,461	1,963	18,616
Provision used, other provisions	(1,513)	(9,969)	-	(2,577)	(14,059)
Balance as of 12.31.2022	6,368	12,716	1,461	7,438	27,983

Movements in provisions	Accrued vacations, current ThUS\$	Performance bonus, current ThUS\$	Other benefits, current ThUS\$	Provision for severance indemnity payments ThUS\$	Total ThUS\$
Opening balance as of 01.01.2021	5,655	11,439	-	7,060	24,154
Increase in existing provisions, other provisions	280	9,203	-	992	10,475
Provision used, other provisions	-	(11,203)	-	-	(11,203)
Balance as of 12.31.2021	5,935	9,439	-	8,052	23,426

c. Provision for employee benefits, non-current

The Company and some subsidiaries have recorded a provision to cover the indemnity payments in accordance with the collective and individual bargaining agreements entered with its employees. This provision represents the total accrued provision (see note 3.1. m.).

The basis for the actuarial calculation of the obligations with employees is permanently assessed by the Company. As of September 31, 2022, the Company has updated some indicators to better reflect the current market conditions.

i) **The detail of provision for employee benefits** - As of December 31, 2022, and 2021, this caption comprises the following:

Provision for employee benefits	12.31.2022 ThUS\$	12.31.2021 ThUS\$
Severance indemnity payments	37,825	31,968
Total	37,825	31,968
Present value of the obligation for defined benefit plans	12.31.2022 ThUS\$	12.31.2021 ThUS\$
Opening balance as of January 1	31,968	47,660
Cost of current service	8,108	4,775
Interest cost	662	687
Foreign currency translation differences	(381)	(7,546)
Actuarial gain (loss)	2,162	(12,196)
Payments	(4,694)	(1,412)
Closing balance	37,825	31,968

ii) **Actuarial assumptions** - The main assumptions used for actuarial calculation purposes are as follows:

Actuarial basis used	12.31.2022	12.31.2021
Discount rate	1.68%	2.49%
Expected rate of salary increases	1.62%	1.62%
Turnover rate	Voluntary	4.80%
	Dismissal	7.70%
Retirement age	Men	65
	Women	60
Mortality rate	RV-2014	RV-2014

Discount rate: Corresponds to the interest rate to be used to show in present value terms the disbursements expected to be realized in the future. The discount rate was determined based on the bonds denominated in inflation-adjusted units (UF) of the Chilean Central Bank with a 20-year term as of December 31, 2022. The source of the reference rate is Chilean Central Bank.

Salary increase rate: Refers to the salary increase rate estimated by the Company for the employee salaries based on the internal compensation policy.

Personnel turnover rate: Refers to the personnel turnover rate calculated by the Company based on its historical information.

Age of retirement: Refers to the legal retirement age for men and women in accordance with the Decree Law 3,500 that includes the standards governing the current Chilean pension system.

Mortality rate: Refers to the mortality rate published by the Chilean Financial Market Commission.

iii) **Sensitivity analysis of the actuarial assumptions** - Only the discount rate has been considered as a relevant parameter for sensitivity analysis purposes. The result of changes in the actuarial liability due to the sensitivity analysis of the discount rate is detailed as follows:

Sensitization	Rate		Amount of the obligation	
	12.31.2022 %	12.31.2021 %	12.31.2022 ThUS\$	12.31.2021 ThUS\$
Period rate	1.68	2.49	37,825	31,968
Rate decrease by 50 b.p.	1.18	1.99	40,320	31,145
Rate increased by 50 b.p.	2.18	2.99	35,563	27,445

28. Other non-financial liabilities

As of December 31, 2022, and 2021, this caption comprises the following:

	Current		Non-current	
	12.31.2022 ThUS\$	12.31.2021 ThUS\$	12.31.2022 ThUS\$	12.31.2021 ThUS\$
Withholdings	30,572	15,317	-	-
Unearned revenue ⁽¹⁾	564	541	6,108	6,326
Total	31,136	15,858	6,108	6,326

⁽¹⁾ Corresponds to prepayments received related to the operations and maintenance services. Revenue is recognized when the service is rendered. Non-current balance includes ThUS\$ 6,108 corresponding to the recognition of the lease agreement entered into between the Company and Codelco. As of December 31, 2021, such balance amounted to ThUS\$ 6,326.

29. Disclosures on equity

a. Subscribed, fully paid capital and number of shares

At the General Shareholders' Meeting of Colbún S.A. held on April 29, 2009, the shareholders agreed to change the currency in which the share capital is denominated since December 31, 2008 to the U.S. dollars using the exchange rate prevailing at the reporting date as of December 31, 2008, divided into 17,536,167,720 ordinary and registered shares of the same series with no par value.

As of December 31, 2022, this caption comprises the following:

Number of shares			
Series	No. of shares subscribed	Number of shares fully paid	No. of shares with voting rights
Single	17,536,167,720	17,536,167,720	17,536,167,720
Capital (Amount in US\$)			
Series	Subscribed capital ThUS\$	Paid-in capital ThUS\$	
Single	1,282,793	1,282,793	

a.1 Reconciliation of shares

At the reporting date, the reconciliation of the number of outstanding shares, is detailed as follows:

Shares	12.31.2022	12.31.2021
Number of shares outstanding at the beginning of the year	17,536,167,720	17,536,167,720
Changes in the number of shares outstanding		
Increase (decrease) in the number of shares outstanding	-	-
Number of shares outstanding at the end of the year	17,536,167,720	17,536,167,720

a.2 N° of shareholders

As of December 31, 2022, the number of shareholders is 2,803.

b. Share capital

Share capital corresponds to the paid-in capital indicated in letter a.

c. Share premium

As of December 31, 2022, and 2021, the caption share premium amounts to ThUS\$ 52,595 and is composed of ThUS\$ 30,700 related to premium received in the share subscription term approved at the Extraordinary Shareholders' Meeting held on March 14, 2008, plus a share premium of ThUS\$ 21,895 resulting from capital increases performed prior to 2008.

d. Dividends

The general policy and procedure on dividend distribution agreed at the Shareholders' Meeting held on April 29, 2021, established that the Company will distribute at least 50% of net profit. In accordance with IFRS, there is a legal and assumed obligation requiring the accounting for of a liability at each reporting date for the concept of the minimum legal dividend.

In the Board Meeting held on November 29, 2022, it was agreed to distribute an interim dividend charged to the profits for the year ending December 31, 2022 for the sum of ThUS\$83,518, corresponding to US\$0.00476 per share. This dividend began to be paid on December 16, 2022.

At the Shareholders' Meeting held on April 28, 2022, it was approved to distribute a final and final dividend in the amount of ThUS\$22,649, corresponding to US\$0.00129 per share and to distribute an additional dividend charged to profits for the year 2021 in the amount of ThUS\$50,000, corresponding to US\$0.00285 per share, which began to be paid on May 12, 2022.

In a Board meeting held on March 29, 2022, it was agreed to propose to the Shareholders' Meeting to distribute the net distributable profit as follows: (i) Distribute a definitive and final dividend in the amount of ThUS\$22,648 corresponding to US\$ 0.00129 per share, which in addition to the provisional dividend of ThUS\$ 250,000, corresponding to US\$ 0.01426 per share, would amount to 50% of the Net Distributable Profit for 2021 of ThUS\$ 272,648 and (ii) Distribute a dividend chargeable to profit of 2021 for the sum of ThUS\$ 50,000, corresponding to US\$ 0.00285 per share.

At the Extraordinary Shareholders' Meeting held on September 15, 2021, it was approved to distribute an eventual dividend, charged to the accumulated profits of the Company for the amount of ThUS\$ 750,000 corresponding to US \$ 0.94277 per share, payable in dollars or pesos, at the election of the shareholders, from October 12, 2021. Additionally, the Board of Directors was empowered, so that, if it deems it necessary for any reason, to suspend the payment of the dividend referred to above, setting, in the same act or subsequently, a new payment date, which may not be later than December 31, 2021. This power may be exercised by the Board of Directors until before the publication of the notice of payment of the aforementioned dividend.

The Extraordinary Board of Directors dated August 10, 2021 approved the distribution of a provisional dividend, charged to the net profits corresponding to the year ending December 31, 2021 for the amount of ThUS \$ 250,000 corresponding to US\$0.01426 per share, payable in dollars or pesos, at the election of the shareholders, as of October 12, 2021.

At the Shareholders' Meeting held on April 29, 2021, it was approved to distribute a final dividend in the amount of ThUS \$ 81,675 corresponding to US \$ 0.00465 per share, and an eventual dividend charged to accumulated earnings of previous years of ThUS \$ 164,580, corresponding to US \$ 0.00939 per share, which began to be paid on May 12, 2021.

At the Board of Directors' Meeting held on March 31, 2021, the directors agreed to propose to the Shareholders' Meeting the distribution of the net distributable profit as follows: (i) Distribute a final dividend of ThUS\$ 81,675 corresponding to US\$ 0.00465 per share, which in addition to a provisional dividend of ThUS\$ 81,217 corresponding to US\$ 0.00463 per share, would amount to Net Distributable Profit for 2020 of ThUS\$ 162,892; and (ii) Distribute a provisional dividend with a debit to prior year retained earnings of ThUS\$ 164,850, corresponding to US\$ 0.00939 per share.

e. Detail of Other reserves

This caption comprises the following:

Other reserves	12.31.2022 ThUS\$	12.31.2021 ThUS\$
Effect of first adoption of paid-in capital deflation	517,617	517,617
Effect of first-time adoption of translation in accordance with IAS 21	(230,797)	(230,797)
Revaluation of property, plant and equipment	262,865	278,017
Revaluation of deferred taxes	(100,353)	(104,445)
Merger reserve	136,973	155,959
Affiliate translation effects	(37,709)	(37,714)
Subsidiaries' reserve	(11,997)	(12,051)
Hedging reserve	(13,908)	(14,838)
Associate hedging effects	216	311
Total	522,907	552,059

Effect of first adoption of paid-in capital deflation: Circular No.456 issued by the Chilean Financial Market Commission and effect of first-time adoption of translation in accordance with IAS 21: Reserves generated by the first-time adoption of the International Financial Reporting Standards (IFRSs), which are subject to capitalization if permitted by accounting standards and law.

Revaluation of property, plant and equipment: The methodology used to quantify the realization of this concept relates to the application of useful lives per class of asset used for the depreciation process to the revaluation amount determined as of the date of adoption.

Deferred taxes: The adjustments in the measurement of assets and liabilities arising from the application of IFRS have resulted in the determination of new temporary differences recognized against the retained earnings in equity. The realization of this concept has been determined in the same proportion as the items from which it arises.

Merger reserve: Refers to the revaluation reserve of assets at fair value recorded from mergers in previous years, which amounts have not been realized.

Effect of translation in associates: Refers to the exchange rate difference generated by fluctuations in exchange rates on investments in associates and joint ventures, which maintain as a functional currency the Chilean peso.

Reserve of subsidiary: Reserve arising from the merger and variation in the interest of subsidiaries subject to capitalization if permitted by the accounting standards and law.

Effect of hedging reserve: Refers to the effective portion of transactions designated as cash flow hedges waiting for the recognition of the hedged item in profit or loss.

f. Retained earnings (accumulated losses)

As of December 31, 2022, and 2021, changes in reserves for retained earnings are detailed as follows:

Distributable retained earnings	12.31.2022 ThUS\$	12.31.2021 ThUS\$
Opening balance as of January 1	833,180	1,414,284
Profit or loss for the year	295,969	545,298
Effect of actuarial profit (loss)	(1,678)	10,080
Dividends	(198,226)	(1,273,666)
Realized retained earnings	30,040	137,184
Total distributable retained earnings	959,285	833,180

g. Capital management

Capital management falls under the financing and investing policies of the Company, which establish, among other matters, that investments shall have appropriate financing according to the project in conformity with the Financing Policy.

The Company will try to have sufficient liquidity in order to maintain an adequate financial position to meet its commitments and risks associated with its business. The cash surpluses of the Company will be invested in securities issued by financial institutions and marketable securities in accordance with the portfolio selection and diversification criteria determined by Management.

The control on investments will be performed by the Board, in charge of approving specific investments both the amount and financing of specific investments in conformity with the Company's by-laws and the decision made at the Shareholders' Meeting, if applicable.

The financing shall provide for the necessary funds to operate existing assets appropriately and to realize new investments in conformity with the Investing Policy mandate. For such purpose, the internal and external resources available will be used without compromising the Company's equity position or growth.

Accordingly, the indebtedness level shall not compromise the "investment grade" credit rating of the debt securities issued by Colbun in the international and domestic markets.

The Company will have different financing options, for which the following financing sources are preferred: bank borrowings both with international and local banks, long-term bond markets both in the international and local market, credits to supplier, retained earnings and capital increases.

As of December 31, 2022, and 2021, the indebtedness level detailed is as follows:

	12.31.2022 ThUS\$	12.31.2021 ThUS\$
Total liabilities	3,653,097	3,761,082
Total current liabilities	542,664	679,004
Total non-current liabilities	3,110,433	3,082,078
Total equity	2,952,877	2,841,426
Equity attributable to the Parent	2,817,580	2,720,627
Non-controlling interest	135,297	120,799
Indebtedness ratio	1.24	1.32

h. Earnings per share and net distributable profit

Earnings per share are calculated dividing the profit or loss attributable to the shareholders of the Parent by the weighted average of common shares outstanding during the reported years.

	12.31.2022	12.31.2021
Profit (loss) attributable to shareholders of the Parent (ThUS\$)	295,969	545,298
Profit (loss) available for common shareholders, basic (ThUS\$)	295,969	545,298
Weighted average number of shares, basic (No. of shares)	17,536,167,720	17,536,167,720
Basic earnings per share (U.S. dollars per share)	0.01688	0.03110

The Company has not performed any type of operation with a potential dilutive effect that could create a difference in the diluted earnings per share from the basic earnings per share during the reported period.

In conformity with Circular No.1,945 dated September 29, 2009, Colbún S.A. agreed to establish as general policy that the net distributable profit to be considered for the calculation of the Additional and Compulsory Minimum Dividend is established on the base effectively performed, eliminating those significant fluctuations in the fair value of unrealized assets and liabilities, which must be included in the calculation of net profit for the year in which such fluctuations occur.

Consequently, additions and deductions to net distributable profit for fluctuations in the fair value of unrealized assets and liabilities and recognized in "profit (loss) attributable to shareholders of the Company," relate to potential effects arising from the fluctuations in the fair value of the Company's derivative instruments at each period-end, net of the corresponding income tax.

The calculation of net distributable profit is detailed as follows:

Calculation of net profit for distribution (cash flows)	12.31.2022 ThUS\$	12.31.2021 ThUS\$
Shareholders of the Parent	295,969	545,298
Cash flow for the year charged to prior years	-	-
Effect on unrealized finance income that generated no cash flows	-	-
Net cash flow for the year	-	-
Net distributable profit	295,969	545,298
Mandatory minimum dividend	147,985	272,649

30. Revenue

For the periods ended December 31, 2022, and 2021, this caption comprises the following:

	January - December	
	2022	2021
	ThUS\$	ThUS\$
Regulated customer sales	454,190	454,501
Unregulated customer sales	1,051,473	689,425
Toll charges	6,355	35,390
Spot market sales	426,976	210,866
Other income	35,029	49,562
Total	1,974,023	1,439,744

31. Raw materials and consumable

For the periods ended December 31, 2022, and 2021, this caption comprises the following:

Inventories	January - December	
	2022	2021
	ThUS\$	ThUS\$
Oil consumption (see Note 13)	(70,418)	(49,346)
Gas consumption (see Note 13)	(520,148)	(394,380)
Coal consumption (see Note 13)	(126,405)	(89,660)
Purchase of energy and capacity	(143,721)	(70,648)
Toll charges	(139,791)	(114,954)
Third-party work and supplies	(68,948)	(62,985)
Total	(1,069,431)	(781,973)

32. Employee benefits expenses

For the periods ended December 31, 2022, and 2021, this caption comprises the following (see note 3.1.m. and 3.1.o.):

	January - December	
	2022 ThUS\$	2021 ThUS\$
Salaries and wages	(61,605)	(63,436)
Short-term employee benefits	(5,743)	(6,129)
Severance indemnity payments	(9,400)	(7,375)
Other personnel expenses	(7,279)	(2,732)
Total	(84,027)	(79,672)

33. Depreciation and amortization expenses

For the periods ended December 31, 2022, and 2021, this caption comprises the following:

	January - December	
	2022 ThUS\$	2021 ThUS\$
Depreciation (see Note 18.b)	(202,242)	(195,830)
Depreciation right-of-use assets (see note 19.b)	(13,431)	(13,185)
Amortization of intangible assets (see Note 17.b)	(3,841)	(4,148)
Total	(219,514)	(213,163)

34. Total Financial income and financial cost

For the periods ended December 31, 2022, and 2021, this caption comprises the following:

Income (loss) from investments	January - December	
	2022 ThUS\$	2021 ThUS\$
Income on cash and other cash equivalents	29,052	4,968
Total financial income	29,052	4,968
Financial cost	January - December	
	2022 ThUS\$	2021 ThUS\$
Expenses on bonds	(73,799)	(67,555)
Interest expense for lease liabilities ⁽¹⁾	(10,140)	(8,615)
Expense incurred for financial provisions	(11,251)	(10,694)
Borrowing costs	(2,747)	(2,602)
Income/expense on the valuation of net financial derivatives	(67)	(1,592)
Other expenses (bank expenses)	(601)	(564)
Other expenses (commissions)	-	(812)
Capital financial expenses (see note 18.c.iii)	9,882	6,087
Total financial cost	(88,723)	(86,347)
Total financial income and financial costs	(59,671)	(81,379)

⁽¹⁾ Leases recognized under IFRS 16

35. Foreign currency translation and income (expense) from inflation-adjusted units

The items that originate the effects on income for the concepts of foreign currency translation and inflation-adjusted units are detailed below:

a. Foreign currency translation difference

Foreign currency translation difference	Currency	January - December	
		2022 ThUS\$	2021 ThUS\$
Cash and cash equivalents	Ch\$	(4,487)	(10,577)
Cash and cash equivalents	PEN	762	(721)
Cash and cash equivalents	EUR	477	(128)
Other non-financial assets, current	Ch\$	(392)	1,152
Other non-financial assets, current	EUR	(835)	837
Other non-financial assets, current	UF	16	(877)
Trade and other receivables	Ch\$	1,622	(14,241)
Trade and other receivables	PEN	(254)	(459)
Trade and other receivables	EUR	5	-
Current tax assets	Ch\$	(156)	310
Current tax assets	PEN	292	(572)
Other non-financial assets, non-current	Ch\$	25	(282)
Foreign currency translation difference - assets		(2,925)	(25,558)
Other financial liabilities, current	Ch\$	(236)	11,044
Other financial liabilities, current	UF	(2,889)	(1,849)
Short-term lease liabilities	UF	(44)	63
Long-term lease liabilities	UF	(205)	-
Trade and other payables	Ch\$	2,220	(1,539)
Trade and other payables	PEN	(44)	55
Trade and other payables	EUR	1,766	(1,721)
Trade and other payables	UF	15	11
Other non-financial liabilities	Ch\$	(21)	(3,220)
Other non-financial liabilities	PEN	(15)	1
Provisions for employee benefits	Ch\$	(195)	8,856
Provisions for employee benefits	PEN	(89)	31
Foreign currency translation difference - liabilities		263	11,732
Total foreign currency translation difference		(2,662)	(13,826)

36. Income (expense) from investments accounted for using the equity method

Income from investments accounted by equity method for the period ended December 31, 2022, and 2021, respectively, are presented in the following breakdown:

Net interest in affiliates' income	January - December	
	2022 ThUS\$	2021 ThUS\$
Electrogas S.A.	12,165	7,035
Transmisora Eléctrica de Quillota Ltda ⁽¹⁾	-	(338)
Total	12,165	6,697

⁽¹⁾ On December 30, 2021, the sale of the total share of the Joint Venture of Transmisora Eléctrica de Quillota Ltda. (equivalent to 50% of the social rights) was made, to the companies APG Energy & Infra Investments Chile Expansion SpA, and CELEO Redes Chile Expansion SpA.

37. Other gains (losses)

For the periods ended December 31, 2022, and 2021, this caption comprises the following:

Other gains	January - December	
	2022 ThUS\$	2021 ThUS\$
Sale of shares Colbún Transmisión S.A. ⁽¹⁾	-	841,948
Sale of participation Transmisora Eléctrica de Quillota Ltda ⁽²⁾	-	11,734
Other income	12,722	6,403
Total other gains	12,722	860,085
Other non-operating expenses	January - December	
	2022 ThUS\$	2021 ThUS\$
Impairment of projects ⁽³⁾	-	(139,951)
Other impairment	(3,261)	-
Financial cost for sale of portfolio associated with PEC ⁽⁴⁾	(8,371)	(26,906)
Bond prepayment costs ⁽⁵⁾	(496)	(14,901)
Emissions of thermoelectric plants ⁽⁶⁾	(14,175)	(12,515)
Donations and community contributions	(2,355)	(5,556)
Impairment of unused water rights	-	(4,239)
Decommissioning cost	(1,962)	(1,397)
Loss from derivative contracts	(9,378)	(825)
Litigation-related legal fees	(2,045)	(636)
Write-offs and fines	(66)	(292)
Disposals of property, plant and equipment	(15,154)	(69)
Allowance for doubtful customers	(5,632)	398
Stock obsolescence	(430)	1,022
Others	(27,071)	(47,571)
Total other losses	(90,396)	(253,438)
Total other gains (losses)	(77,674)	606,647

⁽¹⁾ On September 30, 2021, the shares of Colbún Transmisión S.A. were sold to Alfa Desarrollo SpA.

⁽²⁾ On December 30, 2021, the sale of the total share of the Joint Venture of Transmisora Eléctrica de Quillota Ltda. (equivalent to 50% of the social rights) was made, to the companies APG Energy & Infra Investments Chile Expansion SpA, and CELEO Redes Chile Expansion SpA.

⁽³⁾ In the Board of Director meeting held on November 30, 2021, the impairment of the San Pedro Hydroelectric Power Plant and Guaiquivilo Melado Hydroelectric Power Plant projects was approved.

⁽⁴⁾ Corresponds to Financial cost related with the sale of accounts receivables balances generated by the energy price stabilization mechanism ("PEC" in its Spanish acronym).

⁽⁵⁾ Corresponds to the prepayment cost of Local Bonds Series F and I.

⁽⁶⁾ Corresponds to the provision for tax expense that is levied on the emissions of thermoelectric plants (Law 20.780).

38. Guarantees with third parties and contingent assets and liabilities

a. Guarantees with third parties

a.1 Direct guarantees: As of December 31, 2022, and 2021, the Company has provided direct guarantees for ThUS\$ 178,109.

Assets committed			Outstanding balance	
Type of guarantee	Currency	Carrying amount	12.31.2022	12.31.2021
			ThUS\$	ThUS\$
Performance bond	Ch\$	114,909,791,766	134,262	943
Performance bond	US\$	26,260,448	26,260	22,672
Performance bond	UF	428,523	17,580	8,086
Guarantee check	UF	167	7	6
Total			178,109	31,707

b. Third-party guarantees

b.1 Current guarantees denominated in U.S. dollars as of December 31, 2022

Deposited by	Relationship	Total ThUS\$
Enercon Chile SpA	Suppliers	88,886
GE Energy Parts Inc	Suppliers	15,000
Hitachi Energy Chile SpA	Suppliers	2,158
Siemens Energy SpA	Suppliers	1,899
Bonati SpA	Suppliers	1,333
Enercom GMBH	Suppliers	937
Ingenieria y Construcion Sigdo Koppers S.A.	Suppliers	667
Voith Hydro S.A.	Suppliers	250
LS Cable And System Ltd.	Suppliers	187
ABB Power Grids Brasil Ltda.	Suppliers	99
Generadores Mexicanos S.A. de C.V.	Suppliers	43
Rhona S.A.	Suppliers	29
Siemens S.A.	Suppliers	21
Raytech S.A.	Suppliers	16
Campbell Scientific Centro Caribe S.A.	Suppliers	13
PMM Asset Project Management Ltda.	Suppliers	13
HMV Chile	Suppliers	12
Comercial Andesud Ltda.	Suppliers	10
Idur Representaciones S.A.	Suppliers	2
Total		111,575

b.2 Current guarantees denominated in Euros as of as of December 31, 2022

Deposited by	Relationship	Total ThUS\$
Enercon GmbH	Suppliers	19,618
Siemens Energy SpA	Suppliers	235
Weidmuller S.A.	Suppliers	39
Total		19,892

b.3 Current guarantees denominated in Chilean pesos as of as of December 31, 2022

Deposited by	Relationship	Total ThUS\$
Servicios Logísticos Vizcal Limitada	Suppliers	68
Sodexo Chile SpA	Suppliers	54
Eduardo Antonio Gómez Miranda	Suppliers	29
Transporte y seguridad Jaos Limitada	Suppliers	21
Manuel Ruiz Jerez y Cia. Ltda.	Suppliers	15
Target-Ts SpA	Suppliers	14
Sistemas electricos ingenieria y servicios S.A.	Suppliers	9
SG Ingenieria Electrica Limitada	Suppliers	8
Soto Orellana Ximena Mariela	Suppliers	7
Constructora Pesa Limitada.	Suppliers	5
Sanhueza Manriquez Maximo Emiliano	Suppliers	4
Total		234

b.4 Current guarantees denominated in Inflation-adjusted units as of as of December 31, 2022

Deposited by	Relationship	Total ThUS\$
Strabag SpA	Suppliers	24,162
Demotron S.A.	Suppliers	294
Serv. Industriales Ltda.	Suppliers	252
Algoritmos y Mediciones Ambientales SpA	Suppliers	206
Revery SpA	Suppliers	205
Promet Servicios SpA	Suppliers	186
Jaime Illanéz y asociados consultores S.A.	Suppliers	118
Sodexo Chile SpA	Suppliers	106
Securitas S.A.	Suppliers	96
Gestion Ambiental Consultores S.A.	Suppliers	88
Universidad de Concepción	Suppliers	84
Ricoh Chile S.A.	Suppliers	82
Transporte Brettli Ltda.	Suppliers	81
Envis SpA	Suppliers	74
Vigatec S.A.	Suppliers	73
Integración de Tecnologías ITQ Ltda.	Suppliers	70
Constructora Pesa Ltda.	Suppliers	66
Ateme Consultores SpA	Suppliers	65
SG Ingeniería Eléctrica Ltda.	Suppliers	60
XPE Consult SpA	Suppliers	59
Maquinaria e inversiones Freemaq SpA	Suppliers	57
Novis S.A.	Suppliers	54
DPLGrout Construcciones SpA	Suppliers	47
Arkanosoft Chile SpA	Suppliers	47
J.E.J Ingeniería S.A.	Suppliers	45
DNV GL Chile Ltda.	Suppliers	42
Empresa Nacional de Telecomunicaciones S.A.	Suppliers	41
OHL Servicios Ingesan S.A. Agencia en Chile	Suppliers	37
Seidor Chile S.A.	Suppliers	36
Mario Francisco Segura Caballero	Suppliers	36
Soc. Comercial Camin Ltda.	Suppliers	35
Constructora Javag SpA	Suppliers	35
Soc. Administradora de Casinos y Servicios Aliservice S.A.	Suppliers	33
Bessertec SpA	Suppliers	32
ISS Facility Services S.A.	Suppliers	31
ACR Acustica Ltda.	Suppliers	28
KSE SpA	Suppliers	28
Desarrollo Marítimo Servicios y Equipamiento SpA	Suppliers	26
Transportes José Carrasco Retamal EIRL	Suppliers	26
Barvolento Chile Ltda.	Suppliers	25
Target-TS SpA	Suppliers	24
Soluciones Modulares CN S.A.	Suppliers	24
Red Nacional de Servicios Integrales SpA	Suppliers	22
CAM Chile SpA	Suppliers	21
Sistema Integral de Telecomunicaciones Ltda.	Suppliers	21
Servicios Emca SpA	Suppliers	20
Esteyco Chile SpA	Suppliers	20
Marcelo Javier Urrea Caro Prestacion Servicios RRHH	Suppliers	19
Siemens S.A.	Suppliers	18
MYA Chile Soluciones contra Incendio e Industriales Ltda.	Suppliers	17
Voith Hydro S.A.	Suppliers	14
Soc. de Transportes Turismos e Invers.	Suppliers	14
TEKATER SpA	Suppliers	14
Transp. Jose Carrasco Retamal E.I.R.L	Suppliers	13
Soluciones de Ingeniería de Control Ltda.	Suppliers	13
Serv. Eduardo Sebastián Velásquez Negrón EIRL	Suppliers	13
Measwind america Ltda.	Suppliers	13
Contract Chile S.A.	Suppliers	13
Dimetales SpA	Suppliers	12
Siemens Energy SpA	Suppliers	11
Silob Laboratorio Puerto Montt Ltda.	Suppliers	11
Soc. Comercial y de Inversiones Conyser Ltda.	Suppliers	10
IMA Automatizacion SpA	Suppliers	10
SGS Chile Ltda. Soc. de Control	Suppliers	8
Serv. de Ingeniería IMC Ltda.	Suppliers	7
Evertec Chile SpA	Suppliers	6
Conecta Ingeniería S.A.	Suppliers	6
Mantenimiento de Jardines Arcoiris Ltda.	Suppliers	6
Victoria S.A.	Suppliers	5
Servicios GEA Ltda.	Suppliers	4
ArcadisS Chile SpA	Suppliers	3
Empresa de Servicios Himce Ltda.	Suppliers	3
Total		27,583

Fenix Power Perú S.A.

b.1 Current guarantees denominated in Peruvian soles as of as of December 31, 2022

Deposited by	Relationship	Total ThUS\$
Electro Oriente S.A	Suppliers	1,915
Grupo BAX SAC	Suppliers	54
Arco Iris Maquiservicios EIRL	Suppliers	34
Golder Associates Perú S.A	Suppliers	29
J&V Resguardo SAC	Suppliers	29
Busser SAC	Suppliers	28
People Intermediacion SAC	Suppliers	5
M & D Consultores	Suppliers	4
Advanced Services In Decotations SAC	Suppliers	1
Total		2,099

b.2 Current guarantees denominated in U.S. dollars as of December 31, 2022

Deposited by	Relationship	Total ThUS\$
Walsh Perú SA Ingenieros y Científicos Consultores	Suppliers	78
Golder Associates Perú S.A	Suppliers	31
Inerco Consultoria Peru SAC	Suppliers	31
Tecnica y Proyecto SA Sucursal del Perú	Suppliers	22
Total		162

c. Detail of litigation and others

Management believes that, on the basis of the information in its possession at the reporting date, the provisions recognized in the consolidated statement of financial position appropriately cover the litigation risks and other operations detailed in this note; accordingly, Management expects no additional liabilities arising from such litigation risks other than the liabilities recognized.

Considering the characteristics of the risks covering such provisions, it is impossible to determine a reasonable payment schedule, if applicable.

As of December 31, 2022, the detail of litigation in accordance with IAS 37 is as follows:

Chile

1.- The following charges were filed by the Superintendence of the Environment (SMA) against Santa María thermoelectric power plant as required by the Environment Court of Valdivia (TAV); (i) alleging existence of equipment other than the pieces of equipment authorized in the Environmental Qualification resolution (RCA) and (ii) for possibly not having registered with the Environmental Impact Evaluation System (SEI) oversizing of the thermal power plant chimney. Colbún duly substantiated and submitted its defense against the charges filed by the SMA and is currently waiting for the proceeding to continue.

Note that in the administrative proceeding conducted prior to the investigation by SMA against Santa María thermoelectric power plant, the regulating authority concluded that there was no background information to file such charges; however, when the TAV reviewed the administrative resolution conducted by the SMA, it ordered to file those two charges.

Simultaneously, both Colbún S.A. and the Chilean Superintendence of the Environment (SMA) filed appeals in cassation with the Supreme Court against the judgment of the TAV, which ordered such filing of charges and established a limit of 350 MW gross to the power plant's capacity.

On July 9, 2019, the Supreme Court (SC) received the appeals in cassation filed by the Superintendence of Environment (SMA) and Colbún against the sentence of the Environmental Court of Valdivia (TAV). The SC determined that the TAV incurred in an error of law when it required the SMA to file charges against Colbún for: (i) non-compliance with the SEIA; and (ii) non-compliance with RCA of the Santa María CT.

The SC revoked the power limitation of the power plant to 350 MW gross established by the TAV and accepted the cassation for the purpose of retroacting the sanctioning procedure against Colbún to the stage prior to the issuance of the closure resolution.

This sanctioning procedure concluded in favor of Colbún when the SMA, ordered filing both individualized complaints above in (i and ii) on September 4, 2019. However, the plaintiff filed an appeal with the Environment Court of Valdivia (TAV) against the resolution of the SMA ordering the filing of the complaints. The case has been alleged in the TAV and on March 31, 2020, the TAM rejected the case file, ordering the SMA to issue the corresponding resolution. The SMA filed a new appeal against this judgment on the Supreme Court, which was rejected as inadmissible. It would correspond, according to the procedural rules, to comply with the ruling of the TAV and the SMA should formulate, during the next months, charges again in this procedure. This process is expected to end in acquittal, compliance plan or fine, according to law. The SMA decided to apply a fine for minor infraction of UTA 345, regarding this resolution of the SMA, Colbún filed a claim to the Environmental Court of Valdivia and the Plaintiffs filed an Appeal for Reversal to the same SMA, which was rejected. During the month of December 2022, the hearing and arguments of the case were carried out before the Environmental Court of Valdivia, leaving the case under study for a ruling in the coming months.

2. Patagüillas Tunnel Accident.

As a result of the accident of the "Pataguilla Tunnel" of the "Canal Las Mercedes" that occurred at the end of November 2020, and which carries water for HPP Carena and also irrigates agricultural properties in the communes of Maria Pinto and Curacaví, on September 6, 2021, Colbún S.A. was notified a claim for compensation for damages filed by Mr. César Véliz ch\$ 1,135 million. The conciliation hearing was in the month of May 2022 without an agreement, and it is now up to the Court to receive the case on trial.

There is a second process related to the aforementioned accident corresponding to a claim for compensation for damages (without yet determining the amount claimed) entitled "Portuguez and others with Colbún" (115 people), before the 25th Civil Court of Santiago, which was preceded by a precautionary measure of production of documents rejected by the Court. Currently, this lawsuit has been notified and Colbún filed the Answer in January 2023, according to the procedural deadlines.

3. Puerto Coronel Arbitration

On September 23, 2021, an arbitration was established to Mr. Manuel José Vial Vial, between Colbún S.A. and Puerto de Coronel, to learn about the differences in interpretation of the tax clause of the service contract for coal unloading at the Santa María Thermal Power Plant, located in the Coronel district. A complementary arbitration was also initiated to discuss the obligation of Puerto Coronel to establish an "Operating Company" where the assets that serve to provide the coal unloading service of the plant are located. Both processes have expired the trial period and the arguments of both cases were carried out, rulings are expected for the first quarter of 2023.

39. Commitments

Commitments entered with financial institutions

As of the date of publication of the Financial Statements, Colbún S.A does not maintain loans with financial entities or with bondholders that impose obligations to comply with financial indicators.

40. Environment

The Group's companies on which disbursements associated with environment have been made are: Colbún S.A. and Fenix Power Perú S.A.

Disbursements made for environmental expenses are mainly associated with facilities; accordingly, they will be recognized in profit or loss through depreciation in accordance with their useful life, except for the development of environmental impact statements and studies that correspond to environmental permits performed prior to the construction stage.

The main ongoing projects and a brief description of them are detailed as follows:

Horizonte Wind Project: Horizonte project is a wind farm located 130 km northeast of Taltal and 170 km southwest of Antofagasta, considering the displacement along Route 5. It considers an installed capacity of 778 MW, which is made up of 140 machines of 5,56 MW each one and an average annual generation of approximately 2,380 GWh. It considers the connection to the SEN in the future S/E Parinas located 22 km away.

The construction stage of the project began during November 2021 and has an advance of 38%.

Additionally, there are disbursements associated with 25 power generation plants in operation, including the Fenix plant (Chilca, Peru)

As of December 31, 2022, and 2021, the detail of the disbursements performed and to be performed in relation to environment regulations is the following:

Accrued expenses as of 12.31.2022

Identification of Parent or Subsidiary	Project Name associated with the disbursement	Concept associated with the disbursement	Asset / Expense	Description	Disbursement amount in ThUS\$	Actual or estimated dates when the disbursement was or will be made
Colbún S.A.	Central Angostura	Environmental Management of Power Plant	Expense	Cost	226	dec-22
Colbún S.A.	Central Candelaria	Environmental Management of Power Plant	Expense	Cost	188	dec-22
Colbún S.A.	Central Candelaria	Environmental Management of Power Plant	Expense	Expense	29	dec-22
Colbún S.A.	Central Canutillar	Environmental Management of Power Plant	Expense	Cost	32	dec-22
Colbún S.A.	Central Los Pinos	Environmental Management of Power Plant	Expense	Cost	224	dec-22
Colbún S.A.	Central Nehuenco	Environmental Management of Power Plant	Expense	Cost	583	dec-22
Colbún S.A.	Central Quilleco	Environmental Management of Power Plant	Expense	Cost	83	dec-22
Colbún S.A.	Central Rucúe	Environmental Management of Power Plant	Expense	Cost	22	dec-22
Colbún S.A.	Central Santa María	Environmental Management of Power Plant	Expense	Cost	429	dec-22
Colbún S.A.	Complejo Angostura	Environmental Management of Power Plant	Expense	Cost	256	dec-22
Colbún S.A.	Complejo Colbún	Environmental Management of Power Plant	Expense	Cost	189	dec-22
Colbún S.A.	Gestión Ambiental Corporativa	Environmental Management of Parent	Expense	Expense	787	dec-22
Colbún S.A.	Central Carena	Environmental Management of Power Plant	Expense	Cost	6	dec-22
Colbún S.A.	Central Ovejería	Environmental Management of Power Plant	Expense	Cost	1	dec-22
Colbún S.A.	Diego de Almagro Sur	Environmental Management of Power Plant	Expense	Cost	18	dec-22
Total					3,073	

Future expenses as of 12.31.2022

Identification of Parent or Subsidiary	Project Name associated with the disbursement	Concept associated with the disbursement	Asset / Expense	Description	Disbursement amount in ThUS\$	Actual or estimated dates when the disbursement was or will be made
Colbún S.A.	Central Angostura	Environmental Management of Power Plant	Expense	Cost	253	dec-22
Colbún S.A.	Central Candelaria	Environmental Management of Power Plant	Expense	Cost	132	dec-22
Colbún S.A.	Central Canutillar	Environmental Management of Power Plant	Expense	Cost	3	jan-23
Colbún S.A.	Central Nehuenco	Environmental Management of Power Plant	Expense	Cost	91	jan-23
Colbún S.A.	Central Quilleco	Environmental Management of Power Plant	Expense	Cost	80	dec-22
Colbún S.A.	Central Rucúe	Environmental Management of Power Plant	Expense	Cost	15	jun-23
Colbún S.A.	Central Santa María	Environmental Management of Power Plant	Expense	Cost	54	apr-23
Colbún S.A.	Complejo Colbún	Environmental Management of Power Plant	Expense	Cost	4	feb-23
Colbún S.A.	Gestión Ambiental Corporativa	Environmental Management of Parent	Expense	Expense	12	dec-22
Total					644	

Accrued expenses as of 12.31.2021

Identification of Parent or Subsidiary	Project Name associated with the disbursement	Concept associated with the disbursement	Asset / Expense	Description	Disbursement amount in ThUS\$	Actual or estimated dates when the disbursement was or will be made
Colbún S.A.	Central Nehuenco	Environmental Management of Power Plant	Expense	Cost	560	dec-21
Colbún S.A.	Central Santa María	Environmental Management of Power Plant	Expense	Cost	448	dec-21
Colbún S.A.	Gestión Ambiental Corporativa	Environmental Management of Parent	Expense	Cost	386	dec-21
Colbún S.A.	Complejo Angostura	Environmental Management of Power Plant	Expense	Cost	283	dec-21
Colbún S.A.	Central Candelaria	Environmental Management of Power Plant	Expense	Cost	242	dec-21
Colbún S.A.	Central Angostura	Environmental Management of Power Plant	Expense	Cost	228	dec-21
Colbún S.A.	Central Los Pinos	Environmental Management of Power Plant	Expense	Cost	209	dec-21
Colbún S.A.	Central Quilleco	Environmental Management of Power Plant	Expense	Cost	106	dec-21
Colbún S.A.	Complejo Colbún	Environmental Management of Power Plant	Expense	Cost	93	dec-21
Colbún S.A.	Central Canutillar	Environmental Management of Power Plant	Expense	Cost	64	dec-21
Colbún S.A.	Central Rucúe	Environmental Management of Power Plant	Expense	Cost	30	dec-21
Colbún S.A.	Central Carena	Environmental Management of Power Plant	Expense	Cost	6	dec-21
Colbún S.A.	Central Canutillar	Environmental Management of Power Plant	Expense	Expense	1	dec-21
Total					2,656	

Future expenses as of 12.31.2021

Identification of Parent or Subsidiary	Project Name associated with the disbursement	Concept associated with the disbursement	Asset / Expense	Description	Disbursement amount in ThUS\$	Actual or estimated dates when the disbursement was or will be made
Colbún S.A.	Central Candelaria	Environmental Management of Power Plant	Expense	Cost	123	dec-22
Colbún S.A.	Central Santa María	Environmental Management of Power Plant	Expense	Cost	97	jan-22
Colbún S.A.	Central Angostura	Environmental Management of Power Plant	Expense	Cost	32	jun-22
Colbún S.A.	Central Quilleco	Environmental Management of Power Plant	Expense	Cost	23	jun-22
Colbún S.A.	Central Rucúe	Environmental Management of Power Plant	Expense	Cost	12	jun-22
Colbún S.A.	Gestión Ambiental Corporativa	Environmental Management of Parent	Expense	Expense	7	jan-22
Colbún S.A.	Complejo Colbún	Environmental Management of Power Plant	Expense	Cost	3	apr-22
Total					297	

Disbursements in Peru

Accrued expenses as of 12.31.2022

Identification of Parent or Subsidiary	Project Name associated with the disbursement	Concept associated with the disbursement	Asset / Expense	Description	Disbursement amount in ThUS\$	Actual or estimated dates when the disbursement was or will be made
Fenix Power Perú S.A.	Central Chilca	Environmental Management of Power Plant	Expense	Cost	282	dec-22
Total					282	

Future expenses as of 12.31.2022

Identification of Parent or Subsidiary	Project Name associated with the disbursement	Concept associated with the disbursement	Asset / Expense	Description	Disbursement amount in ThUS\$	Actual or estimated dates when the disbursement was or will be made
Fenix Power Perú S.A.	Central Chilca	Environmental Management of Power Plant	Expense	Cost	210	dec-23
Total					210	

Accrued expenses as of 12.31.2021

Identification of Parent or Subsidiary	Project Name associated with the disbursement	Concept associated with the disbursement	Asset / Expense	Description	Disbursement amount in ThUS\$	Actual or estimated dates when the disbursement was or will be made
Fenix Power Perú S.A.	Central Chilca	Environmental Management of Power Plant	Expense	Cost	305	dec-21
Total					305	

Future expenses as of 12.31.2021

Identification of Parent or Subsidiary	Project Name associated with the disbursement	Concept associated with the disbursement	Asset / Expense	Description	Disbursement amount in ThUS\$	Actual or estimated dates when the disbursement was or will be made
Fenix Power Perú S.A.	Central Chilca	Environmental Management of Power Plant	Expense	Cost	86	dec-22
Total					86	

41. Events occurred after the date of the financial position

At a meeting held on January 31, 2023, the Company's board of directors approved the consolidated financial statements as of December 31, 2022, prepared in accordance with International Financial Reporting Standards (IFRS), issued by the IASB.

No other subsequent events have occurred between January 1, 2023 and the date of issuance of these Financial Statements.

42. Foreign currency

The detail of Assets and Liabilities in foreign currency with effect on the result for exchange difference is as follows:

Assets	Foreign currency	Currency	12.31.2022 ThUS\$	12.31.2021 ThUS\$
Total current assets				
Cash and cash equivalents	Ch\$	US\$	54,479	80,972
Cash and cash equivalents	EUR	US\$	964	300
Cash and cash equivalents	PEN	US\$	8,844	7,088
Other non-financial assets, current	Ch\$	US\$	3,619	4,012
Other non-financial assets, current	EUR	US\$	65	19,576
Other non-financial assets, current	UF	US\$	138	98
Trade and other receivables, current	Ch\$	US\$	115,074	40,062
Trade and other receivables, current	PEN	US\$	39,264	18,905
Current tax assets	Ch\$	US\$	7	32
Current tax assets	PEN	US\$	-	1,364
Total current assets			222,454	172,409
Other non-financial assets, non-current	Ch\$	US\$	22,586	18,967
Total non-current assets			22,586	18,967
Total assets			245,040	191,376
Liabilities	Foreign currency	Currency	12.31.2022 ThUS\$	12.31.2021 ThUS\$
Total current liabilities				
Other financial liabilities, current	UF	US\$	-	37,141
Lease liabilities, current	UF	US\$	2,758	1,932
Trade and other payables	Ch\$	US\$	278,204	196,551
Trade and other payables	PEN	US\$	6,279	5,397
Trade and other payables	EUR	US\$	9,884	3,758
Payables due to related parties, current	Ch\$	US\$	666	1,399
Other current provisions	Ch\$	US\$	46,717	43,344
Provisions for employee benefits, current	Ch\$	US\$	24,983	22,184
Provisions for employee benefits, current	PEN	US\$	3,000	1,242
Other non-financial liabilities, current	Ch\$	US\$	23,701	14,231
Other non-financial liabilities, current	PEN	US\$	7,435	1,627
Total current liabilities			403,627	328,806
Non-current liabilities				
Lease liabilities, non-current	UF	US\$	18,202	1,454
Provisions for employee benefits, non-current	Ch\$	US\$	33,078	25,941
Other non-financial liabilities, non-current	Ch\$	US\$	6,108	6,326
Total non-current liabilities			57,388	33,721
Total liabilities			461,015	362,527

The detail of assets and liabilities in foreign currency does not include the investments accounted for using the equity method; accordingly, the differences arising from the exchange rate difference are recognized in equity as translation adjustment (see note 29, letter e).

Maturity profile of other financial liabilities in foreign currency

As of 12.31.2022	Foreign currency	Currency	Up to 91 days ThUS\$	91 days to 1 year ThUS\$	1 to 3 years ThUS\$	3 to 5 years ThUS\$	Over 5 years ThUS\$	Total ThUS\$
Other financial liabilities	UF	US\$	-	-	-	-	-	-
Total			-	-	-	-	-	-

As of 12.31.2021	Foreign currency	Currency	Up to 91 days ThUS\$	91 days to 1 year ThUS\$	1 to 3 years ThUS\$	3 to 5 years ThUS\$	Over 5 years ThUS\$	Total ThUS\$
Other financial liabilities	UF	US\$	37,141	-	-	-	-	37,141
Total			37,141	-	-	-	-	37,141

43. Headcount (unaudited)

As of December 31, 2022, and 2021, this caption comprises the following:

	No. of employees					
	12.31.2022			12.31.2021		
	Chile	Peru	Total	Chile	Peru	Total
Managers and main executives	89	9	98	87	9	96
Professionals and technical staff	280	92	372	754	86	840
Other	687	22	709	237	20	257
Total	1,056	123	1,179	1,078	115	1,193
Average of the year	1,047	120	1,167	1,074	107	1,181

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QUARTERLY EARNINGS REPORT

As of December 31, 2022

4th QUARTER 2022

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Conference Call 4Q22 Results

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1. HIGHLIGHTS

Main Figures at a Consolidated Level

- **Operating income** for the fourth quarter of 2022 (4Q22) amounted to **US\$555.1 million**, increasing 48% compared to operating income recorded in the fourth quarter of 2021 (4Q21), mainly due to (1) higher income from sales to unregulated clients in Chile, explained by the entry into force of the contract with BHP in Jan22 and higher sales price due to a positive variation of indexers included in energy contracts, and (2) higher income from the sale of energy and capacity in the spot market. **In cumulative terms**, operating income as of Dec22 amounted to **US\$1,974.0 million**, increasing 37% compared to Dec21, mainly due to the same reasons that explain the variations in quarterly terms.
- **Consolidated EBITDA** for 4Q22 reached **US\$259.8 million**, increasing 58% compared to the US\$164.3 million EBITDA in 4Q21. This increase is mainly explained by the higher income from ordinary activities mentioned above. This effect was partially offset by an increase in the costs of raw materials and consumables used, mainly as a result of (1) a higher average purchase price of gas and coal and (2) higher energy and capacity purchases. **In cumulative terms**, EBITDA as of Dec22 totaled **US\$763.4 million**, increasing 47% compared to Dec21, mainly due to the same reasons that explain the variations in quarterly terms.
- **Non-operating result** in 4Q22 recorded losses of **US\$22.3 million**, compared to the US\$182.1 million loss recorded in 4Q21, mainly associated with the recording of provisions for impairment of individual assets in 4Q21. **In cumulative terms**, non-operating result as of Dec22 reached losses for **US\$127.8 million**, compared to a gain of US\$518.1 million as of Dec21, mainly associated with the profit from the sale of the subsidiary Colbún Transmisión S.A. in 3Q21.
- In 4Q22, a **tax expense** of **US\$43.8 million** was recorded, compared to tax revenue of US\$18.1 million in 4Q21. The increase in tax expense is mainly explained due to the higher profit recorded during the period. **In cumulative terms**, as of Dec22 a tax expense of **US\$105.5 million** was recorded, compared to US\$285.0 million as of Dec21, the highest tax expense is due to the sale of the subsidiary Colbún Transmisión S.A. in 3Q21.
- In 4Q22, the Company presented a **profit** of **US\$136.2 million**, compared to a US\$52.4 million loss recorded in 4Q21, mainly due to (1) the higher EBITDA recorded in the period and (2) the higher non-operating result mentioned above. **In cumulative terms**, Colbún presented a profit of **US\$310.5 million** as of Dec22, which is compared to the profit of US\$540.2 million recorded as of Dec21, for the aforementioned reasons.

Highlights of the quarter

- On October 5, the Company signed a “green” term loan with the Sumitomo Mitsui Banking Corporation, for a total of US\$160,000,000, maturing on October 5, 2029. The proceeds from this facility will be used mainly for the financing of renewable energy generation projects.
- On October 27, Colbún S.A and Codelco agreed to modify the PPA signed between the parties on 01/20/2010 and expiring in 2044, in order to gradually replace the energy supply to Codelco – currently in coal-fired from the Santa María CT – to one based on renewable generation.
- On December 15, the Company prepaid the remaining portion of an international bond issued in 2014 for US\$157,410,000 and maturing in 2024.
- On December 16, an interim dividend for US\$84 million was distributed, corresponding to 50% of the distributable net profit for the period January – September 2022, in accordance with the current dividend policy.

2. PHYSICAL SALES AND GENERATION BALANCE

2.1. Physical sales and generation balance in Chile

Table 1 shows a comparison between physical energy and capacity sales, and generation in 4Q21 and 4Q22 and cumulative as of Dec21 and Dec22.

Table 1: Physical sales and generation in Chile

Accumulated Figures		Sales	Quarterly Figures		Var %	Var %
Dec-21	Dec-22		4Q21	4Q22	Ac/Ac	Q/Q
10,936	13,325	Total Physical Sales (GWh)	2,582	3,391	22%	31%
3,104	2,403	Regulated Clients	742	574	(23%)	(23%)
6,690	9,477	Unregulated Clients	1,661	2,362	42%	42%
1,142	1,445	Sales to the Spot Market	180	455	27%	153%
1,278	1,570	Capacity Sales (MW)	1,279	1,639	23%	28%

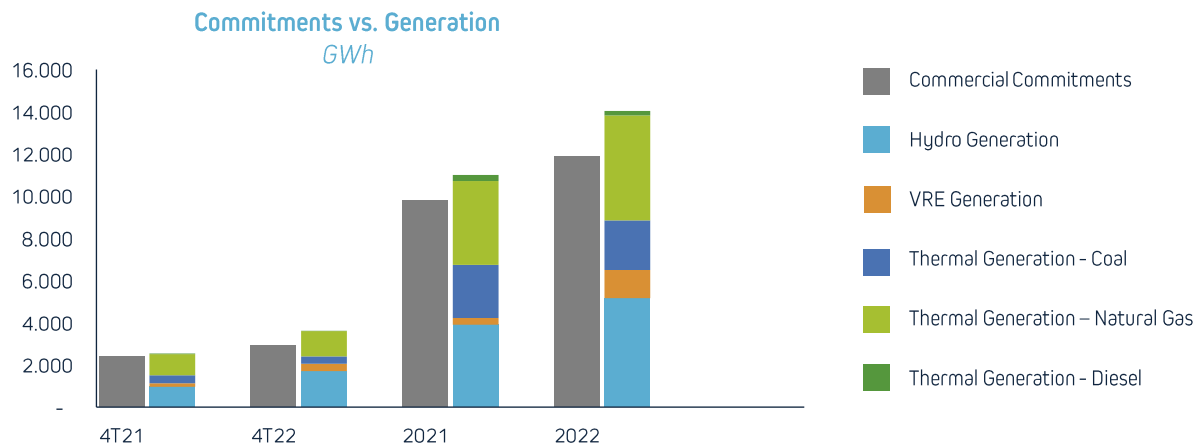
Accumulated Figures		Generation	Quarterly Figures		Var %	Var %
Dec-21	Dec-22		4Q21	4Q22	Ac/Ac	Q/Q
11,007	13,570	Total Generation (GWh)	2,540	3,452	23%	36%
3,905	5,163	Hydraulic	964	1,703	32%	77%
6,781	7,536	Thermal	1,410	1,550	11%	10%
3,966	4,967	Gas	997	1,196	25%	20%
294	216	Diesel	28	10	(27%)	(64%)
2,520	2,353	Coal	384	344	(7%)	(10%)
321	871	VRE*	166	199	171%	19%
183	109	Wind Farm	41	25	(41%)	(40%)
138	762	Solar	125	174	-	39%
286	36	Spot Market Purchases (GWh)	105	0	-	-
857	1,410	Sales - Purchases to the Spot Market (GWh)	74	455	65%	-

(*): Includes energy purchased from Punta Palmeras wind farm owned by Acciona and Santa Isabel owned by Total Sun Power.
VRE: Variable renewable energies

● **Physical sales** during 4Q22 reached **3,391 GWh**, increasing 31% compared to 4Q21, mainly due to (1) higher physical sales to unregulated clients mainly explained by the entry into force of the contract with BHP in Jan22 and (2) higher sales to the spot market as a result of higher generation recorded in the quarter. These effects were partially offset by the expiration of a contract with CGE in Dec21, in the regulated market. Additionally, **generation** for the quarter reached **3,452 GWh**, increasing 36% compared to 4Q21, mainly due to (1) greater hydroelectric generation (+739 GWh) due to better hydrological conditions and (2) greater gas generation (+198 GWh) associated with a higher economic dispatch.

● **In cumulative terms**, physical sales as of Dec22 reached **13,325 GWh**, increasing 22% compared to Dec21, mainly due to the same reasons that explain the variations in quarterly terms. On the other hand, **accumulated generation** as of Dec22 reached **13,570 GWh**, increasing 23% compared to Dec21 mainly due to (1) higher hydroelectric generation (+1,258 GWh), (2) higher gas generation (+1,001 GWh) due to greater imports of LNG and greater availability of Argentinean gas compared to the previous period; and (3) the higher solar generation associated with the entry into operation of Diego de Almagro photovoltaic plant, during 1Q22. These effects were partially offset by lower coal-fired generation (-168 GWh) mainly due to economic dispatch.

● **Spot market balance** during the quarter registered net sales of **455 GWh**, while in 4Q21 net sales of 74 GWh were recorded. This variation is mainly explained by the higher generation during the quarter. In cumulative terms, as of Dec22, the balance in the spot market registered net sales of 1,410 GWh, while as of Dec21 net sales of 857 GWh were recorded. This variation is mainly explained by a higher accumulated generation.



● **Generation mix in Chile:** As of Dec22, the hydrological year Apr22 – Mar23 accumulates rainfall similar to that of an average year in the main SEN basins: Aconcagua: -51%; Maule: -7%; Laja: -5%; Biobio: +8%; and Chapo: -7%. The average marginal cost, measured in Alto Jahuel, increased compared to 4Q21, averaging US\$84.06/MWh in 4Q22, compared to US\$70.47/MWh.

Accumulated Figures		SEN Generation	Quarterly Figures		Var %	Var %
dic-21	dic-22		4Q21	4Q22	Ac/Ac	Q/Q
81,486	83,263	Total Generation (GWh)	20,663	20,798	2%	1%
16,475	20,286	Hydraulic	4,794	6,990	23%	46%
14,484	15,894	Gas	3,196	3,360	10%	5%
1,857	1,507	Diesel	249	211	(19%)	(15%)
28,013	19,573	Coal	5,710	2,993	(30%)	(48%)
7,235	8,887	Wind Farm	2,294	2,177	23%	(5%)
10,769	14,474	Solar	3,794	4,471	34%	18%
2,651	2,642	Others	628	595	(0%)	(5%)

2.2. Physical sales and generation balance in Peru

Table 2 shows a comparison between physical energy and capacity sales and generation in 4Q21 and 4Q22 and cumulative as of Dec21 y Dec22.

Table 2: Physical sales and generation in Peru

Accumulated Figures		Sales	Quarterly Figures		Var %	Var %
Dec-21	Dec-22		4Q21	4Q22	Ac/Ac	Q/Q
3,529	4,279	Total Physical Sales (GWh)	907	1,175	21%	30%
1,548	1,957	Regulated Clients	386	493	26%	28%
498	466	Unregulated Clients	139	126	(6%)	(10%)
1,483	1,856	Sales to the Spot Market	381	556	25%	46%
564	569	Capacity Sales (MW)	566	570	1%	1%

Accumulated Figures		Generation	Quarterly Figures		Var %	Var %
Dec-21	Dec-22		4Q21	4Q22	Ac/Ac	Q/Q
3,439	4,334	Total Generation (GWh)	930	1,202	26%	29%
3,439	4,334	Gas	930	1,202	26%	29%
178	44	Spot Market Purchases (GWh)	-	-	(75%)	-
1,306	1,812	Sales - Purchases to the Spot Market (GWh)	381	556	39%	46%

● **Physical sales** during 4Q22 reached **1,175 GWh**, increasing by 30% compared to 4Q21. The higher physical sales are mainly explained by (1) higher energy sales to the spot market as a result of higher generation recorded during the period and (2) higher sales to regulated customers, due to the expiration of contracts of other generating companies with distributors, thus increasing the supply associated with current contracts.

In cumulative terms, physical sales as of Dec22 reached **4,279 GWh**, increasing 21% compared to Dec21, mainly due to the same reasons that explain the results in quarterly terms.

Additionally, **Fenix's generation** reached **1,202 GWh**, increasing 29% compared to 4Q21, mainly due to the higher availability and economic dispatch of the plant during the quarter.

In cumulative terms, Fenix's generation as of Dec22 increased by 26%, reaching **4,334 GWh**, mainly because a (1) higher plant availability and (2) higher system demand.

● **Spot market balance** registered net sales of **556 GWh**, compared to net sales of 381 GWh during 4Q21, due to the higher generation recorded in the period. **In cumulative terms**, as of Dec22, net sales of **1,812 GWh** were recorded, which compares to net sales of 1,306 GWh registered as of Dec21; mainly for the same reasons that explain the variations in quarterly terms.

● **Generation mix in Peru:** The Mantaro river basin, which supplies the main hydroelectric complex in Peru, CH Mantaro and CH Restitución (900 MW) presented a hydrological condition with a probability of exceedance of 97% as of December 2022 vs. 41% as of December 2021.

In cumulative terms, hydroelectric generation in the National Interconnected Electric System (SEIN) decreased by 6.6% compared to Dec21, mainly due to lower hydrology recorded in the last quarter of 2022 and scheduled maintenance of hydroelectric plants. On the other hand, thermoelectric generation increased by 20% at Dec22 compared to Dec21 due to lower hydraulic production and the recovery of system demand.

The growth rate of electricity demand at the end of 4Q22 was 6% compared to 4Q21, showing a greater dynamism in the industry, mainly in mining.

3. INCOME STATEMENT ANALYSIS

Table 3 presents a summary of the Consolidated Income Statement (Chile and Peru) in 4Q21 and 4Q22 and cumulative as of Dec21 and Dec22.

Table 3: Income Statement (US\$ million)

Accumulated Figures			Quarterly Figures		Var %	Var %
Dec-21	Dec-22		4Q21	4Q22	Ac/Ac	Q/Q
1,439.7	1,974.0	OPERATING INCOME	374.9	555.1	37%	48%
454.5	454.2	Regulated Customers Sales	114.8	115.2	(0%)	0%
689.4	1,051.7	Unregulated Customers Sales	200.7	321.9	53%	60%
210.9	427.0	Energy and Capacity Sales	53.0	111.0	102%	109%
41.9	0.0	Transmission Tolls	-	-	(100%)	-
43.1	41.1	Other Operating Income	6.5	7.0	(5%)	7%
(782.0)	(1,069.4)	RAW MATERIALS AND CONSUMABLES USED	(176.0)	(256.7)	37%	46%
(115.0)	(139.8)	Transmission Tolls	(30.2)	(34.7)	22%	15%
(70.6)	(143.7)	Energy and Capacity Purchases	(22.9)	(37.6)	103%	65%
(394.4)	(520.1)	Gas Consumption	(84.1)	(135.3)	32%	61%
(49.3)	(70.4)	Diesel Consumption	(6.2)	(5.4)	43%	(13%)
(89.7)	(126.4)	Coal Consumption	(16.7)	(21.8)	41%	30%
(63.0)	(69.0)	Other Operating Expenses	(15.9)	(22.0)	10%	38%
657.8	904.6	GROSS PROFIT	199.0	298.4	38%	50%
(79.7)	(84.0)	Personnel Expenses	(17.6)	(21.9)	5%	25%
(57.9)	(57.2)	Other Expenses, by Nature	(17.1)	(16.8)	(1%)	(2%)
(213.2)	(219.5)	Depreciation and Amortization Expenses	(52.7)	(57.4)	3%	9%
307.0	543.9	OPERATING INCOME (LOSS) (*)	111.6	202.4	77%	81%
520.2	763.4	EBITDA	164.3	259.8	47%	58%
5.0	29.1	Financial Income	1.6	14.9	485%	826%
(86.3)	(88.7)	Financial Expenses	(21.8)	(24.4)	3%	12%
(13.8)	(2.7)	Exchange rate Differences	(1.3)	10.3	(81%)	-
6.7	12.2	Profit (Loss) of Companies Accounted for Using the Equity Method	1.3	3.7	82%	183%
606.6	(77.7)	Other Profit (Loss)	(161.9)	(26.9)	-	-
518.1	(127.8)	NON-OPERATING INCOME	(182.1)	(22.3)	-	-
825.2	416.0	PRE-TAX PROFIT (LOSS)	(70.5)	180.0	(50%)	(355%)
(285.0)	(105.5)	Income Tax Expense	18.1	(43.8)	(63%)	(342%)
540.2	310.5	AFTER TAX PROFIT (LOSS)	(52.4)	136.2	(43%)	(360%)
545.3	296.0	PROFIT (LOSS) OF CONTROLLER	(55.1)	128.9	(46%)	(334%)
(5.1)	14.5	PROFIT (LOSS) ATTRIBUTABLE TO MINORITY INTEREST	2.7	7.3	-	-

(*): The subtotal shown in "OPERATING INCOME" presented herein, differs from the "Profit (loss) from operating activities" line presented in the Financial Statements. This is explained by a change in taxonomy dictated by the CMF (Financial Market Commission), by means of which the concept of "Other Profit (loss)", which in the case of Colbun are only non-operating items, was incorporated as an operating item in the Financial Statements.

(**): Consolidated EBITDA as of Sep21 includes the contribution to EBITDA of Colbun Transmission S.A. This value is not included in the individual analysis of the Chile Operating Income segment since it only considers the figures for the Generation business. Given the above, for the year 2021, the sum of the Operating Results of Chile and Peru reported at the individual level is lower than the Operating Results shown at the consolidated level.

Table 4: Closing Exchange Rates

Exchange Rates	Dec-21	Dec-22
Chile (CLP / US\$)	844.69	855.86
Chile UF (CLP/UF)	30,991.74	35,110.98
Peru (PEN / US\$)	4.00	3.82

3.1. Chile's Operating Income Analysis

Table 5 presents a summary of Operating Income and EBITDA in 4Q21 and 4Q22. Subsequently, the major accounts and/or variations will be analyzed.

Table 5: EBITDA Chile (US\$ million)

Accumulated Figures			Quarterly Figures		Var %	
Dec-21	Dec-22		4Q21	4Q22	Ac/Ac	Q/Q
1,237.0	1,721.5	OPERATING INCOME	330.0	469.8	39%	42%
349.2	307.1	Regulated Customers Sales	87.6	76.2	(12%)	(13%)
666.9	1,031.9	Unregulated Customers Sales	195.1	316.5	55%	62%
172.6	350.3	Energy and Capacity Sales	42.5	71.8	103%	69%
48.4	32.2	Other Operating Income	4.9	5.2	(33%)	6%
(716.2)	(939.1)	RAW MATERIALS AND CONSUMABLES USED	(152.8)	(210.4)	31%	38%
(135.4)	(133.8)	Transmission Tolls	(28.7)	(33.1)	(1%)	15%
(69.4)	(126.7)	Energy and Capacity Purchases	(22.7)	(23.9)	83%	5%
(320.8)	(424.8)	Gas Consumption	(64.6)	(109.4)	32%	69%
(49.1)	(70.4)	Diesel Consumption	(6.2)	(5.4)	43%	(13%)
(89.7)	(126.4)	Coal Consumption	(16.7)	(21.8)	41%	30%
(51.9)	(57.1)	Other Operating Expenses	(13.8)	(16.7)	10%	21%
520.8	782.4	GROSS PROFIT	177.2	259.4	50%	46%
(73.3)	(75.2)	Personnel Expenses	(16.1)	(19.1)	3%	19%
(50.1)	(49.2)	Other Expenses, by Nature	(15.1)	(14.4)	(2%)	(4%)
(174.9)	(183.8)	Depreciation and Amortization Expenses	(43.7)	(48.2)	5%	10%
222.5	474.2	OPERATING INCOME (LOSS) (*)	102.4	177.7	113%	74%
397.5	658.0	EBITDA	146.1	225.9	66%	55%

(*): The subtotal shown in "OPERATING INCOME" presented herein, differs from the "Profit (loss) from operating activities" line presented in the Financial Statements. This is explained by a change in taxonomy dictated by the CMF (Financial Market Commission), by means of which the concept of "Other Profit (loss)", which in the case of Colbún are only non-operating items, was incorporated as an operating item in the Financial Statements.

● **Operating Income** in 4Q22 amounted to **US\$469.8 million**, increasing 42% compared to the operating income of US\$330.0 million recorded in 4Q21, mainly due to (1) higher sales to unregulated clients, driven by the entry into force of the contract with BHP in Jan22 and higher sales price due to a positive variation of indexers included in energy contracts, and (2) higher energy and capacity sales in the spot market driven by higher physical sales to that segment. These effects were partially offset by lower sales to regulated clients, mainly driven by the expiration of a contract with CGE in Dec21. **In cumulative terms**, operating income as of Dec22 amounted to **US\$1,721.5 million**, increasing 39% compared to Dec21, mainly driven by the same reasons that explain variations in quarterly terms.

● **Raw materials and consumables used costs** amounted to **US\$210.4 million** in 4Q22, increasing 38% compared to 4Q21, mainly due to higher gas consumption cost due to a higher average purchase price and greater generation with that fuel. **In cumulative terms**, as of Dec22 raw materials and consumables used costs reached **US\$939.1 million**, increasing 31% compared to Dec21, mainly due to (1) higher gas consumption costs due a greater generation with that fuel and a higher average purchase price, (2) higher purchases of energy and capacity as a result of the start of the contract with Total SunPower in 3T21 and (3) higher coal consumption costs, due to a higher average purchase price.

● **EBITDA** in 4Q22 reached **US\$225.9 million**, increasing 55% compared to the EBITDA of US\$146.1 million in 4Q21, mainly due to higher operating income, partially offset by a higher raw materials and consumables used costs previously mentioned. **In cumulative terms**, EBITDA as of Dec22 recorded **US\$658.0 million**, increasing 66% compared to Dec21, mainly driven by the same reasons that explain variations in quarterly terms.

3.2. Peru's Operating Income Analysis

Table 6 shows a summary of Fenix's Operating Income and EBITDA for the quarters 4Q21 and 4Q22 and cumulative as of Dec21 and Dec22. Subsequently, the main accounts and/or variations will be analyzed.

Table 6: EBITDA Peru (US\$ million)

Cifras Acumuladas			Cifras Trimestrales		Var %	
dic-21	dic-22		4T21	4T22	Ac/Ac	T/T
171.8	252.5	INGRESOS DE ACTIVIDADES ORDINARIAS	45.0	85.3	47%	89%
105.3	147.1	Ventas a Clientes Regulados	27.2	39.0	40%	44%
22.6	19.8	Venta a Clientes Libres	5.6	5.4	(12%)	(4%)
38.3	76.7	Ventas de Energía y Potencia	10.5	39.1	100%	-
5.7	8.9	Otros Ingresos	1.8	1.8	57%	(0%)
(88.5)	(130.3)	MATERIAS PRIMAS Y CONSUMIBLES UTILIZADOS	(23.1)	(46.1)	47%	99%
(4.7)	(6.0)	Peajes	(1.5)	(1.5)	28%	5%
(1.8)	(17.1)	Compras de Energía y Potencia	(0.1)	(13.7)	-	-
(73.6)	(95.4)	Consumo de Gas	(19.5)	(25.8)	30%	32%
(0.3)	0.0	Consumo de Diésel	0.0	0.0	-	-
(8.1)	(11.8)	Otros	(2.1)	(5.1)	45%	-
83.3	122.2	MARGEN BRUTO	21.9	39.1	47%	79%
(6.4)	(8.8)	Gastos por Beneficios a Empleados	(1.5)	(2.8)	38%	88%
(7.4)	(8.3)	Otros Gastos, por Naturaleza	(2.1)	(2.6)	11%	22%
(35.4)	(35.7)	Gastos por Depreciación y Amortización	(8.9)	(9.1)	1%	2%
34.1	69.4	RESULTADO DE OPERACIÓN (*)	9.3	24.6	104%	163%
69.5	105.1	EBITDA	18.3	33.8	51%	85%

(*): The subtotal shown in "OPERATING INCOME" presented herein, differs from the "Profit (loss) from operating activities" line presented in the Financial Statements. This is explained by a change in taxonomy dictated by the CMF (Financial Market Commission), by means of which the concept of "Other Profit (loss)", which in the case of Colbun are only non-operating items, was incorporated as an operating item in the Financial Statements.

- **Operating Income** in 4Q22 amounted **US\$85.3 million**, increasing 89% compared to the operating income of US\$45.0 million recorded in 4Q21, mainly due to (1) higher sales to the spot market and (2) higher physical sales to regulated clients. **In cumulative terms**, operating income as of Dec22 amounted to **US\$252.5 million**, increasing 47% compared to Dec21, mainly as a result of higher physical sales, both to regulated clients and spot market, due to a higher system's demand.
- **Raw materials and consumables used costs** in 4Q22 reached **US\$46.1 million**, increasing 99% compared to 4Q21, mainly driven by (1) higher energy and capacity sales due to a client's supply contract, whose price formula contains indexations to the system's marginal cost, which reached an average of US\$68/MWh in 4Q22, while during 4Q21 was US\$23/MWh and (2) a higher cost of gas due a greater generation with that fuel. **In cumulative terms**, raw materials and consumable used costs as of Dec22 reached **US\$130.3 million**, increasing 47% compared to Dec21, mainly due to the same reasons that explain the variation in quarterly terms.
- **Fenix's EBITDA totaled US\$33.8 million** as of 4Q22, increasing 85% compared to the EBITDA of US\$18.3 million registered in 4Q21, mainly due to the higher operating income previously explained. This effect was partially offset by the higher raw materials and consumables used. **In cumulative terms**, EBITDA as of Dec22 totaled **US\$105.1 million**, increasing 51% compared to Dec21, mainly due to the same reasons that explain the variations in quarterly terms.

3.3. Consolidated Non-Operating Results Analysis (Chile and Peru)

Table 7 shows a summary of the Consolidated Non-Operating Result (Chile and Peru) in 4Q21 and 4Q22 and cumulative as of Dec21 and Dec22. Subsequently, the main accounts and/or variations will be analyzed.

Table 7: Consolidated Non-Operating Result (US\$ million)

Accumulated Figures			Quarterly Figures		Var %	Var %
Dec-21	Dec-22		4Q21	4Q22	Ac/Ac	Q/Q
5.0	29.1	Financial Income	1.6	14.9	-	-
(86.3)	(88.7)	Financial Expenses	(21.8)	(24.4)	3%	12%
(13.8)	(2.7)	Exchange rate Differences	(1.3)	10.3	(81%)	-
6.7	12.2	Profit (Loss) of Companies Accounted for Using the Equity Method	1.3	3.7	82%	183%
606.6	(77.7)	Other Profit (Loss)	(161.9)	(26.9)	(113%)	(83%)
518.1	(127.8)	NON-OPERATING INCOME	(182.1)	(22.3)	-	-
825.2	416.0	PRE-TAX PROFIT (LOSS)	(70.5)	180.0	(50%)	(355%)
(285.0)	(105.5)	Income Tax Expense	18.1	(43.8)	(63%)	-
540.2	310.5	AFTER TAX PROFIT (LOSS)	(52.4)	136.2	(43%)	-
545.3	296.0	PROFIT (LOSS) OF CONTROLLER	(55.1)	128.9	(46%)	-
(5.1)	14.5	PROFIT (LOSS) ATTRIBUTABLE TO MINORITY INTEREST	2.7	7.3	-	-

- **Non-operating result** in 4Q22 recorded losses of **US\$22.3 million**, compared to the US\$182.1 million loss recorded in 4Q21, mainly associated with the recording of provisions for impairment of individual assets in 4Q21. **In cumulative terms**, non-operating result as of Dec22 reached losses for **US\$127.8 million**, compared to a gain of US\$518.1 million as of Dec21, mainly associated with the profit from the sale of the subsidiary Colbún Transmisión S.A. in 3Q21.
- In 4Q22, a **tax expense** of **US\$43.8 million** was recorded, compared to tax revenue of US\$18.1 million in 4Q21. The increase in tax expense is mainly explained due to the higher profit recorded during the period. **In cumulative terms**, as of Dec22 a tax expense of **US\$105.5 million** was recorded, compared to US\$285.0 million as of Dec21, the higher tax expense is due to the sale of the subsidiary Colbún Transmisión S.A. in 3Q21.
- In 4Q22, the Company presented a **profit** of **US\$136.2 million**, compared to a US\$52.4 million loss recorded in 4Q21, mainly due to (1) the higher EBITDA recorded in the period and (2) the higher non-operating result mentioned above. **In cumulative terms**, Colbún presented a profit of **US\$310.5 million** as of Dec22, which is compared to the profit of US\$540.2 million recorded as of Dec21, for the aforementioned reasons.

4. CONSOLIDATED BALANCE SHEET ANALYSIS

Table 8 shows an analysis of the Balance Sheet's relevant accounts as of Dec21 and Dec22. Subsequently, the main variations will be analyzed.

Table 8: Consolidated Balance Sheet Main Accounts for Chile and Peru (US\$ million)

	Dec-21	Dec-22	Var	Var %
Current assets	1,766.4	1,688.3	(78.1)	(4%)
Non-current assets	4,836.1	4,917.7	81.6	2%
TOTAL ASSETS	6,602.5	6,606.0	3.5	0%
Current liabilities	679.0	542.6	(136.4)	(20%)
Non-current liabilities	3,082.1	3,110.5	28.4	1%
Total net equity	2,841.4	2,952.9	111.5	4%
TOTAL LIABILITIES AND NET EQUITY	6,602.5	6,606.0	3.5	0%

- Current Assets:** Recorded US\$1,688.3 million as of Dec22, decreasing 4% compared to current assets recorded as of Dec21, mainly due to a decrease in Cash and Financial Investments as a result of the prepayment of the Company's local bonds in Jan22, for US\$181 million and dividend distribution made during the year.
- Non-current Assets:** Recorded US\$4,917.7 million as of Dec22, in line with the non-current assets recorded as of Dec21.
- Current Liabilities:** Totaled US\$542.6 million as of Dec22, decreasing 20% compared to the current liabilities recorded as of Dec21, mainly due to the prepayment of the Company's local bonds in Jan22, for US\$181 million. It should be noted that the Company subscribed a loan with SMBC for US\$160 million, which was compensated with the prepayment of US\$157 million 2024 bond in 4Q22.
- Non-current liabilities:** Reached US\$3,110.5 million as of Dec22, in line compared to the non-current liabilities recorded as of Dec21.
- Total Net Equity:** The Company reached a net equity of US\$2,952.9 million, increasing 4% compared to the net equity registered as of Dec21, mainly due to the profits recorded during the period. This effect was partially offset by dividends distribution during the period.

Tabl3 9: Main Debt Items (US\$ million)

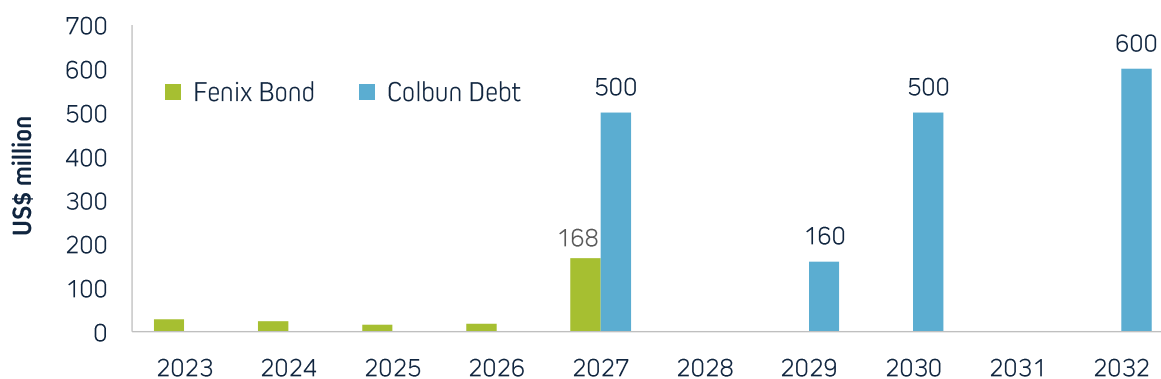
	Dec-21	Dec-22	Var	Var %
Gross Financial Debt*	2,310.5	2,137.9	(172.5)	(7%)
Financial Investments**	1,419.2	1,154.4	(264.8)	(19%)
Net Debt	891.2	983.5	92.3	10%
EBITDA LTM	520.2	763.4	243.2	47%
Net Debt/EBITDA LTM	1.7	1.3	(0.4)	(25%)

(*) The amount includes debt associated with Fenix without recourse to Colbun: (1) an international bond with an outstanding capital of US\$254.0 million, (2) a financial lease for US\$12.3 million associated with a transmission contract with Consorcio Transmataro, (3) a US\$102.3 million financial leasing associated with a gas distribution contract with Calidda; and (4) credit lines for US\$25 million

(**) The account "Financial Investments" presented includes: (1) the amount associated to time deposits that, for having an investment term of more than 90 days, are recorded as "Other Current Financial Assets" in the Financial Statements; y (2) an investment in a fixed-income portfolio, which, for having an investment term of more than 1 year, is recorded as "Other Non-Current Financial Assets" in the Financial Statements.

Table 10: Long Term Financial Debt

Average Life	6.4 years
Average Interest Rate	3.7%
Currency	100% USD



5. CONSOLIDATED FINANCIAL RATIOS

A comparative table of consolidated financial indicators as of Dec21 and Dec22 is presented below. Balance Sheet financial indicators are calculated at the specified date and Income Statement ratios include the accumulated result over the last 12 months as of the indicated date.

Table 11: Financial Ratios

Ratio	Dec-21	Dec-22	Var %
Current Liquidity: Current Assets in operation / Current Liabilities in operation	2.60	3.15	21%
Acid Test: (Current Assets - Inventory - Advanced Payments) / Current Liabilities in operation	2.55	2.98	17%
Debt Ratio: (Current Liabilities in Operation + Non-current Liabilities) / Total Net Equity	1.32	1.24	-7%
Short-term Debt (%): Current Liabilities in operation / (Current Liabilities in operation + Non-current Liabilities)	18.05%	14.85%	-18%
Long-term Debt (%): Non-current Liabilities in operation / (Current Liabilities in Operation + Non-current Liabilities)	81.95%	85.15%	4%
Financial Expenses Coverage: (Profit (Loss) Before Taxes + Financial Expenses) / Financial Expenses	10.56	5.69	-46%
Equity Profitability (%): Profit (Loss) After Taxes, Continuing Activities / Average Net Equity	16.81%	10.51%	-37%
Profitability of Assets (%): Profit (Loss) Controller / Total Average Assets	8.24%	4.48%	-46%
Performance of Operating Assets (%) Operating Income / Property, Plant and Equipment, Net (Average)	6.54%	12.04%	84%

Income Statement ratios correspond to last 12 months values.

- Average Net Equity: Equity of the current quarter plus equity one year ago divided by two.
- Total Average Total Asset: Current total assets plus total assets one year ago divided by two.
- Average Operational Asset: Current total property, plants and equipment plus total property, plants and equipment one year ago divided by two.

- **Current Liquidity** and **Acid Test Ratio** reached **3.15x** y **2.98x** as of Dec22, increasing 21% y 17% respectively compared to Dec21, mainly due to the decrease in current liabilities driven by the local bonds prepayment in 1Q22 for US\$181 million previously mentioned.
- The **Indebtedness Ratio** recorded **1.24x** as of Dec22, decreasing 7% compared to the value of 1.32x as of Dec21, primarily due to the prepayment of the local bonds (Series F and I) previously mentioned.
- The percentage of **Short-Term Debt** as of Dec22 was **14.85%**, decreasing compared to the value of 18.05% as of Dec21, mainly due to the prepayment of the local bonds (Series F and I) previously mentioned, which as of Dec21 had been reclassified from non-current liabilities to current, after the prepayment announcement was made.
- The percentage of **Long-Term Debt** as of Dec22 was **85.15%**, increasing 4% compared to the value of 81.95% as of Dec21, mainly due to the prepayment of the local bonds (Series F and I) previously mentioned, which as of Dec21 had been reclassified from non-current liabilities to current, after the prepayment announcement was made.
- The **Financial Expenses Coverage** as of Dec22 reached **5.69x**, decreasing 46% compared to the value as of Dec21. The variation is explained due the higher profits in 2021, mainly explained the sale of the subsidiary Colbún Transmisión S.A.
- The **Equity Profitability** as of Dec22 was **10.51%**, decreasing 37% compared to the value of 16.81% as of Dec21. The variation is explained due the higher profits in 2021, mainly explained the sale of the subsidiary Colbún Transmisión S.A.
- **Asset Profitability** as of Dec22 was **4.48%**, decreasing 46% compared to the value of 8.24% as of Dec21, essentially due to the sale of the subsidiary Colbún Transmisión S.A. in 2021.
- The **Performance of Operating Assets** as of Dec22 was **12.04%**, increasing 84% compared to the value of 6.54% as of Dec21, mainly due to the higher operating income registered during the last 12 months.

6. CONSOLIDATED CASH FLOW ANALYSIS

The Company's Cash Flow changes are shown in the following table:

Table 12: Cash Flow Summary for Chile and Peru (US\$ million)

Accumulated Figures			Quarterly Figures		Var %	Var %
Dec-21	Dec-22		4Q21	4Q22	Ac/Ac	Q/Q
967.4	1,419.2	Cash Equivalents, Beg. of Period*	1,886.0	1,175.8	47%	(38%)
334.5	492.0	Net cash flows provided by (used in) operating activities	17.9	178.5	47%	-
(800.2)	(472.9)	Net cash flows provided by (used in) financing activities	(441.7)	(98.6)	(41%)	(78%)
929.2	(268.2)	Net cash flows provided by (used in) investing activities**	(41.6)	(100.2)	(129%)	141%
463.5	(249.2)	Net Cash Flows for the Period	(465.3)	(20.4)	(154%)	(96%)
(11.7)	(15.5)	Effects of exchange rate changes on cash and cash equivalents	(1.4)	(0.9)	32%	(38%)
1,419.2	1,154.5	Cash Equivalents, End of Period	1,419.2	1,154.5	(19%)	(19%)

(*) The account "Cash and Cash Equivalents" presented includes: (1) the amount associated to time deposits that, for having an investment term of more than 90 days, are recorded as "Other Current Financial Assets" in the Financial Statements.; and (2) an investment in a fixed-income portfolio, which, for having an investment term of more than 1 year, is recorded as "Other Non-Current Financial Assets" in the Financial Statements.

(**) Cash Flow from Investing Activities" differs from the Financial Statements since it does not incorporate the amount associated with deposits with maturity over 90 days and the investment in a fixed income portfolio.

During 4Q22, the Company presented a **negative net cash Flow of US\$20.4 million**, compared to the negative net cash flow of US\$465.3 million in 4Q21.

● **Operating Activities:** During 4Q22, a positive net flow of **US\$178.5 million** was generated, which compares with the positive net flow of US\$17.9 million in 4Q21, mainly explained by a higher operating income recorded during the period. **In cumulative terms**, a positive net flow of US\$492.0 million was recorded, which compares with the positive net flow of US\$334.5 million as of Dec21, mainly explained by the same reasons that explain the variations in quarterly terms. There effects were partially offset by higher operational expenditures.

● **Financing Activities:** Generated a negative net flow of **US\$98.6 million** during 4Q22, compared to a negative net flow of US\$441.7 million as of 4Q21, mainly explained by the US\$1,000 million dividend distribution due to the extraordinary income received as a result of Colbún Transmisión S.A. sale. **In cumulative terms**, a negative net flow of US\$472.9 million was recorded during 4Q22, which compares with the negative net flow of US\$800.2 during 4Q21, mainly explained by the same reasons that explain the variations in quarterly terms.

● **Investment Activities:** Generated a negative net flow of **US\$100.2 million** during 4Q22, compared to a negative net flow of US\$41.6 million in 4Q21, mainly explained by higher CAPEX disbursements associated to Horizonte wind farm projects. **In cumulative terms**, a negative net flow of US\$268.2 million was recorded, compared to a positive net flow of US\$929.2 million as of Dec21, mainly explained by the resources received associated with Colbún Transmisión sale.

7. ENVIRONMENT AND RISK ANALYSIS

Colbun S.A. is a power generation company whose installed capacity reaches 4,025 MW composed by 2,159 MW of thermal units, 1,627 MW of hydraulic units and 239 MW of the solar photovoltaic power plants. The Company operates in the National Electric System (SEN) in Chile, representing 16% of the market. It also operates in the National Interconnected Electric System (SEIN) in Peru, where it has approximately 8% of market share. Both participations measured in terms of generation.

Through its commercial policy, the Company seeks to be a competitive, safe and sustainable energy supplier with a volume to be committed through contracts that allow it to maximize the long-term profitability of its asset base, limiting the volatility of its results. These have structural variability, since they depend on exogenous conditions such as hydrology and fuel prices (oil, natural gas and coal). To relieve the effect of these exogenous conditions, the Company endeavors to contract in the long term its cost-effective generation sources (either own or acquired from third parties) and eventually, in case of deficit/surplus, it can buy/sell energy in the spot market at marginal cost.

7.1 Medium-term outlook in Chile

As of Dec22, the hydrological year Apr22 – Mar23 accumulates rainfall similar to an average year in the main basins of the SEN (with the exception of Aconcagua). In this way, the surpluses/deficits were: Aconcagua: -51%; Maule: -7%; Laja: -5%; Biobío: +8%; Chapo: -7%. Compared to the year 2021, the Aconcagua, Canutillar, Maule, Biobío and Laja basins presented higher rainfall than the previous hydrological year by +60%, +14%, +85%, +62% and +26% respectively. In terms of inflow energy, as of December 2022 the current hydrological year has a Probability of Exceedance of 84%.

Regarding gas supply, the Company has an agreement with Enap Refinerías S.A. (“ERSA”), that includes reserved regasification capacity and supply for 13 years, whose entry into force was January 1, 2018. With this contract the Company has natural gas supply to operate two combined cycle units during most of the first half part of each calendar year, period of the year which generally has less availability of water resources. Colbun has also the possibility of accessing additional natural gas via spot purchases, allowing the Company to have efficient backup in the case of unfavorable hydrological conditions in the second half of the year. Additionally, gas supply contracts have been signed with Argentine producers (Pampa Energía, Pan American Energy, Pluspetrol and Total Austral), to complement the supply of LNG as of October 2022. Considering these new contracts, Colbun has agreements from Argentina that totalize 3.030.000 m3 of gas per day, for the period of Oct22 to Apr23. During 4Q22, generation with Argentinean gas was as follows: October 410 GWh, November 403 GWh and December 382 GWh.

During 2022, Colbun has continued participating in various supply bidding processes, favoring the renewal of current unregulated client's and the contracting of new clients for more than 5 years of supply.

This year contracts have been signed with 21 clients for 253 GWh/year. Among the sign contracts, the contracting of the CCU Group is the most relevant one, implying 203 GWh/year for 8 years, Lesaffre Industrial Chile S.A. for a total of 11 GWh/year for 6 years and Grupo Lactalis for a total of 11 GWh/year for 5 years.

The results of the Company for the coming months will be mainly determined by the ability to reach a balance between cost-efficient own generation and contracting level. Such efficient generation level depends on the hydrological conditions and the terms in which the purchase of natural gas is contracted if the extreme dry hydrological condition continues.

7.2 Medium-term outlook in Peru

During the fourth quarter of 2022, the SEIN registered a hydrological condition with a probability of exceedance of 97%, compared to 41% recorded during 2021.

As of Dec22, energy demand growth reached 6.2% compared to the same period of 2021, due to the mining activity recovery. On the other hand, compared to the previous quarter, in 4Q22 the energy demand increased by 4.2%.

Santa Rosa's average marginal cost during 4Q22 reached US\$67.8/MWh. In contrast to 3Q22 (US\$23.4/MWh), the increase is due to the lower availability of water resources.

7.3 Growth plan and long-term actions

The Company seeks growth opportunities in Chile and in countries of the region, in order to maintain a relevant position in the power generation industry and to diversify its income sources in geographical terms, hydrological conditions, generation technologies, access to fuels and regulatory frameworks.

Colbun seeks to increase its installed capacity by maintaining a relevant participation in the hydraulic energy industry, with a complement of both efficient thermal energy and energy from other renewable sources that allows for a secure, competitive and sustainable generation matrix.

In Chile, Colbun has several potential projects currently in different stages of development, including wind, solar and hydroelectric projects.

Generation projects under development

Project	Installed Capacity	Technology	Location	Status
Horizonte	812 MW	Wind	Antofagasta Region	Under Construction
Baterías Diego de Almagro	8 MW/ 32 MWh	Bateries	Atacama Region	Under Construction
Inti Pacha I,II&III	750 MW	Photovoltaic	Antofagasta Region	Environmentally Approved
Jardín Solar	537 MW	Photovoltaic	Tarapacá Region	Environmentally Approved
Los Junquillos	360 MW	Wind	Biobío Region	Preparing ES
Celda Solar	420 MW + 240 MWh	Photovoltaic + Bateries	Arica Region	Preparing ES

● **Horizonte Wind Farm (812 MW):** Horizonte is a wind farm located 130 km northeast of Taltal and 170 km southwest of Antofagasta. It considers a minimum installed capacity of 812 MW, increasing from the installed capacity previously reported, which is made up of 140 machines of 5,8 MW each and an average annual generation of approximately 2.490 GWh. It considers the connection to SEN in the future Paríñas substation, located at 19kms from the project.

This project started in December 2017 with the award of a tender conducted by the Ministry of National Assets (MBN), for the development, construction and operation of a wind farm by a 30-year Onerous Use Concession Agreement, in a state property of about 8 thousand hectares.

On September 13th, 2021, the SEA issued the Environmental Qualification Resolution (RCA) for the project and on September 21st, at a meeting held in Taltal, the Board of Directors announced the approval for starting construction. On November 8, the beginning of the Construction Phase of the Project was declared before the Environment Superintendence.

The investment for this project will reach US\$898 million. It is estimated that it will begin to inject energy into the system in 4Q23 and the entry into operation of the last wind turbines is projected towards 4Q24.

By the fourth quarter of 2022, 38% progress of the project was reached. The construction of the external access to the Park from Route-5 was completed. In addition, the construction of platforms and foundations for the wind turbines. In total, 30 blades and 27 sections of towers were downloaded to the site, which will be installed as of March 2023.

● **Batteries - Diego de Almagro Project (8 MW/32 MWh):** The Project considers the installation of a battery pack with a capacity of 8 MW for 4 hours (32 MWh) in the installations of the Diego de Almagro photovoltaic park. The evacuation of energy will be through the existing infrastructure of the photovoltaic park. Total investment of the project reaches US\$11 million.

The project is in the final start-up phase pending authorization to energize the batteries for operational tests.

● **Photovoltaic Solar Project Inti Pacha I, II and III (250 MW each):** This solar project is located approximately 75 km east of Tocopilla, in the María Elena commune, Antofagasta Region. It will use a total area of 1.000 ha.

The Project considers the installation of a solar generation park in three phases, which has an installed capacity of close to 250 MW per phase and a total annual generation of approximately 2,000 GWh considering the three phases, which will be injected into the Interconnected System through an electrical transmission line of approximately 3 km, connecting to the Crucero substation.

This project started with the award of 3 tenders for Onerous Use Concession Agreements conducted by the Ministry of National Assets.

The project obtained its environmental qualification resolution (RCA) in 4Q20 and includes the 3 CUOs.

The easement contract for the connection line to the SE Crucero for Inti Pacha I and II was signed in 4Q22.

The connection authorization to the S/E Crucero is in the Conceptual Design Engineering Review stage of the connection.

● **Photovoltaic Solar Project Jardín Solar (537 MW):** The project considers the installation of a solar power plant with an installed capacity of close to 537 MW that will be built in 2 stages of 263 MW and 274 MW each. It has an annual average generation of approximately 1,500 GWh. This solar project is located approximately 8 km south-east of Pozo Almonte locality, in the commune of Pozo Almonte in the Tarapacá Region, and will use a total area of approximately 1,000 hectares.

The generated energy will be injected into the Interconnected system through a transmission line which begins in the substation associated with the park, and has an approximate length of 3 km, connecting to the new Pozo Almonte substation located 2.5 km northeast of the intersection of the highway to La Tirana with the Pan-American highway.

During the third quarter of 2021, the environmental certification resolution (RCA) was obtained.

During the fourth quarter the project remains without news.

● **Los Junquillos Wind Project (360 MW):** Los Junquillos project is a wind farm located 15 km northwest of the city of Mulchén, in the commune of Mulchén in the Biobío Region. It will include the installation of a maximum of 63 wind turbines (up to 7.5 MW each), which will translate into an installed capacity of up to 472.5 MW.

The generated energy will be injected into the Interconnected System through 12 km transmission line to Mulchén substation.

During the month of December, the project re-entered its Environmental Impact Assessment (EIA) into the Environmental Assessment System (SEA).

● **Celda Solar Photovoltaic Project (420 MW +240 MW of storage):** The project considers the installation of a solar energy generation park that has an installed capacity of close to 420 MW plus 1,200 MWh in batteries (BESS) in two phases, with a first phase of 230 MWDC of photovoltaic park and 120MW/5h - 600MWh of energy storage. An average annual generation of approximately 610 GWh is estimated in phase 1. This solar park is located approximately 76 km south of Arica, in the Camarones commune in the Arica and Parinacota Region, and uses a total area of approximately 960 ha.

The energy generated will be injected into the Interconnected System through an electrical transmission line, an extension of 3.5 km, connecting to the new Roncacho substation.

This project originates from the award of 3 onerous use concessions tendered by the Ministry of National Assets, which were signed in 3Q19.

The Environmental Impact Study for a 420 MW photovoltaic project and a 240 MW BESS with a duration of 5 hours, was processed on 3Q22 and is currently in the stage of issuing addendum 1.

● **Sol de Tarapacá Photovoltaic Project (180 MW):** The project considers the installation of a solar power plant with an installed capacity of approximately 180 MW. The project is located in the Tarapacá Region, municipality of Pozo Almonte, approximately five kilometers southwest of La Tirana, and has a total area of approximately 423 ha.

This project is in the portfolio; however, its development has been deferred to give priority to other projects.

● **Other renewable energy projects from variable sources:** At 4Q22 closing, Colbun continues making progress in the pipeline of options for wind and solar projects, which are in early stages of development. These projects are highly competitive, locations have been chosen with the best energy resources, they have high socio-environmental feasibility, near to transmission lines and are distributed throughout the country.

These projects represent advance to fulfill our goal, of building about 4,000 MW in renewable energy before the end of 2030.

7.4 Risk Management

A. Risk Management Policy

The risk management strategy is oriented to safeguard the Company's stability and sustainability, identifying and managing the uncertainty sources that affect or might affect it.

Global risks management undertake the identification, measurement, analysis, mitigation and control of the different risks arising from the Company's different management departments, as well as estimating the impact on its consolidated position, follow up and control throughout time. This process involves the intervention of the Company's senior management and risk-taking areas.

Tolerable risk limits, metrics for risk measurement and periodicity of risk analysis are policies established by the Company's Board of Directors.

The risk management function is the CEO's responsibility as well as of each division and department of the Company and has the support of the Risk Management and the supervision, monitoring and coordination of the Risk and Sustainability Committee.

B. Risk Factors

The activities of the Company are exposed to various risks, which have been classified into electrical business risks and financial risks.

● B.1. Electrical Business Risks

B.1.1. Hydrological risk

In dry hydrologic conditions, Colbun must operate its combined thermal cycle plants mainly with natural gas purchases or with diesel, or by default operating its back-up thermal plants or even buying energy on the spot market, to comply with its commitments. This situation could raise Colbun's costs, increasing results variability depending on the hydrological conditions.

The Company's exposure to hydrological risk is reasonably mitigated by a commercial policy that aims to maintain a balance between competitive base load generation (hydro generation in a medium to dry year and cost-efficient thermal generation with coal and natural gas, and other renewables cost-efficient generation properly complemented by other sources of generation given their intermittency and volatility) and commercial commitments. Under conditions of extreme and recurrent drought, a potential shortage of water for refrigeration could affect the generation capacity of the combined cycles. Colbun owns a Reverse Osmosis Plant that allows to reduce by up to 50% the water used in the cooling process of the combined cycles of the Nehuenco Complex.

In Peru, Colbun owns a combined-cycle power plant and has a commercial policy oriented towards committing such base energy through medium and long-term contracts. The exposure to dry seasons is restricted, since operations would only be impacted in the event of potential operational failures that would require the Company to resort to the spot market. Additionally, the Peruvian electrical market presents an efficient thermal supply and availability of natural gas from local sources that backs it up.

B.1.2. Fuel price risk

In Chile, in situations of low inflows to the hydraulic plants, Colbun must make use mainly of its thermal plants or purchase energy in the spot market at marginal cost. The foregoing generates a risk due to variations in international fuel prices. To mitigate the impact of very important and unforeseen variations in fuel prices, hedging programs are carried out with various derivative instruments, such as call options and put options, among others. Otherwise, in the face of abundant hydrology, the Company could find itself in a surplus position in the spot market, the price of which would be, in part, determined by the price of fuel.

In Peru, the cost of natural gas has a lower dependence to international prices, due to an important domestic production of this hydrocarbon, limiting the exposure to this risk. As in Chile, the proportion exposed to variations in international prices is mitigated by indexation formulas in its energy sales contracts.

Due to all the above, exposure to the risk of changes in fuel prices is partly mitigated.

B.1.3. Fuel supply risks

Regarding gas supply in Chile, the Company has an agreement with Enap Refinerías S.A. ("ERSA"), that includes reserved regasification capacity and supply for 13 years, whose entry into force was January 1, 2018. With this contract the Company has natural gas supply to operate two combined cycle units during most of the first half part of each calendar year, period of the year which generally has less availability of water resources. Colbun has also the possibility of accessing additional natural gas via spot purchases, allowing the Company to have efficient backup in the case of unfavorable hydrological conditions in the second half of the year. Additionally, gas supply agreements with Argentine producers (Pampa Energía, Pan American Energy, Pluspetrol and Total Austral) have been signed to complement the supply of liquefied natural gas. These contracts consider the import of 3,030,000 m³ of gas per day for the period of Oct22 to Abr23.

On its part, in Peru, Fenix has long-term contracts with the ECL88 Consortium (Pluspetrol, Pluspetrol Camisea, Hunt, SK, Sonatrach, Tecpetrol and Repsol) and gas transportation agreements with TGP.

Regarding coal purchases for Santa María power plant, new tenders have been periodically undertaken (the last in July 2022), inviting important international suppliers to bid, awarding the supply contract to well supported and competitive companies. The above following an early purchase policy and an inventory management policy in order to substantially mitigate the risk of not having access to this fuel.

B.1.4. Equipment failure and maintenance risks

The availability and reliability of Colbún's generating units and transmission facilities are essential to the Company's business. Based on the above, Colbún holds a policy of conducting regular maintenances, preventive and predictive maintenance on its equipment according to the recommendations of its suppliers and maintains a policy to cover such risks through insurances for its physical assets, including coverage for physical damage and stoppage damage.

B.1.5. Project construction risks

The development of new projects can be affected by factors such as: delays in obtaining environmental approvals, regulatory framework changes, prosecutions, increase in equipment prices, opposition from local and international stakeholders, adverse geographical conditions, natural disasters, accidents or other unforeseen events.

The Company's exposure to such risks is managed through a commercial policy that considers the effects of potential project delays. Alternatively, clearance levels with respect to time and construction costs estimates are incorporated. Additionally, the Company's exposure to this risk is partially covered with "All Construction Risk" insurance policies covering both physical damage and loss of profit as a result of delay in service resulting from a casualty, both with standard deductibles for this type of insurances.

The companies in the sector face a very challenging electricity market, with lots of activity from different interest groups, mainly from local communities and NGOs, which are legitimately looking for more participation and prominence. As part of this complexity, the environmental processing times have become more uncertain, which occasionally are also followed by long prosecuting processes. This has resulted in less construction of significant size projects.

Colbun also has the policy to integrate with excellence the social and environmental dimensions to the development of its projects. The Company has developed a model of social link that allows it to work with neighboring communities and with the society in general, starting a transparent process of public participation and confidence building in the early stages of projects and throughout their entire life cycle.

B.1.6. Regulatory risks

Regulatory stability is essential for the energy sector, where investment projects require substantial time in terms of obtaining permits, development, execution and return on investment. Colbún believes that regulatory changes should be made considering the complexities of the electrical system and maintaining the appropriate incentives for investment. It is important to have a regulation with clear and transparent rules in order to boost confidence of the agents in the sector.

Chile

In the context of the constitutional process originating from the commitment called "Agreement for Peace and the New Constitution" ("Acuerdo por la Paz y la Nueva Constitución"), and the subsequent approval of the drafting of a new Constitution through a plebiscite, the Constitutional Convention drafted a text proposal for a new Constitution that was officially presented to the public on July 4, 2022. This proposal was rejected by the public on September 4, 2022. On December 12, 2022, the "Agreement for Chile" was signed, a new draft constituent process that was dispatched by the National Congress for the signature of the President of the Republic on January 11, 2023. This process has three bodies incumbents, Constitutional Council, Expert Commission, and Technical Admissibility Committee. These bodies have the mandate of drafting a new draft constitution, which must be ratified or rejected by the public through a plebiscite with a mandatory vote. The process will end

on November 26, 2023, with the ratification plebiscite, and its result will be fundamental since it could result in changes to the institutional framework applicable to business activity in the country.

Enacted Laws

On Tuesday, August 2, Law 21,472 was enacted, which created a temporary mechanism for stabilizing energy prices for customers subject to price fixing, which will be differentiated by consumption segment. This mechanism is complementary to the one enacted by Law 21,185 of 2019 and lasts until December 31, 2032.

The main characteristics of the mechanism are:

- **Tariff Stabilization Fund.** It creates a fund of US\$500 million, to which all customers -regulated and free- will contribute through an additional public service charge that will depend on monthly consumption. This fund will be administered by the General Treasury of the Republic.
- **Client Protection Mechanism (MPC “Mecanismo de Protección al cliente”).** It commits resources with a limit of US\$1,800 million for the payment to generators of the differences that occur between the stabilized rate of the clients and the price that corresponds to pay by contract. Said differences may be collected by the suppliers through a transferable credit instrument, issued by the Ministry of Finance, which considers the financial costs and has a state guarantee.

For the implementation of the law, regulatory processes were established that are under the design of the Ministry of Finance, the National Electrical Coordinator and the National Energy Commission. Of the pending processes, only the exempt resolution of the Commission that establishes the technical provisions of the law has been submitted for public consultation.

On November 21, Law 21,505 was published, which promotes the storage of electrical energy and electromobility. The main modifications it establishes are:

- **Storage:** Allows “pure” or “isolated” storage systems, that is, those that are not part of a generation plant, to be remunerated for the energy and power injected into the system, allowing them to participate in transfer balances economic in the short-term wholesale market.
- **Generation-consumption systems:** Enables the efficient connection of “generation-consumption” systems, which have their own generation capacity with renewable energy.
- **Electromobility:** Encourages the sale of electric vehicles, equating the value of their circulation permits to that of equivalent internal combustion cars and enables them to participate in the electricity market as storage systems.

Main Developments in Bill Projects

The **Bill Project on ERNC quotas** is in the first constitutional process with urgency classified as immediate discussion and is being analyzed by the mining and energy commission of the Chamber of Deputies. The project currently under discussion considers the following changes to the General Law of Electric Services:

- a) Increase the goals of large-scale renewable generation, imposing the generation companies to trade at least 60% of REVS by 2030 and, in addition, to trade at least 40% of REVS by 2030 in each temporary block within the day, promoting the management of energy from variable sources through storage systems.
- b) Establish a traceability system of the renewable nature of the energy that is marketed, for which it obliges the National Electricity Coordinator to have information systems for the follow-up and record of traceability of the energy trade. The methodology will be determined by regulation.
- c) Promote distributed generation, through the definition of terms and costs of connection to the distribution network. It also considers an increase in the injection limit capacity of residential customers, from 300 to 500 kW, and the possibility that municipalities act as coordinators of residential generation facilities.

One of the main risks of this project is that the energy generated by reservoirs will not be counted for REVS quotas.

On June 29, 2022, a motion was submitted to the Chamber of Deputies that modifies Law 19,300 and seeks to regulate the process of social, environmental, energy and economic transition within the framework of the commitments and needs to reduce GHG emissions, protection of sinks and ecosystems. The project defines the concept of fair socio-ecological transition in addition to establishing seven principles, which will guide said process. In addition, it establishes that the State may approach production and consumption cycles holistically, considering communities and nature, in order to move towards a declining, decarbonized, waste-free economy that promotes nature-based solutions. The project is currently without urgency and is in the first constitutional process.

Additionally, since July of this year, the urgency of the project presented to the Senate on July 15, 2020, which requires an Environmental Qualification Resolution for projects evaluated or approved prior to the creation of the current Environmental Institutionality, has been permanently updated. The project expands the definition of Environmental Protection in Law No. 19,300 on General Bases of the Environment and adds a subsection that establishes that any project or activity likely to cause environmental impact will require, for its approval and/or execution, the resolution that qualifies it environmentally. This is complemented by the incorporation of a transitory article that establishes that projects or activities that do not currently have an Environmental Qualification Resolution will have a fatal term of 12 months to obtain it, from the publication of this modification. The processing of the project was resumed in December 2021 and currently has a simple urgency and must be reviewed in the Senate by the Environment and National Assets and Mining and Energy Commission.

On the other hand, on October 5, a motion was submitted to the Chamber of Deputies that modifies Law No. 19,300 and regulates the installation, and coexistence with neighboring communities, of aero generation complexes and photovoltaic plants. The project encompasses aspects of design and construction, such as minimum distance between towers, type of soil allowed, and restrictions on the location of adjoining projects. Regarding the environmental impact and its respective evaluation, the project establishes minimum characteristics to present the EIA, in addition to criteria that regulate the shadow effect of these. A fundamental aspect of the project is the creation of effective instances of citizen participation, considering the co-development of the project with the neighboring communities. Lastly, it is established that the Superintendence of the Environment and of Electricity and Fuels will oversee the norms emanating from this project, and that non-compliance with the minimum distances could trigger a revocation of the environmental qualification resolution. This project is not urgent and must be reviewed by the Environment and Natural Resources Commission.

In 2017, through a parliamentary motion, the bill that modifies Law 19,300 was presented, to establish restrictions on the processing of projects in areas declared latent or saturated. This project was in the second legislative process in July 2020, and was resumed by the executive in June 2022, making present the simple urgency for its processing. The purpose of the project is to regulate the investments that aspires to be installed in areas declared latent or saturated, while prevention or decontamination plans, respectively, are not issued. For this it establishes that; projects that have a significant impact on emissions will especially require an Environmental Impact Study (EIS), while those that produce a critical impact must have their respective EISs rejected. The project is currently in its second legislative process, under review by the Environment and Natural Resources Commission, and urgently added.

Legislative Agenda Ministry of Energy

During October, Energy Minister Diego Pardow presented the Executive's legislative agenda to Congress. In view of the process of energy transition and decarbonization of the matrix, the ministry outlined its two axes under which it will work in the short term; increase the installed capacity of the system by 25 GW by 2030, and reinforce the electrical transmission system with new lines and substations. To this end, it established the following priorities on the legislative agenda:

- Improvement of the General Law of Electrical Services (LGSE" Ley General de Servicios Eléctricos"):

This Bill would have two main objectives: the first, to generate an exception in the Law so that the public service concessionaires of the medium-sized systems can integrate vertically, given the special characteristics they have in these areas; and the second, to modify the mechanism of the transmission expansion works, which are currently

tendered by the Coordinator and which have generated a significant delay in the development of new works. Therefore, the project intends to return to a process similar to the one that existed before Law No. 20,936.

- SEC improvement law:

Bill that aims to provide more robust tools to the Superintendency, so that it can monitor and sanction supply cuts. For this, the project intends to update the sphere of competence of the service to the new energy sources; reinforce the attributions in resolution of claims, incorporate the performance approach in the control; and improve the power to interpret energy regulations and the power to sanction. The executive will wait for the previously mentioned projects to be completed in order to prioritize this one.

On the other hand, the ministry will address the issue of hydrogen through the budget law, incorporating Strategic Energy Plans in Regions (PEER) with a focus on said technology.

Additionally, the ministry proposed to the industry the development of an Energy Transition bill that would be broad in scope for the sector, and that would be presented in December 2022, which to date has not happened.

Short Term Market

In October 2022, the insolvency situation of two generation companies in the power sector was known, which were subsequently withdrawn from the short-term market and their respective guarantees were executed. This event has raised diversified alarms in the sector ranging from, the operation of the system, the supply tenders for regulated clients, the short-term guarantees, and the high levels of dumping at the national level. For this reason, the National Energy Commission convened a Public-Private Roundtable on the Short-term Market (MCP) whose goal was to analyze the particular and systemic causes that would be influencing this situation. The Ministry of Energy, the Superintendency of Electricity and Fuels, the National Electrical Coordinator and trade associations of the sector participated in the instance. In total, 60 proposals were put forward by the organizations and unions, which were analyzed and consolidated by the CNE in a report published on January 6, 2023. Among the proposals contained in the report, there is the improvement of guarantees, improvements in the bidding rules for regulated supply, modification to the planning and pricing process, storage incentives, implementation of the intraday phase, incorporation of monitoring and control elements in the transmission networks, greater reportability of side payments and systemic costs, and the carrying out a joint analysis between the CNE and the MEN to continue analyzing measures in the context of the CCM, among others. Each of these modifications will be addressed by different regulatory bodies within a maximum period of 36 months.

News Rationing Decree

On September 7, through decree 74, the Ministry of Energy extended the preventive rationing decree (DS No. 51/2021) until March 31, 2023 and reduced the water reserve to 66 GWh.

Peru

On February 26th, 2022, Law N°31429 was published in the Official Gazette El Peruano, which modifies Law N° 27510, Law that creates the Electricity Social Compensation Fund (hereinafter, "FOSE Law"). These modifications will be applicable as of the tariff specifications for the month of January 2023 and have a special impact on free users of the electricity sector, since these have been included as subjects that will be affected by the FOSE surcharge. Before the approved modifications, free users were already making monthly contributions to finance the Energy Social Inclusion Fund (FISE), a support program to expand the energy frontier in vulnerable segments of the population. Consequently, the inclusion of free users as subjects affected by the FOSE surcharge would mean that they make a double contribution to finance the same purpose, that is, offset the residential electricity rate.

Through Ministerial Resolution N° 227-2022-MINEM dated June 24, 2022, the Ministry of Energy and Mines ("MINEM") ordered the publication of the proposed legislative initiative "Law that modifies Law 28832, Law to ensure the efficient

development of Electricity Generation” Along with its explanatory statement, in order to receive contributions and/or comments from interested parties and citizens, within a period of 30 calendar days. As indicated in the Bill, its purpose is to guarantee the safe, reliable and efficient supply of electricity, and to promote the diversification of the energy matrix.

On October 28, 2022, Law 31,598 was published, which brought forward to November 2022 the validity of Law 31,429, which introduced modifications to Law 27,510, the Law that creates the Electricity Social Compensation Fund (“FOSE Law”).

Law 31,429, published on February 26, 2022, mainly provided:

- The increase in the range of beneficiaries by the FOSE to those users with a monthly consumption equal to or less than 140 kW/h per month (before, it was a consumption equal to or less than 100 kWh per month) and;
- The incorporation of free users to the universe of affected users with a surcharge for FOSE financing (before, only regulated users paid).

The same Law 31,429 originally established that the modifications made to the FOSE Law would enter into force as of January 2023. However, through Law 31,598 its validity was brought forward to November 2022. In this way, from November 2022, the range of users benefited by the FOSE increases; and, in addition, the invoices for the electric service to free users will include the FOSE charge for its financing.

B.1.7. Risk of variation in demand/supply and in the sale price of electrical energy

The projection of future energy consumption is very relevant for the determination of its market price.

In Chile, a lower growth in demand, a decrease in fuel prices and an increase in the inflow of solar and wind renewables energy projects led to a decrease in the short-term price of energy (marginal cost) in the last years.

Regarding long-term values, the bidding process for the supply of regulated customers concluded in August 2016, October 2017 and August 2021 resulted in a significant drop in the bid and awarded prices, reflecting the greater competitiveness in the market and the impact of the emergence of new technologies - solar and wind fundamentally - with a significant reduction of costs due to its massification.

Additionally, given the price difference between regulated and unregulated clients, a portion of regulated clients have chosen a non-regulated regime. This can occur because the electricity legislation allows clients with connected capacity between 500 kW and 5,000 kW to choose to be categorized as regulated or unregulated customers. Colbun has one of the most efficient generation matrixes in the Chilean system, thus we have the ability to offer competitive conditions and costs to customers who require it.

In Peru, there is also a scenario of a temporary imbalance between supply and demand, mainly due to the increase of efficient supply (hydroelectric and natural gas plants).

The growth that has been observed in the Chilean (and potentially in the Peruvian) market of variable renewable energy sources such as solar and wind may generate integration costs and therefore affect the operating conditions of the rest of the electrical system especially in the absence of a market for ancillary services that adequately remunerates the services necessary to manage the variability of such generation sources.

Energy demand in Chile decreased 0.1% during 4Q22 compared to 4Q21, while in Peru, there was an increase of 6.2% compared to 4Q21.

Additionally, the complex world economic outlook might lead to a contraction of the Chilean and Peruvian economies, which will probably affect future energy demand.

B.2 Financial risks

Financial risks are those associated with the inability to perform transactions or non-compliance of obligations due to lack of funds, as well as variations in interest rates, exchanges rates, counterparty financial stress or other financial market variables that may affect Colbun' s equity.

B.2.1 Exchange rate risk

The exchange rate risk is mainly caused by currency fluctuations that come from two sources. The first source of exposure comes from cash flows corresponding to revenues, costs and disbursements of investments denominated in currencies other than the functional currency (U.S. dollar).

The second source of risk corresponds to the accounting mismatch between assets and liabilities of the Statement of Financial Position denominated in currencies other than the functional currency.

Exposure to cash flows in currencies other than USD is limited because virtually all sales of the Company are denominated directly in or indexed to USD.

Similarly, the main costs are related to natural gas and coal purchases, which incorporate pricing formulas based on international prices denominated in USD.

Regarding investment projects disbursements, the Company incorporates indexers in its contracts with suppliers and occasionally resorts to the use of derivatives to fix the expenses in currencies other than USD.

Exposure to the Balance Sheet accounts mismatch is mitigated by applying a policy of maximum mismatch between assets and liabilities for those structural items denominated in currencies other than USD. For purposes of the above, Colbun maintains a significant proportion of its cash surpluses in dollars and occasionally resorts to the use of derivatives, mainly using currency swaps and forwards.

B.2.2 Interest rate risk

Is related to changes in interest rates that affect the value of future cash flows tied to a floating interest rate, and changes in the fair value of assets and liabilities linked to fixed interest rate that are measured at fair value. In order to mitigate these risks, interest rate swaps are used.

As of December 31, 2022, the Company's financial debt is 92% fixed rate and 8% floating rate.

B.2.3 Credit Risk

The Company is exposed to the risk arising from the possibility that a counterpart fails to meet its contractual obligations, producing an economic or financial loss. Historically, all counterparties with which Colbun has maintained energy supply contracts have correctly made the corresponding payments.

In recent times, given that Colbun has expanded its presence in the medium and small unregulated clients segment, the Company has implemented new procedures and controls related to the risk assessment of this type of clients and collection monitoring. On a quarterly basis, un-collectability provisions are calculated based on risk analysis of each client considering the client's credit rating, payment behavior and industry, among other factors.

With respect to cash and derivatives statements, Colbun has entered into these transactions with financial institutions with high credit ratings. Additionally, the Company has established limits by counterparty, which are approved by the Board of Directors and periodically reviewed.

As of December 2022, cash surpluses are invested in interest-bearing current accounts, mutual funds (short-term mutual funds with maturities of less than 90 days, which are known as “money market”) and in time deposits in local and international banks.

Information on contractual maturities of the main financial liabilities is disclosed in note 11 of the Financial Statements.

B.2.4 Liquidity Risk

This risk results from different funding requirements to meet investment commitments and business expenses, debt payments, among others. The funds needed to meet these cash flow outputs are obtained from Colbun’s own resources generated by the Company’s ordinary activities and by contracting credit lines to ensure sufficient funds to cover projected needs for a given period.

As of December 31, 2022, Colbún has cash of approximately US\$1,154 million, invested in remunerated current accounts, time Deposits and mutual funds with an average duration of 59 days (Deposits with a duration of less than and greater than 90 days are included, the latter are recorded as "Other Current Financial Assets" in the Consolidated Financial Statements) and fixed income investments with a term of 2 to 3 years that is estimated to be held until maturity.

The Company also has as additional liquidity sources available to date: (i) three bond lines registered in the local market, two for a total joint amount of UF 7 million and another line for a total amount of UF 7 million, and (ii) uncommitted bank lines of approximately US\$150 million. On its part, Fenix has uncommitted lines for a total of US\$65 million.

In the next 12 months, the Company must disburse approximately US\$102 million in interests and principal amortization. These obligations are expected to be funded with the Company’s own cash flow generation.

As of December 31, 2022, Colbún has a local credit rating of AA by Fitch Ratings and Feller Rate, both with stable outlook. At international level, the Company’s rating is Baa2 by Moody’s, BBB by Standard & Poor’s (S&P Global), and BBB+ by Fitch Ratings, all with stable outlook.

As of December 31, 2022, Fenix has international credit ratings of BBB- by S&P and Fitch Ratings, both with stable outlook.

Considering the foregoing, it is assessed that the Company’s liquidity risk is currently limited.

Information on contractual maturities of the main financial liabilities is disclosed in note 23 of the Financial Statements.

B.2.5 Risk Measurement

The Company periodically analyzes and measures its exposure to the different risk variables, in accordance with the previous paragraphs. Risk management is performed by a Risk Committee with the support of the Corporate Risk Management and in coordination with other divisions of the Company.

Regarding business risks, specifically those related to changes in commodity prices, Colbun has implemented mitigation measures consistent of indexers in energy sale contracts and of hedges with derivative instruments to cover any possible remaining exposure. It is for this reason that a sensitivity analysis is not presented.

To mitigate the risk of failures in equipment or in the project’s construction, the Company has insurance coverage for damage to its physical property, business interruption damages and loss of profit for the delay in the commissioning of a project. This risk is considered fairly limited.

Regarding financial risks, for purposes of measuring exposure, Colbun prepares a sensitivity analysis and value at risk in order to monitor potential losses assumed by the Company in the event that the exposure exists.

The exchange rate risk is considered to be limited, since the Company’s main flows (revenues, costs and projects disbursements) are denominated directly in or indexed to USD.

Exposure to the mismatching of accounts is mitigated by applying a policy of maximum mismatch between assets and liabilities for those structural balance items denominated in currencies other than USD. Given the above, as of December 30, 2022, the Company's exposure to the impact of exchange differences on structural items translates into a potential effect of approximately US\$6.3 million, in quarterly terms, based on a sensitivity analysis with 95% confidence.

The exposure associated with the variation in interest rates is measured as the sensitivity of the financial expense under a change of 35 basis points in the reference variable rate, this being the SOFR rate. In this way, an increase of 35 basis points in the SOFR rate would mean an increase in the accrual monthly financial expense of US\$33,000, while a drop in the reference rate would result in a reduction of US\$33,000 in financial expense. accrual monthly. The Company considers the interest rate variation risk limited.

Credit risk is limited because Colbun operates only with local and international banking counterparties with high credit ratings and has established policies of maximum exposure per counterparty that limits the specific concentration with these institutions. In the case of banks, local institutions have a local risk rating equal to or greater than BBB and foreign entities have an investment grade international rating.

At the end of the period, the financial institution that has the largest share of cash surpluses reached 26%. Regarding existing derivatives, the Company's international counterparts have a credit rating equivalent to BBB+ or higher and national counterparts have local credit rating of BBB+ or higher. It should be noted that no counterparty concentrates more than 51% in notional terms.

Liquidity risk is considered low because of the relevant cash position of the Company, the amount of financial obligations over the next twelve months and the access to additional sources of funding.

DISCLAIMER

This document provides Information about Colbún S.A. In no case this document constitutes a comprehensive analysis of the financial, production and commercial situation of the Company.

This document may contain forward-looking statements concerning Colbún's future performance and should be considered as good faith estimates by Colbún S.A.

In compliance with the applicable laws, Colbún S.A. publishes on its website (www.colbun.cl) and sends the financial statements and its corresponding notes to the Comisión para el Mercado Financiero, those documents should be read as a complement to this report.