



# Integrated Annual Report 2023



**aes** Andes



**AES Andes S.A.** 

94272000-9

Open Stock Corporation
Registration with the Registry of Securities, Chile No. 0176



### Chilean Parent Company

Los Conquistadores 1730, Piso 10 Providencia, Santiago, Chile Phone: (+56) 2 3333 8300 - PO No. 3514, Santiago



### Colombia

Calle 100 # 19-54 Of. 901 Bogotá D.C. Colombia



### Argentina

Carlos Pellegrini 1023 Piso 9 C1009ABU, CABA Buenos Aires, Argentina

### www.aesandes.com

Santiago Stock Exchange Mnemonic Code: AESANDES

For inquiries or comments about this Annual Report, please contact the Communications Management of AES Andes at the e-mail address: comunicaciones.andes@aes.com

This Integrated Annual Report was published on April 11, 2024 and provides information for the year ended December 31, 2023.

Translation of the Memoria Anual Integrada de AES Andes originally in Spanish.



### References

US Dollars	US\$	Development Unit (Unidad de Fomento)	UF
Thousands of US Dollars	ThUS\$	Giga watt	GW
Chilean Pesos	CLP\$	Giga Watt per hour	GWh
Thousands of Chilean pesos	ThCLP\$	Tera Watt	TW
Colombian Pesos	COP\$	Tera Watt per hour	TWh
Thousands of Colombian pesos	ThCOP\$	Mega Watt	MW
Argentine Peso	ThAR\$	Mega Watt per hour	MWh
Thousands of Argentine Pesos	ThR\$	Hectares	На



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# Company Profile

[GRI 2-1, 2-6; NCG 461 6.1, 6.2]

# We are an Energy Company that accelerates the future of energy.

Together with our many stakeholders, we are improving lives by delivering the smarter, more sustainable energy solutions the world needs. The Company's diverse workforce is committed to continuous innovation and operational excellence, partnering with our customers in their strategic energy transitions.



National Electric System in Chile.



National Interconnected System in Colombia.



Argentine
Interconnected System.

# Installed Capacity: 5,524 MW\*



# Chile: 3,752 MW

We are one of Chile's first largest company in terms of generation and installed capacity. The combination of different sources and technologies, together with the geographic diversification, gives us the competitive advantage of not being dependent on any one resource to produce electricity.



# Colombia: 1,129 MW

We are one of the main operators of the SIN, with the fourth largest reservoir in the country and the largest solar self-generation plant in Colombia.



# Argentina: 643 MW

Our subsidiary TermoAndes currently sells exclusively to the SADI and is also connected to Chile through a transmission line owned by us.

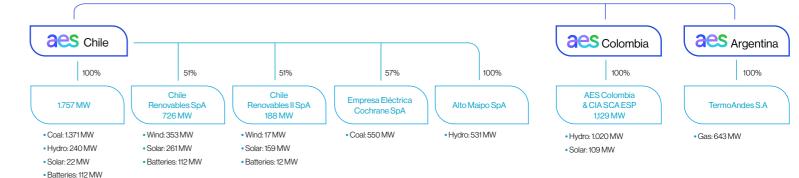
\* based on installed capacity

We are an open stock corporation listed in two Chilean stock exchanges: the Santiago Stock Exchange and the Electronic Stock Exchange of Chile, and we are part of the FTSE4Good Index.

The US company, The AES Corporation, is the indirect controller of AES Andes, through its 99.5% shareholding interest as of December 31, 2023.

# Simplified Organizational Structure [NCG 4616.2]





### Construction 847 MW

· Biomass\*: 13 MW

- · Solar of 396 MW
- Batteries of 386 MW
- Wind 65 of MW
- \* This asset was sold in 2024.

**Note:** For the complete organizational structure see Chapter 5.2 Group of companies  $\infty$ .

[GRI 2-23; NCG 461 2.1, 4.1, 4.2]

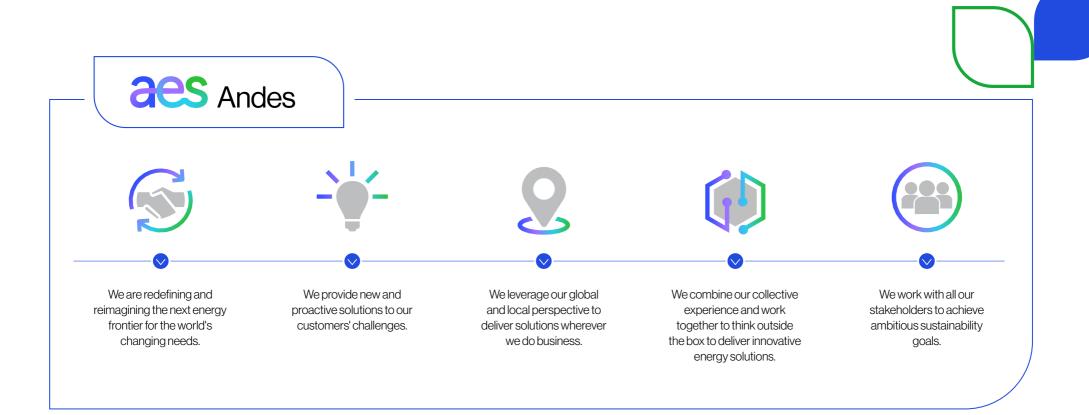


In AES Andes we know that each country, community and client with whom we work, is advancing in its path towards energy transition to meet the challenges imposed by climate change.

We work with each of them to help them make the transition by providing sustainable and innovative energy solutions.

We combine our expertise in power generation with our ongoing innovation and technology solutions to transform and create value for society as a whole.

# Together, we improve lives by delivering the most sustainable and intelligent energy solutions the world needs.



# Corporate Values

[GRI 2-23; NCG 461 2.1]

Our values guide how we work with each other and with our stakeholders. They are the essence of our culture and our drive. We strive every day to act in sync with them to achieve our goal of accelerating a more sustainable energy future, together.





Safety is at the heart of everything we do. We always identify potential risks to our people, contractors, customers, partners, and communities. We measure success by the certainty with which we work together, while contributing to a more sustainable energy future.



We act with the highest **integrity** toward our people, customers and partners. Together, we deliver solutions that meet global standards of **excellence**.



We work as a **team with our customers and partners.** We are **agile** in our response to changing
customer needs, and we celebrate
the successes of others by solving
big challenges as a team.





# AES Andes at a Glance

[GRI 2-6; NCG 461 2.3.4 c]

# Capital Structure



Shareholders' Equity

Y

**US\$1,481** 

Million



Financial Indebtedness

Y

**US\$ 2,750** 

Million



Cash Balance

V

**US\$ 228** 

Million



Reduction of principal paid in 2023

 $\overline{\mathbf{v}}$ 

**US\$ 252** 

Million

Stock exchange capitalization

**US\$959** 

Million

Price of share: \$81/share



Number of Shares

V

10,376,645,776

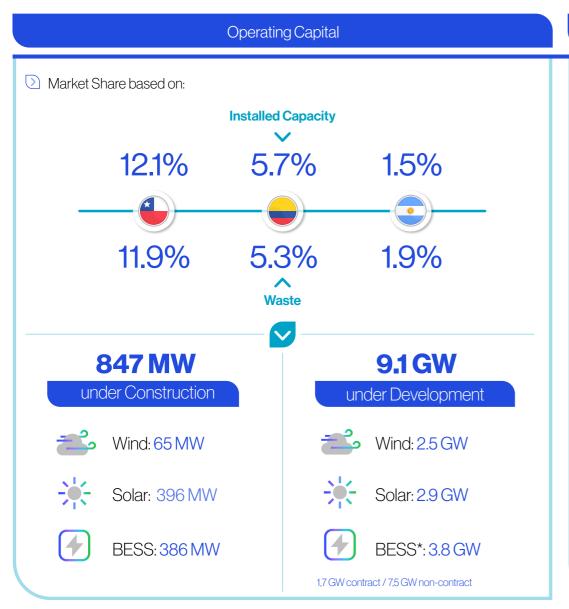
(804 shareholders\*)



(as of December 31, 2022)

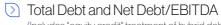
\* Individual shareholders at brokers and other dealers are not included.

# Value Creation Capitals in 2023



# Financial Capital





(Includes "equity credit" treatment of hybrid debt)



(as of December 31, 2023)

<sup>\*</sup>Battery Energy Storage System, BESS. Rounding differences may arise in the graphs.

# Value Creation Capitals in 2023

# **Human Capital**

# Capital Stock and Relational Capital

# Environmental Capital



 Recognized as a Great Place to Work in Chile, Colombia, Argentina.



·1,084 employees

**18%** women **82%** men



·57% unionized employees.

Chile: 81%
Argentina: 77%
Colombia: 15%



 O fatalities among our own employees and contractors in 2023.



 US\$ 564,788 invested in training and education.



- Total payment to suppliers US\$ 1,917 million.
- · No. of suppliers 1,955



1,311 Chile



252 Argentina



392 Colombia

\* Fuel suppliers and energy and power purchases are not considered



 US\$2.7 million in social investment between Chile and Colombia



• In Chile, we will implement 85 social investment programs and initiatives related to the following SDGs during 2023: Quality Education Decent work and economic growth, Sustainable cities and communities, Innovation and infrastructure, Clean water and basic sanitation, Affordable and clean energy, Action for climate, Life and terrestrial ecosystems, Peace, justice and strong institutions, with a cross-cutting focus on gender equality and partnerships to achieve the goals.



 Two Participatory Funds were implemented and developed in Chile to benefit communities in the area of influence of Mesamávida and Campo Lindo wind farms.



 During the construction of the San Matías Wind Farm in Chile, from January to December 2023, we contributed to the creation of more than 306 new job opportunities within the region.

44,4% of these positions provided direct benefits to the commune of Los Ángeles



 AES Andes in Colombia has a comprehensive human rights management program for all of its operations.



Accelerating decarbonization

1,097 MW of coal-fired installed capacity committed for closure after 2025. As of December 31, 2023, 322 MW of coal-fired power have been permanently disconnected from the system (114 MW in June 2022, and 208 MW in December 2023).



Renewable Installed Capacity

- 601 MW of solar, wind and battery generation completed in 2023.
- 1614 MW of renewable capacity completed since the inception of Greentegra (including 531 MW of hydroelectricity to the Alto Maipo affiliate, which will begin commercial operations in 2022).



 Investment in Renewable Energy Projects.

More than US\$402 million in wind, solar and battery capacity (including construction and asset purchases).



· Environmental Activities.

US\$ 20.2 million.



- ·Storage Systems.
- 184 MW completed since the inception of Greentegra.
- 386 MW under construction

(as of December 31, 2023)

# Our History 1889-2023



# 1889

Foundation of the Chilean Electric Tramway and Light Company

## 1921 🕏

Merger between Chilean Electric Tramway and Light Company and Compañía Nacional de Fuerza Eléctrica, giving rise to Compañía Chilena de Electricidad (Chilectra).

# 1981

Reorganization of the Company Chilectra Generación starts to operate independently, and the privatization process is completed.

# 1989 🔇

Change of name to Chilgener.

# 1996

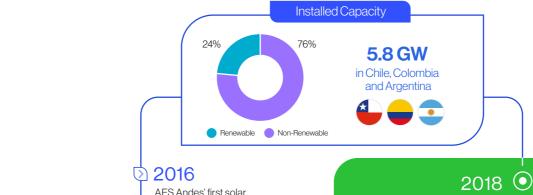
Beginning of operations in Colombia through the acquisition of the Chivor plant in the region of Boyacá.

## 1998 🕏

Change of name to Gener as a result of the internationalization of the company.

## 1999

TermoAndes starts operations in Salta, Argentina.



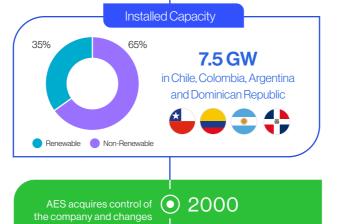
AES Andes' first solar power plant in Antofagasta.

# 2009 🖸

Chile's first battery energy storage system is installed adjacent to Norgener Plant.

### **2006**

Expansion stage begun in response to the Argentine gas crisis.



Transformational Greentegra Strategy: Renewable Energy expansion begins.

# Greentegra

## 2019

Execution of the agreement for the decarbonization of Chile's energy matrix.

# 2020 🔇

2022 🕏

- Inauguration of the Smart Center: remote operation of all plants in Chile and Digital Solutions Innovation Center.
  - AES Andes requests retirement of Ventanas 1 and 2.
  - Ventanas 1 starts the Strategic Reserve Status (ERE).

• Inversiones Cachagua completes the

Takeover Bid of AES Andes, through

which The AES Corporation reached

currently reaches a 99.5% ownership.

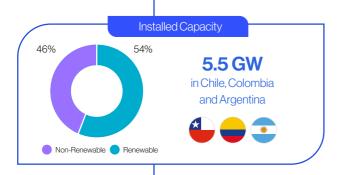
98.13% of the indirect ownership. It

 Final disconnection of the coal-fired unit Ventanas 1.

# 2021

- · Change of brand and name to AES Andes.
- Incorporation of GIP as partner in our renewable growth.
- · Sale of the subsidiary Guacolda.
- AES Andes announces the early retirement of the Ventanas 3 and 4 and Angamos 1 and 2 coal-fired units, which will be ready for closure by January 2025, as soon as allowed by system safety, sufficiency and economy.

# Our History 1889 - 2023



• Sierra Gorda meets all of its operational requirements with renewable energy supplied by AES Andes as of January 2023.



Febrero 🤇

# **January**



 Environmental assessment of the Pampas hybrid project is started.



### Marzo



**(** 

· Beginning of commercial operation of Campo Lindo with a capacity of 66 MW.

Beginning of commercial

for 5 hours of the largest

battery storage system in Latin America.

180 MW Solar + 112 MW ---

operation of Andes Solar IIb,

· Beginning of construction of the Andes IIa battery storage system

# August 3

June

Connection Child

- AES Andes reaches more than half of its portfolio in renewable energy.
- · Award of five plots of land in northern Chile to continue developing 100% renewable energies.





Andes Solar

- Acquisition of the Bolero Solar Plant with a capacity of 146 MW.
- AES Andes joins Pride Connection and reaffirms its commitment to promote sexual diversity and inclusion.





 Launch of challenge for students to propose solutions concerning green hydrogen.



# September





Norgener

 CNE authorizes the retirement of three coal-fired units of AES Andes, Ventanas 2 in December 2023 and Norgener in 2025

· Alba, a coal-fired power plant reconversion project receives environmental approval.

### November

4 hours.

# December 🕏



Ventanas 2



• Request to the Coordinator for the advancement of the definitive retirement of the Norgener coal-fired power plant to 2024.

• Beginning of operation of the storage system Virtual Reservoir

2 with a capacity of 50 MW for



 AES Andes and GIP expand their strategic partnership in renewable energy investment for more than 690 MW of solar, wind and battery power.



· Final disconnection of the coal-fired unit Ventanas 2.















# Letter from the Chairman of the Board and the Chief Executive Officer

[GRI 2-22; NCG 461 4.2]



# Welcome to our 2023 Integrated Annual Report!

The year under review has seen remarkable progress in our Greentegra strategy, mainly thanks to the commitment we have made together with our employees, partners, investors, customers and communities.

All together, we have managed to convert more than 50% of our portfolio to renewable energy. An achievement that seemed impossible just a few years ago, but which today fills us with enthusiasm and encourages us to continue to move forward with passion in our mission to accelerate the future of energy!

We are very proud to have reached significant milestones in our transformation to a more sustainable future, based primarily on the hard work and dedication of each and every one of our People.

Our journey has not been without its challenges, as we have had to operate in a tight local and international financial environment, with high interest rates and the challenges of the impact on our markets of the conflicts in Europe and the Middle East. However, thanks to sound financial and operational management, we have strengthened the resilience of our company, expanded our ambitious portfolio of renewable energy projects and fulfilled our commitment to decarbonize Chile.

Last year, we made significant progress on the agreements we signed to retire and dispose of our coal-fired assets,





All together, we have managed to convert more than 50% of our portfolio to renewable energy.

marking a milestone on our path to a more sustainable future. We definitively retired Unit 2 of the Ventanas power plant in Puchuncaví (Region of Valparaíso) two years ahead of our original commitment, which was completed in December. At the same time, we applied for the early and definitive retirement of the two units of the Norgener power plant, located in Tocopilla, on March 31, 2024, which was approved by the competent authorities in February 2024.

However, this transformation would not have been possible without the rapid and sustainable growth plan in renewable energy that we have successfully implemented, which resulted in the commissioning of 601 MW in our matrix last year alone.

Thus, in May 2023, the Campo Lindo wind farm, located in the Region of Biobío, began operating, adding new megawatts to our operational hub in the southern region. Meanwhile, in the Antofagasta region, in July 2023, Andes Solar IIb began contributing its energy to the system with cutting-edge technology, putting into service the largest battery bank in Latin America. In the north, we also added the acquisition of Bolero Solar, an operational project that will soon include significant storage capacity.

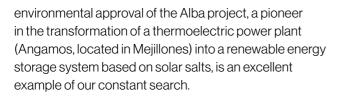
In the center of the country, we completed the commissioning of Virtual Reservoir II at our Alfalfal power plant, a storage facility that confirms our leadership in the energy industry and that is already available to a strategic area such as the Metropolitan Region.

Every new project we put into service demonstrates our commitment to our energy future. And we are not stopping there; we continue to build and develop new initiatives that bring us closer to our goal of 100% renewable energy. We continue to work hard to build 874 MW of solar, wind and battery capacity in each of the regions where we operate. In addition, we have approximately 2 GW of renewable projects under development in Chile and Colombia that are already under contract and we expect to announce the start of construction in the near future.

To support this growth, we are very proud to have extended our successful renewable investment partnership in Chile until 2023 with our partner Global Infrastructure Partners (GIP), one of the world's largest infrastructure asset management funds.

We continue to seek challenges in technological innovation that are sustainable and intelligent. The unanimous





In addition, we continue to work on the development of green hydrogen projects, in line with Chile's goal of becoming a world leader in this growing industry.

Convinced that our plants go beyond their contribution to energy development, it is essential to maintain



a harmonious and constructive relationship with the communities in which we operate. In this sense, our commitment is translated into a positive impact through various social investment initiatives, adapted to the reality of each area and in permanent dialogue with its inhabitants. At AES Andes, safety is our number one value, and we are proud to have been recognized by the Workplace Safety Institute and the National Safety Council for our sound safety practices.

We continue to work side-by-side with our customers as we execute projects to meet their needs and help them achieve their carbon neutrality goals. It is important for us to build a long-term relationship based on shared values and a vision of sustainable solutions for the future of generations to come.

The success of AES Andes is also measured by how we relate internally as a company. Our commitment to an inclusive and equitable work environment has also been recognized, as evidenced by our achievements in Great Place to Work: sixth place in the ranking and fourth place as the best place to work for women in Chile, in addition to our recertification to Chilean Standard 3262, which relates to the balance between family, work and personal life. As a result, we were awarded the "Iguala Conciliación" seal by the Ministry of Women's Affairs and Gender Equality.

Lastly, we would like to thank our employees, partners, investors, customers and communities for their support and contribution to the sustainable growth of AES Andes. We invite you to continue working with us to accelerate the future of energy.



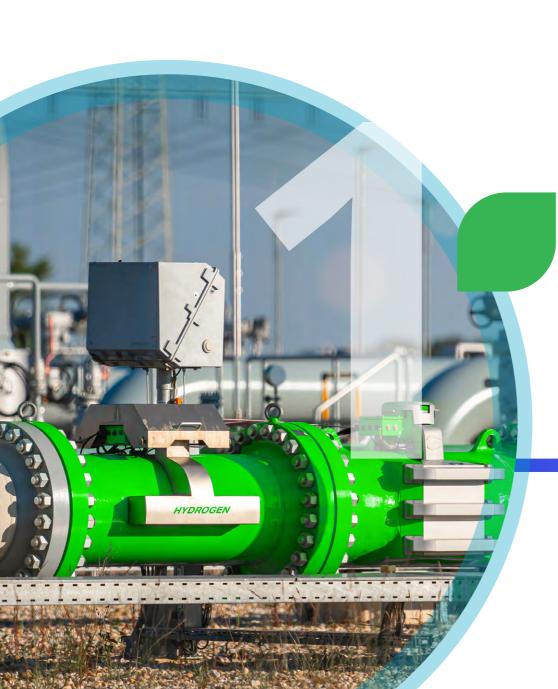


Juan Ignacio Rubiolo
 Chairman of the Board
 AES Andes



Chief Executive Officer AES Andes







Our Management Approach:

# Accelerating a sustainable future

Our Performance 2023



# Our management approach:

Our Management Approach:

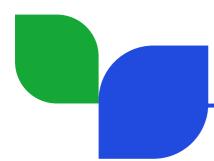
Accelerating a Sustainable Future

# Accelerating a Sustainable Future [GRI3-3;NCG 46141]]

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This chapter covers the following important topics:

- Climate Change and Energy Transition
- Customers and Consumers
- Environmental Management and Regulatory Compliance
- Labor Practices
- Communities
- Risk Management



# 1.1 Our purpose: Accelerate the Future of Energy Together.

[GRI 3-3; NCG 461 4.1, 4.2]





Strategic Goals









# GREENTEGRA 2018-2027

The energy sector has undergone changes and transformations in recent years, driven primarily by technological advances and innovations that enable the use of cleaner and more sustainable energy sources, as well as the significant progress being made around the world to address climate change.

Aware that we are a key player in this transformation, with a sustainable and innovative vision, since 2018 we have taken a firm step towards the implementation of the transformation Greentegra Strategy.

With sustainability as a cross-cutting principle of our strategy, we seek to effectively manage the risks and opportunities of our present and future and create value for all stakeholders through our three strategic objectives.

# Decarbonize our customer's

electricity supply.

# Reduce CO<sub>2</sub> intensity in our portfolio

Strengthen our investment grade

These strategic goals motivate us every day to advance in the decarbonization of our portfolio, growing our renewables business, and contributing to local development and social value in the communities where we operate.

We focus our efforts on three time horizons: short, medium and long term. The short term is typically a 1-2 year period, which we review and update frequently to maintain an accurate view of the market and the company's results. In the medium term, we see a window of generally 5 years, including updating our project portfolio, reviewing Greentegra's

compliance with objectives, project construction, etc. Longterm is generally considered to be a 20-year window for evaluating the development of new projects to be added to our portfolio, as well as for evaluating long-term renewable supply agreements.

Guided by our mission to improve lives by accelerating a more secure and sustainable energy future, and with our clear and well-defined values, we have set ourselves the goal of becoming a leader in innovative renewable energy solutions in South America.





# Transitioning AES Andes into a South American Leader in Innovative Renewable Energy Solutions

By adopting Greentegra, we are making the future happen today, and we are becoming a company that meets the current demands of society in terms of renewable energy and climate change. We kept moving forward with our goals throughout the year.



We have completed the final shutdown of Unit 2 of the Ventanas Thermoelectric Power Plant.

> December 31, 2023. 208 MW



We continue with the construction of:

- San Matías (82 MW Wind).
- Andes Solar IV (238 MW solar + 147 MW x 5-hour BESS).



the definitive retirement of the Norgener power plant (which was approved on February 8, 2024).

March 31, 2024



276 MW



We continue to reactivate the exchange of energy between Chile and Argentina through the InterAndes line.



We completed the construction of:

- · Campo Lindo: 66 MW of wind power.
- Andes Solar IIb: 180 MW of solar power + 112 MW x 5-hour BESS.
- Virtual Reservoir II: 50 MW x 4-hour BESS



We acquired the Bolero Solar plant.

146 MW Solar.



We started the construction of Andes Solar IIa BESS.

80 MW x 3-hour BESS



We obtained environmental approval for the Alba Project, the first project in the world to convert a coal-fired power plant into solar salts.



**aes** Andes

We have been recognized as a Great Place to Work in Colombia, Chile and Argentina.



Our Performance 2023

Our Management Approach:

Accelerating a Sustainable Future

We accelerated the shutdown of Unit 2 of the Ventanas power plant to the year 2023. This unit ceased operations and was removed from the National Electric System on December 31, 2023, after receiving approval from the National Energy Commission to complete its early retirement after 47 years of operation in the country. Unit 2 of Ventanas Power Plant has a gross capacity of 208 MW. The shutdown and earlier retirement of Unit 1 (114 MW) will avoid more than 2.5 million tons of CO<sub>2</sub>, the equivalent of removing more than one million vehicles from the nation's roads.

We maintain our commitment made in 2021 to expedite the retirement of coal-fired power plants, as part of the Decarbonization Agreement entered into with the Chilean



Government in 2019. We have committed to retire 4 additional units: Ventanas Units 3 and 4, located in Puchuncaví, and Angamos Units 1 and 2, located in Mejillones. These units are scheduled for retirement as of January 1, 2025, subject to the safety, adequacy and economic feasibility of the system. Once these 4 units are decommissioned, approximately 6 million tons of  $\mathrm{CO}_2$  will be reduced. This is equivalent to taking over 2.4 million private vehicles off Chile's roads.

Indeed, in 2023 we sought the early retirement of Norgener Units 1 and 2, each with a capacity of 138 MW, situated in Tocopilla. These units are set to cease operation by December 31, 2025, a proposal that has been approved by the authority. Subsequently, we requested to bring forward such retirement to March 31, 2024\*. Once Norgener's units stop are shut down, annual emissions will decrease by around one million tons of  $\mathrm{CO}_2$ , which is comparable to taking more than 400 thousand private vehicles off the roads of Chile.

To date, we have announced specific plans to retire 82% of the coal-fired capacity in our portfolio prior to the launch of the Greentegra strategy, in line with The AES Corporation's intention to substantially phase out coal by the end of 2025, with the potential to extend the retirement of certain units to the end of 2027.

Accelerating the sustainable energy transition in Chile, Colombia and Argentina, we continue to design and build smart, competitive and sustainable energy projects and solutions. This will allow us to add 2.7 GW\*\* of renewable energy and battery capacity in the markets where we operate between 2024 and 2027.

Over the course of the year we successfully completed the construction and started commercial operations at several

renewable energy facilities. This include the Campo Lindo wind farm in southern Chile, with a capacity of 66 MW, the Andes Solar IIb solar farm, in northern Chile, with a capacity of 180 MW, supplemented by a 122 MW x 5-hour BESS, and the Virtual Reservoir II in central Chile, with 50 MW x 4-hour BESS. We also acquired during the year the Bolero Solar plant, equivalent to 146 MW in the north of Chile. We have also made ongoing progress in the construction of our 82 MW San Matías wind project, as well as the Andes Solar IV project in Chile with a capacity of 238 MW of solar power, and a 147 MW x 5-hour BESS. We have also initiated the construction of the Andes Solar IIa BESS project in Chile, which features an 80 MW x 3-hour BESS.

We continued with the energy exchange between Chile and Argentina. The exchange of electricity is performed through our InterAndes line. It is a 345 kV transmission line with a length of 409 km between the Andes substation in Chile and the Cobos substation in Argentina. This will accelerate the energy transition of both countries, allowing up to 80 MW to be exported from Chile to Argentina during the day and up to 200 MW to be imported at night. In this way, it will be possible to displace diesel generation in Chile during the night, reducing systemic costs, emissions and also the input of renewable energy into the Chilean electric system.

We are accelerating the future of energy through the most sustainable and intelligent technological innovations. This is why, during the year, we received unanimous environmental approval for the Alba project, an innovative initiative that we are evaluating and that aims to transform the Angamos thermoelectric power plant into a large renewable energy

<sup>\*</sup> The request was approved on February 08, 2024.

<sup>\*\*</sup> Based on projects announced as of December 31, 2023.



Our Management Approach: Accelerating a Sustainable Future

Our Performance 2023

Corporate Governance: Ethics, Transparency and Excellence About this Integrated
Annual Report

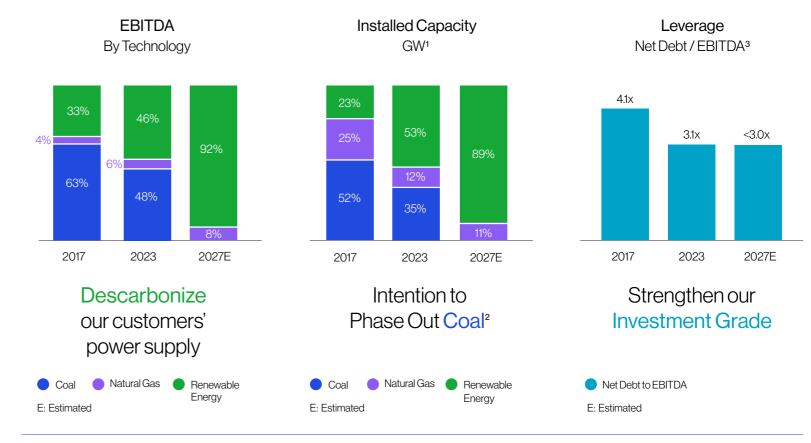
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storage and generation system using solar salts that would be heated with electricity from renewable sources. These salts would be stored for later use in electricity generation, reaching a capacity of 560 MW with both units in operation.

In conclusion, our robust financing strategy for transformation and efficient debt management will strengthen our Investment Grade rating by 2027. We aim to optimize our net debt to EBITDA ratio to less than 3.0x, which will ensure the necessary funding of the commencement of new construction projects.





<sup>1. 2027</sup> Installed capacity Owned (4.5GW) and operated (1.6GW) by AES Andes

3. Net Debt / EBITDA includes equity credit from hybrid bonds.

<sup>2.</sup> AES Andes is aligned with The AES Corporation's intent to substantially exit coal-fired generation by the end of 2025, with the potential to extend the exit of certain units to the end of 2027, while maintaining system reliability, adequacy and economics, and subject to necessary approvals



# Our commitment [GRI 305-5; NCG 461 4.3]

With the implementation of Greentegra, 89% of our capacity and more than 90% of our EBITDA will come from renewable energy sources by 2027. The integration of renewable energy projects into our portfolio and a gradual and responsible decarbonization process will reduce our CO<sub>2</sub> intensity by 84%.

Our Management Approach:

Accelerating a Sustainable Future

We are committed to ensuring that our coal-fired plants do not operate one day longer than necessary to meet our contractual obligations and ensure the reliability of the electric system.

By 2027, given our achievements since 2018, we will have increased our renewable capacity (including batteries) by 304% and reduced our coal-based installed capacity by 100%. We know that the path to carbon neutrality will not be without challenges, but at AES Andes, we see a 100% renewable future.

We have developed an efficient financing strategy that includes the integration of partners, contributions from our shareholders, debt and cash from the sale of non-strategic assets and our operations.

Thanks to this strategy and effective debt management, we are strengthening our Investment Grade rating and are on track to achieve our target of a net debt to EBITDA ratio of less than 3.0x by 2027. The majority of the investment needs of the projects built to date have been covered by AES Andes' capital, and we are also incorporating additional financing through partnerships with third parties for the development of renewable energy projects. The investment required to finance our renewable growth is projected to be nearly \$2.5 billion between 2024 and 2027. This will drive the

transformation of our portfolio with the addition of solar, wind, and battery projects in Chile and Colombia.

The AES Corporation has expressed full confidence in our strategy. At the end of December 2021, Inversiones Cachagua launched a Takeover Bid to acquire all the shares it did not already own, i.e. 33% as of December 31, 2021.

The transaction was completed in January 2022, and The AES Corporation increased its indirect ownership in the Company to 98% at the closing of the takeover bid, paying approximately \$530 million. At the end of 2023, The AES Corporation's ownership through Inversiones Cachagua in AES Andes reached 99.50% through additional purchases on the stock exchange made in 2022 and 2023.



# Carbon Intensity Reduction (tCO<sub>2</sub>e/MWh)



In relation to projects announced as of December 31, 2023:

(1) Includes Scope 1 emissions, with thermal assets sold between 2018 and 2021 excluded from the calculation base.

(2) AES Andes is aligned with The AES Corporation's intent to substantially exit

coal-fired generation by the end of 2025, with the potential to extend the exit of certain units to the end of 2027, while maintaining system reliability, adequacy and economics, and subject to necessary approvals.

(3) Includes owned and operated facilities.

# 1.2 Sustainability Strategy and Management

[GRI 3-3; NCG 461 3.1, 8.1.3]

Together with the communities in which we operate, our partners, and our customers, we are committed to reducing emissions to mitigate climate change and contribute to the efforts to limit the increase in the global temperature to below 2°C above pre-industrial levels, as outlined in the 2016 Paris Agreement.

In pursuit of this goal, which is at the heart of our management, we are leading the development of new innovative technologies that will allow us to decarbonize the electricity supply of our energy matrix and, consequently, the electricity supply of our customers.

We have gathered the requirements from The AES Corporation standards, national regulations and international standards (ISO 14001 and ISO 45001), to develop our own integrated management system, called CONECTADOS. Through CONECTADOS, we manage Occupational Safety and

Health, Environment, Quality and Asset Management issues, covering all operations of the Company and its subsidiaries in Chile, Argentina and Colombia. One of the tools of our parent company that we replicate locally to manage the business sustainably is our Management System Policy , which incorporates commitments and guidelines for Occupational Safety and Health, Environment, Quality, Asset Management, and our commitment to Cybersecurity in every process.

As AES Andes we also have a Human Rights Policy  $\infty$ , which formalizes its commitment and support to the Universal Declaration of Human Rights of 1948, consistent with the United Nations Guiding Principles on Business and Human Rights.



# 1.3 Business Model [NCG 46161]

Our resources to operate in the territories are mainly derived from: people who are the source of our human capital strength: the primary sources of wind, sun, water, fuel and their transportation

Inputs

Our key processes seek the progressive integration of renewable generation, adding value to the company and all our stakeholders.

key processes

Greentegra

Our main results for the future are the generation of renewable energies and the development of new innovations that will allow us to achieve greater efficiency in energy storage and solutions.

We create value by meeting the needs of our stakeholders - our customers, shareholders and the communities in which we operate - always in the context of our values and the social and environmental license to develop and operate.

Outcomes

Customers

# Employees





Coal





Wind

Gas





Providers



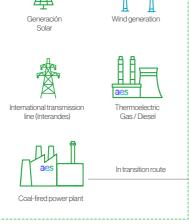


Run-of-river

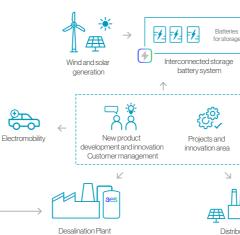




Business











Outputs



Management with customers









Customers















· Energy sold to customers 16,945 GWh.





### Human

Competencies, experience and capabilities of our employees



### Productive

Facilities and equipment for our operations, generation plants, storage, transmission infrastructure, and renewable energy structures.



### Intellectual

Brand reputation, deep understanding of the businesses in which we operate, knowledge and ability to develop new technologies, products and services that generate competitive advantages and value for the business



### Environmental

Renewable and non-renewable natural sources. used / consumed by our operations.



### Social and Relational

Ethical and transparent commitment to the relationship between companies and their stakeholders



Financial

Fund contributed by our shareholders, capital market issues and bank loans.

# Our outcomes

### > Investors and shareholders

Desalinated Water Solutions



- · EBITDA 2023: US\$686 million.
- · Risk Rating: Baa3 / BBB- / by Moody's, S&F
- Dividends distributed US\$ 252 MM (2023).

## > Communities





 Over US\$2.7 million in social investments. 100% of AES Andes operations have social investment and community participation

programs

· AES Colombia has a comprehensive human rights management program for all of its

### > Employees



Distributed energy

Green hydrogen

- · Payment of Salaries and Benefits US\$ 86 MM · Lost time accident with our own personnel: 0
- Occupational examinations of our personnel. • 0 fatalities among our own employees and
- contractors.

### > Suppliers



- - · Payments to AES Andes suppliers: US\$ 1,917 million.
  - No. of AES Andes suppliers: 1,955
  - Compliance with 100% of contracts >US\$ 100,000

### > Customers

solutions







### > Environment





- Committed to retire Ventanas 3 and 4 and Angamos 1 and 2 as early as 2025. 322 MW of coal-fired capacity retired and 276 MW committed for retirement by 2024.
- · Aim to increase renewable capacity by 304% and reduce carbon intensity by 84% between 2017
- · An investment of US\$402 million in renewable energy in 2023.





# 1.4 Safety and Health of our People

[GRI 3-3, 403-2, 403-3, 403-4, 403-5, 403-6; NCG 461 5.6]

At AES Andes, our commitment to the integrity of our employees is reflected in our first value, "Safety First." For this reason, as is our custom, at the beginning of 2023 we undertook a comprehensive review and analysis of how we could further strengthen occupational safety and health in our workplaces. Applying the highest standards in occupational safety and health to create and maintain an incident-free workplace is one of the essential elements to achieve this goal, together with the commitment of the "All Together" teamwork, with our workers, contractors and community.

In this way, and as a result of the work developed, we were able to meet the goals set for the year 2023:

- Zero fatalities.
- Achieve a serious injury potential (SIP) rate.
- Achieve 95% or greater attendance at safety meetings.
- Perform all assigned Safety Walks.

Our leaders play a key role in ensuring that we maintain a

robust safety culture by leading, communicating and clearly establishing safety as our first value and the highest priority in everything we do. Through this leadership and ongoing prevention efforts, we focus on the important goal of ensuring that each and every one of our People returns home safe and sound every day.

# Preventive Management

In our organization, we uphold an integrated Management System Policy . This policy underscores our commitment across all our business units, ensuring that our actions and decisions consistently align with our core values, beliefs, cardinal rules, and safety principles.

Indeed, our organization places paramount importance on the safety and health of our employees, contractors, and neighboring communities. This commitment is deeply ingrained in our management practices and actions. We continually foster and uphold a culture of safety, ensuring its sustainability over time.

Our robust and dynamic work plans ensure adherence to

established guidelines and commitments to put safety first. For this purpose, we develop a range of proactive preventive activities and tools, including:

### Monthly Safety Message:

Monthly activity developed in all our business units, led by the heads of each unit and involving all our internal and external partners. The objective is to raise awareness and encourage reflection on our incidents, extracting valuable lessons from each. We disseminate different topics related to our indicators (trends) and promote the replication of successful preventive actions.

### Stop Work Authorization:

A proactive and preventive tool, endorsed by our top leader. It empowers every AES Andes employee, including contractors and visitors, to halt any operation when they identify a situation posing a risk to individuals. This tool is highly valued as it serves as the final preventative barrier in the field to prevent incidents.



**aes** Andes

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## Safety Day:

This is a day marked by great participation and reflection, where all employees across the different facilities dedicate their activities to the celebration of a Safety Day. During this event, our leaders deliver a powerful and meaningful message aimed at reinforcing our safety culture and bolstering our unwavering commitment to our first value.

### Safety Walks:

These are among the most effective proactive and preventive tools that we maintain in our company. They primarily involve on-the-spot interventions by our managers with people during various workplace activities. This open interaction between leaders and team members during their routine activities or tasks allows for the identification of potential safety risks and unsafe behaviors, paving the way for improvement opportunities. This approach is aimed at controlling and eliminating potential incidents in the workplace. Over time, this visible and close leadership has strengthened our culture of occupational safety and health.

## Observations and Safety Inspections:

A group of preventative activities are carried out on a monthly basis, focusing on ongoing work, equipment and facilities. Supervisors and workers actively participate to identify deviations, uncover opportunities for improvement, and recognize existing strengths in the field.

# Behavior-Based Safety Program (PCS, for its acronym in Spanish)

This is a methodology rooted in the discipline of psychology, tailored to enhance occupational safety. It can be applied across various domains related to occupational safety and health, encompassing both operational areas and transmission and construction projects. The program focuses on the study of human behavior and seeks to equip individuals with the tools necessary for education and re-education, thereby effectively enhancing preventive behaviors and attitudes.

It plays a significant role in the ongoing enhancement of our safety culture and management systems. This program serves as a valuable resource in supporting the safety and organizational development areas, taking into account the mental health of individuals as a crucial factor in cognitive processes and safe decision-making.

# Safety Monitors:

This role is filled by an employee who has been trained in a variety of preventive techniques to foster safe behaviors and attitudes among workers. They continuously identify and evaluate emotional states that could pose risks in the execution of tasks. The Safety Monitor's role extends to promoting best practices in both occupational safety and mental health.

Their interventions, whether aimed at behavioral correction

or providing psychological first aid (if necessary), are approached positively to ensure effective assimilation. In 2023, we focused on enhancing feedback mechanisms, identifying behavioral aspects that could pose risks, and fostering profound awareness to facilitate impactful learning in the promotion of safe work practices.



As a company, we have an occupational safety and health management system structure in each of our subsidiaries, adhering to the international standard ISO 45001:2018. The system is integrated with the international environmental standard ISO 14001:2015. In 2023, the second follow-up audit for our multisite certification was conducted, thereby ensuring the continued validity of our management system certification.

The multisite certification process for AES Andes in 2023 included sampling from our operations in Chile, specifically our Headquarters, the Nueva Tocopilla Power Plant and TSING, as well as our operations in Argentina and Colombia. The results of this sampling process are significant as they take into account the entirety of AES Andes' operations.

At AES Andes, we conduct an annual review of our Integrated Management System Policy. Our Senior Management team is actively involved in defining commitments with the management system, prioritizing the health and safety of our employees and collaborators.



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The main occupational safety and health commitments are:

- To integrate Occupational Safety and Health, Environment, Quality, Asset Management and Cybersecurity into each process and task, thereby fostering an organizational culture that upholds these requirements.
- To ensure compliance with all applicable requirements.
   This includes the regulatory framework relevant to the business, AES benchmark regulations, programs, policies, standards, principles, and beliefs, and voluntary commitments made to our customers and stakeholders.
- To identify hazards and assess associated risks, and define and implement measures in accordance with the control hierarchy. This is done to eliminate hazards, minimize risks, and provide safe and healthy conditions that prevent injuries, occupational illnesses and property damage related to our activities.
- To analyze, monitor and manage environmental impacts, prevent and mitigate potential effects, uphold a commitment to environmental stewardship, ensure efficient use of natural resources, conserve areas of high biodiversity value near our operations, protect species of conservation concern in those areas, and foster relationships with the communities where we operate.
- To integrate climate change mitigation and adaptation strategies into business analysis and development, in alignment with the regulations and commitments adopted by each country.
- To ensure the anticipated performance of assets through the use of methods and technologies that allow to maintain a systemic and sustainable vision, optimize their

performance throughout their lifecycle, and manage the associated risks, costs and opportunities in line with the specific strategies of each business.

- To ensure the continuity of critical business functions in the event of a crisis situation that could jeopardize the continuity of our services.
- To drive and expedite initiatives related to the transformation of our asset portfolio and the digital transformation of the business.
- To promote the continuous improvement of Management Systems and provide the necessary resources to ensure compliance with the obligations of the Management System Policy.

Each year, we establish goals aimed at enhancing our performance in Occupational Safety and Health. To achieve this goals, we set specific targets and develop periodic action plans, and follow-up strategies to ensure compliance across various business units.

We conduct both internal and external audits to assess compliance with regulatory requirements, standards, and protocols related to occupational safety and health. These audits are carried out by qualified personnel. Based on the audit results, we formulate specific action plans to address any identified gaps and ensure the continuous improvement of our processes and integrated management system.

In addition to system reviews through audits, we annually measure the Safety Culture in AES Andes' businesses using the Safety Management System Scorecard (SMS Scorecard) tool. This tool enables us to gauge the perceptions of our employees, including contractors, through on-site

interviews. These interviews provide first-hand feedback on occupational safety and health issues, allowing us to generate action plans based on the results obtained.

# Other activities associated with the management system:

During 2023, with the involvement of the Occupational Safety and Health (OSH) teams and, when appropriate, the Operations, Maintenance and Construction teams at each workplace (offices, operational and or under-construction plants), we updated the OSH procedures. Additionally, we began integrating these processes into the Conectados Management System for AES Andes.

In the second half of the year, we conducted the training related to the use of our new digital platform for managing work permits, known as ePas. Furthermore, we developed the procedure for implementing this new system within AES Andes.

During this period, we initiated new activities aimed at improving compliance in the evaluation of legal requirements at AES Andes sites. One such activity was the monthly workshops with specialized consultants. These workshops enabled us to generate case studies to guide us in OSH legal areas and their applicability, leading to significant

progress in compliance.



# 1.5 Transformation and Innovation to Improve Lives

[GRI 3-3; NCG461 3.1]

We define innovation as the process of creating and capturing value, both for our business and our environment. This involves developing new solutions for our customers and the markets in which we operate, enabling us to enhance processes and incorporate more efficient technologies into our operations.

> Our mission. "Accelerate the future of energy, together", enables us to lead the transformation of the energy industry across all our subsidiaries. Innovation serves as the driving force behind these changes, allowing us to maintain a high level of competitiveness in the region and earn the recognition of our customers, communities and respective authorities.

# Innovation in the Corporate Identity

Innovation is nurtured throughout the company, and we embody it through three pillars that guide our processes and governance. These pillars are the Core, New, and Exponential Innovation Systems. While they operate with distinct focuses, they share synergies and collectively drive innovation.

In this manner, all AES employees worldwide can find a place where they can contribute value, either by helping to identify opportunities and generate new ideas, or by participating in the development of innovation projects. Employees also have access to training to enhance their skills and knowledge in this field.











Core	New	Exponential	11/
Transforms how we operate by enhancing our processes and generating value.	Creates solutions to cater to the needs of our customers.	Develops new business models that align with our strategic vision.	

The Core System is designed to develop initiatives that enhance internal processes by revolutionizing the way we operate. As part of the AES Performance Excellence (APEX) program and in line with the strategy defined by The AES Corporation, we are optimizing our internal management to foster greater innovation, efficiency, and process improvement in our daily operations.

We hold open competitions annually within the company, where any AES member worldwide can submit an APEX project. Winning projects are then implemented.

The New System is designed to develop supplementary solutions that enhance electricity supply, aiming to meet our customers' needs and assist them in navigating the challenges of the energy transition. This system is spearheaded by Solutions Innovation, which is guided by a Global Innovation Committee that provides strategic direction, budget, and technical support. Local leaders persistently monitor the various stages of initiative development, offering strategic vision and direction based on customer needs.

The Exponential System is a part of AES Next, a company within The AES Corporation, established to develop new businesses focused on technology in areas that align with our efforts to address our customers' energy challenges. These areas include: Flexible Capacity, Smart Grids, Zero Emission Energy, Electrifying Everything and Digitalization. AES Next has an Incubation Committee that meets quarterly to determine the focus of innovation, strategic direction and investment levels.

# Open Innovation

As stated in our mission statement, at AES Andes we believe strongly in collaboration to accelerate the future of energy, and innovation is no different. We foster relationships and work with startups, research centers and universities, which help us to accelerate our innovation initiatives and contribute to the development of the innovation ecosystems where we operate. At AES Chile, for example, these activities are channeled through our innovation laboratory.



# High-impact Innovations for Energy Transformation

We are introducing large-scale technologies in the markets where we operate, facilitating the integration of renewable energy sources into the energy matrix, supporting the sustainable growth of new customers in the region, and staying at the forefront of changes in the electricity market to provide our customers with comprehensive, reliable and clean solutions. An example of this type of innovation include Green Hydrogen and Storage applications.

For more information, see Chapter 2.4. Our Projects under Construction and Development

# 1.6 Moving Forward Together with our People

[NCG 461 3.1]



Our teams are a pivotal element in AES Andes' growth strategy. In the context of the energy transition, our goal is to equip them for the emerging energy scenario in our country.

Talent development across all areas of the company has been a significant focus for us. We have consistently stayed at the forefront of knowledge, partnering with prestigious universities that have contributed valuable insights to the training of our professionals. We consider relevant to enhance our employees' skills, cultivate a spirit of innovation, and foster a pleasant working environment that enables our employees to balance work with personal or family life.

AES Andes teams hail from diverse backgrounds and cultures, and for this reason, we have consistently promoted respect for diversity in all its forms, guided by the prevailing laws and our internal policies.

Our company is also committed to the inclusion of women, empowering our internal female workforce and promoting the recruitment of top female talent, with the aim of achieving gender equality.

We persist in strengthening our Management System for gender equality and the reconciliation of family, work, and personal life. This ongoing effort has made us the first company in the energy sector to obtain the certification of the Chilean Standard 3262 on Gender Equality and Parity, in both its 2012 and 2021 versions.

This certification enabled us to receive the Iguala Seal from the government, through the National Service for Women and Gender Equality (SERNAMEG). Consequently, we continue



In line with our goal of developing the female talent within our Company, we launched the internal communication campaign "Mujeres con Energía" (Women with Energy). This campaigned encouraged and inspired through real stories of achieving professional goals and becoming leaders in the organization, and inolved participation in different events that serve as an inspiration for women.



As with each year, we continue to design opportunities for growth and specialization targeted at women, ensuring equitable growth.

to participate in various initiatives related to the Ministry of Women's Affairs, striving through this work to close the gaps in the hiring of women in the energy sector.



We persist in providing nursery and kindergarten allowances to all eligible women to assist them in caring for their children, enabling them to continue their professional roles.

In 2022 and 2023, we promoted the *Maternity Revolution* program for pregnant women and/or women with children in the first months of life. This program supports during this phase and guide them in managing their return to work, creating support networks, facilitating conversations with management, coordinating legal and company benefits, among other things. Ninety percent of pregnant women participated in the program, which was very well received.



# Our People:

Our workforce and focus comprise AES Andes employees, union organizations and company leaders, forming our primary Internal Stakeholder Group.

Through our internal communications, we maintain constant contact via various dedicated channels.

Work schedules are designed to reflect the realities of each position. We have special working days for the round-the-clock operation of our power plants and renewable energy facilities. During normal working days in the corporate world, employees have the option to work in a hybrid mode, leveraging our Home Office Policy, which allows for working from home two or three days a week.

# 1.7 Our Environmental Policy

[GRI 2-23; NCG 461 3.1 4.2, 8.1.3]

Respect for the environment and the preservation of biodiversity are key factors in our management and corporate policies. For this reason, our Management System Policy, which defines the commitments and guidelines for Occupational Health and Safety, Environment, Quality, Asset Management and Cybersecurity, is reviewed from time to time, with the most recent version dated June 2023, as we are committed to constantly adapting to the needs of the environments in which we operate.

Our policy applies equally to AES Andes and all of its subsidiaries, which in their daily operations recognize environmental protection as an essential part of business performance and consider the following commitments:

- To integrate Occupational Health and Safety, Environment, Quality, Asset Management and Cybersecurity into each process and task, thereby fostering an organizational culture that upholds these requirements.
- To ensure compliance with all applicable requirements.
   This includes the regulatory framework relevant to the business, AES benchmark regulations, programs, policies, standards, principles, and beliefs, and voluntary commitments made to our customers and stakeholders.

- To identify hazards and assess associated risks, and define and implement measures in accordance with the control hierarchy. This is done to eliminate hazards, minimize risks, and provide safe and healthy conditions that prevent injuries, occupational illnesses and property damage related to our activities.
- To analyze, monitor and manage environmental impacts, prevent and mitigate potential effects, uphold a commitment to environmental stewardship, ensure efficient use of natural resources, conserve areas of high biodiversity value near our operations, protect species of conservation concern in those areas, and foster relationships with the communities where we operate.
- To integrate climate change mitigation and adaptation strategies into business analysis and development, in alignment with the regulations and commitments adopted by each country.
- To ensure the anticipated performance of assets through the use of methods and technologies that allow to maintain a systemic and sustainable vision, optimize their performance throughout their lifecycle, and manage the associated risks, costs and opportunities in line with the specific strategies of each business.

- To ensure the continuity of critical business functions in the event of a crisis situation that could jeopardize the continuity of our services.
- To drive and expedite initiatives related to the transformation of our asset portfolio and the digital transformation of the business.
- To promote the continuous improvement of Management Systems and provide the necessary resources to ensure compliance with the obligations of the Management System Policy.

All of our business units are responsible for implementing this policy in their day-to-day operations, whether it is in the selection or evaluation of suppliers, the development of new services or projects, logistics planning, biodiversity, water, effluent, emissions and waste management, engineering or maintenance operations, and due diligence for mergers and acquisitions.

More information in the Integrated Safety, Hygiene and Environment Management Policy co.







# Care for the Environment and the Preservation of the Corporate Environmental Standards [GRI 3-3]

Our Management Approach:

Accelerating a Sustainable Future

As AES Andes, we have corporate guidelines that correspond to those of the The AES Corporation, and are materialized mainly in the lines of action defined by the EHS (Environmental, Health and Safety) Standards. These guidelines, which are updated from time to time, establish performance requirements in addition to local regulations applicable to the management of each business in Chile, Colombia and Argentina, which are adapted to local requirements through their own procedures and instructions.



# The AES Corporation Environmental Standards

The AES Corporation's Environmental Management System Framework.	Requirements for Dams and Hydroelectric Plants
Spill Prevention and Containment Corporate Standard.	Financial Reporting Obligations concerning Environmental Issues.
Hazardous Waste Requirements, Corporate Standard.	Management of Contractor's Potential Environmental Impacts.
Handling of Chemicals and Raw Materials, Corporate Standard.	General Environmental Requirements and Prohibitions.
Environmental Incidents Non-conformance Events (ENEs) and Environmental Near Misses) and Management of Environmental Operating Events (EOE).	Biodiversity Assessment and Protection





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# ISO 14001 Certified Management System

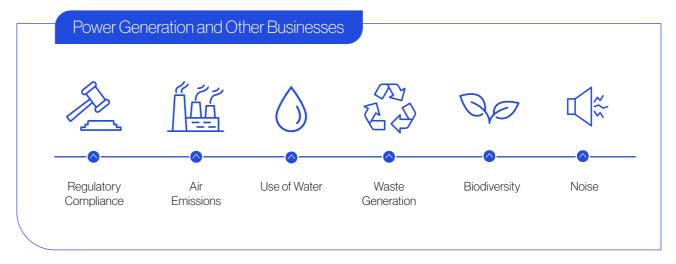
To develop our integrated management systems and manage environmental, safety and health issues in all of our operations, we gather requirements from The AES Corporation standards, local regulations and international standards. As of 2021, we have begun the process of unifying the management systems in Chile, Colombia and Argentina, which will allow us to obtain a single certification in accordance with the international standard ISO 14001 and to have it validated by a single certification body. In 2023, the certification was validated, confirming its validity until 2024. At that point, the certification process must be renewed for an additional three years. Currently, 94% of our operations have achieved certification. The remaining business unit is slated to commence the management system certification process during the 2024 renewal cycle.

# AES Andes and Subsidiaries Environmental Management Approach

As part of the management of each business, we set environmental targets and indicators for the key environmental aspects of the power generation processes, as shown below. Chapter 2, Key Environmental Performance Indicators, presents the annual results of these indicators, along with the definition and scope of each indicator.

(2)

Main Environmental Aspects Managed by AES Andes



See the "Key Indicators of Environmental Performance" section for more details on the definition and scope of each key performance indicator.

In this way, based on our environmental management, we respond to our material issues and work to contribute to the following Sustainable

Development Goals (SDG):













# 1.8 Commitment to Local Development

[GRI 2-23, 3-3, EU19; NCG 461 2.1, 4.2]

Our community engagement strategy has common elements across our operations and projects in Chile, Colombia and Argentina.

However, our actions are adapted to the realities of the different territories, recognizing our neighbors, local governments, territorial and functional organizations as key players in our medium- and long-term strategy.

On the other hand, our social investment activities are framed within the transformational Greentegra strategy and articulated in accordance with the 2030 Agenda for Sustainable Development led by the United Nations, in line with the Sustainable Development Goals (SDGs), and within the UN Guiding Principles on Business and Human Rights. This provides a general framework for our social management strategies and how we contribute to social, economic and environmental balance in the areas where we operate.

Our performance is governed by AES Andes' Local Community Engagement and Relations Policy , which sets the guidelines for our relationship with the environment. The ultimate goal is to achieve business goals by acting in a responsible, effective, efficient, participatory and sustainable

manner for a collaborative and lasting relationship that allows the communities in the area of influence of our operations and projects to benefit from our social investment programs in order to contribute to the local development of each of the territories.

The relationship is established at an early stage, from the development of the projects, and in continuous work with the communities, social organizations and local authorities.

We work through bilateral or tripartite meetings, working groups, consultation procedures and constant contact with the representatives of the territorial and functional social organizations of the communities in which we operate. This work is conducted in a systematic and long-term manner.

For this reason, our social investment strategy is designed to align with the Sustainable Development Goals (SDGs) that have an impact on local development, including quality education, decent work and economic growth, and sustainable cities and communities. In 2022, we began integrating the SDGs related to gender equity and partnerships into the cross-cutting pillars of our social investment strategy.

In 2023, we plan to use the impact management tool to monitor the performance of select social investment programs, including the Business Strengthening Program. We will evaluate the growth in sales, the rise in local employment, the rate of participants securing jobs linked to the training tools they received, among other key indicators.

These measures will guide our efforts towards achieving the program objectives.





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Greentegra as a strategy is applied to our businesses in Chile, Colombia and Argentina. Success is measured by four pillars, one of which is creating value for our stakeholders, including communities.

#### Social Investment Strategy

Develop, implement, and execute social investment projects for the communities of the area of influence of our operations or construction projects, based on Local Development as guiding principle:

#### **Local Development**

We work in three focus areas



Technical education and training /social investment in line with business strategy.



Contribute to local development / economic ventures of mutual interest.



Development of community-use infrastructure projects/improving the quality of life by reclaiming public spaces.

Our areas are guided by the Sustainable Development Goals set forth in the United Nations 2030 Agenda for Sustainable Development



Quality Education



Decent Work and Economic Growth



Sustainable Cities and Communities



Gender Equality



Partnerships to achieve goals

#### This is how we attain our goals



Creating sustainable programs, social benefits and long-term commitments.



Building public-private partnerships, increasing legitimacy, and sharing costs and risks.



With permanent relations and work with stakeholders.

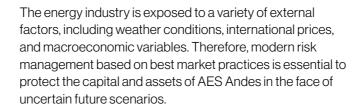


With a social impact measurement and management system.



[GRI 2-23, 2-12, 3-3; NCG 461 3.6]





For us, risk management is part of the company's DNA, as it allows us to anticipate our strategy and its long-term execution in each of our operations, seeking to anticipate situations where there is a possibility of suffering a deviation from an expected result and which we have identified as a strategic process, managing it responsibly, efficiently and effectively towards profitable growth and value creation with a view to our stakeholders, in both normal and exceptional circumstances.

For this reason, we have a Risk Unit that performs qualitative and quantitative scenario analysis through the business risk management processes, taking into account contexts related to the impact of geopolitical and economic partnerships and regulation in the electricity sector, which includes Environmental, Social and Governance (ESG) issues that could affect the implementation of the strategy and its results.



AES Andes' management is responsible for managing and evaluating the Company's risks, including communicating the most significant risks to the Board of Directors.

The Board oversees the risk management practices implemented by management. In addition, if a particular risk is material, or when appropriate, the Board may assume oversight of a particular risk. The Board's oversight is provided primarily through management's regular reporting on risk areas and analysis with management regarding risk assessment and management, as described below:

The Board has delegated oversight of the risk management process to management. To this end, we have a Risk Management Committee and a Regional Risk Director. The Risk Committee, a body in which the CEO of AES Andes and the Risk Director actively participate, meets monthly to analyze situations and operations that could pose a risk to the Company, and then to express and adopt resolutions. The powers of the Risk Committee are limited according to the nature of the risks identified and the assessment of their estimated materiality.





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Based on information provided by the Chief Risk Officer, the Risk Committee, Internal Audit and the external auditors, the Board of Directors periodically assesses the quality and adequacy of management control procedures and policies.

At least twice a year, the Chief Risk Officer or other members of management involved in risk assessment attend Board meetings to provide an update on risk assessment and policies. Internal Audit reports quarterly to the Board of Directors.

## Enterprise Risk Management Program

We continue to make progress in analyzing the state of the Company's risk culture and identifying the strategic and tactical risks that distract us from executing our strategy.

We assign risk management responsibilities to individuals, create action plans and implement a systematic follow-up of risks, which were reported to the Risk Management Committee. We review the status of our plans on an annual basis through our ongoing risk measurements, and we have developed methods to measure effectiveness and efficiency prospectively and retrospectively.

We use and document various qualitative and quantitative measurement methods to adjust risk mitigation strategies and assess impact.

#### Risk Model

Our policies and systems are designed to manage, mitigate and transfer the potential risks to which our business is exposed, using a model consisting of the following lines of action:

- 1. Risk Area: Establishes policies and procedures and advises the business units on creating a risk culture.
- Internal Audit: an independent function that evaluates the design and effectiveness of risk mitigation plans and makes recommendations to improve processes.
- 3. Management Control of each Area: with their respective monitoring and follow-up resources, manages the risks in the normal course of the Company's business.

Sustainability risk is also part of our comprehensive risk analysis as we transition to a new business model within the Company that aims to increase the renewable capacity in our portfolio.

#### Sensitivity Analysis and Stress Tests

We continuously monitor water stress, solar radiation, wind speed, and other potential impacts on both energy prices and financial results for all of our businesses.

To inform stakeholders about the strengths and resilience of its global business portfolio, The AES Corporation published its second Climate Scenario Analysis report con accordance with the recommendations of the Task Force on Climate Financial Disclosures (TCFD), which provides guidance on managing the uncertainties and opportunities associated with climate change.

This report focuses on the main risks associated with climate change: transition risk and physical risk, and how they would affect our portfolio. Transition risk includes a regulatory risk with economic implications that would arise if the portfolio is not decarbonized in a timely manner, while physical risk refers to the potential damage to generation assets from extreme weather events such as hurricanes, floods, or fires.

The modeling showed that the portfolio's resilience to transition risk is significantly high, as the portion of the margin exposed to coal is insignificant (<1% in 2030, and 0% in 2040). The strategy of the coal plants is to provide sufficient capacity payments to the grids, free from the regulation associated with decarbonization.

In terms of physical risk, the portfolio's resilience is also very high, mainly because the proportion of assets in locations considered risky is already very low (10% as of 2020 and 8% as of 2030). This percentage is expected to shrink further in the coming decades as we shift our underlying business from a relatively modest number of large conventional energy sources to an accelerated development of a large number of smaller, low-risk renewable assets.



## Climate Risk Committee [GRI 201-2]

Risk management is one of the key strategic guidelines of our Greentegra Roadmap, which considers the collaborative work of the different professional teams of AES Andes to ensure safe growth and value creation as a competitive advantage.

Given the staggering effects of climate change, in 2023 we continued the Climate Risk Committee, which aims to identify and mitigate risks associated with hydrology, wind and solar radiation and their impact on AES Andes' assets. The succession of Climate Risk Committees held in recent years has enabled us to generate a database in 2023 that allows us today to estimate the volatility of our portfolio generation and to understand the impact of the technological and geographic diversification of our assets.

We also continued to expand the scope of our market risk metrics to include operational risk.

#### Cybersecurity

It's important to note that safety is a core value of AES. In recent years, cybersecurity in the electricity sector has emerged as a significant concern due to the exponential increase in cyberattacks worldwide. The energy sector, particularly the electricity sector, has become a prime target for cybercriminals due to its strategic importance and interconnection with other critical infrastructures.

The surge in cyberattacks in the energy sector reflects the escalating sophistication and audacity of cybercriminals. Such attacks can have severe consequences, including

power outages and damage to critical equipment, potentially leading to substantial economic losses and threats to national security.

Therefore, it's of paramount importance to protect critical infrastructures, such as electrical infrastructures, to the highest standards. Cybersecurity not only encompasses the implementation of technologies and processes to protect systems and networks but also involves creating a security culture that includes training and awareness for all AES employees. This aligns with another one of our values: All Together.

In summary, in an increasingly digital and connected world, cybersecurity in the electricity sector is essential to ensure service continuity, protect critical assets, and maintain public confidence in the energy supply.

Within The AES Corporation, the Chief Cybersecurity Officer is the highest authority, responsible for implementing and executing the company's programs in the region, as well as ensuring compliance with the cybersecurity standards of each country's regulatory agencies. Locally, the AES Andes Cybersecurity Leader reports to the Global Cybersecurity Vice President.

#### Cybersecurity Risks

Risk management in the electricity sector is a vital component of cybersecurity. The key is to identify and assess the potential risks associated with cyber threats, and then implement appropriate mitigation measures. This includes industrial control system protection, grid security, data protection, and incident response. In addition, it is critical to stay updated

on the latest cybersecurity trends and threats and adapt risk management strategies accordingly. Finally, risk management must be a continuous effort, as the cyber threat landscape is constantly evolving.

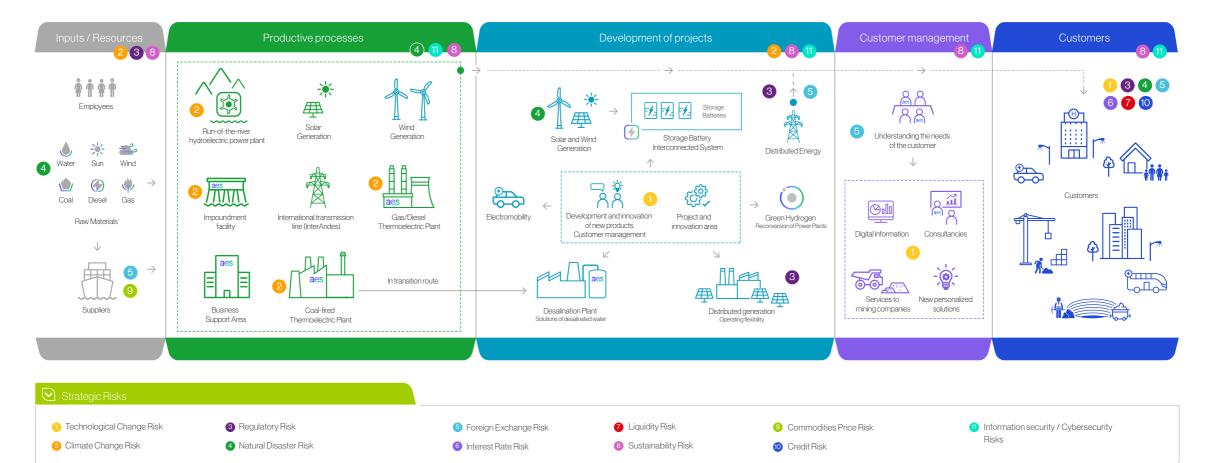
In 2023, at AES, we conducted 2 desktop exercises for Colombia and Chile, involving different areas of the company: Legal, Digital, General Services, Operations, Cybersecurity, Communications and Environmental, whose main objective was to evaluate our collective knowledge on



how to handle a real cybersecurity incident from all these perspectives. This is a significant improvement, as previously only the Digital, Operations and Cybersecurity areas were involved. It's extremely important to involve all the aforementioned areas, as a cybersecurity incident can have different impact perspectives, such as a reputational impact, and in some cases, it could have an environmental impact, among others. It is important that all areas are aligned to deal with these types of events.



## Strategic Risk Analysis in our Value Chain



## 1.10 Transparency and Availability of Financial Information

[NCG 4613.7]



Our Investor Relations department is the primary link between the Company and the financial markets. AES Andes and its subsidiaries communicate with investors and analysts through meetings, conference calls, road shows, quarterly results presentations, events and conferences in Chile and abroad.

We continue to focus on the quality, transparency and availability of information to the market. For this reason, we publish various announcements, presentations and reports through our AES Andes web portal, Investors section, available in Spanish and English ...

The Investor Relations team is led by the Investor Relations Manager, who reports to the Vice President of Finance.

AES Andes Investor Relations Team:

- John Wills (Investor Relations Manager)
- Constanza López
- Diego Lathrop

# Main Activities with Investors and Investment Analysts in 2023

Throughout the year, we participated in three in-person conferences in the United States and Chile, as well as several virtual conferences, where we had the opportunity to meet with various investors. We also took part in numerous extended meetings organized by investment banks. These meetings provided investors with the opportunity to engage in discussions with our Vice President of Finance, the Corporate Finance Director and Manager, as well as members of the Investor Relations team.

In addition, we participate in a virtual conference focused on fixed income and ESG (Environmental, Social and Governance) investors.

We also coordinated, together with the Vice-Presidency of Legal Affairs, the Ordinary and Extraordinary Shareholders' Meetings held on April 21 and August 10, 2023.

Permanent Flow of Information with Investors and Analysts









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For the third year in a row, in 2023, the efforts of our team and the Investor Relations department were recognized in various categories by the magazine Institutional Investor in its ranking of Latin American companies in the sector. We were recognized in the categories of Best CEO, Best CFO, Best Investor Relations Team, and Best Investor Relations Professional. This year, for the first time, corporate boards were evaluated, and the AES Andes Board of Directors was recognized in this category.

Our Investor Relations team welcomes any questions or concerns about the Company, through the mail: investor@aes.com.



## 1.11 Customer Relations: Excellence and Quality

Our customers are always at the center of our decisions, and during 2023 we worked to design a strategy to support the Greentegra strategy at AES Chile. Its objective is to positively impact all the results of our business by providing an optimal, quality experience with the highest standards for all customers, focusing on their needs to deliver innovative energy solutions that add value, increase their competitiveness, reduce their risk and allow them to achieve their sustainability goals. In this way, we explore, co-create and develop together projects based on five business solutions that are part of Greentegra: Coal to Green, Blextend, Transflex, GenerFlex and WPA.



Energy solutions for our customers

#### Coal to Green

Based on existing tolling type PPAs (Power Purchase Agreements), i.e. where there is a fixed fee covering the return on the capital invested in the construction of the plant and a variable fee for the sale of energy, invoiced at the cost of supply to the customer, the variable fee is replaced by a renewable energy contract, while the fixed fee remains unchanged. In this way, AES Andes has no impact on the margin of the original contract and incorporates an additional margin for the new renewable energy contract. The customer continues to pay the fixed fee of the original PPA, but replaces the variable charge based on the cost of coal energy with renewable energy at a fixed price.

#### Riextend

Based on existing conventional agreements due to expire in the next few years, the customer is offered an immediate discount on the price of its energy supply in exchange for an extension of the duration of the PPA or a price premium in the last years of the PPA and a switch to renewable energy sources. In this way, the profitability of the contract is maintained, the relationship with the customer is preserved without loss of value, and the customer benefits from a renewable supply and lower energy costs in the short term, without having to wait for the conventional contract to expire.

#### GenerFle

They are new contracts offering the full range of renewable energy solutions available to the company.

## 1.12 Relationship with External Stakeholders

[GRI 2-23, 2-29; NCG461 3.1, 6.1, 6.3]



We define our stakeholders as all those in society who may be affected by the decisions and objectives we set as a Company. Since 2018, we have been using two corporate management tools that drive the way and nature of our relationships with stakeholders in each of the areas where we operate and have projects.

We follow The AES Corporation's stakeholder relations policy and guidelines for developing sustainable social programs. In addition to the above, we have our Local Community Engagement and Relations Policy ...

The Stakeholder Relations Plan provides a set of definitions aimed at strengthening relationships that are important to the Company over the long term.

We define the purpose and scope of the engagement, establish roles and responsibilities, identify relevant stakeholders, and establish methods for disclosure and external communication.

In addition to the above, inquiries and complaint mechanisms are implemented from the earliest stages of the projects.

The stakeholder identification and selection process is conducted jointly between the corporate and the field teams.

They do this through visits to the territories and internal working meetings to evaluate and continually monitor AES Andes' sustainability practices.

In operations and projects, we establish a transparent and continuous dialog process with the various stakeholders through the following stages:

- Identify stakeholders and determine the nature of their perspectives.
- Identify the areas and actors in the Company that interact with these groups.
- Develop their responses at the organizational level.
- Develop, implement, monitor, and measure social investment programs.
- Track initiatives by evaluating their respective impact.

To this end, we use engagement mechanisms such as oneon-one and extended meetings, working groups, surveys, public hearings, publications in national, regional and local media, consultation and complaint procedures, site visits, website and social network posts, letters, e-mails and phone calls, and studies and measurements, among others.

In addition, we consider it essential to comply with all applicable legal and ethical requirements that are relevant to the Company.









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#### Stakeholder Engagement

We maintain an ongoing relationship with our stakeholders to learn about and discuss relevant issues of mutual interest regarding our social, environmental and economic performance and impact.

Due to the COVID-19 pandemic and the advent of technological tools for remote communication, virtual meetings became a crucial platform for frequent interaction with many of our stakeholders. However, in-person meetings were largely resumed in 2023.

Below we present, one by one, the actions that define our engagement and relationship strategy with the different groups.

Stakeholders	Frequency	Activities 2023		
Customers  This group includes non-regulated customers (commercial, industrial and mining companies) and regulated customers (distribution companies). In addition, we consider potential customers, such as those who are entering the unregulated sector or who will bid for their contracts and any intermediaries that may exist (demand aggregators, traders). It also considers other generating companies as potential customers.	Ongoing interaction with our clients, from periodic meetings to regular communications, such as sending newsletters, invitations to Sustenta (an annual event exclusively for our clients, whose objective is to promote tools to achieve sustainability goals), invitations to Introductory Courses on the Electricity Market, through which we help them continue to acquire relevant knowledge that will help them make better decisions, sending monthly performance reports, among others.	We conducted in-person meetings with our clients, visited their facilities and welcomed them in our ROCC. We organized webinars on regulatory changes in the Chilean electricity sector and also faciliated 3 courses on the electricity market. Additonally, we held the Mining Energy Efficiency Workshop in Antofagasta. We launched the new customer portal, Mi Energía, where our customers can access information on their consumption, billing, reports, and support, among other features. Once again, the annual Sustenta event was held in person, featuring the participation of high-level panelists who spoke about the energy transition and national political events.		
Government and Regulating Agencies  This group includes the central, regional and local governments, and their representatives; the Congress; the electricity and environmental sector authorities; and the electricity and environmental regulating agencies.	Meetings related to regulatory issues. Inspections (with no specific frequency). Meetings to update information about projects or operations. All meetings requested by AES Andes will be conducted in accordance with the current Chilean Lobbying Law.	We held both in-person and virtual meetings to address issues specific to the generation sector as well as company-specific topics. The meetings were requested through the lobby platform.		



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Stakeholders	Frequency	Activities 2023
Investors  This group is made up of our shareholders, our partners with equity interests in AES Andes subsidiaries, note holders, and the financial market, including financial analysts, banks, asset managers, and risk rating agencies.	Regular one-on-one meetings, calls and communications, quarterly reports, extended meetings to discuss progress on our corporate strategy, relevant news and actions, financial results, ESG issues, etc.	In-person meetings were resumed and virtual meetings were maintained. Participation in international roadshows and in-persor conferences has resumed.  An e-mail address (investor@aes.com) has been set up for Investor Relations contacts.
Media and Opinion Leaders [NCG 4613.7]  We consider industry leaders, academics, the media, and the leaders of social networks to be spokespersons for public opinion.	Ongoing informative communication through press releases and social networks.	In-person and virtual meetings were held. There is an e-mail addre (comunicaciones.andes@aes.com) for contacts, in addition to the Company's social networks.
Industry - Electricity Sector  This group is made up of companies in the electricity sector, including their unions and associations.	Permanent engagement through trade associations such as Association of Chilean Generating Companies, Chilean Association of Renewable Energy (ACERA), Chilean Association of Hydrogen, Amcham Chile, Cámara Chileno Argentina de Comercio A.G., Asociación Chilena de Desalinización A.G., among others.  Every month, we participate in various committees of these associations for the promotion and exchange of best practices in the industry.	In-person meetings were held, but also virtual meetings continue to be held as a normal way of working. Meetings were held with the Government to ensure the proper implementation of the Customer Protection Mechanism (MPC, for its acronym in Spanish) (stabilization of MPC tariffs), and the development of a new tariff normalization mechanism. Meetings were also held with the authorities to discuss a safe and sustainable process of decarbonizing the electricity matrix.  The trade union agenda was resumed and a legislative and regulatory follow-up work of interest to the sector was carried out



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Stakeholders	Frequency	Activities 2023
Communities  This group is made up of our neighbors, local communities and social leaders, as well as other companies in the area with whom we have a relationship. We also include civil organizations of the territory.	Regular meetings with neighbors and community leaders; radio programs as needed; annual public hearings; ongoing communication and dialog, in person and through various media, including social networks.	Working groups on specific topics; Open Doors Program at operating facilities and projects under construction; participation in community events throughout the year; provision of all necessary conditions for the development of Citize Participation Processes (PAC, according to its acronym in Spanish as required by the Environmental Assessment Service (SEA, according to its acronym in Spanish); development of social investment programs.
Academy and civil organizations  Includes universities and NGOs, both national and international, as well as other innovation-oriented reflection and research organizations.	Participation in seminars and direct dialogue where appropriate. Participation in advisory boards. Systematic delivery of information.	Our leaders participated in technical and working sessions with various audiences.
Suppliers Suppliers of raw materials, technology, and products or services. In addition, this group includes external employees from outsourced services who work on our premises.	Periodic communication in the form of invitations to tender, ongoing communication between users and contractors.	We gradually resumed in-person meetings with suppliers and contractors, with the goal of establishing a close relationship with our People.  At the same time, we continued to provide support and assistance to suppliers in using the ARIBA Procurement Portal to increase transparency and control of our transactions.



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# 1.13 Our Goals Towards 2027

[GRI 3-3; NCG 461 4.2, 4.3; IF-EU-110a.3]

Our commitment to sustainability standards, at the core of our business, will allow us to execute new operating agreements in a sustainable and competitive manner.

This way, with a view to the future, under the Greentegra Roadmap, our renewable transformation considers the incorporation 4.1 GW of new emissions-free capacity by 2027 into our portfolio. Also, by that year we will have materially reduced our coal-fired generation and, as a result of both achievements, we will have significantly reduced our intensity of  ${\rm CO_2}$ , considering both the incorporation of renewable plants to our portfolio, as well as the sale, committed closure, reconversion and lower dispatch of our thermal generation plants.

To summarize, Greentegra's goals for 2027 are as follows:

- 1. At least triple renewable energy capacity from 1.4 GW in 2017 to 5.0 GW in 2027, including wind, solar, hydro and battery capacity.
- 2. Reduce the carbon intensity of the portfolio by more than 80%, which is equivalent to taking more than 4 million private cars off the road.
- 3. To be a model company in gender equity and inclusion in the region.
- 4. Strengthen our financial profile in line with Investment Grade metrics.

In terms of regulations in Chile, during 2024 and the following years, we expect a long-term agenda that gives continuity to the discussion, definition and implementation of the Energy Transition and Long-Term Climate Strategy, together with the regulatory modernization of the generation, transmission and distribution segments, consistent with the definitions that will be taken mainly around the Energy Transition and Decarbonization. In this sense, we will continue our work to promote the development of a regulation that will allow us to address these challenges in a safe and efficient manner, based on analyses that address their different technical,

environmental, social and economic aspects.

Therefore, our risk model will continue working to ensure that our computerized risk management system captures the reality of our business in its entirety. This way, we can improve the accuracy in the calculation of exposures to variability of energy and commodity availability, and improve our market risk hedges. We will also implement new climate risk committees and changes in the organizational risk structure, with the aim of streamlining our management in the different markets where we operate.



1. 2027 year end installed capacity owned (4.5GW) and operated (1.6GW) by AES Andes



# Increasing Renewable Energy Capacity [IF-EU-t10a.3]

We are constantly seeking to diversify our portfolio of projects in order to meet the needs different types of customers.

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In addition to the incorporation of renewable wind and sun power generation projects and storage batteries, we are developing and analyzing the following:

#### 1. Coal-fired power plant conversion projects.

In 2022, we entered into the Environmental Assessment System (SEA), the Alba project, that seeks to be the first in the world to convert the current coal-fired generation of Units 1 and 2 of the Angamos Thermoelectric Power Plant to a technology-based system using zero-emission solar (molten) salts. This model could be replicated and applied to other thermoelectric plants. During 2023, we received the environmental permit for this project.

# 2. Green hydrogen production projects through electrolyzers.

We have a portfolio of green hydrogen production projects that we are developing in Chile and Colombia.

#### 3. Desalination Projects

Desalination is presented as a solid alternative to reuse the infrastructure of a coal-fired power plant that will potentially be closed and dismantled, but also to use the infrastructure while it continues to operate.



	20	019 - 2022		2023		2024		2025		2026		2027	Total	
Hydro	531 MW	Alto Maipo¹											Hydro <b>531</b> MW	
Wind	282 MW	Los Cururos Los Olmos Mesamávida	88 MW	Campo Lindo Mesamávida² San Matías³	65 мw	San Matías			566 MW	Rinconada JK 1&2	120 MW	Pampas	Wind <b>1,121</b> MW	
- Solar	190 MW	Andes Solar IIA Castilla San Fernando Brisas	339 <sub>MW</sub>	Andes Solar IIB Bolero Andes Solar IV <sup>3</sup>	226 MW	Andes Solar IV			358 MW	Andes Solar III Cristales	160 MW	Pampas	Solar <b>1,272</b> MW	
Batteries	<b>10</b> MW	Virtual Reservoir	<b>174</b> MW	Andes Solar IIB Virtual Reservoir II Andes Solar IV <sup>3</sup>	135 мw	Andes Solar IV	80 мw	Andes Solar IIA	574 MW	Andes Solar III Cristales Bolero	229 MW	Pampas	Batteries 1,202 MW	<ul> <li>Under Development</li> </ul>
COD	1,0	013 MW		601 MW	4	125 MW		BO MW	1,	498 MW		509 MW	4,126 mw	<ul><li>Under Operation/Construction</li><li>E: Estimated</li></ul>

Project progress and expected construction completion dates as of December 31, 2023.

<sup>1.</sup> Non-Consolidated Subsidiary

<sup>2.</sup> Mesamávida has a capacity of 68 MW, 63 MW of which are scheduled to start operating in 2022 and 5 MW in 2023.

<sup>3.</sup> It takes into account the partial commissioning of 17 MW of wind power in San Matías, 12.5 MW of solar power and 12.5 of BESS in Andes Solar IV, the remaining capacity of these projects is still under construction.





#### Committed to our People [NCG 4615.8]

Our human capital strategy has been focused in recent years on the retraining of our company's professionals and technicians, as part of the decarbonization and fair transition process led by the Chilean government. This process aims to eliminate coal from the national energy matrix. AES Andes has been striving to achieve this goal by developing its Greentegra strategy. This strategy involves contributing clean energy to the country through the construction of wind and solar plants, as well as the storage of energy in batteries. In the near future, AES Andes plans to implement other technologies that are highly effective in reducing environmental impact.

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In the coming years, we will continue to collaborate with the top educational institutions to provide our employees with the best personal and technical management tools. This will open doors for them in the world of renewable energy, both within and outside of AES Andes.

In terms of figures, during 2024 we aim to increase the number of women in our workforce by 17% compared to the number of new hires as of December 2023. To this end, we will continue implementing a plan for the development and retention of female talent.

We will persist in promoting our corporate values, ethics, diversity, internal equity, and unrestricted respect for our people. As always, our helpline is available to report any violations of our values guide by internal or external personnel.



## Greentegra Agreements

In the years ahead, we will continue to put our business partners at the center of our decisions and focus on their needs to deliver innovative energy solutions that add value, enhance their competitiveness, and enable them to meet their sustainability goals. We will enhance their experience, strengthen our relationship and create new partnerships.

We will develop new products and services and expand the portfolio of customers who trust us as their energy partner. We will seek to reduce their dependence on fossil fuels through new generation projects, certification of renewable attributes, energy storage, green hydrogen, and decarbonization of the system's carbon units.

Since the launch of our Greentegra strategy, and thanks to the confidence of our clients, we have signed a series of new contracts that strengthen it, reaching more than 10.6 TWh/ year in Chile and 4 TWh/year in Colombia.

These agreements further accelerate the transformation of our energy matrix by enabling the construction of more wind, solar and battery projects.

The following are the most significant contracts we have executed since the launch of our strategy:



To make the mining sector more sustainable by maintaining strong long-term relationships.

_			
*	<b>Teck</b> 2020-2022	Long-term contracts that will enable the supply of 100% renewable energy for the Quebrada Blanca Phase 2 copper project.  COAL & GREEN	2,103 GWh/year
*	SIERRA GORDA «CM November 2022	A 19-year contract commencing in 2021 <sup>1</sup> . By 2023 Sierra Gorda will have a 100% renewable energy supply.  COAL *** GREEN	1,762 GWh/year
*	CODELCO December 2022	An 18-year contract commencing in 2023. It provides renewable energy to two divisions of the state mining company.  COAL ** GREEN	1,564 GWh/year
	Candelaria lundin refining November 2018	An 18-year contract with Minera Candelaria beginning in 2023 to supply primarily renewable energy.  BLEXTEND	1,100 GWh/year

<sup>1.</sup> This agreement was effective for 40% of the contracted volume beginning in January 2021 and increasing to 100% from 2024 through December 2039.

## Competitive solutions that attract new customers

Google 2019-2022	Strategic alliance that includes the world's first hybrid (wind and solar) power supply contract to power Google's operations in Santiago.  The first contract began in 2019 to power Google's data center in Latin America.  The second contract begins in 2024 and ends in 2038.  Gener Flex	720 GWh/year
<b>ECOPETROL</b> 2018 - 2020 - 2021	Three 15-year operation and maintenance contracts for three solar projects, Castilla, San Fernando and Brisas, plus an additional 240 GWh/year contract for non-solar hours.  Gener Flex	109 MW 240 GWh/year
Microsoft  2022	A 15-year contract in Chile that will allow Microsoft to reduce its carbon footprint in line with its proposed goals to power its data centers with 100% renewable energy by 2025 and to achieve a carbon-negative status by 2030.  Gener Flex	300 GWh/year



## Maximize Energía Plus contracting in Argentina



**Termo Andes** is one of the leading companies in the Argentine Energía Plus market. In this market, we sell energy to industrial customers under short-term agreements. TermoAndes seeks to continue being a relevant player in this segment.

234 MW as of December 31, 2023









# Our Performance 2023





# Performance 2023 [GRI3-3; NCG 461 4.1]

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## 2.1 Our Main Assets and their Performance

[GRI 2-6, 201-1, EU1; NCG 461 6.2, 6.4]



Main Assets AES Andes
[GRI 2-6; NCG4616.4]

We have a portfolio of generating assets from a variety of sources and technologies with an operating capacity of 5,524 MW as of December 31, 2023. Our operations are located in three countries: Chile, through the National Electric System (SEN, for its acronym in Spanish), Colombia, through the National Interconnected System (SIN, for its acronym in Spanish) and Argentina, through the Argentine Interconnection System (SADI, for its acronym in Spanish).

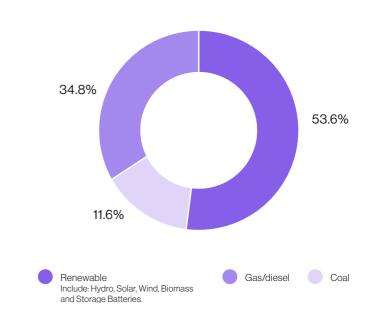


#### Installed Capacity (in MW)

Technology (MW)	Chile	Colombia	Argentina	Total
Hydro	771	1,020	-	1,791
Solar	441	109	-	550
Wind	370		-	370
Biomass*	13		-	13
Gas	-		643	643
Coal	1,921		-	1,921
Total	3,516	1,129	643	5,288
Storage Batteries	237	-	-	237
Total	3,752	1,129	643	5,524

<sup>\*</sup> This asset was sold in February 2024.





Colombia

Chile

Argentina

Our Performance 2023



The following is a summary of our principal subsidiaries and affiliates and their respective running electric generation assets.



#### Chile

Type of energy	Plant / MW
	AES Andes S.A. Norgener Plant - Region of Antofagasta - 276MW 12 MW energy storage
	2 Empresa Eléctrica Cochrane SpA - Region of Antofagasta - 550 MW 20 MW energy storage
	3 Empresa Eléctrica Angamos SpA - Region of Antofagasta - 558 MW 20 MW energy storage
÷.	Andes Solar SpA - Region of Antofagasta - 22 MW
<b>=</b>	5 Empresa Eléctrica Ventanas SpA - Region of Valparaíso - 537 MW Lorem ipsum dolor
	6 AES Andes S.A Hydroelectric Power Plants - Region Metropolitana - 240 MW (Alfalfal, Queltehues, Maitenes, Volcán)

7	Alto Maipo SpA
I	- Region Metropolitana - 531 MW

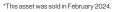
• 60 MW energy storage

Type of energy	Plant / MW
	8 AES Andes S.A Laja* - Region of Bio Bio - 13 MW
<del>**</del>	9 Chile Renovables SpA:  • Andes Solar II SpA (Andes Solar IIa) - 81 MW  • Andes Solar II SpA (Andes Solar IIb) - 180 MW  112 MW energy storage  • Region of Antofagasta
<del></del>	Parque Eólico Los Cururos SpA     Región of Coquimbo - 109 MW
<b>=</b>	Energía Eólica Los Olmos SpA - 110 MW     Parque Eólico Campo Lindo SpA - 66 MW     Energía Eólica Mesamávida SpA*** - 68 MW     Region of Bío Bío
**-	12 Chile Renovables II SpA:  Bolero SpA Region of Antofagasta- 146 MW  Andes Solar II SpA (Andes Solar IV) - 13 MW**  13 MW energy storage**
<b>=</b>	• Energía Eólica San Matías SpA - Region of Bío Bío – 17 MW**





Hydro	A	national Transmissio		Natural Gas
₩ind		(i) Biomas	√ Coal	Natural Gas
Symbols				



<sup>\*\*</sup>Project under construction, MW in operation as of December 31, 2023.

<sup>\*\*\*</sup> This company was incorporated into Chile Renovables SpA in February 2024.



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#### Storage assets

We have 237 MW of energy storage capacity:

- Andes BESS, adjacent to Andes Substation and with a capacity of 12 M - 15 min.
- Angamos BESS, adjacent to Angamos Plant, with a capacity of 20 MW - 15 min.
- Cochrane BESS, adjacent to Cochrane Plant, with a capacity of 20 MW - 15 min.
- Virtual Reservoir, integrated into Alfalfal plant, with a capacity of 10 MW - 5 hr.
- Andes Solar BESS, integrated into Andes Solar plant, with a capacity of 125 MW - 5 hr.
- Virtual Reservoir 2, second phase of the Virtual Reservoir project, with a capacity of 50 MW - 4 hr.

# Transmission Assets

The total number of transmission lines and substations in Chile is 1,416 km: 1,128 km of transmission lines directly owned by the Company (including 408 km that join the InterAndes S.A. line to connect the SEN to the SADI), 288 km through leasing and 32 substations. The transmission losses of our SEN lines in 2023 were 0.70%.

In Argentina, we have the Salta 345 kV Substations (owned by TermoAndes S.A.) and the Altiplano Sectioning Station (owned by InterAndes S.A.) and the La Puna Transformer Station (owned by InterAndes S.A.). Through our subsidiary InterAndes, we have the only transmission line (268 kilometers) that connects the SADI in Argentina with the SEN in Chile.

For more details about transmission losses and the SAIDI, see Chapter 5, Additional Information, 5.5 Overall Asset Performance.

## Gas Transport Assets

We have a minority interest in Gasoducto GasAndes S.A. and Gasoducto GasAndes Argentina S.A.

## Water Desalination Assets

The expansion of desalinated water production within the framework of decarbonization has meant the valorization of assets as part of the technological transformation and water needs of northern Chile.

In this regard, we have been operating a 56 l/s reverse osmosis desalination plant at the Angamos thermal power plant since 2015. This unit is used to generate electricity and the surplus is sold to industrialists in Mejillones and Antofagasta.

On the other hand, we have an additional supply of renewable energy for the desalination process, consisting of photovoltaic panels that allow us to reduce the carbon footprint of the process.

In addition, we have four 30 L/s TVC desalination units (two at the Angamos plant and two at the Cochrane plant) and six 7 L/s EDI desalination units (three at the Angamos plant and three at the Cochrane plant).

Throughout 2023, a total of 156,444 m3 of desalinated water and 7,138 m3 of demineralized water were sold to 14 customers.

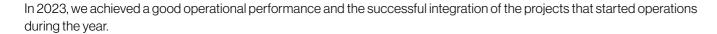
# Main Licenses and Concessions [NCG4616.2]

We have Concessions for Onerous Use granted by the Ministry of National Assets to develop photovoltaic and energy storage projects.



# 2.2 Operational Performance and Maintenance

[NCG 461 3.7]



Among our achievements, we highlight the following:

#### Chile

- Higher-than-budgeted availability in our thermal units with 10% higher dispatch. This milestone was achieved primarily at Angamos, Cochrane and Ventanas Unit 4.
- Higher-than-budgeted electric power of 390 GWh at Ventanas Units 3 and 4, which were needed in months without a generation budget in the first and second quarters of the year.
- The installation of the new turbine and generator at Queltehues Unit 3 was completed with good operating results
- Los Cururos had ~2% higher availability and ~1% lower downtime than budgeted.

- After the fire at Puerto Ventanas in December 2022, which meant the interruption of the unloading service, the transportation of coal by truck was maintained, mitigating the impact on the generation of the Ventanas power plant.
- We successfully transitioned the Mesamávida wind farm, Campo Lindo wind farm, Andes Solar IIb solar plant plus batteries, and Virtual Reservoir 2 projects from construction to operation.
- During the year, we successfully completed a major boiler and turbine overhaul at Ventanas Unit 3, maintenance of hydraulic components and auxiliary, control and cooling systems at Alfalfal Unit 1, and a major overhaul of the Cochrane turbine, in addition to continuing the maintenance of Norgener Unit 2.

 After 46 years of operation, the Ventanas 2 coal-fired unit was shut down.





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## **>** Colombia

- At Chivor, we achieved higher-than-budgeted availability and a 7% higher NCF due to higher hydrological inflows in the midst of a high price spot market.
- In addition to the annual maintenance of the generator and turbine of units 1 and 2 at Tunjita, we successfully completed the following maintenance activities: generator and turbine maintenance of units 2, 3 and 4 and major maintenance and rewinding of the generator of unit 7 at Chivor.



## Regional

- We performed recertifications and extensions of 55001 scopes. Progress in the implementation of SGIIE to comply with legal requirement 2024.
- We achieved the ISO55001 Certification of the Central Transmission (TSIC) and North Transmission (TSING) businesses and Andes Solar I through the ABS Quality Evaluations Certifying Entity.
- In addition, we complied with the regulatory requirements associated with the DS109 for the implementation of the Sistema de Gestión de Integridad de Instalaciones Eléctricas (SGIIE - Electrical Installations Integrity Management System), completing the progress reports and execution in a timely manner.

## Smart Center and ROCC

During 2023, we were able to integrate the Campo Lindo wind farm and our Andes Solar IIb BESS and Virtual Reservoir 2 into our Smart Center (Intelligent Operations Center), which centralizes our remote operations through the ROCC (Remote Operation Control Center).

In order to improve the security of our facilities at Torre Nueva Santa María, this year we completed the installation of the Back-up ROCC at Maitenes, which includes additional infrastructure for the operation of thermal and renewable units. This Level 2 operation is key to maintaining operational continuity in the event of an emergency or major disruption at our main ROCC.

## Overall Asset Performance

We continuously monitor the performance of our units through key performance indicators (KPIs). The indicators we use are the same as those used by The AES Corporation to monitor all of its plants around the world, which are based on the IEEE 762 standard.

The main annual indicators used are:

- EAF: Equivalent Availability Factor (%)
- EFOF: Equivalent Forced Outage Factor (%)
- NCF: Net Capacity Factor (%).
- ESOF: Equivalent Scheduled Outage Factor (%).
- ENPHR: Equivalent Net Plant Heat Rate
- CA: Commercial Availability
- NFOM: Non Fuel Operational & Maintenance Cost

We also included the performance indicator for thermal plants, which is the ratio of thermal energy input expressed in British Thermal Units (BTU) to electrical energy output expressed in MWh.

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To determine the first, the mass of fuel entering the process (kg) is determined and multiplied by the calorific value (BTU/kg) of the incoming fuel. The second variable is measured directly on the net energy meters of each plant.

Fuel
ENPHR Consumption \*1000 (BTU/KWh)
Net Generation

By weighting the net power of each unit, we can obtain a single indicator for the entire fleet of the Company, where the units with the highest power are those that contribute most to each indicator, as shown in the following table for 2022:



#### Consolidated AES Andes KPI [GRIEU30]

	EAF %	NCF %	ESOF %	EFOF %	ENPHR BTU/MWh	CA %	NFOM US\$/MWh
Norte Complex	86.07%	53.75%	9.26%	4.67%	10,430	95.53%	18.31
Centro Ventanas Complex	95.21%	24.59%	3.17%	1.63%	10,492	91.53%	18.49
Centro Cordillera Complex	81.49%	33.83%	7.36%	11.15%	-	-	-
AES Andes Chile	87.73%	44.03%	7.52%	4.75%	10,440	94.77%	100.54
TermoAndes (Argentina)	93.59%	47.64%	5.68%	0.73%	7,347	94.56%	16.84
AES Colombia	89.11%	47.73%	10.49%	0.40%	-	98.84%	23.02
Consolidated AES Andes	89.13%	45.69%	8.03%	2.84%	9,587	95.99%	64.34

Note 1: AES Andes Chile and Consolidated AES Andes do not include renewable units

Note 2: Centro Ventanas Complex includes Units 3 y 4. Norte Complex includes Norgener, Angamos and Cochrane plants. Cordillera includes the run-of-the-river plants in the Metropolitan Region.

Note 3: AES Andes Chile includes Norte Complex, Centro Complex (Ventanas 2 + Cordillera).

Note 4: AES Colombia includes Chivor and Tunjita plants.

Note 5: Consolidated AES Andes: AES Gener (Cordillera + Norgener) + Ventanas 2, 3 y 4 + Angamos + Cochrane + TermoAndes + AES Colombia.



#### Consolidated AES Andes KPI solar + wind

	EAF %	NCF %	ESOF %	EFOF %	ENPHR BTU/MWh	CA %	NFOM US\$/MWh
Chile							
Andes Solar I	97.73%	22.68%	1.13%	1.14%	-	98.27%	0.00
Andes Solar IIA	97.67%	22.90%	0.45%	1.88%	-	97.32%	0.00
Los Cururos	97.95%	21.12%	1.02%	1.03%	-	97.98%	2.86
Los Olmos	90.88%	28.05%	1.61%	7.52%	-	91.97%	2.45
Mesamavida	89.53%	24.33%	2.79%	7.69%	-	91.55%	6.85
Colombia							
Castilla	99.74%	16.30%	0.16%	0.10%	-	99.75%	-
San Fernando	94.10%	16.91%	4.63%	1.27%	-	95.17%	-
Brisas	92.14%	18.71%	6.27%	1.59%	-	95.01%	-

For more information on the KPIs of each AES Andes Group plant in Chile, Argentina and Colombia, see Chapter 5. Additional Information, 5.5 Overall Asset Performance.



# 2.3 Financial Management [GRI3-3,201-1]

Results for the Fiscal Year

For the year ended December 31, 2023, we recorded an EBITDA of US\$ 686 million, which was US\$ 126 million

lower than the US\$ 811 million recorded in the same fiscal year in 2022.

During the fiscal year 2023, a loss attributable to the parent company of US\$ 175 million was recorded, US\$ 452 million

lower than the profit of US \$277 million recorded at the end of the same period of the previous year. At the operating level, cumulative Gross Profit for the year ended December 31, 2023 was US\$ 607 million, a negative variance of 13%, or US\$ 92 million, compared to the same period in the prior year.



For more information, review the Reasoned Analysis and Financial Statements as of December 31, 2023 and, also available on the Financial Market Commission (CMF, for its acronym in Spanish) are website.

#### Direct generated and distributed economic value

As stated in the GRI standard, economic value generated and distributed refers to how the organization distributes its income to its stakeholders.



## Distributed Value (thousands of US\$)

	2023					2022					
Items	Colombia	Chile	Argentina	Elimination*	Total	Colombia	Chile	Argentina	Elimination*	Total	
Operating Income	399,134	2,545,117	115,361		3,059,612	231,710	2,473,693	100,990		2,806,393	
Financial Income	69,179	575,643	55,464	-168,539	531,747	425,110	770,885	14,797	-124,460	1,086,332	
Other Income/other profits	327,795	-325,255	8		2,548	-7	20,158	24,652		44,803	
Total direct economic value generated (EVG)	796,108	2,795,505	170,833	-168,539	3,593,907	656,813,	3,264,736	140,439	-124,460	3,937,528	
Payments to suppliers of goods and services	-124,853	-1,832,013	-73,513		-2,030,379	-61,639	-2,335,615	-78,703		-2,475,957	
Payments to suppliers of financing	-382,924	-532,857			-915,781	-81,476	-483,828			-565,304	
Dividends and distributions to shareholders	-168,575	-318,657	-4	168,539,	-318,697	-124,460	-291,645	-3	124,460	-291,648	
Payments to the Government (income tax paid)	-69,248	33,922	-16,312		-51,638	-43,205	9,685	-3,693		-37,213	
Salaries and allowances/employee benefits	-7,257	-76,467	-2,627		-86,351	-5,028	-68,546	-2,501		-76,075	
Investments in fixed assets	-19,729	-416,905	-2,818		-439,452	-30,723	-534,364	-28,007		-593,094	
Other expenses/other losses		380,224		О,	380,224		116,476			116,476	
Other operational payments	-2,208	10,333			8,125	-621	49,518	29,555		78,452	
Total economic value distributed (EVD)	-774,794	-2,752,420	-95,274	168,539	-3,453,949	-347,152	-3,538,319	-83,352	124,460	-3,844,363	
Economic value withheld (EVW)	54,419	192,264	22,543	0	269,226	323,798	-168,471	105,080	0	260,407	

<sup>\*</sup> This corresponds to dividends between Colombia and Chile.



To continue growing in renewables, and with the goal of adding 4.1 GW of new renewable capacity to our portfolio between 2018 with the launch of Greentegra and 2027, we need to invest more than US\$3 billion between 2023 and 2027 in both Chile and Colombia.

We have developed a financing strategy that aims to optimize the sources of financing, considering the integration of partners, capital contributions, debt and cash from the sale of non-strategic assets and from our operations.

Our financial policy focuses on the stability of future cash flow generation and ensuring liquidity to maintain and grow our business, while maintaining our investment grade risk rating. Our primary financial objectives include balancing our capital structure, maintaining adequate minimum liquidity, managing our debt repayment schedule and actively mitigating risks that reduce cash flow and earnings volatility.

#### Level of Indebtedness

The Vice President of Finance of AES Andes continuously implements measures aimed at optimizing the level of debt we hold, as well as the most efficient hedging strategy to mitigate the risk of currency devaluation in Chile, Colombia and Argentina.

As of December 31, 2023, the financial debt was US\$ 2,750 million, while cash, cash equivalents and other financial assets reached US\$ 228 million, thus recording a net financial debt of US\$ 2,522 million.

Total consolidated debt has an average maturity of 19.8 years

and a manageable amortization schedule. Of the total debt outstanding at the end of 2023, 27% (US\$ 745 million) is the debt of our subsidiaries without recourse to the parent AES Andes, and the remaining 73% (US\$ 2,005 million) is corporate debt at the AES Andes level. In addition, 69% of the total debt is at fixed interest rates or subject to mechanisms that allow interest rates to be fixed (interest rate swap), and the remaining 31% is at variable interest rates.

#### Main Financial Activities

During 2023, the following financial transactions will be entered into:

· Acquisition of shares of AES Andes S.A. by the shareholder Inversiones Cachagua SpA.

On December 6, 2021, Inversiones Cachagua SpA published a notice of commencement of a Takeover Bid for up to a total of 3,426,432,504 shares of AES Andes S.A., representing 33.02% of the issued, subscribed and paid-up shares of the Company. The Bid remained in effect from December 7, 2021 until January 5, 2022.

As a result of this process, Inversiones Cachagua SpA increased its shareholding in the Company from 66.98% to 98.13% after acquiring 3,232,850,689 shares, which were added to the shares held at the beginning of the Bid.

Subsequent to the aforementioned purchase and through successive purchases on the securities market during 2022 and 2023, Inversiones Cachagua acquired shares of the Company, increasing its ownership to 99.50% as of December 31, 2023.

 Financing, Accounts Receivable related to Law No. 21,185 and Law No. 21,472, Electricity Price Stabilization Procedure in Chile

The Stabilization Fund is a financing solution to achieve financial liquidity, transfer collections and risks related to the change in the law regarding the Regulated Tariff Stabilization Mechanism under Chile's Tariff Stabilization Law No. 21.185. approved on October 30, 2019, as a result of the social crisis that existed at that time. This mechanism freezes regulated energy and power tariffs from July 2019 to December 2020 and then adjusts them according to the CPI (Consumer Price Index).

The maximum amount to be accrued is US\$ 1.350 million for all generating companies. The maximum date for the accrual of the differences was July 2023.

In January 2021, we entered into an agreement with Goldman Sachs & Co. LLC, Goldman Sachs Lending Partners LLC for a committed amount of up to US\$90.1 million and with Inter-American Investment Corporation ("IDB Invest") for an amount of up to US\$44.1 million to gradually sell the accounts receivable generated by Law 21,185. In addition, on June 21, 2021, we entered into an agreement with the Noteholder AllianzGI pursuant to which, subject to certain conditions, the Noteholder Allianz Glagreed to finance the purchase of receivables for a committed amount of up to US\$ 32.4 million.

As of December 31, 2023, AES Andes sold the total amount committed under these agreements for a total notional amount of US\$159 million.

The exhaustion of the stabilization mechanism created by Law No. 21,185 in February 2022 and the accumulation of surpluses in the fund until June 2022 led to the approval of Law No.



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21,472, published on August 2, 2022, which establishes a new temporary stabilization mechanism of electricity prices for regulated customers, the validity of which may not exceed December 31, 2032, according to which additional charges may be included in the regulated tariffs, called Customer Protection Mechanism Charges (MPC Fees). This new mechanism established a discount on the monthly bill of the generators to their respective regulated customers, which is reimbursed on a monthly basis to the supplier through the issuance of a payment document called "transferable credit note", which is issued by the Ministry of Finance, guaranteed by the Treasury and includes the accrual of interest at the time of issuance of the payment document.

In connection with the enactment of the Consumer Protection Mechanism Law, on August 14, 2023, we entered into an agreement with IDB Invest to sell, subject to certain conditions, the Company's "Transferable Credit Note". As of December 31, 2023, we have sold a total notional amount of US\$131 million (including interest) and have a commitment to sell an additional US\$96 million of our "Transferable Credit Note" under this instrument.

As of December 31, 2023, AES Andes' current accounts receivable include US\$ 195 million of accounts receivable related to the new stabilization fund.

• Execution of a US\$35 million green credit facility, due 2026, by AES Andes.

On May 4, 2023, we signed a new green credit agreement with an international bank. The transaction was for a total amount of US\$35 million and matures in 2026.

 Extension of the strategic alliance with Global Infrastructure Partners for the development of renewable projects

AES Andes and Glacier AcquisitionCo SpA ("Glacier"), a company controlled by GIP, have agreed that on July 15, 2021, Glacier will subscribe for 49% of the total shares of our subsidiary Chile Renovables SpA ("Chile Renovables") (such transaction, the "Glacier Transaction"), an entity that has acquired and will acquire all of the shares of companies that own renewable energy projects totaling 733 MW when they become operational and the other conditions agreed between the parties are met. As a result of this transaction, and considering all projects included in the agreement, AES Andes expects to receive more than US\$ 400 million. As of December 31, 2023, approximately US\$50 million remains to be received.

Through December 31, 2023, Chile Renovables SpA has acquired the Los Cururos, Andes Solar IIa, Andes Solar IIb, Los Olmos, Campo Lindo and Andes Solar IIb projects. The acquisition of the Mesamávida project is pending.

In a further demonstration of confidence in AES Andes and its successful Greentegra transformation strategy, Global Infrastructure Partners (GIP) agreed with AES Andes on December 21, 2023 to expand their renewable energy partnership through joint investments in a new portfolio of the company's projects.

This transaction, valued at US\$441 million, increases the partnership between AES Andes and GIP by 693 MW, including investments in Bolero Solar, Andes Solar IV, the San Matías wind farm and an additional battery storage system for Andes Solar IIa.

Under the new agreement, AES Andes will receive US\$333 million in December 2023. GIP will invest the difference if the agreed conditions are met and the projects under construction reach commercial operation.

As in the agreement reached between the companies in 2021, GIP will own 49% and AES Andes 51% of the companies developing these projects. The partnership between the two companies will now include a portfolio of more than 1,400 MW of wind, solar and battery capacity in Chile.

 Modification and extension of the AES Andes Credit Agreement in US\$ 305 million to be expired in 2027

On December 12, 2023, the terms of AES Andes' committed credit facility agreement with a syndicate of banks were amended, increasing its amount to US\$305 million and extending its term by 4 years.

Along with the aforementioned amendment, terms were included to grant the "green credit" designation to this line of financing, in line with the methodology used in the other green financings signed by the Company.

Prepayment of debt by AES Colombia

In December 2023, AES Colombia prepaid loans of ThCOP\$1,000,000,000 (US\$262 million) with Bancolombia and BBVA Colombia.



# 2.4 Our Projects under Construction and Development [NCG 4614.3]

## Greentegra Project Portfolio

	1,614 MW*  began commercial operation or were acquired	847 MW under construction	1,665 MW with contract underdevelopment	7,462 MW without contract under development	
Hydro	531 MW  • Alto Maipo: 531 MW				
Wind	370 MW  Los Cururos: 109 MW  Los Olmos: 110 MW  Campo Lindo 66 MW  Mesamávida: 68 MW  San Matías 17 MW**	• San Matías 65 MW**	686 MW  Rinconada: 258 MW  JK: 308 MW  Pampas: 120 MW	1,803 MW	
Solar	529 MW  Castilla: 21 MW San Fernando: 61 MW Brisas: 27 MW Andes Solar IIa: 81 MW Andes Solar IIb: 180 MW Bolero: 146 MW Andes Solar IV 13 MW**	396 MW  • Andes Solar IV: 225 MW**  • Andes Solar III: 171 MW	347 MW  • Cristales: 187 MW  • Pampas: 160 MW	2,514 MW	
Batteries	184 MW  • Virtual Reservoir I: 10 MW × 5 h  • Virtual Reservoir 2: 50 MW × 5 h  • Andes Solar IIb: 112 MW × 5 h  • Andes Solar IV: 12 MW × 5 h**	386 MW  • Andes Solar IV: 135 MW × 5 h**  • Andes Solar III: 171 MW × 3 h  • Andes Solar IIa: 80 MW × 3 h	• Cristales: 267 MW × 3 h • Pampas: 229 MW × 3 h • Bolero: 136 MW × 3 h	3,145 MW	

We had more than 9.000 MW of power projects in various stages of development and 847 MW under construction in our portfolio at the end of 2023. During the year, we achieved the successful completion of projects totaling 601 MW in Chile, including the Campo Lindo wind farm with a capacity of 66 MW, and the Mesamávida wind farm with a total capacity of 68 MW (63 MW were completed in 2022, with the remaining 5 MW set for completion in 2023), the Andes IIb solar plant with a capacity of 180 MW, along with its associated storage batteries with a capacity of 112 MW for up to 5 hours, and the Virtual Reservoir II with a capacity of 50 MW for up to 5 hours. In addition, we acquired the Bolero solar farm of 146 MW in June 2023.

The San Matías and Andes Solar IV projects have made great progress in their construction and began partially feeding energy into the grid in late 2023.

- \* From the launch of the Greentegra Strategy until December 31, 2023. Based on projects announced as of December 31, 2023.
- \*\* San Matías Wind plant of 17 MW, Solar plant of 12,5MW and BESS Andes Solar IV plant of 12,5 MW are already in operation as of December 31, 2023; the rest of these projects are under construction.

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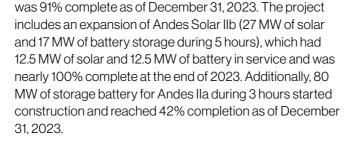


## **Projects under Construction**



#### San Matías

San Matías is a wind power project that proposes the construction of 82 MW of installed capacity in the Region of Biobío. As of December 31, 2023, 17 MW of this project had been completed and construction was 93% complete at yearend. Commercial operation is expected to begin in 2024.



Moreover, construction began in December 2023 on Andes Solar III, which consists of 171 MW of solar and 171 MW of BESS. Construction is expected to be completed during 2026. MW wind and 160 MW), in addition of 229 MW x 3 of BESS. Construction is expected to begin in the second half of 2025.



#### Cristales

This photovoltaic project encompasses a solar photovoltaic capacity of 187 MW and a storage capacity of 267 MW and is located in the region and commune of Antofagasta. Construction is expected to begin by the end of 2024.



#### **Bolero BESS**

The BESS Bolero project completes the strategy for the photovoltaic asset of the same name acquired by our company in 2023. It involves the installation of a storage capacity of 136 MW for 3 hours, and the start of its execution is planned for 2024.



#### New Andes Solar Stages

Andes Solar is located in the Atacama Desert, Region of Antofagasta, a location with unparalleled solar radiation and low temperatures that allow us to have a world-class plant factor. This is one of the first large-scale solar projects in Chile to use bi-facial technology (generation from both sides of the panel).

In this area, we already have 283 MW and 112 MW of battery storage during 5 hours under operation. The first 22 MW became operational in 2016, and Andes Solar IIa of 81 MW will begin commercial operation in September 2021. During 2023, in July, Andes Solar IIb of 180 MW will be

commissioned, including a 112 MW of storage system during 5 hours (560 MWh of energy), the largest in Latin America to date.

> Andes Solar IV (238 MW of solar and 147 MW of battery storage for 5 hours) is currently under construction and



## Projects under Development with Contract

We currently have 1,665 MW of projects under development with supply agreements in place.



#### Rinconada

This wind farm, which is currently undergoing environmental procedures, will have a capacity of 258 MW and will be located in the Biobío region. Construction is expected to begin in 2024 and the plant is expected to be operational by 2026.



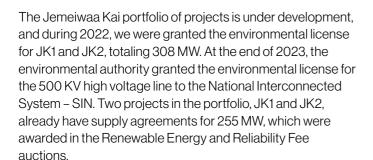
This is a hybrid project located in the Taltal Wind Reserve that considers a mix of solar, wind and BESS technologies with an approximate capacity of 280 MW of renewable generation (120



#### Jemeiwaa Kai

Group of wind farms of 1,149 MW consisting of six projects in the Municipality of Uribia, Department of Guajira: JK1, JK2, JK3, JK4, JK5 and JK6. Located in one of the highest wind resource areas in the world, according to wind measurements taken since 2012, it will provide additional generation to complement the Chivor Plant.

The generation profile of the wind resource in La Guajira complements the hydrology of Chivor, especially during periods of water scarcity. Both projects are connected to the National Transmission System.



The entire portfolio of projects under development mentioned above has associated long-term supply contracts. However, we have an even broader portfolio of projects in development.



## Other Projects Under Development



#### **Arenales BESS**

This project represents an important part of the strategy to convert thermal complexes to more sustainable energy sources. The BESS Arenales project considers a capacity of up to 300 MW for approximately 3 hours within our Mejillones complex (Antofagasta), located on the land of the Angamos plant and its construction is estimated to begin in 2024.



#### Altos del Sol

The Altos del Sol project, located in the region and commune of Antofagasta, considers a capacity of 382 MW of photovoltaic power, and 382 MW of storage capacity, with construction estimated to begin in 2026.

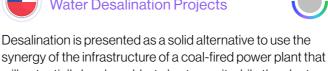


#### Solar Oriente

The project is located in the Tarapacá region, commune of Pozo Almonte and has a capacity of 403 MW of photovoltaic power and 403 MW of storage capacity. Construction is expected to be completed in 2026.



#### Water Desalination Projects



will potentially be closed, but also to use it while the plant continues to operate. The technological risk is low due to the development of desalination technology worldwide and the growing demand for desalinated water in Chile, not only for industrial purposes, but also for sanitary, mining and agricultural purposes.



#### Alba Proiect

On November 29, 2023, we obtained the unanimous environmental approval to our worldwide pioneering initiative that seeks the conversion of thermoelectric power plants through the use of molten salts: the Alba Project.

Alba Project is studying the possibility of replacing the current coal-fired generation of units 1 and 2 of the Angamos thermoelectric plant, located in Mejillones, Region of Antofagasta, with a molten salt system. With this technology, renewable energy is stored as heat to later provide energy

and emission-free capacity to the electric system. The project aims to use molten salts and heat them with electricity from renewable sources, then send them to the steam generator, where they exchange heat with water to produce the steam needed to reach a capacity of 560 MW when both units are in operation.

The initiative will act as a large storage system for renewable energy, allowing it to be optimized by providing energy at peak times, such as at night. As such, the project is an excellent complement to solar and wind generation and gives us the opportunity to provide inertia services and flexible renewable capacity. It would be developed using a large part of the infrastructure and the same power line as the Angamos plant.



### Green Hydrogen Project



The AES Corporation, at a global level, continues to work on hydrogen and derivatives projects in the countries where it is present.

In this context, AES Andes signed a Memorandum of Understanding in 2021 with a major international hydrogen producer to conduct a feasibility study for a large green hydrogen-based ammonia production project in the North of Chile.

The project, which today is in the development stage, has the potential to add more than 800 MW of new renewable energy. We have been developing this project for 2 years, advancing

and compiling all the environmental, regulatory, engineering analysis and everything necessary for its completion, with a view to moving on to the next stage, which is the submission of a solid environmental impact assessment (EIA) in 2024.

In Colombia, during 2023, we completed our pre-feasibility study for a large project, and in the same way that we do all our projects, we signed an agreement with an important local player for the development of this project, which aims to jointly complete the feasibility study during the year 2024.



In June 2022, we announced an initiative that constitutes our first energy project related to green hydrogen: the project, with 2.5 MW of capacity, and a demand aggregation or open season process. The project consists of the production, storage, filling station and distribution of green hydrogen in the Mejillones area, adjacent to the Angamos plant.

During 2023, we continue working on this project, and the open season process closed confirming that there is still no available market in Chile for Mejillones, so the project is available for execution, but waiting for the hydrogen consumption market to mature in this area.

HYDROGEN 100% GREEN



# Citizen Participation Processes 2023 [GRIEU19]

As part of our sustainability strategy, project development is based on an early and ongoing relationship with communities through early citizen participation.

In this context, an early citizen participation process (PACA, for its acronym in Spanish) was developed in Chile during 2023 for the Rinconada Wind Farm project, located in the commune of Laja, Region of Biobío. On the Pampas Project side, a citizen participation process (PAC) was developed in the towns of Paposo and Taltal. Two citizen dialogues were held for the Cristales Project, one at the headquarters of the Peine Neighborhood Association, town of Peine, and the second, in the auditorium of the Santo Tomás University of Antofagasta. Additionally, an audiovisual capsule was prepared and shared by the SEA with the Peine community.

In the area of indigenous consultation, we continue to make progress on the Rinconada Wind Farm, located in the Region of Biobío. The resolution of the Environmental Assessment Service (SEA, for its acronym in Spanish) of the Region of Biobío established the start of the plant for November 29, 2021 and during 2023, the SEA advanced in the planning of the process, the development of meetings and the execution of protocols in accordance with 3 of the 10 participating families, distributed in the towns of Peñablanca, La Pina and La Colonia. At the time of publication of this report, this process is in its fourth and final phase of execution, in which the agreement protocols are being signed and the process is being systematized.



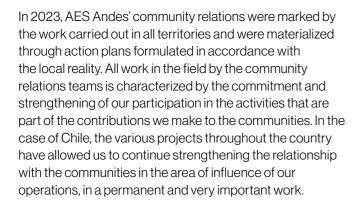


The following table shows the projects in which the Early Citizen Participation (PACA), Citizen Participation (PAC, for its acronym in Spanish), and Indigenous Consultation (PCI, for its acronym in Spanish) processes were used throughout 2023.

Name of	Type of	Region	PACA 2020	3	PAC 2023 Activ	ities	PCI 2023 A	- Observations	
Project	Project	negion	Activities	N <sup>o</sup> of participants	Activities	N <sup>o</sup> of participants	Activities	Nº of participants	Observations
Rinconada	Wind	Biobío	Open houses  Community meetings	35	Five open houses were held in the urban town of Laja and the rural towns of Chorrillos, Puente Perales, Peñablanca, and Los Lavanderos.  Three community meetings held in the rural communities of Pantanillos, Quiebrafrenos and Los Troncos.	100 60	An agreement protocol was signed with 3/10 families and in February 2024 such procedure will be completed with the remaining 7/10 families.	10 families	This process is managed by the Environmental Assessment Service. It is in its third phase of implementation. Eleven families close to the project are participating in this phase, with whom the project is in the process of informing, internal consultation and dialog.  In this process, a family gave up continuing in December 2022. There are only 10 families left.
Pampas	Hybrid	Antofagasta	They were not carried out.  (PACAs were carried out during 2022.)	Not Applicable	PAC in the town of Paposo on April 4, 2023. PAC in the city of Taltal on April 5, 2023.	6	A meeting was held on March 28, 2023 with the Changa indigenous communities El Salitre, El Gaucho, Finao Loreto, La Playita, Pabla Almendares, and Cachinales.	14 participants	This process was managed by the Environmental Assessment Service.  For the EIA, the characterization of the EI Salitre, EI Gaucho, Finao Loreto and La Playita groups was carried out. Furthermore, the characterization of Pabla Almendares and Cachinales was complemented in the Addendum.
Cristales	Photovoltaic	Antofagasta	They were not carried out.	Not Applicable	Two citizen dialogues were held: one at the headquarters of the Peine Neighborhood Association, town of Peine, and another one in the auditorium of the Santo Tomás University of Antofagasta.  Additionally, an audiovisual capsule was prepared and shared by the SEA with the Peine community.	15 (Peine) 4 (Antofagasta)			This project was entered into through an Environmental Impact Statement and the PAC was carried out as it was requested by the community of Peine.  The PAC process is managed by the Environmental Assessment Service.

# 2.5 Community Relations

[GRI 3-3, EU 19]



The energy transition process has set a precedent for the company, due to the incorporation of new neighboring communities to our wind farms under construction in the southern zone. This translates into the strengthening of our community relations teams and the development of more robust action plans that allow a good performance of community management, and the implementation of social investment programs that are developed by the AES Chile Foundation team.



#### Communication Mechanisms with Communities

Across all territories where AES Andes operations are present, we conduct regular meetings with local residents and social leaders, either in person or remotely. We enhance our interaction through various communication tools, aiming to sustain an ongoing dialogue.

For instance, in Tocopilla and Mejillones, we established working groups, conducted in-person and remote meetings, and organized visits to our facilities as part of the Open Doors Program. The purpose of this program is to foster a closer relationship between the community and the company's work in the field of energy generation. The joint work was mainly framed in meetings with both municipalities to identify and evaluate the needs of their communes in the pillars of: "Community-use infrastructure and training for employability." In addition, we participated in the working groups organized by the Ministry of Energy for the decarbonization process of Tocopilla, called Socio-Ecological Just Transition at the municipal and regional levels.

Our communication mechanisms with the local government have enabled us to identify priority areas in terms of public infrastructure in both communities. Consequently, we

channel our social investment into financing architectural and engineering designs. This allows municipalities to apply for projects and leverage available state resources for their realization.

In Puchuncaví and Quintero, through the Community Relations team in the field, we conducted dialogue programs with social leaders and communities as part of the Open Doors program. In the sector, we have several communication channels, such as a customer service office, a mail, a telephone line and social networks, and together we develop programs such as: Sustainable Caletas Program, Competitive Fund, Employability and Pre-University Training, among others.

In San José de Maipo we maintained different communication channels with the community. These included a permanent care service in the office, mail, social networks, field visits, and periodic meetings with different social organizations for consultations, doubts, and providing information about existing programs, such as the Business Strengthening Program, the Employability Training Program and the Competitive Fund. Furthermore, under the Open Doors



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Program, visits were conducted to the Alfalfal power plant and the Alto Maipo Nursery. These visits involved social organizations and municipal schools in the commune.

In addition, the social investment program "Cajón Elige" (Cajón Chooses) began to be developed with a civic perspective. Through the participation of all the actors of the commune, proposals for the development of tourism in the commune of San José de Maipo will come to life. To this end, 16 briefing meetings were held, 110 participatory workshops were attended by 212 people, and 6 meetings were held with local authorities. In addition, 8 meetings were held with the technical secretariat, and 6 meetings with the executive committee. Today we are working on the evaluation of the projects to present to the community.

In order to disseminate community activities in the territories, we kept the community informed through the company's different digital communication channels. This allowed them, from different areas of the country, to learn more about the work we carried out from north to south with our neighboring communities.

# Procedures for Queries and Claims: [NCG 461 3.6]

Both the plants in operation and the projects under construction have a query and complaint system. In the case of the Los Olmos, Campo Lindo, San Matías and Mesamávida wind farms, this system continued to be implemented in 2023 and was shared with community organizations in the various areas impacted by the projects.

The queries and claims procedure establishes an internal management that seeks to:

- Provide claimants with an effective and efficient process for responding to their inquiries or claims based on transparency.
- Provide a simple and accessible process for receiving and resolving inquiries and/or complaints.
- Establish a process to ensure that issues are handled confidentially and that the identity of the complainant is protected.
- Provide an anonymous mechanism if needed.
- Complement and strengthen the community relations process.
- Ensure timely response.

 Ensure that there are multiple channels for receiving and communicating inquiries and/or complaints, as well as approaches to resolution.



Likewise, at AES Andes and The AES Corporation globally, we also have a grievance mechanism, through the AES Help Line , which can be reviewed in chapter 3, Grievance Mechanism.





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#### Our Social Investment Strategy

The AES Chile Foundation is the entity responsible for developing our social investment strategy, with the mission of designing and collaboratively implementing social investment programs that contribute to the local development of the communities in which our operations and projects are located. During 2023, it was present in the communes of Mejillones, Tocopilla, Ovalle, Puchuncaví, San José de Maipo, Mulchén and Los Ángeles.

The areas in which our social investment programs are developed are related to the contribution to local development. They aim to foster the growth and sustainability of communities in three areas: technical education and training, contribution to development, and local entrepreneurship and community-use infrastructure projects. Additionally, through our competitive funds, we expanded the areas of action and implemented initiatives that promote healthy living and sports, culture, environmental care and energy efficiency. Our lines of action are in line with the United Nations sustainable development goals (SDGs):

#### Education and Training



We believe that investing in people is the best way to improve the lives of our society and the communities in which we operate.

#### Goals

Relation with the Sustainable Development Goals (SDG)

Ensure that all women and men have equal access to affordable and high quality technical, vocational and higher education, including university education. Promote youth and adults with the necessary skills, especially technical and vocational skills, for employment, decent work, and entrepreneurship.

#### Contribute to Local Developmen



We believe in entrepreneurship as a way to empower and develop the local communities where we operate and work.

#### Goals

Relation with the Sustainable Development Goals (SDG)

Development of productive activities, creation of decent jobs, entrepreneurship, creativity and innovation. Encourage the formalization and growth of micro and small businesses.

## Development of Community Infrastructure Projects



We contribute to improving people's quality of life by providing access to safe, resilient, inclusive and sustainable environments.

#### Goals

Relation with the Sustainable Development Goals (SDG)

Develop projects for inclusive and sustainable urbanization projects. Provide universal access to safe, inclusive and accessible green and public spaces, especially for women and children, the elderly and persons with disabilities.

Transversal axes: Gender equality and partnerships for the achievement of the objectives.





### 100% of AES Andes operations have social investment and community participation programs. Additionally,

all our plants carry out the Open Doors Program, whose objective is to allow people to learn about the facilities and bring the energy generation process closer to the community, in a participative and conversational day, where they can ask questions and clarify their doubts regarding the operations of each power plant.



#### Open Doors Program

The Open Doors Program, during 2023, was developed in: Mejillones, Puchuncaví - Quintero, Ovalle, San José de Maipo, Los Ángeles and Mulchén. More than 500 residents, local authorities and educational establishments visited the plants. Additionally, we made an opinion survey among the participants, with the aim of improving the processes associated with the program. According to the results, the majority of attendees indicated that the contents presented

in the visits and the answers provided by the professionals in charge of the operation of the plants were very good or relevant. They agree that these activities are very appropriate to provide knowledge to communities about energy generation.

Locality	Attendants
Mejillones	34
Ovalle	46
Puchuncaví Quintero	132
San José de Maipo	177
Mulchén	61
Los Ángeles	63





In 2023, we donated CLP\$ 33,888,000 to the communities in Chile to support culture, local identity activities and support to institutions.

In Chile, during 2023, we carried out 68 social investment programs and initiatives.

To see the details of these initiatives, review the Chapter 5 Additional Information, 5.6 Social Investment Programs and Initiatives.



#### Social Investment 2023\*

[GRI 201-1, 203-1]

Scope	SDG	Investment CLP\$	Beneficiaries
Education and Training	4	\$382,065,376	1,123
Local Development and Employment	8	\$172,682,531	927
Community-use Infrastructure Projects	11	\$557,207,304	41,167
Total		\$1,111,955,211	43,217

<sup>\*</sup> Social investment of AES Andes in Chile.



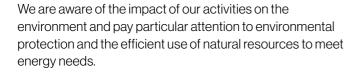
- Tocopilla
   Region of Antofagasta
- Mejillones
   Region of Antofagasta
- Antofagasta
   Region of Antofagasta
- Ovalle
   Region of Coquimbo
- Quintero-Puchuncaví /Laguna Verde Region of Valparaíso
- San José de Maipo Metropolitan Region
- Laja
   Region of Biobío
- Mulchén,
   Region of Biobío
- Los Ángeles Region of Biobío





### 2.6 Environmental Performance

[NCG 461 8.1.3]



Our Environmental Department in Chile is responsible for the region (Chile, Argentina and Colombia) and provides specialized support to the managers of each business through field-based professional teams and a senior staff based in Santiago. Support is provided for the entire life cycle of a project (development, construction, operation, and closure).

To improve and optimize the environmental management of our projects under construction and businesses in operation, we have consistently worked on the development and implementation of digital tools. These tools support the management of environmental compliance, centralize access to evidence of compliance, and facilitate its reportability to the authority. Throughout 2023, we continued the development and implementation of versatile monitoring tools. These tools, through interactive visualization platforms, evaluate compliance with the environmental commitments established in the Environmental Qualification Resolutions and current sectoral environmental regulations.

In terms of real-time monitoring of environmental variables, during 2023, we expanded the existing continuous noise monitoring network at the Mesamávida wind farm. We added eight new monitoring stations installed at points close to the nearest receivers of the Los Olmos and Campo Lindo wind farms. Additionally, during 2023, we initiated the implementation of a network to monitor the flow of water catchment in the intakes of the Alto Maipo power plants and the Cordillera complex. This network, consisting of 24 units, will enable us to verify compliance with the water collection rights granted by the authority.



#### Climate Change [GRI 3-3; NCG 461 4.2]

Our commitment to climate change management is consistent with The AES Corporation's latest Climate Scenario Report (2021), which incorporates the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and third-party scenarios and describes the resilience of our operations under a variety of scenarios, including updated scenarios published by the International Energy Agency (IEA) and the United Nations

Intergovernmental Panel on Climate Change (IPCC). More details in Chapter 1, Risk Management, Sensitivity Analysis and Stress Tests.

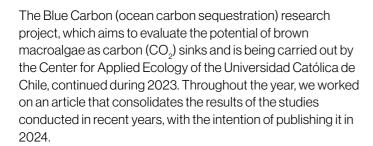
Through our Greentegra strategy, we are committed to concrete efforts to combat climate change, as outlined in Chapter 1, Our Purpose, Accelerating the Future of Energy Together. To accelerate the energy transition in Chile. Colombia and Argentina, during 2023 we conducted the environmental assessment of renewable energy projects as shown in the table below.



#### Projects currently under environmental review

Project	Environmental Assessment
Wind projects	1
Photovoltaic project	1
Solar + Wind Project	1





#### Registered Carbon Credits

We incorporate the Carbon Credit Market, an international mechanism designed to promote the reduction of greenhouse gas emissions into the atmosphere, into our renewable generation projects. Currently, we have recorded a total of 2,214,835 tons of CO<sub>2</sub>, estimated annually.

Throughout the year, we continued the renewal of the credit period for the years 2021 to 2028 under the Gold Standard for the Los Cururos Wind Farm, and registered the first credit period of the new phases of Andes Solar.



### Environmental Key Performance Indicators

Key Performance Indicators (KPIs) defined in the business units allow the monitoring and evaluation of the Company's environmental objectives. The information is entered into the INTELEX system, The AES Corporation's monitoring platform, on a quarterly basis.

The information used to develop the indicators was audited locally for AES Andes and its subsidiaries by the auditing firm RSM-Chile. Additionally, The AES Corporation audits the data reported in the INTELEX system with the auditing company Lloyd's Register LRQA, Inc. The indicators are calculated for all AES Andes businesses and subsidiaries in operation, and over which it has operational control. When a new business operation is started, data are consolidated as from the start date of commercial operation; and for acquired operations, data are consolidated as from the year following their incorporation. The data and environmental indicators of the businesses operationally controlled by AES Andes are consolidated at 100% without taking into account the participating interest owned by AES Andes in the business (which is used for the preparation of the financial statements). Starting from the current report, we consider annual indicators of projects in the construction phase. These are reported separately from the indicators of businesses in operation.

The scope of each key indicator is presented in Chapter 5, Additional Information: 5.7.2. Environmental Key Performance Indicators.



#### **Energy Management** [GRI 301-1, 302-1, 302-3]

Gross electricity generation (Mwh), which is the total amount of energy produced by each unit, is the parameter used to express emissions intensity in most of our environmental indicators.

In 2023, a total of 1,098,768 MWh of electricity was consumed internally at the corporate level.



#### Materials and energy consumption [IF-EU-000.B]

#### **Materials Consumption** 2023 3,380,779 7,088 524,580,271 157.932 2022 3,438,293 6,903 708,243,281 163,893 2021 5,076,837 160,000 6,619 520,000,000

#### **Energy Consumption (MWh)** 22,815,881 74,343 5,659,684 334,587 16,721 3,359 2023 16,264,659 12,639,916 23,243,371 17,152 2,878 2022 200,499 74,875 7,466,389 16,861,234 14,143,930 2021 340,419 31,992,210 139,545 5,634,356 25,439 2,650 20,168,361 17,966,257

<sup>(\*)</sup> Gross renewable energy - net renewable energy

<sup>(\*\*)</sup> Energy consumption by fuels + renewable energy consumed + energy consumed from the network - energy sold

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### Air Emissions [GRI 3-3, 305-7]

Air emissions are one of the most relevant environmental variables for our thermoelectric generation business in Chile and Argentina, and there is a specific regulatory framework that defines limits for emissions of Particulate Matter (PM), Sulfur Oxide (SO<sub>2</sub>), Nitrogen Oxides (NOx) and Mercury (Hg).

In Chile, all of our businesses have Continuous Emission Monitoring Systems (CEMSs), which are subject to annual certification processes, ensuring the quality and accuracy of the data measured.

During the first quarter of 2023, together with the Superintendency of the Environment, we completed the process of online connection of the Continuous Emissions Monitoring Systems (CEMSs) of all coal units, thus considering that the obligation of the authority has been fulfilled. This connection allows the authority to view the real time raw variables measured in the stack (stack concentrations and flow).







	2020	2021	2022	2023
Gross Generation (MWh)	21,646,130	21,292,756	17,880,887	17,321,741
Annual Emissions				
PM (t)	784	564	409	232
NO <sub>x</sub> (t)	14,024	11,824	9,448	8,886
SO <sub>2</sub> (t)	12,049	10,837	8,030	7,447
CO <sub>2</sub> (t)	11,360,608	10,705,338	7,696,767	7,156,275
Hg (kg)	45	36	26	27
Indicators				
PM (kg/MWh)	0.036	0.027	0.023	0.013
NO <sub>x</sub> (kg/MWh)	0.65	0.56	0.53	0.51
SO <sub>2</sub> (kg/MWh)	0.56	0.51	0.45	0.43
CO <sub>2</sub> (t/MWh)	0.52	0.50	0.43	0.41

Data verified by RSM Chile.

The data for the previous years have been updated by the elimination of businesses that are no longer part of the Company.



#### Noise

Among the various environmental commitments of the facilities in operation is the monitoring of the environmental variable noise. Noise monitoring is particularly important for wind power plants because the noise levels that a wind turbine can produce are influenced by external factors, mainly wind speed and direction.

The AES Andes wind farms have a monitoring program for the environmental variable of noise, with monthly measurements during the day and at night, in accordance with the provisions of the local Emission Standard for Noise

(Supreme Decree No. 38/11 of the Chilean Ministry of the Environment).

These measurements are carried out by an external auditing company duly accredited by the Environmental Superintendency and the results obtained are sent to the Environmental Superintendency through a web platform created for this purpose, and are made available to the public. The following table shows the consolidated results of the monitoring carried out at the various wind farms with this commitment.

Plant / location	Evaluated Receivers	Applicable Laws and Regulations	Applicable Limit <sup>1</sup>	Status Result for 2023
PE Campo Lindo	15	RCA 22/2015 - S.D. 38/11 MMA	Rural Area	Compliant
PE Los Olmos	11	RCA 140/2016 - S.D. 38/11 MMA	Rural Area	Compliant
PE Mesamávida	13	RCA 12/2015 - S.D. 38/11 MMA	Rural Area	Compliant
PE Los Cururos	7	RCA 50/2012 - S.D. 38/11 MMA	Rural Area	Compliant

<sup>1.</sup> Rural Area: The applicable limit corresponds to the lower value between the background noise level plus 10 dB(A) and the Corrected Pressure Level for Zone III, corresponding to 65 dB(A) during the day and 50 dB(A) at night.



On a quarterly basis, we monitor 100% of our CO<sub>2</sub> emissions from direct emissions (Scope 1) associated with the combustion of fossil fuels for electricity generation, the release of sulfur hexafluoride (SF6), emissions from the fleet of owned and leased vehicles used by our employees, and emissions from machinery used in our facilities.

In addition, we monitor indirect GHG emissions associated with energy purchased from third parties for our own use and transmission losses of energy transported through our networks (Scope 2). For Scope 3 emissions, we report the Company's material category corresponding to emissions from the transportation of fuels used to generate electricity (Category 3.a) together with the emissions produced by coal extraction. We also report emissions associated with domestic and international flights of AES Andes personnel in Chile.

Our emissions are reported as an environmental indicator in absolute (t CO<sub>2</sub>e) and unit (t CO<sub>2</sub>e/MWh) terms.







#### CO, Equivalent Emissions

	2020	2021	2022	2023
Gross Generation (MWh)	21,646,130	21,292,756	17,880,887	17,321,741
Scope 1 Direct Emissions (tCO <sub>2</sub> eq)	13,293,393	11,431,488	8,895,091	8,474,678
Scope 2 Indirect Emissions (tCO2 <sub>e</sub> q)	24,774	27,356	17,353	13,053
Scope1and2(tCO <sub>2</sub> e)	13,318,167	11,458,844	8,912,444	8,487,731
Scope 1 Intensity (tCO <sub>2</sub> e/MWh)	0.61	0.54	0.50	0.49
Scope 2 Intensity (tCO <sub>2</sub> e/MWh)	0.00114	0.00128	0.00097	0.00075
	2020	2021	2022	2023
Emission SF6 (ton)	0.0008	0	0	0.0386
Scope 3 Other Indirect Emissions				
Trips of staff in airplane (tCO <sub>2</sub> e)	273	191	546	600
Coal transport (tCO <sub>2</sub> e)	1,221,599	1,299,503	1,162,714	1,219,688
Emissions for coal extraction	112,256	174,576	132,127	131,988
Total Scope 3 Emissions (tCO <sub>2</sub> e)	1,334,128	1,474,271	1,295,386	1,352,276
Scope 3 Intensity (tCO <sub>2</sub> e/MWh)	0.062	0.069	0.072	0.078

Data verified by RSM Chile.

The data for the previous years have been updated by the elimination of businesses that are no longer part of the Company.

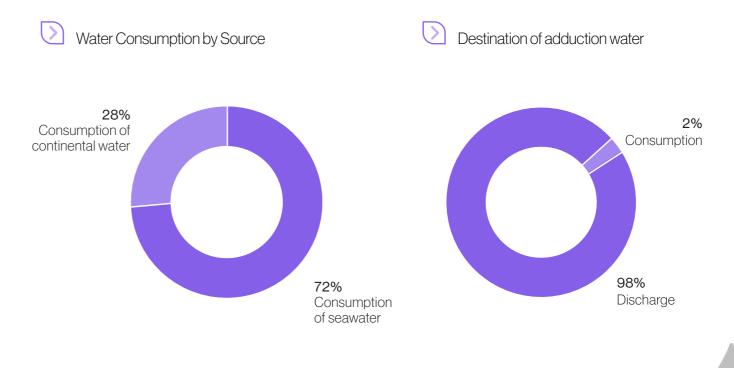


# Water Sources and Uses [GRI 3-3, 303-1, 303-3, 303-4, 303-5; IF-EU-140a.2, IF-EU-140a.3]

The level of impact and risk of water use in our operations is identified and assessed using methodologies defined in our management system. To assess this aspect, the sources of the resource and the legal or other environmental obligations under which the operations assume responsibility for the care in the adduction, use and discharge of water are considered. The result of this identification and assessment is summarized in a series of actions for the monitoring of use, management of consumption indicators, sampling and quality control in adduction and discharge, as well as the impact of the use of the resource returned to the respective surface or underground receiving bodies.

As a subsidiary of The AES Corporation, we have participated in the "Carbon Disclosure Project" (CDP) since 2016, which poses significant challenges in terms of monitoring, control, risk management, and awareness of water resources.

The water we use in our power generation processes can be segmented by source, including seawater, continental water (surface water and groundwater), and water purchased from third parties, such as drinking water. It is important to emphasize the predominance of seawater as a water source, which is related to the coastal location of several of our power plants.



The organization has had no water-related incidents in the past five years that have resulted in significant business interruptions or plant shutdowns with significant impacts, i.e. greater than or equal to US\$ 10,000.



Consumptive Water includes the use of water for internal business processes, primarily for the cooling process in thermoelectric power plants and operational processes, as well as water for internal use in offices and other non-operational processes.

Regarding our projects under construction, during the year 2023 a total of 101,792 m³ was consumed.

Data verified by RSM Chile. The data from previous years was updated by eliminating businesses that no longer belong to the Company.



#### Extraction by consumptive water source [IF-EU-140a.1]

	2020	2021	2022	2023			
Gross Generation (MWh)	21,646,130 21,292,756		17,880,887	17,321,741			
		Use of Water					
Seawater (m³)							
Adduction	1,067,017,150.31	883,849,824.94	787,938,623.43	704,454,729.94			
Discharge	1,053,751,705.00	870,016,863.70	775,886,109.90	696,188,794.33			
Consumption	13,265,445	13,832,961	12,052,514	8,265,936			
Consumption Intensity (m³/MWh)	0.61	0.65	0.67	0.48			
Continental Waters (m³)							
Adduction							
Surface Water	230,006	174,601	1,604,177	1,408,814			
Groundwater	5,072,737	3,380,179	4,567,212	3,643,025			
Sanitary Drinking Water	243,498	257,427	292,079	203,535			
Discharge	1,033,626	617,273	2,303,187	2,039,820			
Consumption	4,512,616	3,194,934	4,160,280	3,215,555			
Consumption Intensity (m³/MWh)	0.21	0.15	0.23	0.19			
Total (m³)							
Adduction	1,072,563,392	887,662,031	794,402,091	709,710,104			
Discharge	1,054,785,331	870,634,137	778,189,297	698,228,614			
Consumption	17,778,061	17,027,895	16,212,794	11,481,491			
		Indicator (m³/MWh)					
Adduction	49.55	41.69	44.43	40.97			
Discharge	48.73	40.89	43.52	40.31			
Consumption	0.82	0.80	0.91	0.66			



#### Non-Consumptive Water

Hydroelectricity generation in Chile and Colombia reports water withdrawn as non-consumptive water because it is fully returned to its source.

The maintenance of ecological flows is required for all works with water pickups of our facilities in the Alto Maipo plant.

Dedicated measurement and transmission instrumentation is used for this purpose, which can be monitored internally in Alfalfal's control room or via online platforms, which also support the generation of bi-monthly reports.

#### Recirculation and reuse of water

In AES Colombia, to promote efficiency in the use of water resources, the Tunjita hydroelectric plant operates in hydraulic series and reuses the same water from the Chivor hydroelectric plant. Then, 100% of the flows used by Tunjita for its operations are used in more than one generation plant to allow for greater energy efficiency.



#### Extraction by non-consumptive water source

Continental Waters (thousands of m³)	2020	2021	2022	2023
Surface Water	1,349,414	2,411,666	3,206,143	3,007,278

Data verified by RSM Chile.



#### Volume and percentage of turbinated water in Colombia

	Unit	2020	2021	2022	2023
Turbinated water	Thousands of m <sup>3</sup>	1,349,414	2,411,666	2,194,059	2,202,212
Volume of water re-turbinated in series	Thousands of m <sup>3</sup>	147,463	152,377	151,091	280,420
Reused water	%	11	6	7	13%

Data verified by RSM Chile.

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We use the WRI's Aqueduct Global Water Tool, an international sustainability indicator, as a reference to identify plants located in areas of water scarcity or stress.

In 2023, we found that 14 of our 17 business units were located

in water-stressed areas and were responsible for producing 74% of the energy generated. Now, if only the business units that, in addition to being located in water-stressed areas, extract continental fresh water are considered, these are reduced to 4 business units: TermoAndes, Ventanas,

Cordillera and Laja (i.e., 24% of the businesses), and contributed 30% of the energy generated during the year 2022. In addition, all water purchased from third parties is consumed by 4 units located in these areas.



Power plants in water-stressed areas using continental water

		20	20	20	2021 2022		2023		
Plant	Location	Use of Water (m³)	Use of Water (m³/MWh)						
TermoAndes	Province of Salta, Argentina	3,833,670	0.92	2,372,144	0.89	3,332,293	0.95	2,704,641	1
Ventanas	Coastal Area Ventanas, Puchuncaví, Region of Valparaíso, Chile	473,156	0.12	541,211	0.14	398,597	0.16	172,670	O.11
Cordillera	Cordillera Area, San José de Maipo, Metropolitan Region; Chile	36,811	0.04	25,729	0.03	87,112	2.12	51,578	0.07
Laja	Commune of Cabrero, Region of BioBío, Chile	106,422	8.54	201273	5.68	282,879	0.42	231,533	6.07
Los Cururos*	Commune of Ovalle, Region of Coquimbo, Chile	28.8	0.0001	29	0.0001	29	0.0001	28.8	0.0001
Mesamávida*	Commune of Los Angeles, Region of Biobío	N/A	N/A	N/A	N/A	1.06	0.00002	28.2	0.0002
Los Olmos*	Commune of Los Angeles, Region of Biobío	N/A	N/A	N/A	N/A	16.8	0.00006	27	0.0001
Campo Lindo	Commune of Los Angeles, Region of Biobío	N/A	N/A	N/A	N/A	N/A	N/A	311.22	0.0023

<sup>\*</sup>Water purchased from third parties - Data verified by RSM Chile.

N/A: Projects were not operating.

According to the United Nations definition of zones, which establishes:

- Water Stress: Availability of water below 1,700 m3/(person per year)
- Water Scarcity: Availability of water below 1,000 m3/(person per year)
- Absolute Water Scarcity: Availability of water below 500 m3/(person per year)

AES Andes owns the Nueva Tocopilla, Cochrane and Angamos power plants, which are located in water-stressed areas. However, these plants use (appropriately treated) seawater for their cooling processes, boiler feed, and consumption; therefore, they are not included in the previous table.



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### Industrial Liquid Waste (ILW) [GRI 303-2, 306-4]

100% of our ILW is processed prior to discharge. We plan and perform sampling and analysis at each facility and prepare reports to comply with regulatory requirements.

In Chile, each business monitors its discharges in accordance with the requirements of the Environmental Authority through its Monitoring Program Resolutions and the standard that regulates pollutants associated with discharges of liquid waste into marine and continental surface waters, Supreme Decree No. 90/2000, or the standard that regulates discharges of liquid waste into groundwater, Supreme Decree No. 46/2002.

Monitoring at all units is carried out by third parties that are Technical Environmental Monitoring Entities (ETFA, for its acronym in Spanish), which are authorized by the Environmental Superintendency, and which check compliance with the limits established in accordance with the current regulations, depending on the type of water body into which the discharge is made (surface water or groundwater).

In Argentina, the TermoAndes thermoelectric power plant discharges into a surface body of water, the Mojotoro River. To ensure regulatory compliance, discharge quality parameters are measured before leaving the plant. The discharge regulation is Provincial Resolution (Salta) No. 011/01 and the monitoring program is established by Resolution ENRE No. 558/22, which is applicable at the national level.

The monitoring program is carried out by third parties accredited by the Argentine Accreditation Organization (OAA, for its acronym in Spanish).

In Colombia, domestic wastewater is treated and then discharged to surface waters from the Chivor and Tunjita operations, all with their respective discharge permits.

The treatment systems comply with the maximum permissible limits established by Resolution No. 631 of 2015 of the Ministry of the Environment.

To verify compliance, there is a monitoring program carried out by a third party accredited by the Institute of Environmental Studies (IDEAM), according to the guidelines of NTC-ISO/IEC 17025 "General Requirements for the Competence of Testing and Calibration Laboratories" and as required by Decree 1076 of 2015.

The discharge sampling effort is presented in Chapter 5, Additional Information, 5.7.2 Key Environmental Performance Indicators.

In addition to the monitoring programs, we carry out Environmental Monitoring Plans (EMP) or monitoring of marine ecosystems. In our thermal generation plants that discharge water into the sea. They are previously subjected to periodic studies of both the physical and chemical variables of seawater (water quality), and the biotic variables of the marine environment (hydrobiological resources). Monitoring is reported to the environmental authority on a regular basis. Details of the current PVAs are provided in Chapter 5, Additional Information, 5.7.2 Environmental Performance Indicators

#### Significant spills

During 2023, there was a spill categorized as significant, which had no environmental or social impacts on our facilities

at the Angamos power plant, located in the Antofagasta Region, Chile, in the turbine sector of Unit 1 of the power plant.

Once the spill was identified, the necessary control measures were put in place and no related social or environmental impacts were observed. Details of the spill are provided in Chapter 5, Additional Information, 5.7.2 Key Environmental Performance Indicators.

When spills occur, they are reported to the INTELEX system, which provides information on whether the spill is significant or not, including characteristics and action plans.



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We monitor the generation of Hazardous and Non-Hazardous Waste in our operations in accordance with our Environmental Management System and the regulations in force in Chile, Argentina and Colombia. Since Coal Combustion Products (CCPs), primarily fly ash and bottom ash, make up nearly

all of the non-hazardous waste we generate, we focus our efforts on tracking the amount generated, increasing recycling alternatives, and ensuring proper final disposal in each of our three ash impoundments specially prepared for the management of this waste.



### Annual Waste Generation by Type [GRI 306-3; IF-EU-150a.1]



Type of Waste	2020	2021	2022	2023
Gross Generation (MWh)	21,646,130	21,292,756	17,880,887	17,321,741
Waste Generation				
Fly ash and gypsum (t)	891,356	802,889	627,781	668,930
Bottom ash (t)	149,221	143,141	91,652	80,999
Coal Combustion Products (t)	1,040,577	946,030	719,433	749,929
Coal Combustion Products (t/GWh)	54	44	40	43
Hazardous Waste (including used oil) (t)	371	1826	698	875
Hazardous Waste (including used oil) (t/GWh)	0.017	0.078	0.078	0.078
Non-Hazardous Waste (t)	3,858	2700	2432	2074
Non-Hazardous Waste (t/GWh)	0.154	0.127	0.136	0.120

Data verified by RSM Chile.

The data for the previous years have been updated by the elimination of businesses that are no longer part of the Company.



**aes** Andes

Our Management Approach: Accelerating a Sustainable Future

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The valorization in our plants considers three forms of management: the reuse of coal combustion products, the recycling of containers, packaging and oils, and the composting of organic waste.

In 2023, 3% of coal combustion products (ash and slag) were reused, continuing the reuse of combustion products from two of our units (Unit 2 of Ventanas and Laja Plant).

In our Mejillones facilities, we continued with the project to reduce organic waste in the casinos through industrial composting, which involves the transformation of food waste and its recovery through the production of compost. In 2023, we obtained 152 kilos of compost, with a reduction of 647

kilos of organic waste from the casino at the Angamos and Cochrane power plants.

In Chile, the generation and disposal of hazardous and non-hazardous solid waste are reported to the authorities through the authorized platforms (National Waste Declaration System (SINADER, for its acronym in Spanish) and Hazardous Waste Declaration and Monitoring System (SIDREP, for its acronym in Spanish), respectively).

In addition, the law establishes the "Framework for Waste Management, Extended Producer Responsibility and the Promotion of Recycling," whose purpose is to reduce waste generation and promote reuse, recycling and other

forms of recovery through the implementation of Extended Product Responsibility (REP, for its acronym in Spanish) and other waste management tools. In 2021, we began internal coordination to define the Management System to which we adhere as a Company, in order to start achieving the goals of containers and packaging valorization during 2023.

Regarding our projects under construction, during 2023 a total of 15,831 tons of non-hazardous waste and 121 tons of hazardous waste were generated.



Annual Recycling of Waste Classified by Type [GRI 306-4:|F-EU-150a1]

Type of Waste	2020	2021	2022	2023
Recycled Hazardous Waste (t)	25	835	46	71
Recycled Hazardous Waste (%)	7%	46%	7%	8%
Recycled Non-Hazardous Waste (t)	229	357	866	425
Recycled Non-Hazardous Waste (%)	6%	13%	36%	20%
Coal Combustion Products (t)	33,284	35,786	17,829	22,629
Coal Combustion Products (%)	3.2%	3.8%	2.5%	3.0%



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### Waste for Disposal, Classified by Type [GRI 306-5]

Type of Waste	2020	2021	2022	2023
Hazardous Waste (t)	346	991	639	797
Hazardous Waste (%)	93%	54%	92%	91%
Non-Hazardous Waste (t)	3,629	2,343	2,075	1,590
Non-Hazardous Waste (%)	94%	87%	85%	77%
Coal Combustion Products (t)	1,007,293	910,244	701,604	727,300
Coal Combustion Products (%)	96.8%	96.2%	97.5%	97.0%



In Argentina, solid waste generation is reported semi-annually to the National Electricity Regulatory Agency (ENRE, for its acronym in Spanish). In addition, in the case of hazardous waste, it is reported to the Secretary of Environment of the Province of Salta during the biennial renewal of the registration

in the list of generators.

In Colombia, hazardous waste is reported annually through the Annual Hazardous Waste Generator Register of the IDEAM (National Environmental System Support Institution).



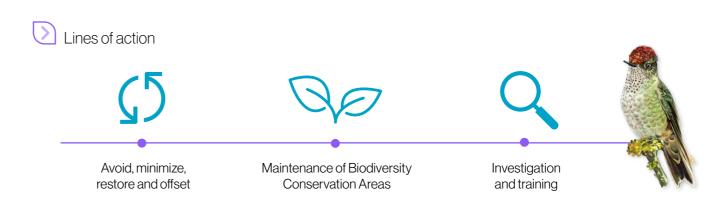
Our commitment to biodiversity is grounded in our Management System Policy and compliance with The AES Corporation's Biodiversity Assessment and Protection Standard, which was updated during 2023.

The Biodiversity Standard stipulates that AES Andes businesses promote biodiversity by adhering to the mitigation hierarchy outlined in Performance Standard 6 of the International Finance Corporation. This includes avoidance, minimization, restoration and offsets, where applicable.

The commitment is to promote the conservation of areas and ecosystems of high biodiversity value within our operations by protecting and promoting knowledge of endangered species, with the ultimate goal of achieving zero net loss.

The scope of our commitment applies to all AES Andes businesses. Together with our local teams, we work with external partners to deliver on this commitment.

Protected or high value areas adjacent to or near our facilities are described in Chapter 5.7, Additional Information, ESG Indicators.



To ensure that our commitment to biodiversity is properly implemented, we have conducted an impact assessment in our operations to determine the importance of biodiversity in the countries where we operate. In the management plans

for all sites, we have included the development of plans for sites in close proximity to critical biodiversity, as shown in the table below:



420 000			
Country	Number of businesses	Surface (ha)	Management Plans
Chile	13	3,307	11
Argentina	1	105	0
Colombia	3	1,897	1





#### 1 aes And

#### Rescue and Compensation Plans

As of 2023, we have rescued and relocated more than 2,200 specimens of reptiles, micromammals and amphibians, and we have also rescued flora with more than 2,500 specimens of cacti and shrubs from our projects under construction in central Chile.

For flora and vegetation, we provide compensation based on the area cut and the number of individuals removed. As of 2023, we have reforested more than 173 hectares and more than 250,000 trees, representing 99% of our reforestation goal by 2037.

In order to save the genetic material and reproduce the native flora species of the central northern region of Chile, and to carry out reforestation plans, we have three nurseries, one in the commune of San José de Maipo, another one in the commune of Ovalle and the third one in the commune of Puchuncaví.

#### Maintenance of biodiversity conservation areas

In line with our policy of preserving biodiversity, we are working to develop conservation areas in areas of high biodiversity value. The list of locations is detailed in Chapter 5, Additional Information, Section 5.7.2. Environmental Key Performance

Indicators.

The Fundación para la Sustentabilidad del Gaviotín Chico, to which Angamos and Cochrane belong, has two protected areas for the conservation of the Little Tern. called Pampa 1 and Pampa 2, in the Commune of Mejillones in northern Chile, with a total area of 2,027 hectares. In 2020, the Foundation began the creation of a Nature Reserve in the area of Punta Itata and Punta Gualaguala with an area of approximately 903 hectares, which was completed on July 11, 2022 with the signing of the Supreme Decree for the creation of the "Itata-Gualaguala Nature Reserve", published in the Official Gazette on August 16 of the same year. During 2023, progress was made in the request for administration of the sanctuary, as well as with the first steps for the implementation of the Management Plan.

In Colombia, we maintain a natural reserve of 1,750 hectares located in the "Very Tropical Rainforest" life zone, which has been naturally regenerated by the Chivor power plant for more than 45 years. As part of the conservation and protection activities, between 1998 and 2020, we developed biodiversity inventories in collaboration with the Institute of Natural Sciences of the National University of Colombia. This work not only strengthens our scientific knowledge, but also the vision of transforming the protection of biodiversity into an opportunity for social development for the inhabitants of the municipality of Santa María. A permanent surveillance program is also in place for this area to prevent potential damage from third parties.

During 2023, we continued to develop the voluntary project called "El Pangue Ecological Corridor" in the Valparaíso region, Chile. The aim of this project is to create a biological corridor that will facilitate the mobility and protection of the genetic material of native fauna and flora between the different fragments of natural habitat, as well as providing a space where

La Yaca, Marmosa or Kunguuna (Thylamys elegans).

research and environmental education activities such as bird watching and botanical research can be carried out inside the "El Pangue Estate". The corridor has been the object of work to determine the presence of fauna through photo-trapping at different stations, the construction of fauna crossings to ensure the continuity of the biological corridor, ecological restoration studies, renaturalization with native species and a pilot planting of vegetation according to Miyawaki methodology, among others.



During 2023, we launched the El Pangue Educational

Trail, a 750-meters trail featuring eight stations. These stations provide information on the species found in the area, recommendations

for observingthem, and details about the associate ecosystems.

El Pangue Educational Trail.



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The "Fundación para la Sustentabilidad del Gaviotín Chico" is dedicated to the preservation of the tern. This is achieved through the development of research capabilities, the generation of new knowledge about the species, and the implementation of technical measures for its protection. Since 2019, the Foundation will have a "Research, Education and Dissemination Center (CIED) for the Conservation of the Little Tern," located in the Playa Grande, area of Mejillones, where there is a training room and an educational trail that will create spaces for education and dissemination of information about the species.

Throughout the year, volunteer visit programs to nesting sites continued, along with educational workshops for Environmental Builders in Mejillones. Additionally, research studies commenced in the feeding areas of the little tern, in collaboration with the Port Authority of Mejillones and the University of Antofagasta. This research also included studies on the substrate in the tern's nesting areas.

AES Andes participated in the inauguration of the project "Valuing the Natural Heritage of Mejillones through Mural Painting and Community Integration". The

> objective of this project is to raise awareness and disseminate knowledge about local heritage and fauna through art, thereby encouraging their care and appreciation.

In order to promote the study and dissemination of the biodiversity present in the central zone of Chile. influenced by a Mediterranean climate and characterized by a wooded vegetation belonging to the sclerophyll forest, we have developed in recent years the study of the flora and fauna in the areas surrounding our facilities, specifically in El Panque Estate.

These studies have resulted in the publication of scientific studies in the journal of the Natural History Museum of Valparaiso, as well as the preparation of field guides on flora and fauna and biological risks for distribution among community members. During the last two years, we have been working on the identification of carnivorous species at the El Pangue estate, using cameras at animal passageways, as well as updating the publication: "Descriptive guide of the flora and fauna of El Pangue."

In 2023, we inaugurated the First World Standard Paleontological Laboratory in South America, for the preparation of fossils in the Paleontology Area within the premises of the National Museum of Natural History of Chile. The laboratory will facilitate the safe preparation and conservation of fossils. providing crucial support for research in this area, and contributing to

the cultural and scientific enrichment of the country.

As part of the actions aimed at protecting the basin that contributes to the La Esmeralda reservoir, which supplies the Chivor hydroelectric plant in Colombia, we have developed a strategy known as landscape management tools over the past five years. This strategy seeks to restore vegetation cover and ecosystem services in areas affected by activities such as agriculture or livestock in areas declared of environmental importance. This is achieved through habitat restoration, characterization of fauna through photo-trapping, and the dissemination and strengthening of productive processes such as beekeeping. Furthermore, since 2016, in Colombia, we have partnered with the National University of Colombia to conduct biodiversity research in the Integrated Management District (DRMI) of Cuchilla Negra or Guanque. This partnership involves the ongoing development of research and the preparation of open field guides for the community and specialist public. This has led to the publication of 11 Field Guides from the Institute of Natural Sciences, highlighting the richness

of the flora and fauna of Santa María.



FNDR Mural Painting Paleontological Laboratory.







# Environmental Regulatory Compliance [GRI 2-27, 307-1, NCG 461 8.1.3]

As part of our management system, we regularly monitor compliance with applicable environmental regulations through our internal compliance review systems. Details of the major environmental regulations currently in force and those currently under review that are applicable to our operations are provided in Chapter 5, Additional Information, Section 5.7.2. Environmental Key Performance Indicators.

In accordance with the current legal framework of our country, all our activities and projects undergo a relevance analysis to determine whether they constitute a project that must be included in the Environmental Impact Assessment System, as well as the appropriate entry mechanism.

The environmental impact assessments of our projects can be found at the following link  $\infty$ .

During 2023, the Superintendency of the Environment initiated three sanctioning procedures at our facilities. Laja

Plant, Alto Maipo Plant and Ventanas Plant. With respect to the other six cases registered to date at the Norgener, Angamos, Alto Maipo, Ventanas, and Cochrane power plants, and Mesamávida Wind Farm, none of them resulted in monetary or other fines, since the "Compliance Program" incentive mechanism was chosen. The status of these sanction proceedings initiated in the last five years is detailed in Chapter 5, Additional Information, Section 5.7.2. Environmental Key Performance Indicators.

For more information on ongoing administrative and legal proceedings in environmental matters, see Chapter 5, Additional Information, Section 5.7.2 Key Environmental Performance Indicators.

During 2023, none of the plants of the companies we operate paid significant environmental-related fines or sanctions, that is, equal to or greater than US\$ 10,000.



# 2.7 Occupational Safety and Health in our People and Contractors

[GRI 3-3, 403-5, 403-7, 403-8, 403-9, 403-10; NCG 461 5.6]





#### Occupational Safely and Health

In Chile, during the year 2023, and after overcoming the pandemic, activities related to occupational safety and health management were resumed normally. Regarding occupational health, pre-occupational examinations were performed for new employees and occupational examinations were followed up for those workers exposed to any risk, including the necessary test batteries.

In addition, Human Resources was able to resume health screenings for all employees and continue our common health medical surveillance programs in place.

This year, we also monitored the medical surveillance programs that are maintained within the company, in accordance with the evaluation of agents determined in the hygiene studies and following the ministerial protocols. Some of the exams performed in the surveillance programs included audiometry, silent chamber audiometry, and chest x-rays, among others.

Taking into account the qualitative and quantitative evaluations, and in collaboration with the administrative bodies of the Law of Occupational Accidents (Chilean

Safety Mutual Association), we carried out the application of ministerial protocols and other activities according to the specific requirements of each country, as well as the guidelines of the current laws. These activities included:

- Application of the Work-Related Musculoskeletal Disorder (TMERT) Protocol.
- Application of the Questionnaire of Assessments in the Work Environment and Mental Health (CEAL-SM),
- · Occupational Noise Exposure Protocol (PREXOR),
- Application of the National Silicosis Eradication Plan (PLANESI) Protocol,
- Application of the Manual Load Management Protocol (MMC),
- Course on Ergonomics,
- · Application of the UVS Radiation Protocol, and
- Follow-up to the measures of the plans established in each
  of the protocols, including the self-assessment guide for
  teleworking, aimed at those workers who maintain this
  modality.

In Colombia, employees undergo periodic occupational medical examinations with an emphasis on musculoskeletal disorders, according to their current place of work, at the Sant

to their current place of work, at the Santa María camp (Boyacá), at the powerhouse and at the site assigned by the health service provider, mainly in Bogotá, Neiva, Villavicencio, Medellín and Guajira. Medical-executive check-ups were also performed for our managers in the city of Bogota. These examinations are not only aimed at detecting occupational diseases. They include multiple pathologies that may be related to the age of our population, which is why an approach was made through various specialties such as occupational medicine, optometry, psychology, respiratory therapy and occupational speech therapy, as well as several (blood) laboratory tests to detect alterations that may affect cardiovascular risk and other specialized tests for people whose jobs include driving vehicles and high-risk activities such as working at heights and in confined spaces (psychological assessment, electrocardiogram,

psychosensometric test, test for alcohol and psychoactive substance consumption, among others) and food handling.

As a result of these examinations, any individual who exhibits any sign of illness or associated symptoms is immediately enrolled in the "Epidemiological Surveillance Programs" (PVE, for its acronym in Spanish), A corresponding PVE is available for each identified health risk:

Hearing Protection PVE,

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- Musculoeskeletal Risk PVE.
- Psychosocial Risk PVE,
- Biological Risk PVE

Each year, as part of the epidemiological surveillance program, noise level measurements are taken at the different workplaces and dosimetries are carried out to identify the noise levels to which the company's employees are

> exposed. Based on these results, necessary control measures are implemented to prevent issues related to this exposure risk. Among these measures,

occupational audiometries are performed annually to compare baseline audiometry. This helps to identify temporary losses in hearing levels that serve as warning signals to follow up on probable cases and prevent instances of permanent hearing loss among the workforce. In

addition, campaigns and training sessions are conducted to emphasize the importance of preserving hearing, the correct use of hearing protectors, their characteristics and attenuation, the continuous provision of hearing protectors to employees who need them, and the dissemination of noise level measurement results to all employees.

It should be noted that there were no cases of suspected noise-related occupational diseases in 2023.

As part of our epidemiological surveillance program for the prevention of musculoskeletal disorders, we conduct annual periodic examinations with a focus on musculoskeletal disorders in order to prevent early onset musculoskeletal disorders among our employees. In addition, virtual workplace inspections are conducted for administrative staff and symptomatic employees are monitored.

In Argentina, for TermoAndes, in order to comply with the law and our organization's policies and what is established in the Program of Occupational Health and Safety Activities, we carry out various activities. We highlight the following activities:

- Periodic medical exams for AES Andes personnel to qualify people for high-risk tasks (working at heights, confined spaces and geographic altitudes),
- Conduct of occupational lighting measurement study
- Conduct of occupational sound measurement study.

### Occupational Safety [NCG 461 5.6; IF-EU-320a1]

	Staff		
2023 Indicators	Own	Operations Contractor	Construction Contractor
Accident rate (per 100 employees)	0.66	0.78	0.91
Fatality rate (per 100 thousand employees)	0	0	0
Average number of days lost due to accidents during the year	228	106	107

This table applies to AES Chile.





#### Incident rates according to OSHA for AES Andes [IF-EU-320a.1]

Staff	Own	Operations Contractor	Construction Contractor
Number of Employees	1,118	2,187	1,468
Man-Hours Worked (MH)	2,314,007	4,433,470	3,421,382
Fatal accidents	0	0	0
LTI Cases	0	0	1
Recordable cases	1	3	0
Lost Time Incident Rate	0.000	0.000	0.0058
Recordable Incident Rate	0.086	0.135	0.000

LTI: Lost Time Incident, according to the OSHA.



During the year 2023, we recorded **O fatal accidents** among our own **and contractor personnel**..



For both our own personnel, and that of our operation and construction contractors, the results obtained rank among the best in the industry, and according to the EEI (Edison Electric Institute) indicators across the three countries where we are present.









#### Preventive Safety and Health Campaigns [GRI 403-4]

In Chile, Argentina and Colombia, a significant number of prevention campaigns were developed to strengthen our safety culture inside and outside the workplace. We highlight the following activities:

#### > Argentina (TermoAndes)

- Dengue protection and prevention campaign; detection, diagnosis, prevention and treatment of the disease,
- · Hand protection campaign,
- Incident reporting campaign,
- Safe driving campaign.

#### Colombia

- Priority Risks Assessment and Control Program 2023
- Unsafe acts, unsafe conditions and near misses reporting program,
- Put on goggles (focusing on the correct use of eye protection).

#### **>** Chile

- "ALL TOGETHER WE REPORT" campaign to encourage the reporting of incidents identified within the operational processes,
- Road safety campaign,
- · Awareness campaign for respiratory protection use,
- Defensive driving campaign "MAKING THE ROAD SAFE IS EVERYONE'S RESPONSIBILITY,"
- Preventive hand care campaign "LET'S GO HAND IN HAND WITH SAFETY - IT'S YOUR SUPER POWER,"
- "New Year's Holidays" Preventive Campaign
- "Safe Winter" Preventive Campaign,
- Country Holidays Campaign,
- Defensive driving campaign.
- UV radiation campaign,
- · Correct seatbelt campaign,
- · AES Cardinal Rules Campaign,
- Human-machine interaction and equipment blind spots campaign

- Self-care campaign in conjunction with the Joint Task
   Force, workers and children,
- Energy control campaign,
- "Take care of your eyes, it has a lot to do" Campaign
- Stress and fatigue campaign.



### Trainings

Being the integrity of people our main concern, we strive to provide the maximum of abilities and technical qualifications to our People, encouraging their personal and technical-professional growth.

After the pandemic, we were able to resume in-person

training, but we were also able to enhance it remotely, and we made good use of that experience.

We have provided various health and safety training sessions:

	Total Duration of Training	Number of Participants
Chile	291,75	8,225
Colombia	460	6,024
Argentina	66	586







#### Physical Safety

During 2023, we developed several measures to strengthen the care of people and facilities, among which we can mention improving access controls for our own personnel, permanent external personnel, contractors and visitors, thus ensuring compliance with documented security standards for the development of activities within our facilities.

As a permanent activity, we continuously manage and strengthen barriers and conditions for the protection of facilities, our employees' assets and information, mitigating the risks associated with present and future threats. We continue to improve technological barriers for access control. This includes our remote digital perimeter surveillance system

based on electromechanical gates with remote opening, reinforced perimeter fences, area lighting, critical spaces and closed circuit television surveillance system to optimize this surveillance management with reasonable minimum protection. Criteria have been strengthened and unified in the application of protocols and normal operating procedures to



be used by the different security agents involved in the surveillance services, achieving consistency, administrative and functional harmony at the national level. We continued to train security agents at the new Sur Complex. This training also extends to employees who are indirectly involved but must comply with safety and security protocols. We achieve this through talks on crime prevention.

The following are the main projects developed and implemented:

- Development and execution of the project for the implementation of the Alpha II assault alarm system, connected to the Communications Central (CENCO) of Carabineros of Chile, in each region where the business maintains critical facilities, as part of the Law Enforcement Assistance protocol.
- Preparation and updating of security plans for critical facilities, according to the regulations established by the Supervisory Authority of Carabineros of Chile and

in accordance with the Corporate Security Study, in order to mitigate the risks associated with the threats identified.

- We continued to modernize the technological protection infrastructure, optimizing surveillance activities and reducing the number of security agents in order to safeguard the economic resources available to the area.
- Permanent improvement of physical protection barriers such as: CCTV, perimeter fencing, lighting and facility access control to prevent or deter malicious or fraudulent intrusion, to minimize associated risk conditions.
- Training and education of the personnel working in the central security room of the Torre Nueva Santa María building in the monitoring of the CCTV system, alarms and communications at the national level, which allows preventive mitigation and corrective actions for the proper local protection status of the facility, and to achieve a timely response and escalation of communications in case of emergencies or natural disasters, complementing the monitoring equipment in each facility remotely.

### Community Management

As a Company, we are committed to promoting and sharing our culture of safety and health with neighboring communities, so we work together throughout the year to provide them with tools, training, equipment and technical support. We highlight the following activities:

- First aid training for drivers, administrative staff and Wayuu community personnel. (AES Colombia).
- Effective controls in the school area: installation of monitoring booths for the pedestrian traffic of students, teachers and parents, thus supporting the communities in the area (Chile South Hub).



#### Achievements and Recognitions

The main achievements and recognitions obtained in the area of safety during the year 2023 reflect the collective commitment "Todos Juntos" (All Together) and the leadership in safety issues at AES Andes.

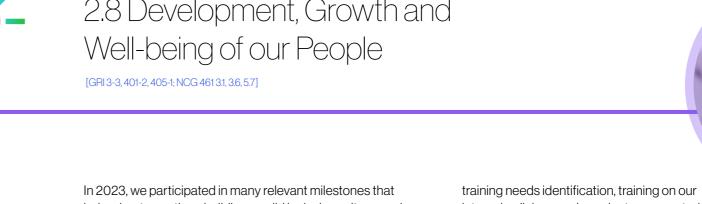
- "National Safety Council Award in the Angamos, Cochrane, Nueva Tocopilla and Northern Interconnected System Transmission (TSING) Business Units for their statistics for the year 2022 (Norte Complex - Chile).
- Award for commitment to safety, having achieved three million hours worked without accidents in the Norte complex.
- Angamos and Cochrane have achieved twelve years without a lost time incident for their own personnel (Norte Complex - Chile).
- Nueva Tocopilla power plant celebrates 20 years without LTI for its own personnel, and in 2023, there will be no incapacitating incidents for plant personnel and contractors, in accordance with Law 16,744 (Norte Complex - Chile).
- SING Transmission manages to keep the accident rate at 0 and also receives the Regional Award for Excellence in Prevention for the year 2023 from OAL IST (Norte Complex - Chile).

- The Institute of Occupational Safety (IST) recognizes Mr.
   Sergio Guzmán of the SIC Transmission Submanagement for his project "Reconectadores" for his contribution to prevention (Centro Complex - Chile).
- The National Safety Council recognizes the SIC Transmission Submanagement for its preventive management in the E category of companies (Centro Complex - Chile)
- IST recognizes AES workers at the Ventanas plant for 13 years without a lost-time incident according to OSHA standards (Centro Complex - Chile).
- IST recognizes collaborating companies at the Ventanas plant for three years without a lost-time incident according to OSHA standards (Centro Complex - Chile).
- Annual National Award "ROSALINO FUENTES SILVA" in the category "Prevention Professional" (Axel Salvo -Director HS&S AES Andes).





## 2.8 Development, Growth and Well-being of our People





helped us to continue building a solid inclusive culture, such as the continuation of our certification to Chilean Standard 3262 on Gender Equality and Parity, which meant facing follow-up audits that tested our Integrated Management System, and the first internship for women in our wind farms in the Biobio region, which allowed students from different technical and professional fields in the area to get to know us in depth, in an activity created with the aim of reaching future professionals and inspiring them to be part of an energy company like AES.

We work to promote diversity, respect and non-violence, as well as to enhance through workshops the management of emotions in times of change, within the framework of decarbonization. In 2023, we celebrated Men's Day on a large scale for the first time to practice internal equality, and we held the first inclusive Olympics with the Chilean Paralympic soccer team as part of Inclusion Month.

We continue to promote the development of our employees' talents through special programs for female talents, language courses, labor reconversion, entrepreneurship, specialization, internal policies, seminars, lectures, mentoring, coaching, team building, recreational activities, awareness activities, scholarships for graduate and post-graduate studies, support for academic expenses, etc.

Among other things, we continue to work on the safety, occupational health and emotional health of our People through our corporate program called Spring Health, which provides psychological support and assistance to those who need it, using an exclusive platform for this purpose.

In 2023, we continued to work on our Labor Reconversion Program, which expanded its focus to include different lines of action aimed at empowering not only the worker affected by decarbonization, but also his or her family, providing them with tools to develop a business.

The Women with Energy program continues to strengthen, creating opportunities for participation and exposure for the company's women. In 2023, as part of the celebration of International Women's Day, we were able to hold a meeting of



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all the women in the organization, with the aim of providing each one with tools for growth, with the intervention of prestigious coaches who strengthened each one's personal brand. The program also focused on continuing to empower women leaders through targeted workshops and training for all.

In the case of Colombia, we were ranked 27th in the Work Environment Survey, with a Work Environment Index of 92.7, and we again received the Icontec and Aequales PAR ranking certificate, Gender Equity.

In AES Argentina last year, together with TermoAndes, we

were not placed in the GPTW ranking, but we received the Silver GPTW Generation Award. AES Argentina was ranked 3rd in a GPTW ranking called GENERACION SILVER, which includes employees 55 years of age or older.

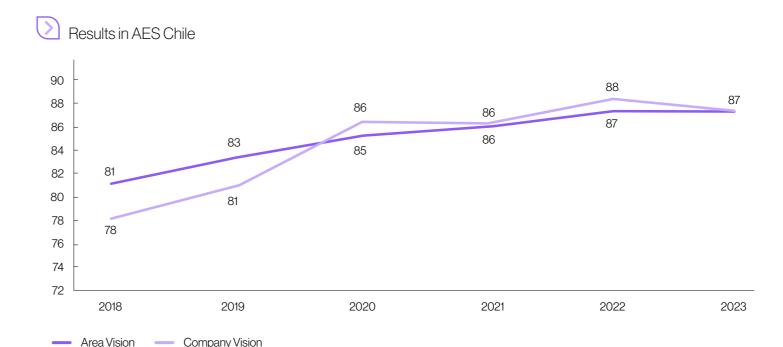
#### A Great Place to Work

Great Place To Work<sub>®</sub>

Being a better place to work is part of The AES Corporation's global strategic goals and ours.

That is why we have participated in the Great Place to Work (GPTW) survey for more than twelve years.

In 2023, we were honored with the 6th position in the ranking of the best medium sized companies to work for in Chile, and not only that, we were also awarded the 4th position in the ranking of the best companies to work for women.







17.7% Women 82.2% Men



38
Average Age of Women

43
Average Age of Men

### Talent Attraction and Development

During 2023, we again worked with the 9Box methodology, which deals with talent calibration and succession planning for the corporate and operational areas. In this case, we were able to identify talent with the potential to develop one or two positions upwards and sideways. We also identified gaps in the competencies required by our employees, which will be closed by 2023 with the corporate 70/20/10 talent development model.

We continue to develop new talent through our Energy4Talent (E4T) program, which is The AES Corporation's localized trainee program in each country. It is a two-year program in which trainees rotate through different areas, and in each rotation are responsible for leading strategic projects with the support of a technical tutor and the area leader.

In January 2023, five students joined the program in Chile and began their rotations in commercial, project development, operations and human resources. In addition, during 2023 we worked on the recruitment and selection of the new E4T trainees who will join in January 2024: two trainees in Argentina and one in Colombia.

As students complete their rotations, they move into positions across the company and have the opportunity to lead major projects in our APEX innovation initiative.

At AES, our mission is to improve lives by providing the smartest, most sustainable energy solutions the world needs.

# Energy4Talent

Connected with the world

Our ability to drive new ideas and solutions is key to achieving this goal and our "Greentegra" strategy. One of the ways we exercise this capability is through our AES Performance Excellence (APEX) program. APEX incorporates widely used methodologies and tools and includes standardized training that our employees can use to solve problems, improve processes and business performance.

Each year, we hold regional and global APEX competitions to recognize individuals and teams who lead APEX projects that result in significant breakthroughs and improvements. This year, 33 teams advanced from the regional competition to the global APEX competition.

Our 2023 Trainees submitted six exciting projects that resulted in significant savings for our company (fault detection algorithms; finance metrics project; green hydrogen certification; improved budgeting process for FP&A; standardized reporting for the Climate Risk Committee; vacation policy restructuring project).

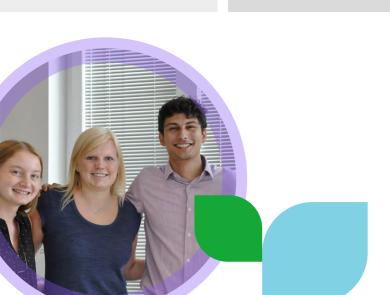
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**aes** Andes



Our Management Approach:

Accelerating a Sustainable Future

During 2023, we continued developing our "On Boarding" program, as an introduction and welcome to new talents, to train them and quickly immerse them in our culture, disseminating information about Greentegra, our values - Safety, High Standards and All Together - and explaining the strategic pillars, with the participation of 66 persons.

# Training and Development [GRI 404-1, 404-2, EU14, NCG 461 5.8]

One of the important milestones in relation to the training of our people, and which is in line with our transformation strategy, has been in recent years the design of our decarbonization strategy, which includes a pillar based on the transformation of our people. In 2023, our Labor Reconversion Program had five fundamental axes:

#### Labor Reconversion Program



- Program for the development of entrepreneurial skills.
- The quota can be assigned to collaborators or can be given to a member of their direct family (spouse, partner with civil union agreement, child of legal age).

#### Specialization Adolfo Ibañez University

- Solar Energy.
- Wind Power.
- Green Hydrogen.

#### Language Program

 Develop English language skills.

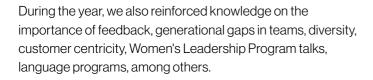
### Formal Training

- Battery Storage for Solar Specialization.
- Power BI
- Leadership. Training for leaders of the decarbonization process.
- Handling of boilers.
- GWO Work at Height

#### Work Day Learning

 Courses available at the WD platform.





We also continued our trainings, many of them mandatory, aimed at improving gender equality and reconciling work and family life. They were carried out through lectures and discussions aimed at both managers and our employees and focused on: prevention of domestic violence, preparing ourselves to recognize and refer these situations to the Human Resources team, who will provide the respective support and follow-up, reconciliation of family/personal and professional life with emphasis on joint responsibility, gender approach and its applicability in AES Andes, implementation of the Chilean Standard 3262, Chilean and international legislation on gender equality, new masculinities, unconscious biases and their impact on inequality, lecture on prevention of workplace and sexual harassment, etc.

From the people's point of view, and in line with the current laws for caregivers, a training program for monitors was also initiated. In 2024, a survey is expected to be conducted and work is expected to be done to train and support caregivers

Our Learning & Development 70/20/10 corporate model works based on three pillars: 70% of the learning comes

from project management, 20% from feedback, mentoring and coaching, and 10% from formal training in various technologies or updates in energy and renewables with the goal of digitalization, innovation and continuous improvement. Four hundred and forty people in the region participated in the language program, while more than 942 people participated in the online training programs.

During this period there was an average of 98.4 hours of training per employee. 37,374 hours of training provided to the

operations team to ensure the quality and efficiency of the entire workforce in activities such as construction, asset maintenance, and distribution of energy





#### Investment in Training

	Chile	TermoAndes	Colombia
Total of US\$ invested in training	US\$ 510,898	US\$ 26,945	US\$ 26,945
% of skilled workers, compared to the total number	76%	76%	76%





Note: The average number of hours worked by each individual employee is reported.



	No. of Employees	Total Training Hours	Average Training HHours
Senior Managers	7	29	4.08
Managers	107	3,538	33.07
Heads	151	10,637	70.44
Administrative staff	30	263	8.75
Service workers	12	98	8.18
Other professionals	325	7,654	23.55
Other technicians	452	15,156	33.53
Total	1,084	37,374	34.48

Note: The average number of hours grouped by position rank is reported.





#### Scholarship Programs

This program, which provides scholarships for employees to attend graduate programs such as MBAs or PhDs, helps fund up to 50% of tuition for those who qualify. In 2023, we applied a new working methodology to be fair and award postgraduate scholarships to the most deserving applicants. A total of 10 postgraduate and graduate scholarships were awarded, in addition to 164 undergraduate scholarships, divided between 89 for primary and secondary education and 75 for higher education.



#### Diversity and Inclusion [NCG 461 3.1]



Since 2018, we have been committed to diversity and inclusion at AES Andes. We have generated instances of participation for all our people, which allowed us to create the Diversity and Inclusion Committee, which has worked primarily on raising awareness of different pillars of diversity (generations, indigenous peoples, LGTBI, gender, disability, etc.) in order to achieve an inclusive culture and good treatment in the organization.

During 2019, we launched our Human Rights Policy co, and adopted strong standards for reviewing these in ourselves and also in our business partners. In addition, each service contract is accompanied by our Code of Conduct, which is

designed to introduce them to AES's culture of values. With our Human Rights Policy, Diversity Policy, Equal Opportunity Policy and Prevention of Discrimination and Harassment in all its forms, we have deepened our focus on creating a culture as an organization that aims at good treatment, equal opportunities and making AES a great place to work. In recent years, we have met the requirement of having at least 1% of our employees with disabilities.

In the same vein, we have worked to train employees who join our company, explaining, for example, the Inclusion Law No. 21.015 and its requirements for companies with 100 or more employees.

This year, for the first time, we held the Inclusive Olympic Games, where the National Paralympic Team of Blind People accompanied us and allowed many of our employees to experience playing soccer blindfolded and to practice empathy from the perspective of disability.

We also held workshops on corporate diversity to emphasize that while we are all different, we have many things in common and can therefore be more supportive when it comes to judging others.

We continued to use respect conversations, taking them to the regions this year to talk about the importance of practicing empathy and respect.



#### Women's Leadership Program

We continue to work hard on our Women with Energy program, which has allowed us to be recognized in the business world with awards such as the GPTW for Women. 4th place, and the Women and Business 2023 Award from ASIVA, Valparaíso Region.

To further contribute to women's development, the Elevating Women in Leadership (EWIL) program was launched to provide a range of benefits, including strengthening leadership skills, building confidence, promoting gender equality and providing support networks.



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These elements contribute to the empowerment of women in leadership roles, enabling them to overcome professional challenges and make significant contributions in various areas.

In addition, our women were able to experience the Women's Leadership Program, which took the form of a series of six lectures designed to make participants reflect on the equality, roles, opportunities and challenges facing women today and in their field, opening spaces for action and inspiration, and making a call to action to recognize and work for women's equality and empowerment.

We also empowered the company's female support team with technical and strategic customer service training.

#### **Female Talent**

During the last year, we continued to promote the internal communications campaign "Women with Energy," which encourages and inspires through real-life stories of achieving professional goals and becoming leaders in the organization, participating in forums and media, contributing our vision enriched by the participation of women.

In addition, for the first time in our history, we have created a Women's Internship Program for female students in technical or professional fields to get to know us as an organization. For example, we

launched our first Women with Energy internship program in the city of Los Angeles, where we now have several wind farms.

Students from different professions had the opportunity to participate in an experience that combined practice and theory, with specialists in occupational safety and health, environment, community management, corporate strategy, operation and maintenance of wind farms, with field visits to learn how the farms and facilities in general work.

In this way, we open our company to the academic world with a different perspective, not only as a professional practice, but also to take advantage of the need to diversify the workforce and the gender balance in the energy industry, and to attract female talent from the university.

We have defined staggered targets to make progress in attracting female talent to operational teams, and today we have 28.5% female participation.

We have conducted awareness-raising exercises for operations managers to ensure inclusive, bias-free selection, as well as awareness-raising conferences for operations employees, such as: unlearning stereotypes and identifying unconscious bias.

On the other hand, we have obtained a certification in gender equality and diversity, making us the first company in the energy sector to have this certification in the country; this certification was granted by AEQUALES and is valid for the period 2023-2024.

We are proud to be part of a great company; we personally received the EFR (Family Responsible Company) certification, together with 60 companies that, like us, stand out for their excellence as family responsible companies. This certification recognizes us for three years as a company that promotes an excellent balance between personal, professional and family life for its employees.

Finally, a mentoring program for employees was organized with the participation of the Management Committee.



### Pay gap per gender and position [GRI 2-20, 2-21, 405-2; NCG 461 5.4.1 5.4.2]

Using global compensation methodologies that are aligned with local practices and market realities, our company continues its commitment to gender pay equity. Regardless of the area to which they belong, for AES Andes it is important to have a common language at the company level, where neutrality is guaranteed in the implementation of our salary policies, and that they are governed by concepts of non-discrimination of gender, age and nationality, among others.

During the year 2022, AES Andes implemented a new methodology called "Career Framework" that we are currently using and that allows the management of a competitive and equitable compensation. This new "Career Framework" allows us to identify the different levels of positions as well as the type of role they perform, thus allowing us to maintain objective criteria to manage the different compensation plans.

We have a Strategic Human Resources Asset
Management Plan (PEGA, for its acronym in
Spanish) that defines our actions in compensation
matters, which will be updated in its 2023 version and
will include the new Career Framework methodology.
In addition, the Corporate Compensation department
conducts annual comparative analyses of the
different levels of the Company and the comparable
salary market, with the aim of maintaining salary
competitiveness in each of the countries in which it
operates.

During the year under review, the ratio between the salary of the highest paid person and the median salary of the workforce was 14.86 times. In the same vein, the ratio of the percentage increase in the annual salary of the highest-paid person compared to the average percentage increase in the annual salary of all male and female employees with respect to the previous period is 2.34\* times, while the pay ratio between women and men is, on average, 3% higher for women.

Pay Gap Per Gender in Chile, Colombia and TermoAndes

[NCG 4615.4.2]

	Mean	Median
Senior Managers	95%	97%
Managers	95%	95%
Heads	88%	86%
Other professionals	84%	85%
Other technicians	65%	66%
Administrative staff	127%	133%
Service workers	68%	65%
Grand Total	103%	110%



Note: Calculated as the median female pay divided by the median male pay and the median female pay divided by the median male pay.

Note: In order to obtain a comparable result for the pay gap, the hourly value was based on a standard of 40 hours per week and 52 weeks per year. Includes overtime, bonuses and other compensation paid, all in monthly values and converted to U.S. dollars (USD).

Pay (Colo

<sup>\*</sup>Note: To obtain comparative statistics for 2023/2022, information reported in the Integrated Annual Report 2022 was used and for 2023 data, people hired in 2023 and international mobilities were excluded.



#### Compensations and Benefits [NCG 461 5.8]

The benefits of our company have always been highlighted by our employees, as they encompass the different milestones in the lives of our People, from the birth of a child, for which we provide the benefit of parental leave days, marriage bonus, school scholarships, life and disability insurance, complementary health insurance, nursery and kindergarten, housing, health and education loans, celebrations, camaraderie activities with the team, summer camps, winter activities for children, Christmas party, anniversary party, initiatives to raise awareness on sensitive issues, volunteer work, among many others.

As part of the benefits and new social realities, it has been necessary to study sensitive areas such as domestic violence and to train internal monitors to channel information and detect cases within the teams that require referral to specialists in the field. One way of raising awareness was through theatrical performances, which put the issue on the table and allowed us to talk about current issues that require our full attention.

We continued with our teleworking policy, which has been extended to our operations and allows positions that are susceptible to home office to do so in a 3x2 modality. To reconcile work and personal life, AES Colombia has a Quality of Life Policy that offers different working hours alternatives throughout the week, as well as staggered working hours alternatives.

In addition, the RIT (Internal Work Regulations) includes a chapter on teleworking for those positions that are relevant due to the nature of their role.

The Nuevo Aires strategy allowed AES Colombia employees to work two days a week at the company's facilities and the other three days at home, making several work-life balance policies more flexible. Special cases have been addressed that require the employee to be 100% present at home. And in the case of TermoAndes, they are regulated according to the Labor Contract Law and the Collective Agreement.

We also held lectures for women with children on home management and stress management, and as a direct contribution to training, we held a course called "The Motherhood Revolution," which gave a different perspective to the different mothers in the organization, with the achievement that many pregnant women lived the experience before becoming mothers.

Regarding the benefits of the three countries, we can mention some of them:

- Health Insurance.
- Supplemental life insurance in addition to the mandatory life insurance required by law,
- Fitness club,
- Language learning classes (for certain positions),
- · Technical training to enhance skills and competencies,
- Christmas box or "aguinaldo" (yearly bonus),
- · Sports vouchers, birth bonus, marriage bonus,

- Childbirth Gift.
- School starter kit or school aid,
- Filing tax returns with an accountant by TermoAndes,
- Preventive examinations.
- Agreements with shops, insurance companies, theaters,
- Electrical Worker's Day,
- Flu vaccine,
- Workday learning,
- Gift cards recognition program,
- Active breaks, massage therapy,
- Psychological assistance program,
- Drug and Alcohol Prevention Policy,
- Loans,
- · Dividend payment aid,
- Mobilization,
- Celebrations,
- Workwear.
- Personal protective equipment,
- Pension advice.
- Collective plans from Social Security Health Institutes,
- · Agreements with clinics,
- Benefit nursery or kindergarten,
- Summer or winter activities for sons or daughters of employees.



# Parental leave [NCG 4615.7]

In AES Andes Chile, we add as a benefit two days to the legal paternity leave. In 2023, we had 31 births, of which 26 employees requested the birth bonus, or 83.8%, 48% requested the seven-day leave, 33.3% corresponds to women, one of them made use of the parental leave, taking three weeks of the mother's postnatal leave to take care of her son or daughter.

There is a benefit, published and established in the contracts and collective agreements, which states that biological or adoptive parents are entitled to their five days of leave plus two additional days, for a total of seven days, which could be taken within the month of the son's or daughter's birth. Both are granted upon presentation of the newborn's birth or adoption certificate.

At TermoAndes, leave is granted in accordance with the Labor Contract



In Colombia, AES Colombia complies with the current legislation on maternity and paternity leave ("María" Law), which applies to natural and adopted children and grants 17 weeks for mothers and eight business days for fathers. As an extra-legal benefit of collective bargaining, it grants fathers and mothers an additional five business days, in addition to economic support for the birth of children.



Employees that used the parental leave - Chile

Births	30
Birth Bonuses	30
Birth Leaves	14
Men	25
Women	5

The law grants mothers one hour a day to breastfeed their babies during the first six months of life.

In addition, as part of AES Colombia's quality of life policy, AES Colombia extends the time that mothers can work from home during the first six months of their baby's life.



Employees that used the parental leave - Colombia

Births	4
Birth Bonuses	2
Birth Leaves	4
Men	4
Women	0

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# Promotion of the Health of our People [GRI 403-6]

As a company we are always committed to the health of our workers, and in that line, we have many actions that promote the well-being of our people.

We have group health plans with different health insurance companies, and we also have life and disability insurance, and complementary health insurance with high coverage, which also includes catastrophic insurance that favors the care of the workers and their families.

In addition, we provide health loans that allow workers to cover high-cost illnesses.

On a biannual basis, workers 35 years of age and older are invited to voluntarily participate in our preventive health exams, which are carried out in different areas of the country, and allow people to have a complete report of their health conditions, which has allowed us to save

lives through the medical findings that have been recorded.

Regarding the confidentiality of this process, in the contract

entered into with the chosen clinic, there is a confidentiality clause in which the clinic agrees not to disclose even to the company the health status of the employee, delivering only the results to the employee.

We have months dedicated to women's and men's campaigns promoting preventive breast and prostate cancer screenings.

In addition, we have a policy for the prevention of drug and alcohol use and abuse, which includes as a line of action permanent random and unannounced tests, and if any person comes out positive, the policy is activated and includes an attention with a psychologist and psychiatrist to determine if there is any level of addiction that requires further intervention, if so, the company accompanies the employee in the process until he or she is discharged, at which time the employee can return to his or her job.

We have a flagship AES program called Quality of Life, which consists of helping people to take gymnastic breaks at their workplace, taking care of ergonomic aspects. In addition, this program includes weekly massage therapy, since we understand that the body tends to tense up and needs to relax through massage when it is in the same posture for a long time, sitting badly or under the stress of work.



# Labor Reconversion: Generating New Capabilities [GRI 404-2]

During the year 2023, we will continue with our labor reconversion program version 2023, which focuses on specialization, entrepreneurship, languages, specific courses, and general courses. In this new version, we developed a Gantt chart that allowed us to close stages, starting with the closing ceremony of our first stage with the European company Tecnatom, in which more than 300 participants received a certification diploma for having completed this transversal plan of five general modules on non-conventional renewable energies, such as wind, solar, hydrogen and batteries, in addition to an introductory module.

Once this stage was completed, the people affected by the decarbonization process had the opportunity to fill out an employment interest form, which opened up the possibility of developing some of our lines of intervention focused on specialization, entrepreneurship, language and various courses.

The people completed the stages up to the enrollment in the subject of interest, and developed during 2023 the theoretical and practical courses with different prestigious universities of the country, which opened the way to internal applications for our new renewable energy parks.





We worked with the Adolfo Ibáñez University on a special renewable energy specialization course that included theoretical classes and culminated with field visits to wind farms, solar farms and a green hydrogen pilot plant. Here we have 94 students in total, of which 38 were in wind energy, 21 in solar energy, and 35 students in green hydrogen.

In addition, together with the University of Chile, we worked with 40 students on all the concepts related to battery storage.

For those interested in perfecting their language skills, we had two English programs that allowed us to take on 89 students. In addition, entrepreneurship courses were given to family members and male and female workers, with a total of 76 beneficiaries, which is a major milestone.

As complementary interventions, we were also able to work with leaders in change management workshops and focus groups, which benefited more than 80 people.



Performance Management [GRI 404-3; NCG 461 3.6]

In 2023, we continued to work on the importance of the performance management process and, as usual, the process was developed in our enterprise platform Workday (WD),

where at the beginning of the year, each employee enters their performance objectives for the year, which are reviewed and approved by their manager, and the follow-up process begins, which consists of a mid-year feedback instance to guide the person on their progress, to finally close at the end of the year and evaluate each objective. This is a very important process within the company, and has a compliance rate in Chile and Argentina of more than 98%, while in Colombia it was 83%. In 2023, we supported managers with a feedback workshop to help them generate good interviews with their teams.

In addition, we continue to promote "Anytime Feedback," where any employee can spontaneously and voluntarily request feedback from anyone in the company with whom he or she has worked.

All of these actions allow our People to identify and learn about their strengths and the skills and behaviors valued by the leader and the organization, as well as identify and close gaps in areas for improvement.

Each year we continue to map our talents with the 9box methodology, which places people in quadrants from 1 to 9 according to their performance, in addition to their potential for growth and development within the organization. The construction of succession plans is also derived from this methodology.



### Percentage of participation in Performance Management 2023

Country	Total	Percentage
TermoAndes	53	99%
Chile	888	99%
Colombia	114	83%



Succession plans are opened in the WD platform and, for each position, each manager with their respective HRBP identifies people who fit the profiles and defines their current status to take a position, considering whether they are ready immediately or if they require years of further training and experience.

In 2023, we carried out 1055 routine evaluations of employee performance and professional growth, achievingan effective participation rate of 99% across the three countries.



# Relationship with unions [GRI 2-30, 3-3]

57% (including TermoAndes in Argentina) of our employees are members of one of the thirteen unions that exist in the region, with which we have been concerned to build and maintain an open and transparent relationship with a solid and permanent communication, considering it a unique opportunity to connect with their needs.

In Chile, we have 81% of unionized members in 6 unions located in different areas of Chile, with which we work

constantly on the basis of trust and transparency to always promote the welfare of our workers.

In the case of Colombia, trade union organizations reach 15% of the total membership of the company. For non-union employees, the Company has a benefits booklet.

Number of unionized employees by country

57% Total Unionized Employees in AES Andes

81% Unionized employees in Chile



77%
Unionized employees in Argentina



15%

Unionized employees in Colombia



Percentage Calculated on the Basis of all Employees in AES Andes.

Brisas Solar Plant



# 2.9 Innovation Projects



#### Self-Generation Projects

In Colombia we have developed self-generation projects that provide energy to customers independently of or in combination with the public grid.

To date we have built three solar plants for the Ecopetrol Group: Castilla, San Fernando and Brisas, for a total of 109 MW. The 21 MW Solar Castilla Plant was completed in 2019. The 61 MW San Fernando Solar Plant was completed in the third quarter of 2021 and is today Colombia's largest self-generation solar plant.

The 27 MW Brisas Solar Plant was commissioned in December 2022. The three wind farms have a contract with the Ecopetrol Group, under which they will supply renewable energy for a period of 15 years.

We continue to evaluate new self-generation projects in Chile and Colombia.

#### Storage

One of the biggest challenges is currently related to addressing climate change. To this end, the energy transition to a renewable energy matrix is fundamental and in AES Andes, in addition to the development and construction of new projects, we have addressed it through the development of new energy storage technologies to achieve a more reliable electric system.

We are pioneers in the implementation of battery storage technologies in Chile (Battery Energy Storage System, BESS) and in 2009 placed the first batteries at the service of the National Electricity Coordinator to provide primary frequency regulation.

We continue to invest in batteries to store electricity, which

will allow us as a company to add 1,297
MW of batteries since the launching of Greentegra until 2027, and thereby store up to 4,438 MWh of energy per day in Chile, in addition to contributing to the commitment established in the National Energy Policy, making the electric system more flexible, providing storage innovations to integrate renewable sources and ensuring that clean energy is available at any time and in any household in Chile.

Energy storage along with renewables will play a critical role in Chile's green energy future, and will allow renewable energy to be stored for peak demand, and will help to accelerate the phase-out of thermal generation. Additionally, thanks to its storage capacity, it will not only inject renewable energy into the Chilean electric system during the hours when there is no solar production, but also when the grid needs it most, displacing fossil fuel-based technologies needed for the peak hours of the system.





#### Virtual Reservoir

These storage systems allow us to store the energy generated by a run-of-the-river hydroelectric power plant in our Cordillera Complex, eliminating the need for a water reservoir. With a storage potential of up to 250 MWh, this type of project will allow us to contribute to the stability of the electric system with additional services such as back-up and islanding for contingencies. The stored energy will allow the system to replace conventional fossil-fuel power plants during peak hours, reducing greenhouse gas emissions and operating costs.

Stage 1 of 10 MW for five hours was completed in the first quarter of 2021 and became the first virtual reservoir of its kind in the world and the construction of Stage II has already begun, while the second stage, of 50 MW for four hours, began operations in December 2023.

#### Storage Batteries adjacent to the solar plants of Andes Solar

This type of project considers the construction and operation of storage systems associated with photovoltaic projects. Andes Solar IIb, Andes Solar III, Andes Solar IV, Andes lia, and Bolero consider storage batteries adjacent to these plants. Andes IIb began commercial operation in July 2023, becoming the largest solar storage battery system in Latin America.

The Andes IV storage project will begin construction in 2022, along with the associated photovoltaic plant, adding another 650 MWh of storage capacity once this phase is completed. The Andes Solar IIa storage battery began construction in May 2023.

For more details on the progress of Andes Solar IV and Andes Solar IIa projects, see Chapter 2.4 Our Projects under Construction and Development.

#### Reconversion of Power Plants, Alba Project

Just as we are developing and building energy storage projects using electrochemical technology (lithium-ion batteries), we are also using other technologies, such as thermal. This new technology allows us to transform our coal-fired thermal power plants into clean and highly competitive storage centers by taking advantage of



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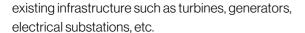
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Molten salt, or solar thermal, technology involves using electricity from renewable sources to power electric heaters during the day, raising the temperature of molten salts in ponds at 260°C to 570°C, and storing them in ponds at high temperatures. At night, they are circulated from the high-temperature pond through a heat exchanger to produce steam and converted to electrical energy when needed.

One of the advantages of this technology is that it can be retrofitted in parallel to the plant's current operation. In November 2023, we obtained environmental approval for this reconversion project.

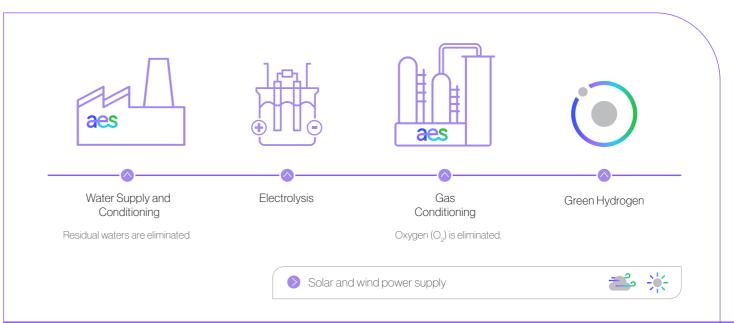
> More information in Chapter 2.4 Our Projects under Construction and Development - Other Projects Under Development.

### Green Hydrogen

We continue to develop green hydrogen projects in the company. We are confident that the exploration and innovation in this energy sector will diversify our portfolio of renewable energy projects. For this reason, we continue to work on corporate partnerships with higher education entities, technology counterparts, and labor reconversion of our People, among other things.

More information in Chapter 2.4 Our Projects under Construction and Development - Other Projects Under Development.





Reconversion of Angamos Plant



# Innovation and Transformation in our Operations

#### Digital Transformation in our Operations

In AES Andes, innovation has been part of our digital transformation strategy for the last few years. To that end, we have monitored our operations from our Smart Center for Operations in Chile, where the convergence of processes, people and technological tools takes place. Having this unique ecosystem of innovation and creation alongside our

customers, with artificial intelligence and machine learning tools, helps us improve operational decision making in our facilities.

Our ROCC (Remote Operation Control Center) for the Chilean units is located in the Smart Center. From there, we remotely and centrally maneuver our operating plants to optimize costs, improve performance, and streamline dispatch decisions

to ensure reliable and safe operation in accordance with system requirements. This is a great innovation because, in addition to our current operation, which includes generating units that have been operating locally for more than 20 years, it also includes all new renewable assets, which accelerates the integration of new units.

In addition, as part of the Smart Center, there is the PMAC (Performance Monitoring & Analytic Center), where we use technological tools that allow us to continuously monitor asset performance online, i.e. the early detection of failures, efficiency losses and improvement opportunities for our power plants. This way, we incorporated Advanced Analytics and Artificial Intelligence tools into our operational decision making, allowing us to improve our plants and make them more reliable and agile. In addition, we have initiated the development of early warning learning algorithms that incorporate our learning from past failures, allowing us to increase our decision-making capacity and agility.

During 2023, the Campo Lindo wind farm, and our Andes Solar IIb and Virtual Reservoir 2 energy storage plants were integrated into the ROCC operation.



Smart Center, ROCC, Chile



In order to improve the backup of our facilities in Torre Nueva Santa María, the Back up ROCC was enabled in Maitenes, Cajón del Maipo, which contains an additional infrastructure to operate thermal and renewable units, with the objective of maintaining operational continuity in case of a contingency or major impact in our main ROCC.

This initiative is part of the "Collaboration and Reciprocal Cooperation Agreement on Urban Community Electric Transportation System", executed by AES Chile and the Municipality of Puchuncaví, in which it is agreed that the company will provide fully electric buses with a capacity for 42 people each.

#### Electromobility

We made progress in the transformation of our internal personnel transport fleet by installing the first electric bus chargers for the Ventanas Complex (Chile).

The electric buses have already started their clean run in 2022, transporting the complex's employees. This milestone is the starting point for the transformation of the rest of the complexes. The same service of electric buses that transport employees will be extended at the beginning of 2023 for the benefit of the communities neighboring Ventanas Complex, benefiting the sectors of La Laguna, Maitencillo, El Rungue, El Paso, Puchuncaví, Campiche, Horcón, La Chocota, Las Ventanas and La Greda.

This type of fleet is part of the objective of connectivity of the inhabitants of the commune, in addition to strengthening the public transportation system in the area, so this new service will promote greater proximity of residential areas with public squares, schools, health centers and commercial areas of Puchuncaví, along with transferring the workers of the plant to their homes.

#### **APEX Projects**

Throughout its 16-year history, the APEX program has played an integral role in AES's quest to accelerate the future of energy, enabling us to continuously improve our processes, and has been championed by senior management across all AES businesses.

An annual Global APEX competition is held in which the most relevant projects executed by our People, applying innovation and following defined methodologies to solve problems, further raising our standards of excellence, compete and are selected. The categories defined this year were: Non-Operational, Renewable Operations, Conventional Generation Operations and Replication.

In 2023, 33 projects were submitted, five of which were presented by teams in Chile and Colombia. A project presented by the Colombian team seeking to improve the risk perspective by taking advantage of the energy transition won first place in the Replication category.





Transportation Agreement, electric buses, Puchuncaví.

# 2.10 Customer Relations: Excellence and Quality

[GRI 3-3; NCG 461 6.2, 8.1.1; IF-EU-000.A]



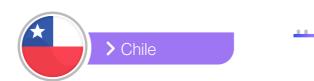
By 2023, we have executed commercial agreements for 14.6 TWh/year, as part of our Greentegra strategy, with both existing and new customers, delivering innovative and competitive solutions to contribute to the achievement of their sustainability goals.

To achieve our goals, the relationship with our customers is fundamental to the business and the main topic of the 2018-2027 strategic framework. Therefore, we promote a customer-centric culture that has allowed us to strengthen our relationships based on the commitment to detect and support solutions appropriate to their needs and energy problems.

During the year under review, we have received no claims from our customers concerning violations to their privacy, information leakage or loss of data. Our commercial relationships are governed by the regulations in force in each country in which we operate. In Chile, customer

rights are governed by the regulations and supervision of the Superintendency of Electricity and Fuels, and there were no sanctions in this area during the reporting period.

In Colombia, regulated contracts are under the supervision of the CREG, while non-regulated demand is covered by bilateral contracts. In Argentina, the Secretariat of Energy regulates the market through resolutions and CAMMESA, where generators sell their energy on the spot market, and TermoAndes also has contracts under the Energía Plus regime, which are negotiated bilaterally.



In Chile, we serve customers throughout the National Electric System (SEN), providing energy solutions from the Arica and Parinacota regions to the Los Lagos region. Our customers are divided into three segments: mining, electrical distributors for the regulated market and the commercial and industrial (C&I) market.

In line with our customer-centric proposal, in 2019 we began to implement the NPS (Net Promoter Score) measurement system, which is the survey that measures the customer satisfaction index. In 2023, we improved the metric by 51% over 2022 (NPS 2023: 89 pts), as a result of strategic planning based on previous results. The focus of 2023 was to improve the customer experience, especially in terms of proximity, customized service, and the delivery of information about the electrical market in webinars, workshops, reports, and training, among others.

As part of the Customer Success Plan, we implemented a number of new initiatives to strengthen our customer focus:

- Three courses on the electricity market, attended by more than 75 customers, whose satisfaction was reflected in the surveys sent out, with an average score of 4.8 out of 5.
- Two webinars about updates in regulatory changes, in which more than 54 clients participated, and whose level of satisfaction was reflected in the surveys sent out, obtaining an average score of 4.8 out of a total of 5.

Alfalfal, Chile.

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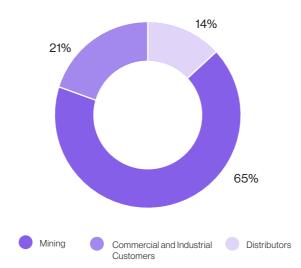
- Monthly and half-yearly reports, and newsletters on regulatory changes that aim to inform about the electricity market and the solutions that AES Andes is developing in Chile for our customers, and to educate on key issues such as green hydrogen, regulatory issues and clean energy certifications, among others..
- Energy efficiency workshop for mining, held in Antofagasta. This is to facilitate the participation of clients in the regions.
- Sustenta 2023: An exclusive event for our clients whose objective this year was to create networking opportunities, present current issues of energy transition at a global and local level (with Carlos Barría from Grid & Zero Energy Consulting), and also, together with the Comando Jungle panel of political experts, offer a talk on social and political perspectives of the country.
- Review of internal processes to improve and manage the regular relationship with our customers, including optimizing our CRM (Salesforce Cases) platform to provide timely responses to customer inquiries/ complaints and map the relationship with each of them and the restructuring of the billing process to facilitate and automate milestones.
  - As AES Chile, we have made progress in implementing customer self-service solutions. In

2023, we implemented the new customer portal called Mi Energía (84% of registered customers), and also supported the evaluation of energy storage and distributed generation solutions for customers.

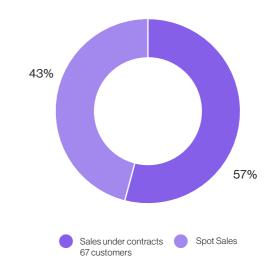
Sales indicators support our 2023 management, highlighting three main customers with whom we have a relationship: mining, commercial and industrial, and distributing customers. > Colombia

In Colombia we continued to work with customers in the regulated (wholesale) and non-regulated markets through medium- and long-term contracts to develop our customercentric culture with energy solutions that generate value.





# Sales in Colombia 2023



In 2023, we intend to continue to venture into additional products, such as the sale of IRECs certificates, which we were able to close this year for a three-year term, and which not only contributed additional income, but also brought us two new customers with whom we expect to deepen our relationship through our 100% renewable energy offer.

In line with our customer-centric proposal, in 2019 we began to implement the NPS (Net Promoter Score) measurement system, which is the survey that measures the customer satisfaction index. For this year, we managed to improve the metric by 17% with respect to 2022, achieving a score of 68

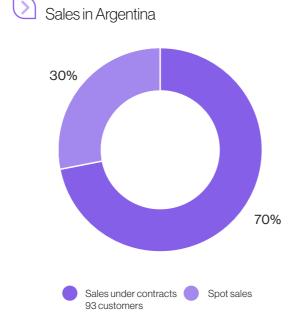
points, as a result of a strategy focused on improving the experience of our customers, mainly in terms of customer service, delivery of information on the electricity market, events and training, among others.

Finally, we have made progress in the implementation of digital solutions for our customers, achieving the implementation of the Clean Energy Navigator platform (100% of registered customers), which will allow them to have access to the consumption and billing information of their boundaries in almost real time.



Through our subsidiary TermoAndes, we operate the Salta Thermal Power Plant, which supplies energy through the two operating systems that exist in the Argentine market: Spot Market (regulated) and Energía Plus (non-regulated).

In the spot market, we sell electrical energy to CAMMESA and in the Energía Plus market we sell electrical energy to commercial and industrial customers.

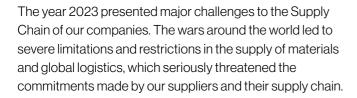






# 2.11 Sustainability in the Supply Chain

[GRI 2-6, 3-3, 204-1, 308-1, 308-2, 414-1; NCG 461 5.9, 7.1, 7.2]



In the face of these challenges, our suppliers played an important role in helping us achieve our sustainability goals. Ensuring business continuity was a priority, a challenge that was successfully met. By working closely with our suppliers, we were able to achieve our goals and promote decent working conditions, environmental stewardship and ethical behavior, which are key elements of our commitment.

Moreover, our suppliers and contractors have to comply with the highest ethical standards that we expect as AES Andes. Before closing any agreement, our suppliers and contractors undergo a thorough *due dilligence* process and, during the term of the agreement, we carefully monitor their business practices to ensure they comply with our Code of Conduct, our policies and our guidelines.. We strive for their continuous

improvement and support them when they need to improve their performance, and we seek to promote the inclusion and human capital development of our local contractors for years to come.

With suppliers that provide specialized services, we always seek to establish long-term relationships based on the very nature of the business. The power plant and transmission line maintenance works require high-level specialization and high safety standards. This is translated into an incentive to training and development of external staff by their employers, under the scope of a stable relationship of mutual collaboration that demands high-quality service at competitive prices.

Our first responsibility towards our employees and the contractors who work on a regular or occasional basis in our facilities is to provide the appropriate industrial hygiene and safety conditions. For technical works at the plant, the safety measures and equipment standards are shared by in-house and external employees.

Moreover, all the employees (both internal and external) are equally required to undergo pre-employment medical check-ups to reduce the risk of accidents.

To manage the risk in our supply chain, we have established a standard that includes, among others:

- Contingency Plans: We have adopted guidelines to create contingency plans and procedures to identify and respond to incidents and emergencies, and to maintain the continuous operation of critical assets.
- Relationship between Inventory and Criticality: We assess the criticality of different inventory assets and parts, and we have planning tools to ensure availability and replenishment based on lead times.
- Asset Management: The vendor performance assessment allows us to identify:

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# The average payment time to suppliers was 27days in 2023.

i. any problems that need to be addressed through corrective action plans, and

ii. best practices to be recognized and duplicated.

We have policies and procedures that promote timely payment to our suppliers, including:

- Annual schedule of vendor payment dates.
- Automated workflow processes for invoice approval, with automatic notifications and reporting.
- Unified communication channel with suppliers, for questions related to the purchasing and payment processes. through the e-mail at proveedores.sa@aes.com.
- Invoicing instructions that guide suppliers on how to issue their invoices.
- Corporate policy establishing 30-day payment (The AES) Corporation Procure to Pay Policy).

The notion of "critical supplier" is associated with the supply of equipment or services that could jeopardize the integrity of our own staff, contractors or community members, or the operability of the generation plants or transmission lines.

Proper mapping of critical vendors is part of the spending analysis and the incorporation of alternative sources. We do this in collaboration with internal users and the engineering and operations areas.

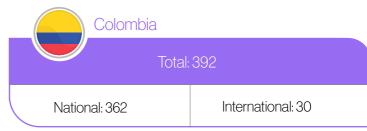
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AES Andes Suppliers 2023

Number of AES Andes Suppliers	1,955
Expenditure in AES Andes Suppliers (US\$)	526,923,883

Number of Suppliers by Country



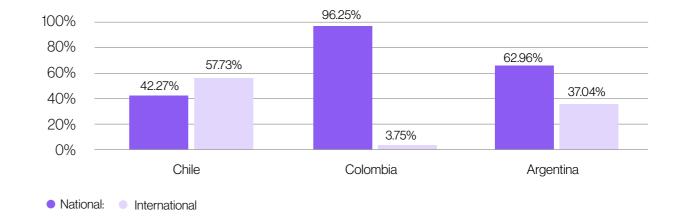




Through the community relations standards for contractors, which are framed in our Local Community Engagement and Relations Policy, we instill in our contractors the CSR and inclusion culture.

The purpose of these standards is to obtain and maintain the social license for our operations and projects by applying standards of good behavior, carrying out activities that support local development and applying mitigation measures against negative impacts on neighboring communities that may be caused by the activities and processes of our contractors. According to our policy, we also seek to hire in the first place local suppliers and contractors that meet the safety standards and have the required technical know-how.

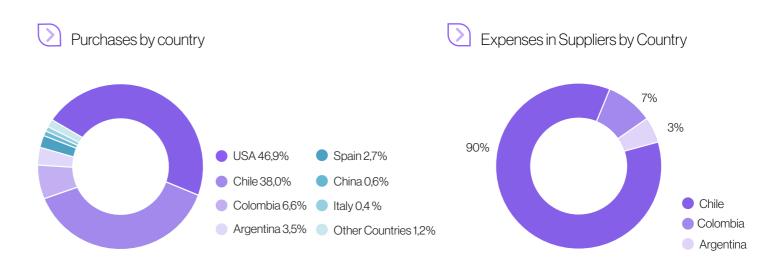
### Supplier origin by Percentage of Expenditure





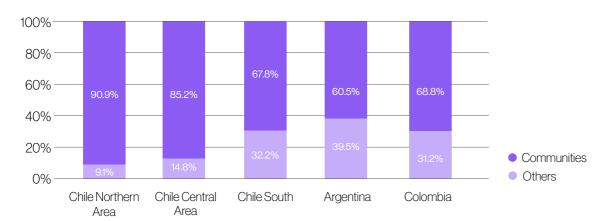
## Number of Suppliers by Country

A national supplier is a vendor with business domicile in each one of the countries where we do business and an international supplier is a vendor with domicile outside the countries where we do business.





### Percentage of Suppliers from Nearby Communities vs National Suppliers



## Targets

### Targets at Inventory Closing

Year	% vs Target	
2019	-14.0%	
2020	-6.7%	
2021	-0.9%	
2022	-O.4%	
2023	-7.2%	



Over the past few years, we have improved our inventory closing targets.

#### Inventory

Inventory optimization allows us to ensure the availability of essential goods and reduce the risk of stockouts, especially given the logistical demands suffered by the supply chain during 2022, with a particular focus on demand planning activities to ensure timely availability to meet operational needs.

# Supplier Qualification [NCG4627.2]

To evaluate and select our suppliers, we use quantitative and qualitative analysis tools through tools such as STACE (Safety & Sustainability, Technique, Alignment, Cost & Execution), which provides a global standard for evaluating new and existing suppliers. On the other hand, the selection policy adheres to strict protocols to assess compliance with community relations, regulations and business ethics. We also provide feedback to our contractors on their performance and expectations for future improvement.

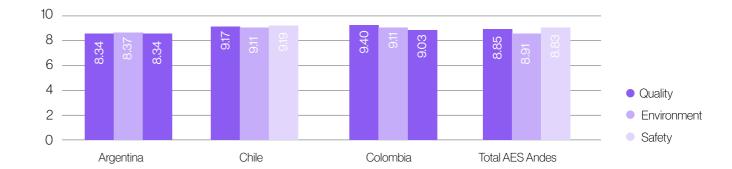
In addition, our employees use a scoring system to evaluate the performance of our service providers and rate their quality, safety and environmental performance, with 7 being the



defined target or goal. We started using this assessment in 2018 and in 2020 we added the environmental assessment.

During 2023, we assessed the performance of more than 29,800 services provided.

### Assessment of Suppliers by Country

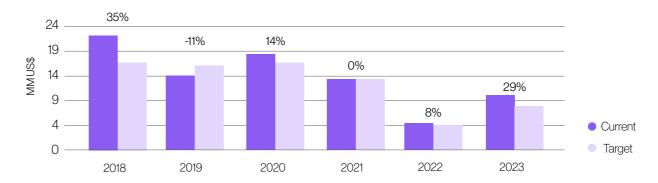


### Savings

Our savings expectations are set in the long term with an official yearly target for the budget review process.

The progress made in meeting the savings goals of the supply chain in recent years is shown in the following table: Supply chain savings in 2019 were 11% below target, while in 2020 they exceeded the target by 14%. For 2021, savings were 0.1% over target. In 2022, savings were 7.7% above target, and in 2023, savings were 29.2% above target.

# Savings in the Supply Chain (% vs. Target)





### Fuel Supply

Our thermoelectric capacity reaches 2,899 MW gross and is mainly fueled by fossil fuels such as thermal coal, natural gas and diesel.

Most of our thermoelectric capacity, 2,256 MW (gross), is located in Chile and is fueled primarily by thermal coal.





## Thermoelectric Plant of AES Andes by type of fuel (MW)

	Energy source	Gross installed power MW %1	%
	Coal	1,921	74.5%
	Gas/Diesel	643	25.0%
	Biomass <sup>1</sup>	13	0.5%
(	Total	2,576	100.0%

(1) This asset was sold in February 2024.

Figures as of December 31, 2022. Includes thermal plants in Chile and TermoAndes plant in Argentina.



# Fuels used in AES Andes\* [GRI 301-1]

Renewable Energy	Measurement Unit	2022	2023
Biomass	thousand tons	164	158
Renewable Energy	Measurement Unit	2022	2023
Coal (thousand tons)	thousand tons	3,438	3,381
Natural Gas (million of m³)	million of m <sup>3</sup>	708	525

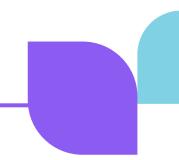
(\*) Data verified by RSM Chile.





# 2.12 Acknowledgments and Memberships

[GRI 2-28; NCG 461 6.1, 6.3]



AES Andes - Great Place to Work 2023.



During 2023, we have been recognized by important entities of Chile and Colombia, and by international organizations, among which the following stand out:



AES Andes Top 10 as Best Place to Work.

#### Great Place to Work 2023

At the end of March 2023, the company was recognized in Chile as one of the six best companies to work for, according to the Great Place To Work 2022 ranking in the category of up to 1,000 employees.

The company achieved a significant advance of four places, significantly surpassing its tenth position in 2021. This is reflected in the care for people, the work on diversity and inclusion, and in line with the first value of putting safety first and other initiatives such as the development of the hybrid work mode.

AES Colombia was again certified to GPTW for the eighth consecutive year, and we are proud to be ranked 14th in Great Place To Work Latam for 2023.

#### Great Place to Work Women

The advances in AES Chile's Diversity and Inclusion Policy were recognized by the Great Place to Work 2023 ranking with the fourth place among the best companies to work for women in the country, in the category of companies with up to 1,000 employees. Thus, the company made a significant leap, moving up three positions from the last time it participated in 2021, when it ranked seventh.

### "Iguala Conciliación" Seal

In May 2023, the company officially received the "Iguala Conciliación" Seal from the Ministry of Women's Affairs, through the National Service for Women and Gender Equality (SernamEG). This is a certification issued by the agency to organizations that implement integrated management



systems for gender equality and reconciliation of family, work and personal life, as part of Chilean Standard 3262, under which AES Andes was recertified at the end of last year, being the first company in the energy sector to achieve this standard.

#### Latin America Executive Team 2023

The 2023 Latin America Executive Team ranking, prepared annually by Institutional Investor, a prominent business entity



National Safety Council

with a focus on international finance, has placed AES Andes in the top positions for small-cap electric utilities in Latin America, Brazil excluded.

In this way, the different professionals of the financial sector and capital markets (Sell Side and Buy-Side) voted the CEO of AES Andes, Javier Dib, among the three best among his peers in the region, in recognition of his credibility, leadership and communication with the financial market.

This year marked the inaugural rating of company boards of directors, with AES Andes securing the third spot in the rankings.

The same position was achieved by the company's Vice President of Finance, Ricardo Roizen, in the Best CFO category, based on his ability to allocate capital and financial management, and Investor Relations Manager, John Wills, in the Best IR Professional segment.

> Furthermore, the company's Investor Relations team and program have been acknowledged as one of the top three in the region, with high regard for the team's credibility. commercial and market knowledge, responsiveness, consistency, and detailed financial reporting.

> > National Safety Council Award

Other recognitions for AES Andes include:

#### National Safety Council

The company obtained the "National Safety Council" award in the Angamos, Cochrane, Norgener, Norte Grande Interconnected System Transmission and SIC Transmission Submanagement business units. The same entity recognized AES Andes' Safety Manager, Axel Salvo, for his professional career and contribution to risk prevention.

#### IST Awards (Institute of Occupational Safety)

The 2023 National Awards, presented by the Institute of Occupational Safety (IST), recognize outstanding achievements in the field. AES Andes was recognized with two important awards for its work in caring for the safety of its employees.

Excellence in Prevention
 Outstanding contribution in prevention.

#### iDES 2023 - Sofofa

Recognition for the contribution in the elaboration of the Business Sustainable Development Index.

#### Commitment to Technical Professional Education - INACAP

Recognition for the contribution to technical-professional education in the country and support for the labor market insertion of graduates.



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#### R3 Award - Nalco Water. An Ecolab Company

The award highlighted the achievements of the Ventanas thermoelectric complex in terms of its substantial savings in water consumption, energy and costs, which are not only significant for the operation, but also for the environment by reducing Co<sub>2</sub> emissions.

#### Women and Business - ASIVA

Association of 5th Region Companies (ASIVA) distinguished AES Chile for its Women with Energy program and for promoting female talent.

Acknowledgment of the Contribution to the Connection with the Environment - AIEP

The AIEP professional institute, Los Angeles branch, recognized AES Chile and its community management team for their contribution to the link with the territories of the Biobío province.

## Achievements and Awards in Safety

Safety is our primary value and, as in previous years, in 2023, we received numerous awards in this area for our plants and our People. For details of these awards, see Section 2.7 Occupational Safety and Health for our employees and contractors.



## Acknowledgments in the Legal Area

In 2023, the Legal Department of AES Andes was awarded through its leader, María Paz Cerda, Vice President of Legal Affairs, who was included in the GC Powerlist 2023 and was a finalist in The Legal 500 Chile Awards 2023, in the In-house DE&I Champion category.

Both GC Powerlist and The Legal 500 have analyzed the capabilities of law firms worldwide for more than 30 years, with comprehensive research programs reviewed and

updated annually to provide a current view of the global legal market. Its research is based on feedback from 300,000 clients, law firm presentations, interviews with leading lawyers, and a team of experienced researchers.



### AES Andes Memberships and Participations [GRI 2-28]

We are part of various trade and business associations. The contributions we made in Chile in 2023 amounted to CLP\$ 427,983,044, being the main three contributions made to the Chilean Association of Generating Companies (CLP\$ 229,493,640), SOFOFA (CLP\$ 39,589,907) and the Chilean American Chamber of Commerce - AmCham Chile (CLP\$ 45,007,000) and the Fundación para la Sustentabilidad del Gaviotín Chico (CLP\$ 24,803,349).

In Colombia, our contributions to associations amounted to COP\$ 742,539,639. The main associations were the Colombian Association of Electric Power Generators. ACOLGEN (COP\$ 427,405,929), the Hydrogen Chamber of the National Association of Industrialists, ANDI, and the National Association of Public Utilities and Communications. ANDESCO (Col\$ 275,836,097).

AES Colombia has been a member of the following associations or guilds for several years: Asociación Nacional de Servicios Públicos y Comunicaciones - ANDESCO; Asociación Colombiana de Generadores de Energía Eléctrica - ACOLGEN; Asociación de Energías Renovables - SER Colombia; Consejo de Empresas Americanas - CEA Colombia: Cámara de Comercio Colombo Americana v Cámara de Comercio Colombo Chilena.



It is important to note that we do not finance political parties, candidates or their representatives. Therefore, no such contributions were made during 2023.

Organizations that promote High Standards [NCG 461 3.5]

> Aeguales: Since 2017, AES Colombia has joined Aeguales, a company that provides tools to close the gender gap. AES Colombia participates annually in the PAR Ranking, or Annual Gender Equity Survey, and, in 2023, we became the

first company in the electric power sector to be certified in gender equity and diversity in the country, demonstrating our commitment to an optimal work environment, and to SDG 5 gender equity.

Global Compact: AES Colombia signed up to the principles of the UN Global Compact in 2015. This initiative promotes the commitment of the private sector, public sector and civil society to align their strategies and operations with ten universally accepted principles in the areas of Human Rights, Labor Standards, Environment and Anti-Corruption, and to contribute to the achievement of the Sustainable Development Goals.

Corporation Transparency for Colombia: This organization is part of Transparency International and is dedicated to fighting corruption and transparency in the public and private sectors, promoting active citizenship, strengthening institutions and consolidating democracy. AES Colombia has participated since 2015 in the measurement of transparency in the private sector. In 2020 obtained an overall score of 93.7 and in 2022 obtained an overall score of 88.8, thus being positioned in the low corruption risk range.

Collective Action of the Electricity Sector: Under the leadership of XM S.A., the company that manages the energy market in Colombia and the National Operation Council (CNO), this collective action was created to promote transparency and good corporate practices in the electricity sector. AES Colombia was the founder of this organization

in 2015 and since then has been actively involved in the design and implementation of programs that promote healthy competition, ethics and transparency in the sector. Colombian Safety Council: Through AES Colombia's affiliation with this entity, the Company seeks to keep abreast of advances in occupational safety and health issues in order to update risk prevention and operational control strategies that are part of the Occupational Safety and Health Management System, and to share best practices with companies in different sectors, mainly in the mining, energy and construction industries. Together with the Colombian Safety Council, we also carry out the evaluation process of the Unified Contractors Registry (RUC), a key tool for participating in bidding processes with Ecopetrol, CENIT and other companies in the hydrocarbon sector.

Más Familia Foundation: The Más Familia Foundation

awarded AES Colombia with the Family Responsible Company (EFR, for its acronym in Spanish) 2021 Certification, after the company endorsed 71 wellness measures that promote work-life balance. In 2023, AES Colombia maintained this

certification, being among the 85 companies with EFR certification

in the country.



EFR 2023 Certification, Colombia.

The list below shows the associations of which AES Andes is a member in Chile and Colombia, with an asterisk (\*) where we have an executive role.

### Chilean Associations

Acción Empresas		Cámara Chileno	
/ todat Emprode	acción empresas   We Steel	Argentina	Cámara CHILENO ARGENTINA
Asociación Chilena de Energías Renovables y Almacenamiento*	ACERA	Fundación Generación Empresarial	Fundación Generación Empresarial
Asociación Gremial de Generadoras de Chile*	Generadoras de Chile	Fundación para la Sustentabilidad del Gaviotín Chico*	TURNALION FINA. LA SISTEMPARIADIO DEL GAVOTIN GRICO
Asociación Gremial de Industriales de Valparaíso	ΛSIVA	ICARE	icare
Asociación de Industriales de Mejillones	ASOCIACIÓN DE ROUSTRIALES DE MUJALCINES A.G.	Sociedad de Fomento Fabril (SOFOFA)	SOFOFA
Cámara Chilena Norteamericana*	атснат сь	World Energy Council (WEC)*	WORLD ENERGY COUNCIL
Asociación de Hidrógeno	H₂Chile	Asociación Chilena de Desalinización (Acades)	ACADES Asociación Chilena de Desdladón y Redso A.G.

<sup>(\*)</sup> Those associations that AES Andes in Chile has a role in the board.



Cámara de Comercio Colombo Americana

Asociación Colombiana de Generadores de Energía Eléctrica	Pacto Global Red Colombia  Pacto Global Red Colombia
Asociación Nacional de Industriales  ANDI	US Colombia Business Council
Asociación Nacional de Empresas de Servicios Públicos y Comunicaciones	Acción Colectiva del Sector Eléctrico
Consejo de Empresas Americanas	Consejo Colombiano de Seguridad
Cámara de Comercio e Industria Colombo Chilena	Asociación de Energías Renovables - SER
Asociación Colombiana de Hidrógeno	





# Ethics, Transparency and Excellence.







# Corporate Governance:

# Ethics, Transparency and Excellence

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This chapter covers the following important topics:

- Corporate Governance
- Labor Practices
- Risk Management



# 3.1 Ethical Framework

[GRI 103-2, 2-23, 2-27; NCG 461 3.1, 3.6, 5.9]

At AES Andes, we have a Code of Conduct and Ethics, a Code of Ethics for AES Suppliers and an Ethics and Compliance Program approved by the Board of Directors to ensure that our business is conducted with the highest standards of integrity and excellence.

The Code of Ethics and Conduct governs the actions of all persons who work for the Company, including our subsidiaries, as well as our Code of Conduct for AES Andes Suppliers, which defines the basic requirements and expectations applicable to all suppliers, contractors, consultants and external intermediaries of the Company and its affiliates.

The Code of Conduct for AES Andes Suppliers is included in our contracts with suppliers, who are responsible for ensuring that their subcontractors also comply with this Code.

The Code of Conduct for AES Andes Suppliers establishes requirements to comply with all applicable laws, fully perform the contract, provide a safe working environment, compete fairly, maintain accurate books and records, avoid corruption and bribery, avoid conflicts of interest, avoid excessive gifts and entertainment, comply with business controls, respect

human rights (in particular, comply with all applicable child labor laws and only employ workers who are of legal age in the country), create a sustainable business, protect confidential information, and respect human rights (including complying with all applicable child labor laws and employing only workers who meet the minimum age requirements of the country in which they are employed), build a sustainable business, protect confidential information, avoid using raw materials mined in an area of armed conflict and/or traded illegally, respect intellectual property, ensure cybersecurity, protect privacy, and how to raise a question or concern about a violation of this Code.

Moreover, the Ethics and Compliance Program contains legal and regulatory compliance requirements from Chile, Colombia and Argentina, such as those stipulated in the Corporate Criminal Liability Law 20,393 (in Chile), the U.S. Foreign Corrupt Practices Act and other applicable laws.

The Code of Conduct, in addition to the Ethics and Compliance Program define our business practices and are therefore an integral part of our culture. To ensure its adherence and compliance, the following actions are performed:



- Current ethics and compliance training programs are an integral part of the Ethics and Compliance Program.
   Regular attendance (in person or virtually) is required for all Company personnel to participate in ethics and compliance training and education programs appropriate to their responsibilities.
- The purpose of the Ethics and Compliance Program's training and education programs is to inform Company personnel of specific policies and procedures set forth in the Ethics and Compliance Program and the Code of Conduct, and to provide Company personnel with the tools

Our Code of Conduct and Ethics\* provides a common framework for how we interact with each other, do business with our partners and suppliers, and serve our customers, and the many communities and environments in which we operate in Latin America.

Our Management Approach:

Accelerating a Sustainable Future

[GRI 2-24]

necessary to make good decisions when faced with ethical dilemmas or challenging business situations.

- Ethics and compliance training programs are administered from our Arlington headquarters and implemented locally by the Compliance Officer.
- The Code of Conduct is distributed and certified to all employees, contractors, suppliers and business partners. Every two years, we are asked to certify that all employees have read and understood the Code of Conduct and have agreed to abide by it.
- Our employees expressly accept the Code of Conduct at the time they join our Company, and certify that they have read and properly understood it.
- The Ethics and Compliance Program requires that prior to entering into any type of transaction with a third party, the employee of AES Andes and its subsidiaries must complete the contractual compliance review process with respect to the proposed business partner.

During 2023, we also conducted a series of training sessions on our Conflicts of Interest Policy and our AES Helpline.

Our training in Conflicts of Interest Policy aimed to raise awareness of situations that create or may create a conflict between personal interests and those of the Company,

recognizing that our business decisions are driven by judgment, objectivity and loyalty to the Company and our stakeholders, not by our personal interests.

Meanwhile, our Helpline training sought to raise awareness of the importance of this resource as a key tool for our employees to seek guidance on AES Andes' values, AES Andes' policies and AES Andes' Code of Conduct (all based on AES' global policies), to report their concerns about inappropriate or illegal business conducts, or to make any report or inquiry about potential issues anonymously.

We also successfully completed our Compliance Onboarding - Meet & Greet Sessions - aimed at making our Code of Conduct and Compliance Policies known to all those who join the Company.

In addition, we implemented our Ethics Champions program with the participation of more than 300 employees. The purpose of this program is to foster a culture in which people in the company can speak openly about the company's values and the ethical dilemmas they face on a daily basis, helping us to manage difficult situations and gray areas in our business. We want to ensure that the Company's values are upheld and that we are making the right decisions every day at work.

For the third year in a row, we participated in the Values and Organizational Integrity Barometer (BVIO 2023) of the Fundación Generación Empresarial, which allowed us to measure, from an external perspective, how we understand our values and put them into practice. We were also recognized in the Commitment to Integrity Culture 2023 category.



### **Ethics and Compliance Department**

Our Ethics and Compliance Department (E&C), headed by the Ethics and Compliance Manager, is responsible for ensuring adherence to the Code of Conduct and the Ethics and Compliance Program. Provides training, information and certification programs for our employees, with the goal of disseminating the Code of Conduct, promoting an organizational culture that encourages ethical behavior and a commitment to compliance with the law. In addition, it monitors and enforces our policies on corruption, bribery, money laundering and association with terrorist groups.

Some of the ethics and compliance training and support programs are:

Ethics Champions Program
 Encourages and promotes the debate on contingent and challenging issues that we may face.

#### Training on the Company's Code of Conduct

Promotes the importance of exercising good judgment for business decision-making with an eye on the Company as a whole. Provides guidance in the event of practical business events, and also informs who to contact in case of doubts or difficult situations at the time of making business decisions.

In 2023, training sessions primarily concentrated on discussions about environmental crimes, compliance in procurement processes, Contract Compliance within the hydrogen sector, and environmental consulting agreements. These sessions were designed to provide a comprehensive understanding of the risks involved in contracts with consultants operating across various communities. Finally, a Global Anti-Corruption and Anti-Bribery Training was held.

The contractual compliance review process involves assessing the risks linked to a specific transaction, conducting the necessary compliance due diligence for each potential counterparty transaction, embedding the contractual compliance policy terms into the written contract with the counterparty, and securing authorization from the relevant

compliance department before proceeding with the business partnership.

It should be noted that we had no confirmed cases of corruption or bribery during the last three fiscal years. In addition, AES Andes has not received any fines related to anticompetitive practices during the same period of time.



# 3.2 Policies that govern our actions

[GRI 2-23, 2-27; NCG461 3.6 5.5; NCG 461 3.5, 8.1.2, 8.1.4, 8.1.5]



### Anti-Corruption Policy

Our Anti-Corruption Policy prohibits offering or giving anything of value, directly or indirectly, to anyone, including government officials or private companies, for the purpose of improperly influencing a decision.

As part of our commitment to our values, our Anti-Corruption policy strictly prohibits corruption in any form, including giving or accepting bribes, even if this prohibition results in AES Andes losing a business opportunity. Facilitation payments, defined as small payments to low-level government officials intended to expedite or secure the performance of a routine, non-discretionary government action, are also prohibited by this policy.

This policy also sets forth that all charitable contributions and political donations must comply with applicable local laws and the AES Charitable Contributions and Political Donations Policy, which requires that all charitable contributions and political donations made by or on behalf of AES Andes be delivered in advance to the Ethics and Compliance Department.

This policy also forbids to request or accept anything of value from any current or future business partner in exchange for doing business or receiving any favorable treatment with AES Andes.



### Crime Prevention Model under Law No. 20.393 on Corporate Criminal Liability [NCG 461 8.1.5]

Law 20.393 establishes sanctions for those companies that commit crimes related to (i) money laundering, (ii) terrorist financing, (iii) bribery of national and/or foreign officials in the interest or to the benefit of the Company, (iv) receiving stolen goods, (v) corruption among private parties, (vi) incompatible negotiations, (viii) fraudulent administration, (viii) misappropriation, (ix) water pollution that causes damages to hydrobiological resources, (x) processing, placement in wells, transformation, transportation, marketing and storage of banned hydro-biological resources, and preparation, marketing and storage of its by-products, (xi) performance of extraction activities in areas of benthic resources management and exploitation without the corresponding rights, and (xii) processing, preparation, storage and marketing of hydro-biological resources or by-products, whose legal origin cannot be proven, and which are collapsed or overexploited; (xiii) ordering a worker to go to work knowing that he/she is under quarantine or mandatory sanitary isolation ordered by the health authority, (xiv) fraudulently obtaining unemployment benefits, (xv) organizing, financing or inducing the creation and operation of private militias or the like, possession of certain weapons, chemicals or explosives without proper registration, and other similar conduct, (xvi)

trafficking in persons, recruiting, transferring, harboring or receiving persons for the purpose of sexual exploitation, forced labor, servitude or slavery or the removal of organs, (xvii) theft, timber theft, (xviii) possession of timber without proof of its legal origin, (xix) computer crimes.

It should be noted that we had no sanctions executed in this area.

During 2022, the Company completed the certification process of its crime prevention model in accordance with Law 20,393. In 2023 and as a result of the publication of Law 21,595, which regulates economic crimes, the Compliance area of AES Andes began updating the Crime Prevention Model, which includes a review of the risk matrix and promoting the changes related to internal controls that are necessary to continue with our commitment to transparency and regulatory compliance.

### **Donations Policy**

As a company, a donation is understood as anything of value delivered to individuals, companies or organizations with charitable or altruistic purposes. No donations are allowed in exchange for financial benefits, recommendations, preferential treatment, or other undue influence. Prior approval from the Ethics and Compliance Department is required before promising any contribution or donation.

### Gifts and Entertainment Policy

Under no circumstances will AES Andes employees accept or offer gifts that would compromise, or appear to compromise, their ability to act in the best interests of the Company. Gifts must be legal and habitual in the jurisdiction where they are given or received. They must also be reasonable and proper to the occasion and not excessive in terms of value.

> Conflicts of Interest Policy [GRI 2-15; NCG461 3.1]

> > A conflict of interest may arise when the action or decision-making of an employee in the performance of his/ her professional responsibilities is affected or influenced by a personal situation. Therefore, people should avoid situations that might create, or even give the appearance of

creating, a conflict between personal interests and the interests of the Company.

### Discrimination and Harassment Prevention Policy

[NCG4615.5, 8.1.2]

Our workforce is made up of people from diverse backgrounds and cultures, and diversity is part of our DNA. For this reason, the Company's recruitment, hiring, training, development and compensation processes are based on qualifications, performance, skills and experience, with the understanding that diversity and inclusion is a competitive advantage that adds value to management in a context that increasingly demands greater competitiveness, innovation and flexibility.

Thus, our subsidiaries are committed to:

- Promote diversity and respect for differences to ensure synergy of visions and ideas in our work teams.
- Respect the basic rights of all employees, without discrimination based on race, ethnicity, color, gender, language, nationality or any other reason such as religion. age, sexual orientation and identity, political opinion, social status and/or disability.
- Promote a culture of equal opportunities, ensuring the development and retention of talented people who thrive in a harmonious and challenging environment to continue growing in the company.

- Incorporate inclusive language in corporate communications and activities to avoid bias and stereotypes.
- Maintain efforts to allow employees to reconcile their professional, family and personal life, providing support for both maternity and paternity in order to favor the integral life of individuals

During 2023, a total of four complaints were received for discrimination, one for sexual harassment and nine for workplace harassment. All cases were duly investigated by the Compliance Management and the corresponding sanctions were suggested. No cases were filed with the Labor Directorate or equivalent agencies.

In addition, a series of online trainings were conducted, with a total of 945 participants, equivalent to 84% of our employees:

- Unconscious bias and its impact on inequality and discrimination.
- Prevention of Workplace and Sexual Harassment.
- AES Domestic Violence: A world that exists, we hide and normalize.

## Free Competition Policy [NCG 461 3.6, 8.1.4]

Our Antitrust Policy provides internal guidelines on the correct way to prevent the occurrence of conduct that is risky or

detrimental to free competition and seeks to comply with applicable Chilean law. Through this policy, our Company seeks to ensure that its participation and performance in the marketplace does not create a condition that unfairly prevents or hinders competition in the marketplace, to discourage and prevent any conduct that may be considered contrary to free competition in the marketplace, and to seek ways to facilitate and increase competition through the promotion of pro-competitive practices.

All employees of AES Andes are strictly prohibited from engaging in any conduct, directly or indirectly, that prevents, restricts or hinders free competition or tends to do so.



# 3.3 Human Rights Policy

[GRI 2-23, 2-27, 3-3; NCG 461 2.1, 3.6, 4.2, 8.1.2]

We expressed our commitment to the Universal Declaration of Human Rights, adopted by the Third General Assembly of the United Nations in Paris on December 10, 1948. We formalized the tools the company already uses to conduct business (such as promoting risk assessments, ensuring a healthy and safe work environment, and working in partnership with communities) through our Human Rights Policy, which is guided by nine principles for the day-to-day management of the business throughout its value chain:

- 1. Equality of treatment and dignity of the person.
- Not to allow child labor and not to employ adolescents in night, dangerous and unhealthy activities, always respecting local laws on the matter.
- 3. Combat discrimination in all its forms and value diversity.
- 4. Prevention of moral harassment and sexual harassment.
- 5. Respect for freedom of association and the right to collective bargaining.
- 6. Labor rights of employees.
- 7. Access to education and development activities.
- 8. Providing a safe and healthy workplace.

Internal dialogue and freedom of opinion and expression without retaliation.

We recognize the importance of dialogue with our communities and stakeholders who are or could be affected by our actions, to find ways to provide an effective solution wherever human rights impacts occur. We firmly reject all forms of threats, espionage, harassment, violence, or retaliatory actions against individuals, groups, or organizations, including employees, contractors, communities, activists, human rights advocates, or members of civil society groups. We encourage you to speak up, without fear of reprisal, about any concerns you may have, including through our helpline.

Human Rights Management System of AES Colombia
[GRI 412-1]

AES Colombia has a Human Rights Management System (HRMS) in accordance with the United Nations Guiding Principles that allows them to reaffirm their responsibility and commitment to respect the human rights of all people with whom they relate.

AES Colombia's Human Rights Management System is composed of:

AES Colombia Human Rights Policy, which establishes the guidelines and conduct expectations towards its stakeholders.

Human Rights Policy Management Dashboard. A tool for detailed monitoring of conduct at AES Colombia that may impact human rights. This tool was developed with the leaders of each area and identifies 72 areas that are regularly reviewed in a due diligence process.

Human Rights Risk Matrix. Furthermore, we have pinpointed the primary risks of human rights violations associated with our business, along with mitigating measures to ensure vigilance and the development of both preventive and reactive action plans..

Continuing Education: Our goal is to transform employees and contractors into ambassadors and specialists in human rights by offering training and distributing supportive materials.

Supplier and Contractor Program: Suppliers and contractors are key to helping us respect human rights. Therefore, in a first step, (i) we help our recurring suppliers to design their policies and processes for the respect of human rights. Subsequently, (ii) human rights criteria are incorporated into our bidding processes, with human rights clauses included in contracts and purchase orders; and (iii) finally, a self-evaluation survey is developed for our contractors to report on their implementation of human rights practices.

Reporting Channels: Our stakeholders in Colombia have at their disposal different channels for the communication of petitions, complaints, claims, suggestions (PQRS, for its acronym in Spanish) or requests for information related to reports and complaints about possible irregularities, situations contrary to corporate values and ethics, non-compliance with regulations, human rights violations and environmental or social impacts related to the operation and provision of services.

During 2023, AES Colombia worked to strengthen its commitment to respect human rights by carrying out the following activities:

#### **PQRS System**

• In the first quarter of 2023, a new Salesforce-based tool was implemented to register and manage the PQRS system of the different stakeholders, which has allowed

us to guarantee stability and continuity of the system, in addition to the integration with the different technological tools used by the Company.

- The PQRS management mechanism was strengthened, including human rights criteria in accordance with the Guiding Principles on Business and Human Rights.
- The PQRS procedure was reviewed and updated.

#### **Due Diligence Processes**

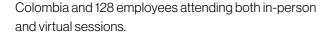
- In 2023, within the scope of its efforts to integrate human rights due diligence into its operations, AES Colombia conducted, with the help of a consulting firm, an assessment of the commitments and expectations outlined in its Human Rights Policy, and the opportunities for further advancement.
- Following 16 interviews with various process leaders, the policy underwent a review, the advancement in managing commitments outlined in the Human Rights Policy was confirmed, the implementation and progression of tasks on the management dashboard were verified, and subsequent recommendations and adjustments were determined.

#### **Socialization**

 Throughout 2023, updates on HR advancements, initiatives, and reporting mechanisms, particularly focusing on the online PQRS tool, were disseminated via internal and external emails, digital displays, quarterly newsletters for suppliers, social media platforms, and other channels.

#### **Formal**

- Six sessions were conducted focusing on the PQRS system to examine the stages of the registration process, aiming to enhance and solidify the databases with precise and comprehensive information.
- Workshop "Risks and Actions in Response to Potential Human Rights Violations" for employees and suppliers, including 13 sessions with 255 people, including representatives from 67 companies, 60 employees of the three security companies that provide services to AES



# Human Rights Self-Assessment in the Value Chain

 Within the context of due diligence and stakeholder engagement, we requested a self-assessment on human rights from all our suppliers and contractors, and we have received 117 responses. The information analysis was conducted with the help of a consulting firm, which identified several risk alerts and opportunities for action to enhance the management of human rights.

# Phase III of the Human Rights Program for Suppliers and Contractors

 Building on the human rights program for suppliers and recurring contractors launched in 2021, the Third Phase of the initiative was rolled out in the latter half of 2023, involving 19 companies. The project concentrated on four key areas: (i) child labor; (ii) forced labor; (iii) non-discrimination in the workplace; and (iv) fair labor conditions. To address these, four virtual sessions, each lasting one hour, were conducted.



In line with the guidelines of the UN Guiding Principles on Business and Human Rights, during 2019 we conducted a due diligence in these issues on our operations in Chile, Colombia and Argentina.

# 3.4 Complaint Mechanism

[GRI 2-25, 2-26; NCG 461 3.2, 3.6]

The Company has different complaint mechanisms for its various stakeholders, among them:



**AES** Helpline

The AES Helpline is a tool made available to the public via phone and web 24/7 so that our employees, suppliers, customers, community members or other stakeholders may ask questions, seek advice or report violations against the law, the Ethics and Compliance Program or the Code of Ethics and Conduct. The line is managed by an external provider, who refers reports to the Ethics and Compliance Department for investigation. Moreover, the Helpline allows anonymous contact by assigning a subject number and personal identification number (PIN) to the reporter so that they can continue to communicate anonymously with the department in the course of the relevant investigation.



The Ethics and Compliance Department receives and manages questions by phone, email or in-person, and

investigates the concerns and provides advice when the management or other departments receive and refer issues of such nature.

Everything that is communicated through any of the channels has due follow-up and response. The investigation steps, findings and the resulting corrective actions are entered in the confidential research database of the department. For follow-up purposes, the reports are classified into complaints (including concerns with respect to improper or unlawful activities requiring research) or queries (including requests for advice on substantive issues, such as conflicts of interest and donations). These data are useful for the management to identify trends and to take proactive steps to prevent similar incidents in the future.

As part of this analysis, the complaints are further classified into five types:

- 1. Financial Reports and Controls
- 2. Behavior and Staff Policies



- 3. Trade Interactions
- 4. Ownership and Assets of the Company
- 5. Security, Environment and Human Rights

When an allegation is confirmed, the Compliance area works with the relevant areas to establish the appropriate corrective actions to solve existing and past problems and, where possible, to prevent similar disputes in the future.

Compliance staff investigates and answers all the allegations and queries, collaborating with the different managements regarding disciplinary and corrective measures to ensure consistency

with local laws and regulations and our values and policies. Each research and query is carefully documented on the Helpline.

We undertake to make all reasonable efforts to protect the confidentiality of reports and we not to tolerate retaliation against any person raising questions or concerns or making a good faith report of an improper behavior.

In 2023, a total of 37 complaints were received, broken down as follows:

Type of complaint	Quantity
Workplace Harassment	9
Sexual Harassment	1
Other human resources issues	23
Occupational Safety and Health	1
Others	3





The human resources category registered the highest number of complaints, with 40.73%. Of the 27 complaints received, 5 were closed and classified as "unfounded".

#### AES Andes Helpline



Web: aeshelpline.com



Phone: 800 360 312 800 505 7319



**Opening Times:** 24/7



# 3.5 Corporate Governance Structure

[GRI 2-9; 2-10; 2-11; NCG 461 3.2, 3.3, 3.4, 10]



We have Corporate Governance guidelines cos on that stakeholders and the general public have access to our corporate practices.



### Corporate Purpose

The current corporate purpose of the Company was approved at the Extraordinary Shareholders' Meeting held on October 3, 2013. Such meeting's minutes were notarized in Santiago at the office of Notary Public Iván Torrealba Acevedo on November 8, 2013. An extract of this deed was published in the Official Gazette on November 25 of the same year and

registered in the Commercial Registry of the Real Estate Conservator of Santiago in pages 90,278, No. 58,879 of 2013.

The corporate purpose includes the following activities: to exploit the generation, transmission, purchase, distribution, and sale of electric, and other kind of energy; to purchase, extract, exploit, process, distribute, commercialize, and sell solid, liquid and gaseous fuels; to process, treat, desalinate, and commercialize desalinated water; to sell, and provide project engineering, maintenance, and harbor services; to execute and exploit civil, hydraulic, and any other infrastructure works; to provide management, auditing, financial, commercial, technical, and legal advice, and other

services: to provide port and dock services: to exploit docks. freight terminals, warehouses, deposit facilities, and any kind of vessels, either owned by the Company or third parties, in any manner whatsoever; to act as shipbuilder and ship agent in any manner provided for by the Law; to transport cargoes of any nature, either within the country or abroad, through sea or land, on a multimodal or other basis; to obtain, transfer, purchase, lease, levy, and, in general, exploit in any manner whatsoever the concessions referred to in the General Law of Electric Services, sea concessions, public works concessions, and any kind of water rights; to invest in personal or real properties; and to organize and create companies of any nature, whether they be subsidiaries, affiliates, related, or



other kind of companies, whose purposes are related or linked to energy in all its forms, or to the supply of public services, or whose main input is the electric power, or which are otherwise related to any of the activities mentioned above, the Company being able to administrate and supervise them, and to coordinate the management thereof.

## Corporate Governance Bodies

## Ordinary Shareholders' Meeting [NCG 46110]

Our shareholders meet at Ordinary Shareholders' Meeting, and when necessary, at Extraordinary Meetings. Ordinary meetings are held once a year, during the first four months of each year, to decide on matters known to them. At such meetings, the shareholders whose shares are registered in the Registry of Shareholders can participate and exercise their right to express their opinions and vote at the midnight of the fifth business day immediately preceding the date on which the relevant meeting was held. As mandated by regulatory requirements, the initial meeting notice is published in the designated newspaper and on the company's website at least 10 days before each meeting, as agreed upon at the Ordinary Shareholders' Meeting. As mandated by regulatory

requirements, the initial meeting notice is published in the designated newspaper and on the company's website at least 10 days before each meeting, as agreed upon at the Ordinary Shareholders' Meeting.

The Shareholders' Meetings will be held at first call with the absolute majority of the voting shares and, at second call, with any number or Shareholders present in person or by proxy. Resolutions are passed by an absolute majority of the voting shares present in person or represented by proxy, unless a larger majority is required by law or the Company's Articles of Incorporation.

In 2023, the Ordinary Shareholders' Meeting was held on April 21. Special Shareholders' Meeting were also held on April 21, and August 10, 2023.

During the year under review, we did not receive any comments or proposals concerning the development of the Company's business from shareholders holding or representing 1% or more of the issued voting shares pursuant to the provisions of Article 74 of Corporations Law No. 18,046 and Article 13 of the Regulations of the said Law. Summaries of the resolutions adopted at the Shareholders' Meetings, minutes and other associated documents can be found in the following link



The Board of Directors is the body that, according to the Corporations Law and our by-laws, is responsible for the management of the Company. It is made up of nine regular members, seven of whom are elected with the votes of the majority shareholder and the remaining two are independent, as set forth in Law 18,045. All the members are elected by the Shareholders' Meeting. The office of the Board members shall last for three years and they can

be reelected. The current members were elected at the Extraordinary Shareholders' Meeting held on August 24, 2022, with the exception of director Francisco Morandi, who was elected to replace director Bernerd Da Santos at the Company's Extraordinary Shareholders' Meeting held on November 2, 2023.

The members of the Board of Directors have visited the

Company's premises and facilities on occasions other than those periodically made by the Company's management to review, among other things, the condition and operation of the facilities.

During 2023, Board and Committee meetings were held in hybrid format at the Company's offices and by remote means of communication.



## Composition of the Board as of December 31, 2023 stated in data [GRI 405-1; NCG 461 3.2]

	Rubiolo	Borjas	Falú	Fernández	Leger	Mcalla	Morandi <sup>1</sup>	Parot	Razmilic
Years in the Board	4 years 11 months	15 years 11 months	1year7months	4 years 11 months	1year7months	4 years 11 months	2 months	7 years 11 months	11 years 11 months
Age	48	71	44	68	51	43	56	71	71
Gender	M	М	М	М	F	F	М	M	М
Nationality	Argentine	Venezuelan	Argentine	Chilean	Dominican	Panamanian	American	Chilean	Chilean
Director as of the end of 2022	<b>✓</b>	✓	<b>✓</b>	<b>✓</b>	<b>✓</b>	<b>✓</b>	×	<b>✓</b>	<b>✓</b>

<sup>1.</sup> Elected to replace Mr. Bernerd Da Santos in the Special Board Meeting of the Company held on November 2, 2023.



## Regular Directors as of December 31, 2023 [NCG 4613.2]

<b>Juan Ignacio Rubiolo</b> Chairman	Arminio Borjas Regular Director	<b>Ricardo Manuel Falú</b> Regular Director
<ul> <li>Bachelor's Degree in Business Sciences, Universidad Austral, Argentina.</li> <li>MBA University of Virginia, USA.</li> <li>Master's Degree in Project Management, University of Quebec, Canada.</li> <li>Tax Id. (RUT) or Passport number: AAB479862</li> <li>Nationality: Argentine</li> <li>In office since April 2019</li> </ul>	<ul> <li>Lawyer, Universidad Católica Andrés Bello, Venezuela.</li> <li>Master of International Studies, American University, Washington D.C.</li> <li>Tax Id. (RUT) or Passport number: 121593012</li> <li>Nationality: Venezuelan</li> <li>In office since April 2008</li> </ul>	Certified Public Accountant with an Executive MBA from IAE Business School with a degree in Management and Financial Executive and Management Studies at Darden, Wharton and Harvard.      Advanced Management Program de Wharton.      Tax Id. (RUT) or Passport number: 21535942-5      Nationality: Argentina      In office since August 2022
Daniel Fernández Regular Director (Independent)  Civil Engineer, University of Chile, Chile.  Tax Id. (RUT) or Passport number: 7750368-4  Nationality: Chilean.  In office since April 2019.	Giselle Leger Regular Director  • Degree in Law from Pontificia Universidad Católica Madre y Maestra in the Dominican Republic.  • Master in Business and Economic Law from Pontifica Universidad Católica Madre y Maestra the Dominican Republic.  • Tax Id. (RUT) or Passport number: RD6701015  • Nationality: Dominican  • In office since August 2022	Madelka Mcalla Regular Director  Bachelor's Degree in Political Science and Sociology. McGill University, Canada.  Master's Degree in Global Governance and International Relations, TU Darmstadt, Germany.  Tax Id. (RUT) or Passport number: PA0635589  Nationality: Panamanian  In office since April 2019
Gonzalo Parot Regular Director (Independent)  Industrial Civil Engineer, University of Chile, Chile.  Industrial Civil Engineer, University of Chile.  Master of Economics, University of Chicago.  Tax Id. (RUT) or Passport number: 6703799-5  Nationality: Chilean  In office since April 2016	Radovan Razmilic Regular Director  • Engineer of Roads, Channels and Ports, Universidad Politécnica Superior of Madrid, Spain.  • Tax Id. (RUT) or Passport number: 6283668-7  • Nationality: Chilean  • In office since April 2012	Francisco Morandi Regular Director  Civil Engineer, Postgraduate in Corporate Finance and Master in Business Management, Universidad Metropolitana, Venezuela.  University's Global Senior Executive and Risk Management Program.  Advanced Program for Senior Executives at the University of Virginia, Darden School of Business.  Negotiations Executive Program of the School of Law from University of Harvard.  Tax Id. (RUT) or Passport number: 680588291  Nationality: United States  In office since November 2023

Note: No alternate directors 147 > Integrated Annual Report 2023

## Budget for Board Consultants [NCG 4613.2, 3.3]

Our Board of Directors has an annual budget set at the Shareholders' Meeting to hire expert advisors in tax, financial, legal or other matters. The hiring of expert advisors is discussed within the Board of Directors and established according to the quorums. In December 2022, the Company's Board of Directors approved a Protocol for the Engagement of Advisors and Reports of the Board and the Board Committee ... During 2023, there were no consulting fees for the Board of Directors.

## Remuneration of the Board of Directors [GRI 2-19; NCG 4613.2]

Pursuant to our by-laws, the Directors receive no compensation for the discharge of their duties. Moreover, during fiscal year 2023, the directors of the Company collected no compensations of any nature for duties other than those inherent in their office or entertainment and traveling expenses, royalties or any other compensation. The above is without prejudice to the compensation collected by the directors who are members of the Committee of Directors, as detailed below.

## Members of the Committee of Directors [NCG 4613.3]

We have a Committee of Directors composed of three members: Mr. Gonzalo Parot Palma (Chairman of the Committee), Mr. Daniel Fernández and Mr. Radovan Razmilic. The members of this Committee were appointed at the Board



## Remuneration of the Committee of Directors

	2023	2022	2021
Daniel Fernández	153	142	144
Radovan Razmilic	153	142	144
Gonzalo Parot	153	142	144
Total	459	426	432

The table is presented in thousands of dollars, consistent with the financial statements. In accordance with the Ordinary Shareholders' Meeting of each year, the remuneration of the Committee of Directors was set at 300 UF per month for 2023, 2022 and 2021.

Committee meeting held on April 28, 2022 and are two independent members of the Board of Directors: Messrs. Parot Palma and Fernández.

## Budget for Consultants of the Committee of Directors

Like the Board of Directors, the Committee of Directors has an annual budget for expert advice in different matters as required. The amount is determined by the General Shareholders' Meeting, and any recruitment issues are discussed and determined by the Committee of Directors, in accordance with the quorum required for the adoption of resolutions. The Protocol for Hiring Advisors and Reporting to the Board of Directors and the Committee of Directors, which was approved in December 2022, is also applicable to the hiring process.

At the Ordinary Shareholders' Meeting of April 21, 2023, an annual budget of US\$ 25,000 was approved for 2023, it being agreed that, if this amount is insufficient, the Board of Directors would be empowered to authorize additional necessary funds up to the amount of the annual remuneration of the members of the Committee, in accordance with the provisions of article 50 bis of the Corporations Law.







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The budget, which was also reviewed and approved by the Board of Directors at the ordinary meeting held on March 30, 2023, was used to hire the following companies:



		US\$ <sup>(1)</sup>
PWC	Analysis of the reasonableness of Fluence's remuneration for LTSA.	US\$ 17,000

(\*) reference values with exchange rates as of December 31, 2023

#### Performance of the Committee of Directors

The members of the Committee of Directors executed the annual performance report, which includes:

- A summary of the most relevant activities developed by the Committee (Meeting No. 260 of January 2023 to Meeting No. 275 of December 2023).
- A list of the activities described in the Report of the Committee of Directors in Chapter 5, Additional Information.

## Conflicts of interest [GRI 2-15; NCG 461 3.1]

Our corporate governance standards and applicable laws demand that the positions of Board Chairman and Chief Executive Officer be separated. Moreover, none of the Company's executive officers may act as Director for AES Andes. We believe that this separation provides strong leadership to the Board of Directors and at the same time positions the Chief Executive Officer as the head of the Company before investors, partners, employees and stakeholders, thereby avoiding potential conflicts of interest between management and the Board of Directors.

We have a Conflict of Interest Policy, previously mentioned in this chapter, which is governed by stringent standards regarding operations with individuals who maintain some degree of relationship or kinship. If a conflict of interest exists, it must be disclosed and management will work with its Ethics and Compliance Department to find appropriate solutions.

## Operation of Board Meetings [NCG4613.2]

We have AES Andes Corporate Governance Guidelines that set forth the guidelines for the operation of the meetings of the Board of Directors and establish that the minimum attendance for these meetings is 75% of its members. The Board meets every month, as set forth in its by-laws, according to a schedule fixed on a yearly basis, and additionally, each time that it is required according to the needs of the Company. During 2023, they met approximately 16 times.

Directors spend adequate time both in person and remotely at Board meetings. The Company allows directors to participate permanently in Board meetings by remote means, since we have implemented telecommunication systems that allow meetings to be held safely and secure the adequate participation of its members.

The business to be transacted, as well as the information required for any decisions to be taken, is made available to the directors by the management in good time before the meeting (3 to 5 days), using the technological means provided for this purpose. The minutes of each meeting shall be made available by technological means to the directors for their signature.

The members of the Board are entitled to contact or meet directly with the management of the Company to request for information, or to discuss any such issues they deem relevant.

In addition, the Board meets at least three times a year with the external auditors to review, among other things, the financial statements:

- (1) The audit program and its progress.
- (2) The letter to management: Internal control environment, identified deficiencies and remediation plans.



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- (3) Audit approach, impact and procedures performed on significant transactions during the period.
- (4) Limited review and financial statement audit reports.
- (5) Other considerations regarding corporate governance practices in accordance with the provisions of General Standard No. 385.

#### Role of the Highest Governance Body in Selection of Objectives, Values and Strategy

The management team promotes our mission and branding efforts. At each meeting, the Board receives information through presentations on the strategy and, at least annually, reviews the long-term strategy in depth.

#### Collective Knowledge of the Highest Governance Body [GRI 2-17; NCG 461 3.2]

Although our Board of Directors does not have a formal training schedule. However, experts in various relevant local and international fields are periodically invited to present to the Board economic, political, regulatory, innovation, etc. issues that could have a material impact on the Company. During 2023, presentations were made to the Board on the economic situation in Chile, Colombia and other countries, on the Constitutional Process in Chile, Energy Transition (Green Hydrogen), and Law 21,595 on Economic Crimes. In accordance with AES Andes' Corporate Governance Guidelines, the Company will provide new directors with an

orientation program to introduce them to, among other things, the Company's business, strategic plans, financial, accounting and risk management issues, compliance programs, conflict policies, code of business conduct and ethics, corporate governance guidelines, internal auditors and independent auditors.

#### **Knowledge Matrix** [NCG 461 3.2]

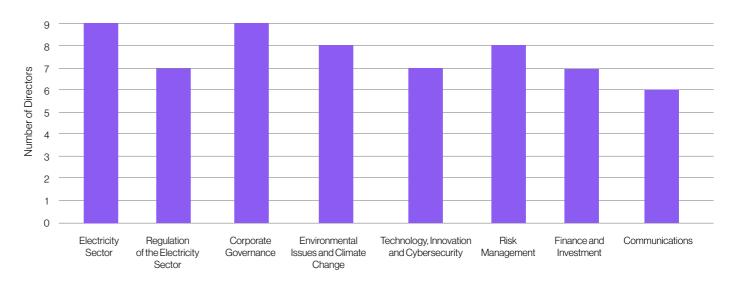
The following chart summarizes the number of members of the Board of Directors who have the following skills, experience or expertise. It is worth mentioning here that this summary is not intended to provide a comprehensive list

of each director's skills or contributions to the Board. The biographies of the Board members at this link provide more information about each of them, including relevant experience, qualifications, attributes or skills.

#### Evaluation of the Performance of the Highest Governance Body [GRI 2-18: NCG 461 3.2]

Board members have an annual formal performance selfassessment system, with a focus on those areas where the Board believes it should make a better contribution to management and which are relevant to its own leadership structure. The results are presented to all Directors







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who, together, seek to implement improvements in their organization and operation.

Review of Economic, Environmental and Social Topics
[GRI 2-12; NCG 461 3.2, 3.3]

Topics that may have an impact on the Company are reviewed and discussed at the Board meetings. Management regularly reports on diversity and inclusion, sustainability, risk, strategy and security initiatives and developments, both locally and internationally, at regular Board meetings.

The Board meets at least twice a year with the Vice President of Corporate Affairs and Sustainability, who is responsible for social investment and sustainable development, among others, to be informed of these aspects. In these sessions, discussions are opened up about the barriers that have been pinpointed and how they can be overcome. With respect to Diversity and Inclusion, Human Resources presents to the Board what it deems relevant to these issues, such as the annual results of the Great Place to Work survey, including an analysis of the well-being perceived by employees throughout the Company and by work area, and the procedures and policies adopted by the Company in this regard, such as the recent recertification of Chilean Standard 3262 (Policy

on Gender Equality and Reconciliation of Work, Family and Personal Life).

In economic matters, the Board of Directors approves the quarterly financial statements submitted to the Commission for the Financial Market (CMF). In addition, the Board reviews in detail, makes recommendations and ultimately approves the Company's annual budget, including the macroeconomic assumptions used in its preparation. Outside experts make regular presentations to the Board on economic, political and other relevant local and international issues to help the Board consider how these issues will impact the company and its business.

Moreover, as explained in 1.9. Risk Management, at least twice a year, the Chief Risk Officer or other members of management involved in risk assessment attend Board meetings to provide an update on potential economic, environmental, social and other risks that may arise. In addition, executives from various areas of the Company regularly brief the Board on risks that may affect the Company, including legal, commercial and regulatory risks.

Role of the Highest Governance Body in Sustainability Reporting
[GRI 2-14]

Since 2018, we have been publishing our Annual Report in the form of an Integrated Report in accordance with the GRI guidelines, which is reviewed and approved by our Board of Directors. During the 2022 version of this Report, we began the process of including the practices stipulated in General Rule (NCG) 461, as published by the Financial Market Commission in November 2021.

In order to ensure compliance with the provisions of General Rule (NCG) No. 270, dated December 31, 2009, issued by the CMF of Chile, we have established the internal policies and standards for the treatment of all information that, without constituting an essential fact or information of a factual nature, is useful for the proper financial analysis of our Company and its subsidiaries. Namely, as set forth in the "Handbook on Handling Information of Interest to the Market", it includes all the legal, economic and financial information concerning relevant aspects of the development of corporate businesses or that may have a material impact on them for constituting "information of interest".

In addition, in January 2023, AES Andes approved a protocol for the disclosure of Essential Facts, which establishes the procedures to be followed by the Company to determine which facts are essential and their disclosure to the market.

## Communication of Critical Concerns [GRI 2-16]

The Committee of Directors meets every quarter with our Internal Audit Unit to analyze the annual internal audit program. The Board meets twice a year with the Compliance Manager to review the implementation and compliance of such program and to analyze the plan for the following fiscal year. These meetings discuss, among other matters,





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recommendations and improvements to minimize the occurrence of irregularities.

For more details on the operation of the whistle-blower system, see the "Help line" section of this chapter.

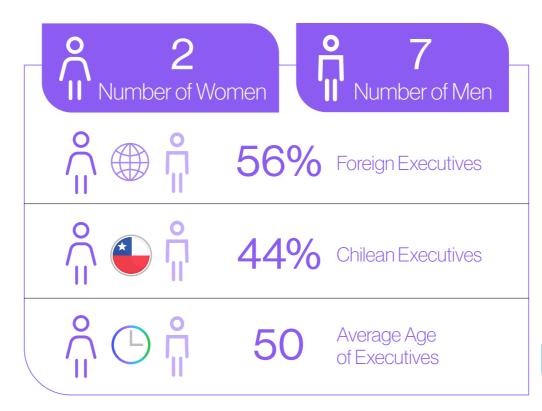
## Board Delegating Authority [GRI 2-13]

Our Board delegates its authority for the administration and management of the Company to the Chief Executive Officer and the executives, who are appointed according to the needs of the business. Some of its powers are delegated through a plan of powers validated by the Board, where the protocols on the levels of authority are established, according to the matter being discussed.



Senior Executives [GRI 2-13, 405-1; NCG 461 3.2, 3.4]

Composition of top executives stated in data:



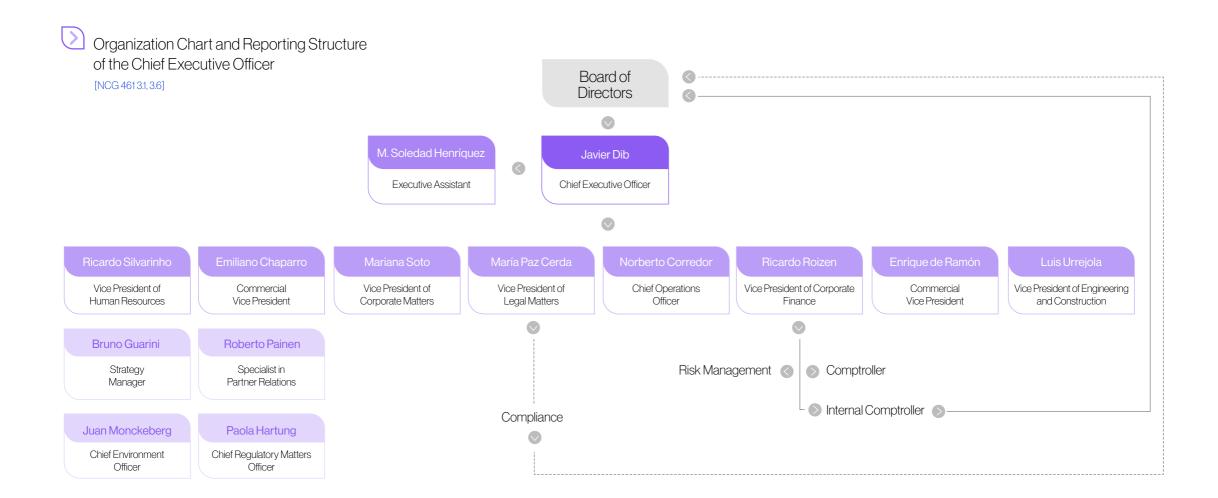
Senior Executives (those reporting to the CMF)

Nationality: Venezuelan



## Senior Executives (those reporting to the CMF)

Javier Dib Chief Executive Officer  In office since August 2022  Accountant, Universidad Nacional de Tucumán  Master at Darden Business School University of Virginia  Master at Universidad de Belgrano  Tax Id. (RUT) number: 24957431-7  Nationality: Argentina	Ricardo Roizen Gottlieb Vice President of Corporate Finance  In office since May 2018 Commercial Engineer, Pontificia Universidad Católica de Chile MBA from University of Chile Tax Id. (RUT) number: 13,657,574-0 Nationality: Chilena	Emiliano Chaparro Commercial Vice-President  In office since October 2020 Industrial Engineer, Instituto Tecnológico de Buenos Aires Emerging Leaders Program, Darden University, Virginia, United States Tax Id. (RUT) number: 27603077-9 Nationality: Argentina
María Paz Cerda Herreros Vice President of Legal Affairs  In office since August 2018  Lawyer, Pontifica Universidad Católica de Chile, Chile.  LLM in Commercial and Corporate Law, London School of Economics and Political Science, United Kingdom.  Tax Id. (RUT) number: 10532920-2  Nationality: Chilena	Luis Urrejola Martelli Vice President of Engineering and Construction  In office since June 2022 Civil Engineer, Bachelor's Degree in Sciences, Pontificia Universidad Católica de Chile Tax Id. (RUT) number: 8510834-4 Nationality: Chilena	Enrique De Ramón Herranz Business Development Vice-President  In office since June 2022  Industrial Engineer with a Master of Science degree, Polytechnic University of Madrid  Master of Business Administration, University San Pablo CEU  Tax Id. (RUT) number: 48220560-7  Nationality: Spanish
Ricardo Silvarinho Vice President of Human Resources  In office since September 2018  Lawyer, Universidad Católica de Petropolis, Brazil  Tax Id. (RUT) number: 48207312-3  Nationality: Brazilian	Mariana Soto Espinosa Corporate Affairs and Sustainability Vice-President  In office since May 2022 Lawyer, University of Chile, Chile Tax Id. (RUT) number: 12240551-6 Nationality: Chilena	Norberto Corredor Diaz Chief Operations Officer  In office since June 2022 Electrical Engineer, Universidad Metrolitana de Caracas, Venezuela Master in Non-Conventional Renewable Energy, Universidad Adolfo Ibáñez Tax Id. (RUT) number: 23,763,229-K



We have a succession plan for our senior executives that would allow, in case of emergency, to be able to replace them quickly and transfer the necessary information.





# Process to Determine Remuneration of the Chief Executive Officer [GRI 2-20, NCG 461 3.6]

The Committee of Directors conducts an annual review of the remuneration and compensation policy for the Chief Executive Officer, the senior executives and the employees of the Company. Such policy sets out guidelines to allow us to maintain competitiveness with respect to the wage market and internal equity.

The remuneration and compensation structure of the Chief Executive Officer and senior executives is available in the document Corporate Governance Guidelines.

## Overview of Senior Management Compensation [GRI 2-19: NCG 461 3.4]

The compensation paid to AES Andes executives is in line with best practices in the market. The compensation



philosophy for Senior Managers emphasizes pay for performance based on the results achieved by each member of the organization. Our goal is to provide executives with compensation opportunities that allow us to maintain both market competitiveness and internal equity. Our incentive plans are designed to reward the performance results achieved by the Company's executives and employees.

The remunerations of the Senior Management of the Company during the years ended December 31, 2023 and 2022 amounted to ThUS\$ 4,106 and ThUS\$ 5,272, respectively.

The main elements of the compensation are as follows:



### Compensation components - Senior Management

Item	Description
Fixed remuneration	Provide compensation that reflects experience, responsibility and expertise. For Senior Managers, this component represents on average 50% of their total annual target compensation.
Annual Bonus	Provide short-term compensation based on the achievement of pre-established goals and results. For Senior Managers, this component represents on average 24% of their total annual target compensation.
Long-Term Compensation (LTC)	Provide compensation that aligns the performance of our executives with the long-term goals of our shareholders. For Senior Managers, this component represents on average 26% of their total annual target compensation.  The long-term compensation program consists of Performance Cash Units (PCUs), Performance Stock Units and Restricted Stock Units (RSUs). This program applies to individuals designated as "Senior Management" in this Annual Report and is equivalent to AES Corporation stock options traded on the New York Stock Exchange (NYSE): AES).



## 3.6 Main Macroeconomic Aspects and Regulatory Changes of Energy Relevance in the Region

[NCG 4616.2]

According to the ECLAC Overview and Statistical reports, Latin America continues on a path of low economic growth, with an annual GDP variation of 2.1% in 2023. All subregions showed lower growth in 2023 compared to 2022. Latin America's annual per capita GDP growth rate for 2023 was 1.4%, lower compared to 2022, which was 3.3%.

According to the reports, the margin to implement fiscal and monetary policies is still limited in the countries of the region. While sovereign debt levels have decreased, they remain elevated. This, combined with the increasing costs of both external and domestic financing, limits the fiscal flexibility. On the monetary realm, inflation is on a downward trend, yet monetary policy still maintains a tight bias. This is attributed to the potential impact that reduced rates might have on capital flows and exchange rates, especially given that developed countries are still experiencing high interest rates.

The reports also indicate that for 2024, the GDP growth rate for Latin America and the Caribbean is expected to average 1.9%, continuing the trend of low growth. All subregions would grow less than in 2023. In the case of South America, the growth

would be 1.4%. The anticipated low growth for the region's economies in 2023 and 2024 is not merely a cyclical issue; it also mirrors the decline observed in the region's GDP trend growth rate. The severe contraction in the region's economies, induced by the economic crisis stemming from the COVID-19 pandemic, resulted in a marked decrease in regional GDP per capita, continuing a trend of decline or stagnation that began in 2015. The crisis has only deepened the downturn. It is projected, as shown in this report, that only by 2023 will the regional GDP per capita return to the levels of the 2013-2014 period.



In its Overview and Statistics reports, ECLAC  $\infty$  forecasts a 0.1% variation in Chile's GDP for 2023, a decrease from the 2.4% growth recorded in 2022. This anticipated outcome is attributed to the conclusion of the macroeconomic

adjustment that began in 2022. Conversely, inflation has been on a downward trend throughout 2023, prompting the Central Bank of Chile to initiate the reduction of the monetary policy interest rate in July.

This decrease in inflation has effectively raised workers' real income. Despite this, the labor market has shown signs of stagnation in labor demand alongside an increase in labor participation, resulting in a higher unemployment rate. The report indicates that the nominal exchange rate experienced volatility throughout 2023, with two very marked trends throughout the year, an appreciation in the first half, mirroring the global trend of the US dollar, and a depreciation in the second half due to the reduced monetary policy rate differential between Chile and developed countries, as well as increased uncertainty regarding the monetary policies of these countries

rate will decrease more gradually.

An OECD report indicates that following a stagnant growth in 2023, production is expected to rise by 1.8% in 2024 and 2.1% in 2025. With inflation decreasing and interest rates falling, real wages are set to rise, which will bolster consumption in 2024. Although business confidence is on the upswing, political uncertainties may dampen investment growth at the start of 2024. Meanwhile, a robust demand for minerals is projected to sustain export levels. The Consumer Price Index (CPI) inflation is forecasted to keep falling, aligning with the Central Bank's target in the latter half of 2024, but the core inflation

The Central Bank is expected to persist in relaxing its monetary policy, aiming for a neutral stance by the close of 2024. Fiscal policy is expected to remain mildly expansionary, adhering to the fiscal rule, with revenues from mining and the new mining royalty contributing to a moderate deficit. Public debt is projected to stay at manageable levels. Chile should move towards a more progressive tax system, which would yield additional revenue for expenditures that promote growth and reduce inequality. The global shift towards renewable energy represents an opportunity for the country, in view of its natural resources.

In the plebiscite held on December 17, 2023, the constitution proposed by a Constitutional Council, which was based on a preliminary draft by an expert commission, was rejected by 58% of the voters. As a result, the process of constitutional change has come to an end, and the Chilean President has declared that he will not commence another constituent process during his tenure.



## Main Regulatory Changes in the Chilean Electricity Sector

In terms of significant regulatory changes in Chile's energy sector, 2023 was marked by debates on the Energy Transition and Electrical System Decarbonization, reforms in the Sufficiency Power Market, advancements in Energy Storage Systems, and legislation for a Third Mechanism for the Stabilization and Normalization of energy prices for Regulated Customers.

In these matters, AES Andes actively participated in the promotion of a regulatory framework that makes it possible to accelerate the execution of its transformational Greentegra strategy, leading the discussions in the two main associations of the sector, the Chilean Association of Renewable Energy and Storage (ACERA AG, for its acronym in Spanish), and the Chilean Association of Generating Companies.

On the other hand, AES Andes, committed to the objectives of decarbonization of Chile's energy matrix, in accordance with Article 72-18 of the General Law of Electric Services (LGSE, for its acronym in Spanish), has ceased operations in the National Electric System of the Ventanas 2 unit, ceasing to be available for programming, economic dispatch and for all the effects established in the current regulations. In 2023, the National Energy Commission approved the application for retirement, disconnection, and cessation of operations for the Norgener 1 and Norgener 2 units at the Norgener Thermal Power Plant, owned by AES Andes S.A., effective

December 31, 2025. More recently, AES Andes sought to expedite this timeline to March 2024, a request that was granted by the authorities on February 8, 2024.

AES Andes is collaborating with the two leading associations of the generation sector to implement the Consumer Protection Mechanism. Additionally, they are involved in creating a Third Mechanism for the Stabilization and Normalization of energy prices for Regulated Customers. This initiative aims to stabilize Energy Prices for Regulated Customers, minimize the impact on the electricity sector, and ensure legal certainty and adherence to sectoral regulations to support the country's energy transition.

Finally, AES Andes took part in the discussion of the Energy Transition Bill, through the major industry associations, and providing background information in the discussion to facilitate both an efficient and safe energy transition.

With respect to the new power payment regulations, we have been instrumental in advocating for a new regime that ensures investment security in storage systems and supports a gradual, sustainable transition across the different technologies. Therefore, on November 29, 2023, the Ministry of Energy initiated the final phase of the amendment process by submitting the document to the Comptroller General for review. The revisions to the existing power regulations primarily aim to set a fixed compensation for the power of energy storage systems during the first 10 years. Concurrently, it reasserts the role of the Strategic Reserve State mechanism. The updated regulation is anticipated to take effect in the first half of 2024.



The above was carried out based on strict compliance with the laws and regulations governing free competition in Chile, which is a very important and top priority issue for and considered in the bylaws of ACERA and the Chilean Association of Generating Companies.

Below are the main discussions and developments changes for 2023:

#### Energy Transition Bill

On July 11, 2023, the "Energy Transition Bill" was presented for debate during the initial legislative process in the Senate's Mining and Energy Committee. This bill is a component of a series of initiatives advocated by the Ministry of Energy as part of the "Initial Agenda for a second phase of energy transition." On December 13, following technical round tables designed to foster dialogue within the industry, the Ministry of Energy outlined to the Senate Mining and Energy Committee that the bill encompasses: (i) Storage Bidding, (ii) Transmission Segment Improvements. (iii) Tariff Revenue Reallocation, and (iv) a Transitional Surcharge on Electricity Generation Sources to fund subsidies for Chile's most vulnerable families. This proposal was approved, in general, in the Senate on December 19, 2023. As of the date on this document, there have been no formal indications regarding the bill, which is set to be presented by the Executive for voting in January 2024.

 Implementation of regulated price stabilization mechanism, consumer protection mechanism, and discussion of new mechanism
 In 2019, the Law 21,185 on Stabilization of Prices to Regulated Customers (PEC, for its acronym in Spanish) established a fund of US\$1,350 million aimed at mitigating tariff increases for regulated customers, which would have resulted in an approximate 13% rise in the average residential bill in Santiago. These funds are expected to be recovered according to future pricing by December 2027. To finance these receivables, generation companies sought credit facilities from multilateral financial institutions.

In 2022, the premature depletion of the funds provided for in Law on Stabilization of Prices to Regulated Customers required the establishment of a new tariff stabilization mechanism via the Consumer Protection Mechanism Law No. 21,472. This law created a US\$1.8 billion fund primarily aimed at curbing tariff hikes and facilitating the settlement of the obligations under the Law on Stabilization of Prices to Regulated Customers. The new mechanism, set for debt repayment in 2032, acknowledges financing costs within the fund itself, unlike the Law on Stabilization of Prices to Regulated Customers. However, delays in issuing Tariff Decrees, coupled with the substantial rise in commodity prices during 2022-2023, have hindered the proper implementation of the Consumer Protection Mechanism. This has required additional funds beyond those stipulated in the Consumer Protection Mechanism Law.

As described above, as of October 2023, the Ministry of Energy is drafting a bill to manage future tariff increases, aiming to raise the fund by US\$1.8 billion and extend the repayment period to 2035. The bill would also establish a subsidy for the tariffs of the most vulnerable regulated customers.

In this framework, the Ministry of Energy and the Senate Mining and Energy Committee have reached an agreement to proceed with the Energy Transition Bill by introducing a set of amendments, which, among other actions, will promote the creation of a subsidy for vulnerable customers under this separate bill. The Ministry is expected to introduce both bills in the first quarter of 2024.

 New Sufficiency Power Market On February 17, 2022, the Ministry of Energy submitted to the Comptroller General of the Republic Supreme Decree No. 3/2022, which establishes a new regulation for the capacity market. However, on September 21, 2022, by means of Official Letter No. 1352 from the Ministry of Energy, the Regulation was withdrawn from the Comptroller General by the Undersecretariat of Energy. In this regard, the Ministry of Energy has formed working groups with the main industrial unions to address the assumptions of the temporary application of the new power regulation, as contained in Supreme Decree No. 3 of 2022 (withdrawn from the Comptroller General), of the Ministry of Energy. The Ministry of Energy, following the conducted diagnosis, will consider introducing changes to the transitional regime of the regulatory instrument if deemed suitable. It will assess alternatives for applying the transitional regime to mitigate potential impacts on sector stakeholders, while keeping the public policy goal in focus: to foster a flexible and manageable supply matrix that aids the decarbonization process. On July 27, 2023, the Ministry of Energy declared that it would cease the processing of the New Power Regulation and would instead initiate the processing of amendments limited to

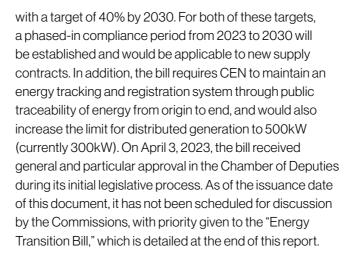
the current regulation. The recent modifications to power regulations primarily involve setting a fixed compensation for the payment of power from energy storage systems for the initial ten years. Subsequently, payments will be based on their role in diminishing the system's peak demand. In this context, on November 29, 2023, the Ministry of Energy initiated the final phase of the amendment process by submitting the document to the Comptroller General for review. The updated regulation is anticipated to take effect in the first half of 2024.

 New Law on Renewable Energy Shares in the National Energy Matrix

On October 26, 2022, the Ministry of Energy resumed the discussion of the bill "Promoting the participation of renewable energies in the national energy matrix" before the Mining and Energy Commission of the Chamber of Deputies. In this context, on December 13, the executive branch proposed amendments to the original bill, increasing the annual share of non-conventional renewable energy (NCRE) to 60% by 2030 (the current share

is 20% by 2025) and establishing a share of NCRE compliance in time blocks,

Los Olmos, Chile



 Adjustments to the compensation mechanism for green tax payments by companies with thermoelectric power plants

The document "Initial Agenda for a Second Phase of the Energy Transition" includes various measures, one of which is the Ministry of Energy's announcement to abolish "Compensation B". This compensation regulated the hourly payments for energy injected into the system at variable operating cost exceeding the marginal cost, as directed by the Coordinator. The removal of this compensation reduces the larger proportion of current offsets to the detriment of the annual margins of power generation companies responsible for the payment of emission taxes.

As of March 18, 2023, the National Energy Commission has issued Exempt Resolution No. 149, which revokes Resolution No. 52 from January 31, 2018. This previous

resolution had amended and supplemented Resolution No. 659 of 2017, setting forth technical provisions for enacting Article 8 of Law No. 20,780, which mandates the compensation outlined in the preceding paragraph.

Similarly, it has been determined that the amendment will take effect from the time the Balances of Offsets are prepared by the National Electricity Coordinator in 2024. This will be for the purpose of calculating the payment offsets for the tax on emissions linked to the operations of generating companies during 2023.

For more details of the energy regulations in Chile, where AES Andes operates, see Chapter 5, Additional Information: 5.4 Regulatory Framework  $\infty$ .



According to ECLAC reports , Colombia's GDP grew 0.9% in 2023, lower than the 7.3% growth in 2022. An OECD report indicates that GDP growth has significantly slowed since late 2022, with consumer and business confidence remaining relatively low. Investment has declined sharply to below 18% of GDP, a drop from the average of 22% during 2014-2019. High interest rates and political uncertainty are the primary



factors restraining investment. Furthermore, financial conditions have tightened due to rising financing costs and stricter lending criteria. Private consumption, which was a major contributor to the robust post-pandemic recovery, has diminished. However, this slowdown has not yet impacted the labor market, where the unemployment rate remains 1.5 percentage points lower than pre-pandemic levels.

The tightening of monetary policy, with interest rates at 13.25% since May, has aided in the reduction of inflation. This decrease has occurred despite notable rises in energy costs, particularly fuel, and a 16% increase in the minimum wage in January, which has particularly affected the utilities sector. Aligning previously subsidized domestic gasoline prices with international levels has lessened the impact of global oil prices on the nation's public finances. The current intensity of the El Niño weather phenomenon may lead to droughts and exert pressure on food prices due to potential crop failures, with expectations of it peaking in early 2024.

GDP growth is expected to stay below potential while monetary policy is tight. As the Central Bank begins its easing cycle from 2024, growth will slowly recover, though the transmission from benchmark rates to lending rates will take time.

The growth acceleration, particularly from the second half of 2024, will be spurred by a surge in investment due to relaxed financial conditions. Nonetheless, this upturn will only partly offset the prior decline. The projected growth rates are 1.4% for 2024 and 3% for 2025.



In 2023, the government more assertively took on the regulatory roles typically assigned to Regulatory Commissions, aiming to alter the foundational principles that have directed the sector for almost three decades. The goal was to carve out roles for the state in managing the electricity market's structure and occasionally restrict free competition. This approach has introduced uncertainties regarding the assurance of future demand, particularly concerning the development of reliable projects. Moreover, it has produced a sense of [sic]. Focused primarily on lowering tariffs for end-users, the government's measures may overlook the advantages of an electricity market that is regionally and globally recognized for its robustness, resilience, and sustainability.

In this scenario, AES Colombia spearheaded analyses, discussions, and technical and regulatory debates to ensure that the government's proposed changes were structured and fully endorsed. This was aimed at maintaining financial sustainability for companies in the electricity sector and promoting an energy transition that supports the growth of non-conventional renewable sources, while still emphasizing the significance of projects in La Guajira.

Our regulatory efforts were enhanced by the active involvement of our affiliated associations: Asociación Nacional de Empresas de Servicios Públicos y Comunicaciones (ANDESCO), Asociación Colombiana de Generadores de

Energía Eléctrica (ACOLGEN), Asociación de Energías Renovables (SER), and Asociación de Hidrógeno Colombia. Additionally, all technical modifications directed by the National Operation Council (CON) were thoroughly examined.

The main regulatory topics discussed in 2023 are as follows:

 National Development Plan 2022-2026 Law 2294 of 2023, enacting the National Development Plan (NDP) for 2022-2026, identifies "Fair, safe, reliable, and efficient energy transition" as a key driver. It incorporates "Economic development based on energy efficiency, new energies, and strategic minerals for the transition" as a core pillar. This aims to foster the adoption of technologies for both renewable and non-renewable energy sources, ensuring the country develops robust infrastructure to satisfy energy needs while considering the unique characteristics of each territory. The National Development Plan suggests an energy transition by altering the country's energy production methods. It advocates for wind, solar, geothermal, biomass, and other unconventional energy sources as a strategy to democratize energy generation, promote reduced tariffs via green energy, and prioritize the use of local resources while adhering to environmental commitments by cutting gas emissions. It emphasizes bridging energy gaps to broaden services to remote areas by adopting strategies that ensure sustainability

and continuity through the use of local resources and community participation.

Hydrogen Advances in Colombia
 The implementation of the Hydrogen Roadmap follows, which consists of three phases:
 Phase 1. Laying the foundations for hydrogen: Actions to be carried out in the short term (less than 2 years), such as the

carried out in the short term (less than 2 years), such as the definition of laws or the preparation of technical studies and training plans, in order to establish solid foundations for the proper development of the market.

Phase 2. Enabling and promoting market development: Tasks aimed at promoting the use of low-emission hydrogen. These actions will be carried out in the short to medium term (less than five years). Early actions will focus on incentives and risk mitigation for the first participants, while later actions will seek to achieve hydrogen scale-up along the entire value chain.

Phase 3. Monitor and enable new applications: Actions to be carried out in the medium/long term to monitor and ensure the correct implementation of the actions of the previous periods, as well as to enable the entry of hydrogen into the less mature applications. This monitoring phase is considered in the medium/long term, since these actions will be carried out cyclically.

The government, via the Ministry of Mines and Energy, spearheads all hydrogen initiatives and has enacted regulations that extend the advantages of Law 1715 of 2014

to projects focused on producing green hydrogen. We have sustained our leadership in trade to foster a nimble and advantageous regulatory environment for this market's development by engaging in the trade dialogues of the two associations with which we are affiliated: the Colombian Hydrogen Association and the Hydrogen Technical Committee of ANDI.

 Amendments to the Internal Regulations of the Commission for Energy and Gas Regulation (CREG, for its acronym in Spanish)

On September 26, 2023, the publication of Resolution 105003 of 2023 issued by the CREG introduced its new internal regulations. These regulations lower the quorum needed for the Commission to convene and make decisions. Additionally, they allow commission members who choose to abstain from voting to explain their rationale. Regarding the Commission's decisions, the Minister or his delegate can submit observations to CREG for consideration if there are formal, numerical, or textual errors, or if clarifications are needed on the approved changes.

Deployment of Offshore Wind Energy in Colombia The 2022 Roadmap for Offshore Wind Energy in Colombia highlights the country's Caribbean coast as a region rich in wind resources, estimating a total potential of 109 GW for offshore wind energy, with development exploration areas amounting to about 50 GW in cumulative potential. To harness this potential, the 2023 Roadmap for a Just Energy Transition in Colombia sets national targets to achieve an installed offshore wind energy capacity of 7 GW by 2040 and 13 GW by 2050.

Following the strategic public policy guidelines set by the National Government, the Ministry of Mines and Energy (MME), and the General Maritime Directorate (DIMAR), stakeholders are invited to engage in the First Colombia Offshore Wind Energy Round, as outlined in Annex A of Resolution 40284 of 2022 and its subsequent amendments. The First Round's objective is for DIMAR to award Temporary Occupancy Permits (POT, for its acronym in Spanish) over maritime zones via a Competitive Process. This will enable the development of offshore wind energy projects by Bidders who demonstrate the required legal, financial, and technical capacities.

Adjustments in the start-up dates for generation projects

The CREG has proposed a regulatory amendment to Resolution CREG 075 of 2021, stipulating that the start-up dates for generation projects can only be adjusted if the project is more than 60% complete. This adjustment is a one-time option, and the maximum extension for operational commencement is limited to one year.

Under the existing and proposed regulations, the operational start dates for the Casa Eléctrica and Apotolorru projects (JK1 and JK2) may be postponed



due to delays in the collector transmission line by Grupo de Energía de Bogotá, which is intended to link AES Colombia's wind projects in Guajira to the National Interconnected System.

Calculation of Firm Energy for Wind and Solar Photovoltaic Power Plants
The CREG has issued resolutions that alter the methodology for calculating firm energy from wind and solar photovoltaic resources. These include the stipulation of basic parameters for these resources to enable centralized modeling, thereby allowing these projects to partake in the allocation of firm energy obligations within the reliability fee scheme. In essence, these resolutions are not expected to impact the firm energy obligations previously secured by AES Colombia's projects, while also providing the possibility of having additional firm energy to participate in upcoming reliability fee auctions.

#### Short-Term Market Update

The Energy Transition, emphasizing the development of non-conventional renewable solutions, requires an update to the market's operating rules. Consequently, the CREG promulgated Resolution 143 of 2021.

Such resolution is based on the principle that in the short-term market there must be broad participation of different technologies and risk management mechanisms, and that risks must be assigned to those who cause them, as well as mechanisms for efficient pricing and sufficient tools for reliable and safe operation. The CREG has outlined several goals for the regulatory proposal of the short-

term energy market: 1. Create an expanded market with binding commitments and adjustments on the operating day; 2. establish efficient scheduling with co-optimized dispatch of energy and ancillary services; 3. set market prices ex-ante, that is, before decision-making; 4. facilitate international transactions; 5. enable active participation of demand in the exchange; 6. implement effective measures to mitigate market power before operation; 7. characterize complementary services and define their supply and allocation methods; 8. allow new technologies to participate in the market.

AES Colombia has submitted feedback on the regulatory proposal both directly and via unions, as the final version is crucial with the impending date for the majority of renewable resource expansion. Clarity is essential for managing these resources once they commence commercial operation.

For more details of the energy regulations in Colombia, where AES Andes operates, see Chapter 5, Additional Information: 5.4 Regulatory Framework .

## Regulatory Agenda 2024

In the Regulatory Agenda, defined by the Commission for Energy and Gas Regulation (CREG) for 2024, establishes several of the issues contemplated in the Energy Transition Roadmap. The following aspects can be highlighted:

- Regulation of crises stemming from the El Niño phenomenon.
- Ex-ante monitoring of market power in the spot market.
- Enactment of new wholesale market regulations.



- Revision of the methodology for determining the Firm Energy for the Reliability Fee of hydroelectric plants.
- Technical specifications for shared generator connections.
- Regulation of hydrogen.
- Review of vertical integration and market share rules.



## Argentina

ECLAC reports indicate that Argentina's economy is expected to contract by 2.5% in 2023, owing to a decline in investment and exports. The decrease in investment has been linked to increasing macroeconomic and political uncertainty, while the drop in exports is due to one of the most severe droughts in recent history, impacting the agricultural export sector and intensifying widespread macroeconomic imbalances. Inflation escalated to 143% year-over-year in October 2023, a significant increase from 95% year-over-year in December of the prior year. The rise was linked to escalating exchange rate pressures, evidenced by an expanding disparity between the official and parallel exchange rates, alongside the uncertainty of the presidential elections and the ongoing fiscal deficit.



An OECD report co forecasts that Argentina's GDP will shrink by 1.3% in 2024, then expand by 1.9% in 2025. Strict capital controls, escalating inflation, and significant political uncertainty are likely to further constrain consumption and investment in the near term. Exports are anticipated to rebound in 2024 after a severe drought in 2023. Inflation, having surpassed 100%, is expected to continue its upward trend in the short term, fueled by the prospect of currency devaluation. Substantial fiscal consolidation will be required to address the considerable macroeconomic imbalances. The fiscal stimulus package that was recently approved is expected to exacerbate the deterioration of public finances and hinder the attainment of short-term goals. Stabilizing the macroeconomic environment and enhancing women's participation in the labor market are key to fostering higher growth in the medium term and curbing the rise in poverty.

In the second round of Argentina's presidential election on Sunday, November 19, 2023, Javier Milei, the far-right candidate from La Libertad Avanza, secured the presidency with 55.69% of the votes, surpassing Sergio Massa of the ruling party, who received 44.30%. Javier took office as president on December 10, 2023.

## Key Regulatory Changes in Argentina's Electricity Sector

The electricity sector in Argentina is currently under review. The administration of President Javier Milei has announced via various media outlets its intention to broadly modify

the regulatory framework, moving towards deregulation and increased private sector involvement throughout the electricity supply chain. While these changes have not been formalized through administrative actions, the Secretariat of Energy has confirmed that efforts are underway.

Regarding energy sector regulations, on February 27, 2020, the Secretariat of Energy amended, by means of Resolution No. 31/2020, the pricing scheme for electricity commercialized in the spot market established by Resolution No. 1/2019. It is established that the remuneration of generators is in Argentine pesos with monthly adjustments for inflation and that power prices are reduced.

On April 8, 2020, the Secretariat of Energy ordered CAMMESA (Management Company of the Wholesale Electricity Market) to postpone the application of Annex VI of Resolution 31/2020 regarding the update factor of the values stated in Argentine pesos until a new decision is made in such regard. On December 2, 2020, the Secretariat of Energy published Resolution 354/2020 to implement marketing schemes between gas producing companies and CAMMESA or generators as part of the "Plan to Promote the Production of Argentine Natural Gas – Supply and Demand Scheme 2020-2024" issued by Decree 892/2020. The resolution establishes the firm volumes of natural gas for the generation sector represented by CAMMESA and the generating agents.

Moreover, it establishes the option of adhering to the centralized dispatch involving the operational assignment to CAMMESA by the generators of the product and the contract transport capacity, added to the incorporation of a specific



priority order number for Natural Gas according to its origin in the rules of dispatch and the reduction of the total cost of supply in accordance with the contractual obligations.

Moreover, the option of requesting CAMMESA to supply natural gas is established for generators with Energía Plus contracts so that they can cover their contracts at the supply cost of each generator.

In May 2021, the Secretariat of Energy issued Resolution No. 440/2021 with an updated list of prices as per the previous Resolution No. 31/2020. The Resolution became retroactively effective as of February 2021 and abolished the inflation indexation mechanism. Pricing rates continue to be denominated in Argentine pesos.

In November, the Secretariat of Energy, by means of Resolution 1037/2021, recognized an additional remuneration to generators under the regulatory framework of Resolution 440/2021. This additional remuneration has 2 purposes. (i) to eliminate the payment adjustment for power associated with the generation ratio of the last 12 months (usage factor), and (ii) to create a new "Export Remuneration" related to energy exports from Argentina to Brazil.

The application of this resolution is retroactive to September 2021 and extends through February 2022. In December 2022, the Secretariat of Energy issued Resolution 826/2022 updating the generation and power price retroactive to September 2022, established the increases to be made in the remuneration of energy in the months of November

and December 2022, and February and August 2023. On September 6, 2023, through Resolution 750/2023, the Secretariat of Energy again updated the generation remuneration as of that month.

For more details of the energy regulations in Argentina, where AES Andes operates, see Chapter 5, 5.4 Additional Information: Regulatory Framework.







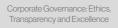




# About this Integrated Annual Report



Our Performance 2023



About this Integrated Annual Report Additional Information



## About this

# Integrated Annual Report

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[GRI 2-2, 2-3, 2-4]



This report has been prepared in compliance with the standards established by the Global Reporting Initiative (GRI), version 2021, and the disclosure requirements set forth in the General Rule (NCG) 461 of the Chilean Commission for the Financial Market (CMF). This integrated annual report discloses, for the third time, a subset of the Sustainability Accounting Standards Board (SASB) indicators applicable to electric utilities and power producers in the infrastructure sector.

The acronyms used in some titles correspond to the GRI and NCG 461 content to which this report refers.

The Annual Report provides detailed information about the

Company's economic results along with the progress made with respect to its strategy and its environmental, social and governance (ESG) management.

The significant update in 2023, compared to the previous year, is the acquisition of the 146 MW Bolero solar farm in northern Chile, along with the commencement of commercial operations for several projects that were under construction in 2022. These include Andes Solar IIb, which combines a solar farm with storage batteries, Campo Lindo, a wind farm, Virtual Reservoir 2, a storage battery facility adjacent to the Cordillera complex, and Mesamávida, another wind farm. Additionally, on December 31, 2023, the coal-fired Ventanas 2 unit within the Ventanas complex was shut down.

This report does not contain any information relating to previous years' financial statements. For the environmental variables, the indicators of the previous years have been recalculated by eliminating the assets that are no longer part of the Company in order to improve their comparability.

When deemed necessary to facilitate the understanding of the Company's strategy and management, references to events that occurred in previous years or after the end of the fiscal year were included.

The financial information included in this Annual Report is consistent with the total perimeter of consolidation of the Company. A complete list of the entities included in the 2023 Consolidated Financial Statements can be found in the Financial Statements of AES Andes as of December 31, 2023, Note 3, Basis of Consolidation.



## 4.2 Definition of Materiality

[GRI 3-1]

The AES Andes 2023 Integrated Annual Report updated its materiality from the previous year, introducing a **dual materiality** concept that encompasses both financial and non-financial or "impact" considerations.

In assessing extra-financial or "impact" materiality, we pinpointed issues of material significance due to their substantial positive and negative impacts, whether actual or potential, on individuals or the environment over short, medium, or long-term periods. These impacts are considered across the company's entire value chain.

Regarding Financial Materiality, we identified those material sustainability issues that have financial implications for the company, such as those that create or could create risks or opportunities affecting future cash flows and thus the company's value over time.

To update this materiality assessment and ensure it aligns with the dual materiality approach, we worked with a Big Four international firm to facilitate the process. The following are the steps followed for the dual materiality analysis:

 Step 1: Business Understanding and Sustainability Context

An analysis was conducted on the sustainability and business

context of AES Andes, including its value chain and the energy sector. The aim was to pinpoint material issues pertinent to the company's business, sector, and context, which hold high priority for dual materiality. Relevant national and international regulations, standards, and sustainability rankings were examined to discern material issues for the sector. Furthermore, the 2022 Impact Materiality of AES Andes was analyzed to track the progression of material issues within the context of the year 2023. Ultimately, a press analysis was carried out to pinpoint events from 2023 that shed light on significant issues within the national framework.

#### • Step 2: Materiality Benchmark

Subsequently, various benchmarks were conducted to enhance the analysis of the sustainability context. The materialities of industry companies were analyzed, along with a dual materiality benchmark, using the "GIST Impact" tool, which identifies dual materialities within the sector on a global scale.

#### Step 3: Consultation with Internal and External Stakeholders

In this phase, comprehensive, semi-structured interviews were carried out with the principal leaders and managers of AES Andes to pinpoint the significant issues for internal stakeholders. Furthermore, a digital survey was administered to the company's external stakeholders. This survey aimed to

ascertain both financial and nonfinancial materiality by examining categories like the effect of the impact (both internal and external), the likelihood of each impact occurring, the extent of the impact, and the financial implications.

#### • Step 4: Prioritization Tool Application

In creating the dual materiality matrix, we considered a combined index that reflects the likelihood and the impact's magnitude. Scores were allocated to each issue to prioritize them and identify the material issues, taking into account their significance to external groups and the organization.

Similarly, to determine the material topics, each one was scored using a prioritization tool that assessed the frequency of mentions, the number of stakeholders affected, and the impact type.

The outcomes are displayed in a matrix, positioning financial impact on the X-axis and environmental impact on the Y-axis. This matrix categorizes issues into three priority levels: very high (Level 1), moderately high (Level 2), and moderate (Level 3).

Step 5: Priority Level Validation
 The dual materiality matrix was validated by senior

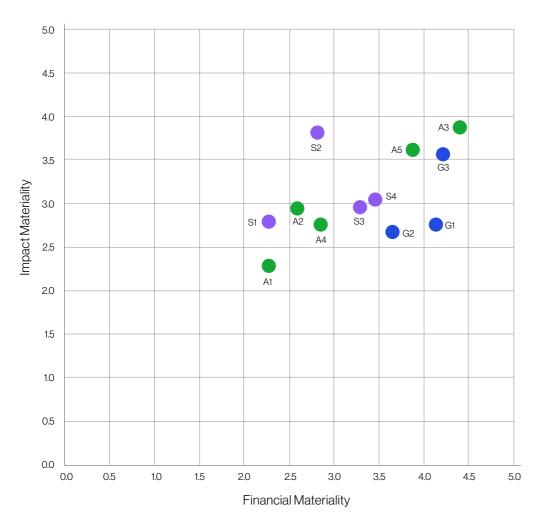


management and directors who participated in a materiality workshop, and were made aware of the issues that were material in the 2023 update.

Through this exhaustive review of internal and external sources, more than 50 material issues were identified. These issues were classified and categorized into 12 themes.

According to the structure defined by the company, the materiality process is performed every two years.

## Dual Materiality Matrix by Material Theme



#### Definition of Material Issues 2023:

[GRI 3-2]

Area	Topic	Definition	Acronym
	Water Resources	Management of the <b>quantity of Water Resources</b> in the processes of <b>extraction and use</b> , and of the quality water of the water in the discharges.	● A1
	Biodiversity and Ecosystems	Action for <b>Biodiversity and Ecosystems</b> through the Implementation of Programs from <b>protection</b> , <b>mitigation and conservation</b> .	• A2
=nvironmental	Climate Change and Energy Transition	Contribution to Climate Change Mitigation through an energy transition that allows the reduction of greenhouse gas (GHG), considering innovation and new businesses.  Strategies for adaptation to Climate Change.	• A3
Enviro	Other Emissions	Management of <b>Other Emissions</b> (other than GHG emissions), such as PM, NOx, SOx and mercury that may have an impact on the environment.	• A4
	Environmental Management and Regulatory Compliance	Management and mitigation of environmental impacts ensuring regulatory compliance in all the operations.	● A5
	Risk Management	Implementation of governance and risk management and control systems, including cybersecurity.	• G1
Governance	Corporate Governance	Transparent, ethical and integral corporate management, incorporating national and international best practices, including respect for human rights.	• G2
Gove	Economic and Financial Value Creation	Management of a sustainable economic and financial model that allows the <b>Creation of Value</b> for AES Andes and its stakeholders.	• G3
	Supply Chain	Management of a sustainable supply chain that takes into account social and environmental issues.	● S1
<u>iā</u>	Communities	Promote <b>social investment and community relations</b> in the area of influence of operations.	• S2
Social	Customers and Consumers Development and co-creation of <b>solutions to support clients in their sustainability</b> goals, strengthening a long-term relationship and generating alliances.		• S3
	Labor Practices	A workplace that promotes the development and maximum potential of our employees: healthy and safe, inclusive and diverse work spaces, training, and promotion of quality of life.	• S4

## 4.3 Verification [GRI 2-5]



#### RSM Chile **Auditores Limitada**

El Bosque Norte 500, oficina 1002 Las Condes, Santiago +56 2 3253 9050

Cruz del Sur 133, piso 4 Las Condes, Santiago +56 2 3253 9050

#### LIMITED AND INDEPENDENT ASSURANCE REPORT

Sustainability Indicators of the Integrated Report AES Andes S.A. 2023

Mr. Javier Dib **Chief Executive Officer** AES Andes S.A.

From our consideration:

We have performed a limited and independent verification of the contents, information, and the data presented in the Sustainability Indicators of the AES Andes S.A. Integrated Report 2023, which are mentioned below.

#### Scope

The time scope of the verification included the period between January 1 to December 31, 2023. Any information outside this period was not part of our verification. The preparation of the Sustainability Indicators of the Integrated Report 2023, the information and statements contained therein, the definition of the scope of the report, the management and control of the information systems that provide the reported data, are the sole responsibility of AES Andes S.A.

#### Verification standards and procedures

Our limited verification was conducted in accordance with the International Standard on Assurance Engagements -ISAE 3000-, established by the International Auditing and Assurance Standards Board of the International Federation of Accountants, as well as the Sustainability Reporting Standards by the Global Reporting Initiative (GRI).

Our procedures were designed with the objective of determining that the information and data presented in the Sustainability Indicators of the AES Andes S.A. Integrated Report 2023 are rightly supported by evidence. The specific objectives consisted of:

- Verifying the traceability of the information presented in the Sustainability Indicators.
- Determining that AES Andes S.A. has prepared the Sustainability Indicators of the Integrated Report 2023 in accordance with the performance indicators and the principles of the GRI standard.
- Confirming the level of application declared by AES Andes S.A., according to the GRI standard.

#### Procedures

Our limited verification consisted of inquiries with representatives of the Management, Direction and Units of AES Andes S.A. involved in the process of elaborating the Sustainability Indicators of the Integrated Report 2023, as well as the performance of other analytical procedures and sampling tests such as:

- Meetings and interviews with key personnel of AES Andes S.A. from the areas of (i) Environment, (ii) Health and Social Security, (iii) Human Resources, and (iv) Social Investment and Sustainability, in order to evaluate the process of elaboration of the Sustainability Indicators, the definition of their content and their underlying information systems.
- Review of the supporting documentation provided by AES Andes S.A.

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- Review of formulas and calculations associated with quantitative information through data reprocessing.
- Review of the wording of the Sustainability Indicators of the Integrated Report 2023, ensuring that there is no misleading or doubt regarding the information presented.

The verification process was carried out based on a punctual review, considering the materiality of the topics defined by AES ANDES S.A. associated to the GRI indicators identified below:

2-1	2-7	2-8	2-21	2-27	2-28	2-30	203-1	203-2	301-1
302-1	302-3	303-1	303-2	303-3	303-4	303-5	304-1	304-2	304-3
304-4	305-1	305-2	305-3	305-4	305-7	306-3	306-4	306-5	401-1
401-2	401-3	403-1	403-2	403-3	403-4	403-5	403-6	403-9	404-1
404-3	405-1	405-2	413-1						

In addition, the following indicators (specifically developed by AES Andes S.A.) were verified: participants in social programs; amounts invested in social programs; teaching hours in educational programs; water recycled and reused; significant spills; and certifications of its management systems.

#### Our responsibility

Our responsibility is exclusively limited to the procedures mentioned in the preceding paragraphs, and corresponds to a verification of limited scope, which serves as a basis for our conclusions. By default, we do not apply reasonable verification procedures, the purpose of which is to express an external verification opinion on the Sustainability Indicators of the Integrated Report 2023 of AES Andes S.A. 2023. Consequently, we do not express an opinion.

#### Conclusions

Regarding the verified and above-mentioned indicators, based on our work of limited independent verification of the Sustainability Indicators of the Integrated Report 2023 of AES Andes S.A., we can affirm that no aspect has come to our knowledge that leads us to believe that:

- The information and data published in the Sustainability Indicators of the Integrated Report 2023 of AES Andes S.A. are not adequately presented.
- The Sustainability Indicators of the Integrated Report 2023 of AES Andes S.A. have not been prepared in accordance with the Essential version for the preparation of Sustainability Reports according to the GRI
- The option declared by AES Andes S.A. does not comply with the requirements for such level, according to the GRI application standard.

In addition, a letter to the Management is provided to the entity to present opportunities for improvement for the future development of sustainability indicators and general reportability, as well as for processes related to their development, continuous monitoring and internal control.

The translation of this limited assurance report is provided as a free translation from the Spanish language original, which is the official and binding version. Such translation has been made solely for the convenience of non-Spanish readers.

#### Sincerely yours,



Oscar Agullar S. Partner RSM Chile Auditores Ltda.

Santiago, March 18, 2024

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# Additional Information

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5.13 SASB Indicator Table

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Applying

## 5.1 Charter Documents

[GRI 2-1]



Eléctrica S.A. (Chilectra Generation S.A.). The deed was then amended by means of public deed dated July 13, 1981 delivered in Santiago by Notary Public Jorge Zañartu Squella, Alternate for Notary Public Patricio Zaldivar Mackenna. An extract from this deed was published on July 23, 1981 in the Official Gazette and registered in page 13,107 number 7274 of the Commercial Registry of the Real Estate Conservator of Santiago for 1981. By means of Resolution No. 410-S dated July 17, 1981 issued by the Superintendency of Securities and Insurance, the Company was authorized to exist and its Bylaws were approved, as briefly published in Official Gazette No. 31,023 dated July 23, 1981 and registered in page 13,107 number 7274 of the Commercial Registry of the Real Estate Conservator of Santiago for 1981.

By resolution adopted at the Extraordinary Shareholders' Meeting held on April 23, 2021, whose minutes were notarized

on May 5, 2021, the name was changed to "AES Andes S.A.". An abstract of that deed was registered in page 34,961, No. 16,156 of the Commercial Registry of the Real Estate Conservator of Santiago of year 2021, and was published in the Official Gazette on May 8, 2021.



## About The AES Corporation

The AES Corporation is a global company whose purpose is to accelerate the future of energy together.

As of December 31, 2023, with an installed capacity of 34,596 MW and approximately 9,600 employees, the Company generates and distributes electricity in four main segments: Renewables, Energy Infrastructure, Distribution and New Energy Technologies, and is present in 14 countries.

The AES Corporation exercises corporate control over AES Andes through its subsidiary Inversiones Cachagua SpA. The takeover bid launched by The AES Corporation in December 2021, through which Inversiones Cachagua SpA got a 98.13% interest in AES Andes, ended in January 2022. To date, The AES Corporation continues to make purchases in the Stock

Exchange through a buying power, reaching a participation in AES Andes of over 99%. More details about this transaction are available in Chapter 5 Additional Information, 5.7 ESG Indicators, Trading information.

It is our commitment to conduct the business of AES Andes with integrity and in compliance with all applicable laws and regulations at a regional level.

We believe and trust that our good regional performance is due to the way we participate in each of the countries where we are present. Aligning the management of our corporate governance to the probity standards and laws, environmental compliance and electricity regulatory market in Chile, Colombia and Argentina.

Company in Argentina

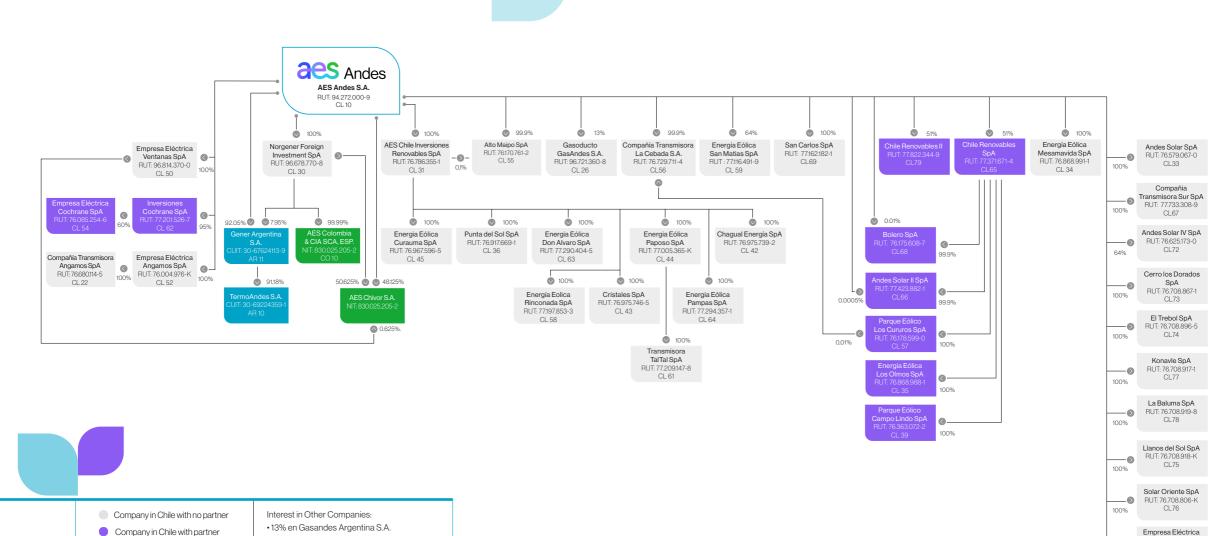
Company in Colombia

• 4.9999% en Derivex S.A.

For more information see 5.9 Background

Information about Subsidiaries and Affiliates.

## 5.2 Group of companies [NCG 461 651]



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Empresa Eléctrica

RUT: 76.708.924-4 CL71

Lagunas SpA



## 5.3 Strategic and Emerging Risks [GRI3-3; NCG 46136]



Technological Change Risk	Climate Change Risk	Regulatory Risk
The development of new technologies involves the risk of reducing the sales prices or cause material changes to the generation business. To mitigate the above, we have executed long term Power Purchase Agreements or PPAs that ensure an income flow to cover financial obligations and generate value to our stakeholders.  Recently, we have been able to incorporate renewable energies into our portfolio by way of diversification, including storage systems.	Part of the behavior of the demand of our generating park is influenced by a higher or lesser hydroelectric availability, and therefore by the effects of climate change, thus altering the economic performance of the Company.  According to our renewable energy growth strategy, we have a Climate Risk Committee that measures and manages the risk of renewable energy sources (solar radiation, wind speed, hydrology, etc.), reporting it to AES Andes' senior management.  Moreover, other costs associated with taxes on emissions and the agenda for decarbonization of the electricity generation matrix in the countries where we operate would affect the implementation of the strategy in the short- and medium-term.	The industry in which we operate is subject to multiple regulations that may change or be interpreted differently in the future and that might affect the company.  One of these is decarbonization, an area in which there are different regulatory initiatives that introduce uncertainty into the impact on our business as it moves forward in this process.  We closely monitor the progress of new regulations and we participate through trade associations in the legislative and regulatory processes of interest to our sector.



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Risk of Natural Disasters	Foreign Exchange Risk	Interest Rate Risk
Natural disasters can damage our electricity generation assets and the SEN, thus diminishing our generation capacity and increasing production costs. Should these events transpire, we may need to buy energy on the spot market, creating an exposure that could potentially negatively affect our financial outcomes.  To reduce this risk, we acquire insurance policies for all our assets and operations that provide coverage in line with industry standards. This includes protection against earthquakes and other natural disasters, as well as coverage for physical damages, operational disruptions, and loss of profits, among other risks. Conversely, we meticulously measure, control, and strategize for the comprehensive management of our generation portfolio, ongoing projects, and contracts to avert any unforeseen effects on the SEN.	The main sources of exposure to the exchange rate risk are: (i) exposure to the Chilean Peso in the period between the dates of pricing, billing and collection of sales from certain customers in Chile; (ii) constant exposure to the Chilean Peso for fixed and variable costs in their operations; (iii) exposure related to VAT refunds in connection with the construction of projects denominated in Chilean Pesos; (iv) exposure to the Colombian Peso in dividend distributions from the Colombian business to the parent company in Chile; and (v) bank loans and bond obligations denominated in currencies other than the U.S. dollar.  On a consolidated basis, the investments made in new plants and maintenance equipment are primarily denominated in US Dollars, similar to the short-term investments associated with cash management.  In order to mitigate these risks, we have implemented a strategy for managing exchange rate variations. This involves executing derivative contracts with financial institutions. These contracts enable us to establish the exchange rate for flows and/or transactions in currencies other than our functional currency.	The interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates.  Our exposure to this risk relates primarily to our long term debt obligations with variable interest rates.  We manage this risk by keeping an important percentage of our debt at a fixed rate or with interest rate swaps. For long-term obligations, we have entered into hedging transactions by way of interest rate swaps.



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Liquidity Risk	Sustainability Risks	Emerging Risks
Liquidity risk is related to the need for funds to meet payment obligations. Our goal is to maintain the necessary liquidity and financial flexibility through normal operating flows, bank loans, public bonds, short term investments, committed and non-committed credit lines.	We define sustainability risk as a risk that affects our business transversely in the ESG (Environmental, Social, and Governance) areas. We adhere to the guidelines of The AES Corporation in terms of sustainability applied to every business. To such effect, we define broad strategic initiatives based on financial excellence, operational excellence, environmental performance, and commitment to stakeholders and our people.  Our values and standards also apply to our suppliers and contractors so that they have the same high ethical standards that we have in the company with a focus on our sustainability goals.	The new business model poses a scenario of permanent change in the market, where we have identified emerging risks. These are risks that we have observed, but for which there is still neither more information on their impact nor a regulatory framework and in which the limits of corporate responsibility are being discussed by the company.  The emerging risks are reviewed and followed up by our risk management department in order to integrate the challenges in the international and national agenda of the markets where we operate.





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Commodities Price Risk	Credit Risk	Operating Risks
Our company operates within electric systems that primarily use coal, liquefied natural gas (LNG), and diesel as fuels. We are significantly impacted by the price volatility of these fuels, which are commodities with international prices determined by market factors beyond our control. In recent times, various geopolitical conflicts have led to increased volatility in these prices, further affecting our operations.  As to the Argentina, the subsidiary TermoAndes purchases natural gas under fixed price short-term agreements that are reflected at the time of setting the sales price of energy under the contract.  A significant portion of our power purchase agreements include indexation mechanisms that adjust the price on the basis of increases or decreases in the price of coal, according to the specific adjustment indexes and schedules of each contract, thus making it possible to mitigate much of the variations in the price of this fuel. For those contracts that lack coal price indexation mechanisms, we have put in place a hedging strategy. This strategy is grounded on international coal financial instruments and is designed with a time horizon that aligns with the market's depth.	It is related to the credit quality of our commercial counterparties and is mainly reflected in debtors for the sale of energy and financial assets.  In Chile, our clientele primarily consists of distribution companies and industrial clients with high creditworthiness. A substantial proportion of these clients, or their parent companies, hold investment grade risk ratings at either a local or international level. Spot market sales are necessarily carried out with other generation companies. In Colombia, AES Colombia has a variety of customers, including distribution companies and industrial customers. Meanwhile, in Argentina, the main counterparts of TermoAndes are the company Administradora del Mercado Mayorista Eléctrico S.A. (CAMMESA) and non-regulated customers known as "Large Users of the Wholesale Electricity Market", whose contracts operate under the Energía Plus regulations.  For any cases where counterparty risk assessments are made based on a quantitative and qualitative credit assessment, which in some cases includes the request of collaterals for the delivery of energy and other products. This credit assessment is reviewed periodically.  Our credit risk policy prohibits conducting business without collateral and approval from senior management, if there are counterparts with a rating below the required standard.	Operating risks relate to the possibility of future failures or shortcomings that could hinder the Company's strategic, operational and financial objectives. Similarly, in the event of an accident, these risks could have an impact on surrounding communities or the environment.  Although the Company regularly performs maintenance and operational upgrades at its facilities to ensure the commercial availability of all of its facilities and maintains operating insurance policies, failures could eventually occur that result in commercial unavailability or accidents at our facilities. A significant period of unavailability of the Company's facilities, either due to operational failures or maintenance (scheduled or unscheduled), could, in some hydrological scenarios, result in the fulfillment of supply contracts through the purchase of energy on the spot market, conditions that could increase operating costs and negatively affect the results of AES Andes. In the event of accidents involving people or the environment, we could be subject to fines and/or reputational damage.

#### Other Risks:

- Actions with court decisions that could adversely affect the Company.
- International financial, political or other phenomena in the economies of the countries in which we operate that could affect our economic performance and financial liquidity.
- Economic cycles and government interventions in the countries in which we operate that affect our economic results, financial condition and stock market performance.
- Acts of terrorism and accidents that could affect the operation of our assets and therefore our economic and financial performance.
- Financing risk associated with financial market conditions in terms of financing future projects, capital expenditures, obligations subject to deadlines, and debt refinancing.
- The environmental regulatory framework and its governmental institutions could generate delays, increases in cost, or cancellation of the development of new projects.

- Opposition from groups could result in damage of our reputation and possible delays in project development, or even make development impossible.
- Failure to reach successful collective bargaining agreements and negotiations with the employees of the Company and its subsidiaries that would affect our business.
- Security vulnerabilities in our information and communications systems and technologies that could result in disruptions or failures due to cyber-attacks that would disrupt our operations.
- Our operations require the service of power transmission systems that are not owned or controlled by the Company. In case of failures or poor performance, the dispatch of energy from our plants to our customers would become negatively affected.





## Emerging Risks

Emerging Risks	Definition	Impact	Mitigation
Climate Change	Permanent extreme climate conditions in areas where we operate (natural disasters).  Part of the behavior of the demand of our generating park is influenced by a higher or lesser hydroelectric availability, and therefore by the effects of climate change, thus altering the economic performance of the Company.  Taxes on emissions and commitment agenda with regard to decarbonization of the electric generation matrix of the countries where we operate.	Operational continuity interruptions Loss of assets. Availability of energy generated to meet contractual commitments  Modification of our economic and financial results.	Resilience plan.  Emerging risk follow-up plan.  Study of climate change scenarios.  Comprehensive management of assets and contracts portfolio Implementation of our business strategy to strengthen renewable energy portfolio and decarbonization goals.
National and international economic, political and regulatory changes	We are exposed to the impact of various international financial, economic, political or other phenomena that may affect the economy of the countries where we operate.	It affects our economic performance and financial liquidity.	Emerging risk follow-up plan.
Renewable sources energy capacity	Nature is not programmable. Production of energy from renewable sources may be unstable.	Non-compliance with contractual generation commitments.  It affects our economic results, financial liquidity, reputation and image.	Management and implementation of our strategic plan. Systematic measurement for the understanding of renewable generation sources.  Development of support and balance systems with conventional sources of generation.



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Emerging Risks	Definition	Impact	Mitigation
Technological Change Risk	Strong and growing competition mainly due to:  Low energy prices due to disruptive technologies (e.g. demand response, distributed energy resources, incorporation of batteries) and low market prices for long-term contracts.	Ability to obtain new long-term contracts for the sale of renewable energy for existing assets given that competition is high.  Ability to build or acquire new generation assets, and development of new technologies to compete.	Mitigation through the incoming of long-term contracts to have cash flows sufficient to cover financial obligations.  We continuously monitor new technologies and their prices to assess their impact on our business  Reestablish our business mix: steps taken include to reduce intensity of coal (by increasing the focus on renewable energy) and exposure to the spot market.
Regulatory Risk	Change in laws, regulating agencies, politicians, non-governmental organizations.  Other private parties have expressed their concern about greenhouse gases, CO <sub>2</sub> emissions, and potential risks associated with climate change, and are acting accordingly.	The business where we operate is subject to multiple regulations that govern the operation. There is a chance that regulations may change in the near future or otherwise have a different interpretation. This can affect our consolidated results, financial conditions and cash flows. In addition, our Company is subject to multiple environmental regulations associated with current operations and development of new projects.	Solid regulatory team that monitors changes in regulations, reviews impacts on our Company, and promotes changes to regulations.  Development of new tools (models) to assess and establish impacts in different regulatory changes. Our contracts include clauses for changes in the law that mitigate the impact of possible changes in regulation. Another way to mitigate these changes is to keep the portfolio diversified.



# 5.4 Regulatory Frameworks

[NCG 461 6.1]





Since 1982, the electricity sector in Chile has been structured based on private initiative and property, in a framework of market competition for the generation and transmission expansions. The regulation is based on an efficient distribution and transmission company and the state-owned entities, including those related to the electricity sector, are those that play a regulatory and supervisory role in accordance with the Constitution and current legislation. These entities are grouped in the Ministry of Energy and in the Ministry of Environment and have agencies for the various areas of the energy sector: National Energy Commission (CNE), Independent Coordinator of the SEN, Superintendency of Electricity and Fuels (SEC), Environment Impact Assessment Service. Environmental Superintendency, Environmental Courts and General Water Board (DGA).

The construction and commissioning of the power plants need to obtain the environmental and electric permits provided for by the Chilean laws. Notwithstanding the jurisdiction of the ordinary courts, the Chilean electricity legal background considers the creation of a panel of experts as an independent technical body that informs and resolves in an expeditious manner most disputes between the electricity sector companies and/or between them and the energy authorities. The different activities of the electricity sector are regulated by the Ley General de Servicios Eléctricos (General Law of Electric Services), and Decree with Force of Law (DFL, for its acronym in Spanish) No. 1/1982 issued by the Ministry of mining. Some of the subsequent amendments to the law include Law No. 19.940 of 2004, known as Short Law I, and Law No. 20,018/2005, or Short Law II, which leaves the core aspects of the Chilean electricity model unchanged. Law No. 20936 of 2016, known as the Transmission Law, which sets forth, among other issues, a new Electric Transmission System and creates an Independent Coordinator for the SEN As a consequence of these amendments, the wording of the General Law of Electric Services was changed as set forth in Decree with Force of Law (DFL, for its acronym in Spanish) No. 4/20018 of 2006, issued by the Ministry of

Economy, Development and Reconstruction. The activities of the electricity sector are also governed by the corresponding regulations and technical standards. The generation market is mainly based on long term contracts between generators and customers, which specify the volume, price, or conditions for the sale of energy and power. The law establishes two types of customers:

## Non-regulated Customers

Consumers whose connected load is greater than 5 MW (generally of industrial or mining nature), and additionally those who, having a connected load between 500 kW and 5 MW, have chosen to be subject to a free market price system during at least four years. These customers are not subject to price regulation and, therefore, can freely negotiate the price and conditions of the electric supply with the generating companies

## Regulated Customers

Consumers whose connected load is less than or equal to 500 kW, and additionally, those customers with connected



load between 500 kW and 5 MW which have also chosen to be subject to a regulated tariff system for four years. These customers are served by distribution companies, which are required to conduct public tenders to assign the electric power supply agreements that will enable them to meet their consumption.

A similar situation occurs with power transactions, which are established on an annual basis by the CEN and generate transfers from generating companies that record firm power surplus with respect to their peak power commitments with their own customers and those who have a deficit generation. Physical and monetary power transfers are established by the CEN, and are valued on an hourly basis at the marginal cost resulting from system operation. In the case of power, its price is the marginal cost of power that currently corresponds to the short-term node price of peak power. The law allows the generating companies and regulated customers to agree on voluntary and temporary reductions of electrical energy consumption through incentives to boost savings and efficient use of electric energy in scarcity conditions.

## Invitations to tender for regulated supply

Law No. 20,805 came into force in January 2015. This law sets forth an electricity supply tendering system for customers subject to price regulations, and establishes that the CNE is responsible for preparing the tender terms and conditions and that the distribution companies will comply with the administrative aspects of the process. In addition, in order to promote competition, it incorporates a general system of tenders made five years in advance and establishes a more

flexible scheme for setting the supply blocks. It also includes certain clauses that will allow the new projects to postpone or cancel their sales of energy in case of delays for processes beyond the responsibility of their developers. Under this new law of invitations to tender, we have developed three processes:

- Supply Tender 2015/01 (May 2015 to July 2016) under which 84 companies were awarded five energy blocks for a total of 12.4 TWh/year (100%) at a weighted average price of US\$ 47.6/MWh.
- Supply Tender 2015/02 (June 2015 to October 2020) under which three blocks for 1.2 TWh/year (100%) at an average bid price of US \$ 79.3/MWh were awarded.
- Supply Tender 2017/01 (January to November 2017) under which 5 companies were awarded a total of 2,200 GWh/ year (100%) at a weighted average price of US\$ 32.5/MWh.
- Supply Tender 2021/01 which awarded a total of 2.3 TWh/ year at a weighted average price of US\$ 23.78/MWh.
- Supply tender 2022-01, which awarded 777 GWh/year at an average price of US\$37.38/MWh, which represents 14.8% of the supply originally included in the tender (5.25 TWh/year).

### Add-on Services

In March 2019, a first version of the Add-on Services (SSCC) Standards, as referred to in Article 72-7 of the General Law

of Electric Services, was published by means of Supreme Decree No. 113. These regulations establish a system of tenders or auctions to award the provision of those services, effective on January 1, 2020. Before that date, SSCC will continue to be provided under the current framework, which establishes that they are directly ordered by the National Electricity Coordinator and solely remunerated based on the logic of recovering the costs incurred during their provision. In December 2019, by means of Exempt Resolution No. 786, the technical regulations associated with the new SSCC regulation were also approved and in November 2020, the National Energy Commission issued the Add-on Services Definition Report referred to in the second paragraph of Article 72-7 of the General Law of Electric Services through Exempt Resolution No. 442. The main aspects of the SSCC standards, effective as of January 1, 2020, are:

- The National Electricity Coordinator shall be responsible for defining the SSCC required by the system -which will be eventually resolved by the CNE through an exempt resolution- and will have the authority to order the mandatory implementation of new resources or infrastructures for SSCC, as necessary. The parties under its coordination will, in turn, have the obligation to put the equipment and resources available for that purpose at the disposal of the CEN.
- In June of each year, the CEN will prepare a SSCC report according to the CNE resolution, where it will establish the mechanism to be followed for their implementation.
- Three possible mechanisms for the implementation and remuneration of the provision of SSCC identified by the



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National Electricity Coordinator shall be established:
(1) Tenders with the possibility of defining the ceiling price and reserve option. (2) Auctions for very short term requirements with the definition of a ceiling price.
(3) Services by direct allocation of responsibility to a coordinated company when the invitations to tender or auctions are declared void, or when there are no sufficient competitive market terms to perform any of them.

- In the event that it were impossible to launch an invitation to tender or an auction, a study of costs shall be performed according to basis approved by the CNE, whose outcomes can be appealed before the panel of experts. In the event of invitations to tender or auctions that have been declared void, the cost shall be the cap price.
- In the case of direct allocation under a cost-efficient study, the remuneration of the investments shall be paid by end-users through a fee that will be added to the one-time transmission fee for a period equal to the useful life of such investments. The remuneration for the provision of technical resources required in the system operation will be paid according to the provisions set forth by the Law. Finally, it should be noted that the different categories of add-on services have been defined by the National Energy Commission on November 23, 2020 through Exempt Resolution No. 442, with which the Add-on Services Definition Report referred to in the second paragraph of Article 72-7 of the General Law of Electric Services was issued.

# Coordination of the Operation of the Electric System

The Coordination and Operation Standards of the National

Electric System were published in December 2019 under Supreme Decree No. 125. The main aspects are:

- Operational conditions of the system.
- Treatment of energy storage systems.
- Scheduling of the short, medium, and long-term operation.
- Economic transfers and marginal costs.
- Monitoring of the payment chain.
- Audits and system performance.

This regulation repeals Supreme Decree No. 291 of 2007, which "approves the regulations establishing the structure, operation and financing of the Load Economic Dispatch Centers". In December 2020, Exempt Resolution No. 491 approved the Supply Unavailability and Compensation Technical Standard that regulates the matters mentioned in Article 72-20 of the General Law of Electric Services.

# Renewable Energy and Emission Standards [IF-EU-110a.1]

In 2008, Law No. 20,257 was passed, which promotes NCRE, including geothermal, wind, solar, biomass, tidal, mini-hydro, cogeneration, and other sources. This law required that a percentage of the supply agreements of generators executed after August 31, 2007 be supplied with renewable sources. The percentage of energy required

began with 5% for the period 2010-2015 and was gradually increased to reach a maximum of 10% in 2024. In October 2013, the Congress passed the Law to Boost NCRE (Law 20.698, also known as Law 20/25), which doubled the NCRE requirements, and set forth that, towards 2025, 20% of the marketed power from contracts entered into after July 1, 2013 should come from NCRE. The Electrical Concessions Law was enacted in October 2013 to boost investment and competitiveness in the electricity market. This law simplifies the provisional concession process and strengthens the procedure for obtaining the final concession by adapting the processing times and reducing deadlines from 700 to 150 days. Moreover, it also clarifies possible observations and objections, modifies the notification process, modernizes the property appraisal procedure, and resolves disputes between different types of concessions. In this way, the incorporation of NCRE and the consequent diversification of the energy matrix is made easier, and gives greater certainty to the actors involved.

Among the environmental regulations it is worth mentioning Supreme Decree No. 13, currently under review by the Ministry of the Environment, which has been in force since 2011 and establishes the emission standard for thermoelectric plants by regulating the limits for emissions into the air of particulate matter (MP), sulfur dioxide (SO2), nitrogen oxides (NOx) and mercury (Hg). In addition, it compares the limits according to the type of facilities (new and existing plants) and type of fuel (solid, liquid and gas). Regarding existing facilities, as to Particulate Matter, the deadline for compliance is 36 months as from the date the standards were passed, i.e. December 2013. Regarding NOx and SO2, the deadline is four years for plants located in areas declared as latent or saturated areas, and 5 years in the rest of the country.

Law 20780, which creates a new tax on emissions or "green tax", was passed in 2014. This tax is levied on air emissions of particulate matter, SO<sub>2</sub>, NO<sub>2</sub> and CO<sub>3</sub> produced by turbines or boilers with a capacity equal to or higher than 50 MW and that, in case of CO<sub>2</sub> emissions, was fixed in five dollars per ton of CO<sub>2</sub> emitted. "Green taxes" have been in force since 2017 and their regulations were amended in February 2020 by Law No. 21,210, which modernizes tax legislation. This amendment expands the tax base to all organizations that individually or collectively produce 100 tons or more of particulate matter or 25,000 tons or more of CO<sub>2</sub> annually. In addition, it sets forth the implementation of emission compensation programs from 2023 to reduce the calculation of emissions on the payment of the tax. Finally, it specifies the mechanisms for the notification of the tax assessment, the means of challenge available to the taxpayer, and the effects that the modifications ordered by the environmental authority will have on the issuance of a new tax assessment by the Internal Tax Service.

## **Energy Transfer**

With regard to the business of high voltage electricity transmission, the law ensures the owners of transmission networks the right to recover all its capital, operation, maintenance, and administration costs.

The law divides the transmission network into three subsystems:

- National, made up of the transmission lines essential for the integral supply of the electric system.
- Zonal, mainly made up of power lines that make it possible

to supply consumption in the concession areas of distribution companies.

 Dedicated, made up of lines mainly intended for the supply of electricity to non-regulated customers or to evacuate the energy of generating plants.

The annual value of the national and zone transmission facilities and the payment for use of dedicated transmission facilities by users subject to price regulation shall be determined by the CNE every four years based on the valuation studies conducted by independent consultants. The market interaction ultimately establishes which works are to be developed for the national system, considering the opinion of the Independent Coordinator of the National Electric System (CISEN) and the CNE and, in case of disputes, according to the resolution of the Panel of Experts. The works are allocated according to lower fees (annual collection) in open tenders conducted by each CISEN.

Law 20936 (also known as Transmission Law) was published in July 2016. This law sets forth, among other issues, that the transmission systems will be paid by end users through one-time charges, which shall be calculated semiannually by the CNE in the respective technical report, on the occasion of short-term nude pricing. The transmission payment shall be gradually passed on to end users, from 2019 to 2034.

Additionally, the Transmission Law created the Independent Coordinator of the SEN, in replacement of the Load Economic Dispatch Centers (CDEC), and changed its internal structure, gave new obligations and powers to the coordinator, and made it independent from generation and transmission companies. The new law also establishes development poles,

such as those areas with high potential for renewable energy generation whose use is a matter of public interest. The annual value of the development poles is set by the CNE at the same time as for other transmission segments.

Every five years, the Ministry of Energy will develop a longterm energy planning process for different generation and consumption energy scenarios within a term of at least 30 years. The result of this process will be used as input for the annual planning of the transmission carried out by the CNE for at least a 20 years.

## **Decarbonization Agreements**

In June 2019, AES Andes (formerly AES Gener), Enel, Engie, Colbún and the Chilean Ministry of Energy entered into an agreement for the disconnection and discontinuation of operations in their coal-fired units, establishing the rules for the gradual withdrawal of coal assets with the mitigation of possible adverse impacts on the system. The AES Andes units included are Ventanas 1 and 2, which were built in 1964 and 1977, respectively.

These agreements were entered into after the publication of Supreme Decree No. 42 of 2020 (December 26, 2020), which amended Supreme Decree No. 62 of 2006 and created a new "Strategic Reserve Operational State" (ERE). Under this state, the power plants are withdrawn from the usual dispatch of energy and remain essentially available in the event of systemic disrupting conditions with a prior notice of 60 calendar days. On December 29, 2020, Ventanas 1 power plant was authorized by the National Electricity Coordinator to get into this new operational state. Likewise, on June 30, 2022,



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in accordance with Article 72-18 of the LGSE, the Ventanas 1 power plant will cease to operate in the National Electric System and will no longer be available for programming, economic dispatch and for any other purpose established by current regulations.

On July 6, 2021, AES Andes, through an addendum to the agreement signed in June 2019, made available to the Authority the early retirement of the Angamos plant and Units 3 and 4 of the Ventanas complex as of January 1, 2025, if the safety, sufficiency and economy of the system allow it, as assessed by the authorities of the sector.

Meanwhile, Ventanas Unit 2, in accordance with Article 72-18 of the LGSE, ceased to operate in the National Electric System on December 31, 2023 and will no longer be available for programming, economic dispatch and for any other purpose established by current regulations.

In addition, by means of Ordinary Official Letter No. 687/2023 from the CNE dated October 12, 2023, the National Energy Commission was informed of the application for retirement, disconnection, and cessation of operations for the Norgener 1 and Norgener 2 units at the Norgener Thermal Power Plant, owned by AES Andes S.A., effective December 31, 2025. Notwithstanding the foregoing, AES Andes sought to expedite this timeline to March 2024. This request was granted by the authorities on February 8, 2024.

# Consumer Protection Mechanism Law - Tariff Stabilization

On July 13, 2022, the law creating a stabilization fund and establishing a new temporary electricity price stabilization

mechanism for customers subject to price regulation (Law on Stabilization of Prices to Regulated Customers No. 2) was approved. The new mechanism establishes a discount on the monthly bill of the generators to their respective regulated customers, which is reimbursed on a monthly basis to the supplier through the issuance of a payment document called "transferable credit note". This note will be issued by the Ministry of Finance at the current Monetary Policy Rate published by the Central Bank of Chile, plus 25 basis points, which will be adjusted by the Ministry of Finance according to the market conditions prevailing at the time of the issuance of the payment document. In addition, the payment documents are secured by the tax authority.

The law also establishes different tariff stabilization ranges. Those with the lowest regulated consumption (in terms of kWh/month) and micro and small businesses with a monthly consumption of up to 1,000 kWh are the ones who benefit the most from these ranges.

The financing of the tariff stabilization will be based on the introduction of a new single fee for non-regulated and regulated customers, with different values according to consumption ranges, with consumption of less than 350 kWh/month being exempt from the fee. The Tariff Stabilization Fund, as well as the fees that finance it, will have a single validity period, not to exceed December 31, 2032, and its operation may not be extended beyond that period. In addition, the law establishes that the balances generated as a result of the stabilization must be eliminated by December 2032, and for this purpose additional fees may be established in the regulated tariffs, the "MPC Fees" (Customer Protection Mechanism Fees).

as a priority to pay the uncollected balances of the previous price stabilization mechanism (Law No. 21185 or "Law on Stabilization of Prices to Regulated Customers No. 1").

## Other regulations published during 2023

- Different Resolutions on Consumer Protection Mechanism. Exempt Resolution No. 334: On August 09, 2023, the National Energy Commission issued Exempt Resolution No. 334, which amends the former Resolution No. 86 dated March 02, 2023. This resolution sets forth technical provisions for the implementation of Law No. 21,472 (Consumer Protection Mechanism Law).
- National Energy Commission issued Exempt Resolution No. 149, which revokes Resolution No. 52 of January 31, 2018. This previous resolution amended and supplemented Resolution No. 659 of 2017, which sets forth the technical provisions for enacting Article 8 of Law No. 20,780, which mandates the compensation outlined in the preceding paragraph. Similarly, it has been determined that the amendment will take effect from the time the Balances of Offsets are prepared by the National Electricity Coordinator in 2024. This will be for the purpose of calculating the payment offsets for the tax on emissions linked to the operations of generating companies during 2023.
- Exempt Resolution No. 259: On June 19, 2023, the National Energy Commission issued Exempt Resolution No. 259, whereby it approved the chapter on the Statement of Variable Costs of the Technical Standard for Coordination and Operation of the National Electric System.

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 Revision of Emission Standard for Thermoelectric Power Plants. The Ministry of the Environment (MMA), through Resolution No. 130/2020, started the revision of the Emission Standard for Thermoelectric Power Plants (Supreme Decree No. 13/2011 of the MMA). Exempt Resolution No. 569/23 of the MMA was issued June 13, 2023. This resolution approves the Preliminary Project and submits it to Public Consultation for a period of 60 business days, which ended on September 14, 2023. The company has participated in this process by sending its observations.



Since 1994, the Colombian electricity sector allows private participation in different chain businesses, within a framework of market competition for the generation and commercialization of electric power and a regulated environment for transmission and distribution.

The different activities of the electricity sector are regulated by the Public Utilities Law No. 142 of 1994, and the Electricity Law No. 143 of 1994, and also by technical standards and regulations issued by the Commission for Energy and Gas Regulation (CREG, for its acronym in Spanish).

### Waste

Since July 1995, upon commencement of wholesale energy market transactions, generators can market their energy in

the energy exchange or through contracts. Regarding the energy exchange, generators are required to offer a single spot price for the sale of energy on a daily basis and to declare the hourly availability for each of their generation units. With this information, the operator of the National Dispatch Center (CND, for its acronym in Spanish) shall select, by order of merit (from the lowest to the highest offer price), the plants that will cover the demand for the next day. Considering that there is no value defined by the regulator as to the minimum energy to be contracted by the demand, the generating agent establishes the quantities it allocates to the spot market and to contracts, according to internal risk analyses. The foregoing is associated with the need to cover the climatic phenomena "El Niño" and "La Niña" that have a heavy impact on hydrology and modify the market price signals in the short term.

Taking into account that the generation and transmission activities may not be vertically integrated, and with the purpose of securing free competition and the exercise of market power, the operator performs two dispatches: (i) the ideal dispatch considering only price offers and availability declaration of the plants to set the spot price, and (ii) actual dispatch, which includes the restrictions of the national interconnected system and establishes the actual generation allocation of the system plants. It is expected that in 2022 the regulator will develop intraday market and binding dispatch schemes, which will help to eliminate the interaction barriers existing in variable generation.

There is also a market for the Automatic Generation Control (AGC) that seeks to secure stability in the system operation. For the allocation of this resource, the CND uses the same price offers and availability declarations submitted by the agents for the ideal dispatch and assigns the AGC to plants

with the lowest price offer and technically ready for such purpose. Among the regulatory prospects, the development of an add-on services (including the AGC) market that will enable the use of batteries for competing schemes is expected to begin. The generation sector of the country also has the reliability fee mechanism which is paid to the plants that have generation in times of water scarcity.

Generators compete for the allocation of firm energy obligations (OEF, for its acronym in Spanish) to secure the collection of a Reliability Fee payable by all users of the country under the tariff. In exchange, the generator should be able to generate energy during water scarcity conditions, and to sell such energy at a ceiling price, which is known as "scarcity price". The regulator plans to carry out revisions to the Reliability Fee. As far as the regulation of the managed allocation process is concerned, it has been proposed to consider a competitive mechanism in periods where expansion is not needed. Moreover, adjustments to firm energy calculation methods and participation of smaller plants are expected. Colombia has also established a second expansion plan: the auction

is focused on the promotion of NCRE, and its main characteristics are: contracts for fifteen

Reservoir, Colombia,

of long-term contracts. This plan





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years under a bidding system with a stipulated delay of project commissioning for up to two years. The first auction was held in October 2019, where nine projects were awarded for a total of 1298 MW, of which 255 MW were awarded to AES Colombia. In 2021, a second auction was held addressed to the non-regulated market in which AES participated in the demand side.

### **Transmission**

The Government is planning the expansion of the National Transmission System (STN, for its acronym in Spanish) through the Mining and Energy Planning Unit (UPME, for its acronym in Spanish), which annually defines a ten-year expansion plan and conducts public invitations to tender for the construction, operation and maintenance of the new transmission infrastructure required in the country. During 2019, a mechanism to incorporate battery energy storage systems into the national interconnected system was approved by Resolution CREG 098, with the aim of reducing or nullifying local transmission congestion. The mechanism qualifies those systems as part of the country's transmission assets, their manner of expansion and remuneration. The remuneration of transmitters and agents with storage assets is paid by all the country users under a regulated tariff, according to the method established by the CREG. The public tender for the energy battery storage system of the Regional Transmission System was awarded in April 2021, where the construction and operation of a 45 MW battery in the city of Barranquilla located in the Department of Atlántico was auctioned.

## Distribution

The distribution market is organized as regional monopolies, where the grid operator plans the expansion, operation, and maintenance of the electrical infrastructure. Normally, the network operator of an area is also the largest energy marketer in the area that serves both regulated and non-regulated end users. The grid operator has a regulated income and is required to meet the service quality criteria (duration, frequency of interruptions, and quality of power), as established by the CREG. The distributors act as marketers.

## Marketing

Marketing can be performed by distributors-marketers or by pure marketers, which are only engaged in energy brokerage. The main requirement for the latter is to be registered in the market and to have sufficient Market Operations Backup Capacity (CROM, for its acronym in Spanish) so that they can perform transactions without exposing the other market agents to the risk of default. There are two kind of customers in the market: non-regulated and regulated customers. The conditions to be considered a non-regulated customer are: to have a minimum installed capacity of 100 kW or a minimum consumption of 55,000 kWh/month. Otherwise, they are considered regulated customers. Non-regulated customers are allowed to negotiate with the generators, distributors or marketers, and the prices are freely agreed. The consumption of regulated customers must be supplied by marketers or distributors and their energy shall be purchased by means of public tenders. Public tenders

are open to all agents with a specification of participation requirements, and they are always awarded to the minimum cost.

The successful agents establish bilateral contracts (usually one to five years) that must be registered with the market administrator for follow-up purposes. Currently, the regulator and interested parties are analyzing other marketing mechanisms that allow the marketer to have other alternatives to meet their demand.



The Regulatory Framework was established in Law No. 15,336 of 1960 and Law No. 24,065 of 1992, both of which, taken together, make up the Argentine Electricity Law. The activities of the electricity sectors are mainly divided into generation, transmission, and distribution.

Under the Argentine Electricity Law, the federal government created the Wholesale Electricity Market (MEM, for its acronym in Spanish) with four types of participants: generators, transmitters, distributors, and large customers; having the latter the right to buy and sell electricity.

CAMMESA is the body that is responsible for the dispatch coordination, the administration of Wholesale Electricity Market transactions and the calculation of spot prices; and its



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main purpose is to ensure that electricity demand is supplied at a minimum cost. The market participants are shareholders of CAMMESA with 80% of the capital stock and the national government participates in the remaining 20%. The office of regular Director on behalf of the shares of the national Government and the chair of the Board of Directors is vested on the head of the Secretariat of Energy.

Due to recent changes in the regulations, fuels are supplied to generators through CAMMESA and units are dispatched considering the calorific consumption, price and availability of fuel for each generator. The National Electricity Regulatory Authority (ENRE, for its acronym in Spanish) is responsible for regulating the public service and enforcing jurisdictional decisions. The Ministry of Economy, through the Secretariat of Energy, is responsible for the enforcement of the Argentine Electricity Law. As such, it regulates the dispatch and activities of the system in the Wholesale Electricity Market and grants concessions or authorizations for each activity in the



All the electric power activities are developed through the SADI, the main electrical energy transmission system with national coverage. The generation sector is organized on a competitive basis, where independent generators sell energy in the spot market.

The supply of energy is highly dependent on fossil fuels, mainly natural gas. Due to a reduced production of natural gas in the country, since 2004 the availability of fuel has become a relevant matter in the SADI and the Argentine government has increased imports of LNG, gas oil and fuel oil especially between May and August, the winter season. Regulated and industrial customers in the SADI are defined as Large Users and categorized according to their consumption levels: Major Large Users (GUMA, for its acronym in Spanish) with more than 1 MW capacity and energy consumption greater than 4,380 MWh/year, Minor Large Users (GUME, for its acronym in Spanish) with a capacity between 30 KW and 2 MW and Private Large Users (GUPA, for its acronym in Spanish) with a capacity between 30 KW and 100 KW.

The prices of the contracts with industrial customers are negotiated in direct bilateral agreements, include payments for energy and power, and are denominated in United States dollars. Since the end of 2006, according to Resolution SE 1281/06, the program "Energía Plus" is created as a new supply service that can be provided by generators, cogenerators or companies that generate their own energy, which were not members of the Wholesale Electricity Market (MEM) or whose capacity or generation units were not connected on the date of publication of the resolution. This way, the increase in the demand of large customers was supported with a consumption equal to or higher than 300 kW.

The implementation of the Energía Plus program requires the execution of a supply contract between the parties and the negotiation of a price that considers both the costs involved and a gain margin, all of which must be approved by the Secretariat of Energy. As the contracts under this program are short-term contracts, usually no longer than eighteen months, and as they cover the excess demand of industrial customers, the utilization factor of the installed capacity is typically low. In addition, these contracts are supplied with backup contracts entered into with other generators to sell the energy contracted and unused, thus bringing about a higher load factor. The regulation establishes that, in the event of deficits in the generation level related to the consumption of customers. the generators participating in the Energía Plus Market must buy energy at a marginal cost, which is much higher than the contract price. This risk is mitigated by the backup contracts with sales prices lower than the marginal cost, but higher than spot prices. In March 2013, the Secretariat of Energy issued Resolution No. 95/2013 concerning the remuneration of generators that sell their energy in the spot market. This resolution turned the Argentine electricity market into an "average cost" compensation scheme, increasing the sales of generators. TermoAndes is not considered in this resolution. In May 2014, the Secretariat of Energy issued Resolution No. 529/2014 with an updated list of prices as per the previous Resolution No. 95/2013. This is based on increased costs. and adjustments with respect to, for instance, a new fee for major maintenance and a differential charge for the use of biodiesel as fuel. On July 2015, the Secretariat of Energy issued Resolution No. 482/2015 ("Resolution No. 482") that retroactively updates the prices of Resolution No. 529/2014 as from February 1, 2015. This resolution includes the energy of TermoAndes that was not committed under the Energía Plus

contracts. The energy and power sold at the spot market are remunerated according to the energy generated with charges set by technology and installed MW, as follows:

- O&M Variable Costs.
- · Generating Margin.
- Trust Margin, which is withheld by CAMMESA to be repaid to the generator once the infrastructure project to be built with these funds is submitted.
- Non-recurrent Maintenance, also withheld by CAMMESA and repaid to the generator to meet major maintenance costs upon approval by the Secretariat of Electric Energy.
- "Resources for FONINVEMEM Investments from 2015 to 2018": created to invest in new generation plants.
- Fixed Costs: paid on the basis of power made available and not committed under contracts. The price of this charge will be affected if generator fails to comply with the target availability set by CAMMESA.

On March 30, 2016, the Secretariat of Electricity issued
Resolution No. 22/2016, which retroactively adjusts,
as of February 2016, the price published in Resolution
No. 482, without introducing any changes in the
payment methodology or in the power plants under
its scope. Resolution No. 19/2017, issued by the
Secretariat of Electricity, was published on February
2017 to replace Resolution No. 22/2016 and to establish
the new guidelines for the remuneration to existing

generation plants. Minimum remuneration is defined as

the power by technology and scale; and regarding thermal units, the chance to offer availability commitments with an equal differential remuneration for all the technologies is established. The thermal generator shall declare, in each summer season, the firm power value to be committed by each unit during a three-year term, being able to make a differentiation between summer and winter (adjustments may be made in the same period). There is also a ceiling price, which will be defined based on the offers made by the generators. The awards will be made by CAMMESA, according to the needs to be defined in critical situations.

This resolution also introduces the notion of operated energy, which is understood as the energization of the rotating power. For instance, for a Plant operating at a certain time below its power at the request of the dispatch entity, the operated energy will be equivalent to the power of the machine, rather than the power actually dispatched. The Resolution also sets forth that the remunerations are stated in US\$ and that they will be converted into Argentine pesos at the exchange rate published by the Central Bank of the Republic of Argentina on the last business day of each month. The due dates of economic transactions continue to be those established by CAMMESA. With regard to the payment of the economic transaction, in July 2017, the Secretariat of Energy established that the amounts of the commercial document issued through credit or debit notes, as applicable, should be adjusted at the exchange rate reported by the Central Bank of the Republic of Argentina one day before the due date. These criteria shall be applied as from the commercial transaction of November 2017. On February 28, 2019, the Secretary of Renewable Resources and Electric Market issued Resolution SRRYME No. 1/2019, which modified the prices published in Resolution SE No. 19/2017, as from March 1, 2019, without making any

changes in the payment methodology or in the plants under its scope. This amendment was defined as a transitional measure.

On December 12, 2022, the Secretariat of Energy issued Resolution 826/2022 reestablishing the amounts of remuneration to electricity generators. This Resolution leaves the methodology unchanged, but it updates the power and generation prices as per Resolution No. 238/2022. It took effect retroactively from September 2022. Furthermore, it stipulates the increments in energy remuneration for the months of November and December 2022, as well as February and August 2023. On September 6, 2023, through Resolution 750/2023, the Secretariat of Energy again updated the generation remuneration as of that month. In October 2023, a new update is made in the November 2023 remuneration, by means of Resolution No. 869/2023. CAMMESA will continue to manage the economic transactions and verify the operation of the machines.

## Renewable Energy

The Renewable Energy Law (Law No. 27,191), which was passed in October 2015, amends Law No. 26,190 of 2006 and establishes a gradual increase in renewable energy with an 8% target by the end of 2017 and a 20% target by 2025, without any particular breakdown by energy type.

The renewable energy sources defined in the law are wind, solar thermal, solar photovoltaic, geothermal, tidal, wave, ocean current, and hydraulic (up to 50 MW) energy, biomass, landfill gas, gases from sewage treatment, biogas and biofuels. The new law introduced import tax exemptions for

capital assets and equipment intended for renewable energy projects until December 31, 2017. The projects developed between 2018 and 2025 shall enjoy different tax benefits, including the advance refund of the Value Added Tax (VAT). The law further creates a Fund for the Development of Renewable Energy (FODER, for its acronym in Spanish) whose purpose is to grant loans or financial instruments to implement and fund eligible renewable projects. FODER resources come mainly from the National Treasury and cannot be less than 50% of the effective annual savings from fossil fuel derived from the use of renewable generation and obtained during the previous year.

In the first phase, the development of new renewable generation to meet the obligations of the law is achieved through regulated invitations to tender organized by the regulating authority with CAMMESSA on behalf of the demand. We are dealing with the Renovar tenders and the following has been successfully performed:

- Renovar 1.0 (2016): CAMMESA received 6,366 MW by way
  of tenders: 55% in wind energy and 44% in solar energy,
  which resulted in an awarded average price of US\$62.7/
  MWh.
- RenovAr 1.5 (October 2016) awarded 1,281 MW at an average price of US\$54/MWh.
- RenovAr 2.0 (2017) awarded 1,409 MW at an average price of US\$53/MWh
- RenovAr 2.5 (2017) awarded 634 MW at an average price of US\$ 47.5/MWh.

In 2019, the third Renovar round, called "MiniRen", was held in order to add capital from non-traditional actors to the development of renewable projects and to use the capacities available in medium-voltage networks and promote regional development. The maximum permitted capacity per project was 10 MW and the minimum permitted capacity was 0.5 MW, while there were maximum quotas of 20 MW per province (except for Buenos Aires, where the quota was 60 MW). 259 MW were awarded and distributed among the following technologies: 7.4MW in small hydroelectric installations, 26.3MW in biomass projects, 96.8MW in solar projects and 128.7MW in wind projects.

## Transmission Activity

The transmission business is a public service provided by several companies to which the federal government has granted concessions. Today, a concessionaire operates and maintains high voltage facilities and eight concessionaires maintain and operate high and medium voltage facilities, to which generating units, distribution systems, and large customers are connected. The international interconnection transmission systems also require concessions granted by the Secretariat of Energy. The transmission companies are authorized to collect tolls for their services.

### Distribution

The distribution is a public utility granted through concessions to different companies which are required to make electricity available to end users within a concession area, regardless of the place where the customer has an agreement with the

distributor or directly with a generator. As a consequence, these companies have regulated tariffs and are subject to service quality specifications. The distributors obtain the electricity from the Wholesale Electricity Market through the spot market and at seasonal prices to be set by the Secretariat of Energy, are equivalent to the maximum cost of the electricity purchased by distributors that are transferred to regulated customers.



# 5.5 Overall Asset Performance

[GRI EU30; NCG 461 4.1]





# Abbreviations

EAF:

Equivalent Availability Factor (%)

**EFOF** 

Equivalent Forced Outage Rate (%)

NCF:

Net Capacity Factor (%).

ESOF:

Equivalent Scheduled Outage Factor (%).

Chile						
Plant	Ventanas 3	Ventanas 4	Laja	Tocopilla	Angamos	Cochrane
Location	Ventanas 5 <sup>th</sup> Region	Ventanas 5 <sup>th</sup> Region	Cabrero 8 <sup>th</sup> Region	Tocopilla, 2 <sup>nd</sup> Region	Mejillones, 2 <sup>nd</sup> Region	Mejillones, 2 <sup>nd</sup> Region
Beginning of Operations	2012	2013	1,995	1995 - 1997	2011	2016
Turbine Type	Coal/Steam	Coal/Steam	Biomass Cogeneration	Coal/Steam	Coal/Steam	Coal/Steam
Units	1	1	1	2	2	2
Installed Capacity (MW)	272	272	12	265	518	532
Specific consumption 2023 (BTU/MWh)	10,529	10,416	21,260	11,429	10,316	10,221
EAF 2022 (%)	75.40%	86.86%	95.97%	76.11%	69.19%	88.84%
EAF 2023 (%)	91.10%	99.25%	96.20%	69.59%	96.70%	83.83%
ESOF 2023 (%)	6.17%	0.21%	3.36%	29.63%	0.44%	7.61%
NCF 2023 (%)	33.24%	16.09%	30.43%	35.37%	63.96%	52.94%







# AES Andes Hydroelectric Power Plants

Plant	Queltehues*	Volcán	Alfalfal
Location	Los Queltehues, Cajón Río Maipo, Metropolitan Region	Cajón Río Maipo, Metropolitan Region	Cajón Río Colorado, Metropolitan Region
Beginning of Operations	1948	1949	1991
Turbine Type	Pelton	Pelton	Pelton
Units	3	1	2
Installed Capacity (MW)	39	12	162
EAF 2022 (%)	65.17%	72.72%	73.29%
EAF 2023 (%)	41.16%	84.65%	90.53%
EFOF 2023 (%)	57.25%	1.75%	0.24%
ESOF 2023 (%)	1.59%	13.60%	9.23%
NCF 2023 (%)	34.43%	31.35%	37.21%

\*During 2022, Queltehues unit 3 was undergoing scheduled repairs, which had an impact on its operating indicators. The return date for this unit was October 2023.



Volcan Hydroelectric Plant Metropolitan Region.



Los Queltehues Hydroelectric Power Plant Metropolitan Region.



# AES Andes Wind and Solar Plants

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Plant	Los Cururos	Andes Solar	Los Olmos	Mesamávida
Location	Oval, Coquimbo 4 <sup>th</sup> Region	Andean Mountains, Antofagasta 2 <sup>nd</sup> Region	Mulchén, 8 <sup>th</sup> Region of Biobío	Los Angeles, 8 <sup>th</sup> Region of BioBío
Туре	Wind	Photovoltaic Solar	Wind	Wind
Beginning of Operations	2016	2016	2022	2022
Manufacturer	Vestas	Power Electronics	NAWP	NAWP
Units	57 wind turbines	36 Inverters	23 wind turbines	14 wind turbines
Installed Capacity (MW)	110	104	110	62
EAF 2023 (%)	97.95%	98.45%	90.88%	89.53%
EFOF 2023 (%)	1.03%	0.95%	7.52%	7.69%
ESOF 2023 (%)	1.02%	0.60%	1.61%	2.79%
NCF 2023 (%)	21.12%	22.85%	28.05%	24.33%

Note 1: Andes Solar Complex includes the Andes Solar I and Andes Solar IIA Plants.



Los Cururos, Chile.





## AES Colombia

Plant	AES Colombia
Location	Santa María, Boyacá, Colombia
Beginning of Operations	Chivor: 1977-1982 Tunjita: 2016
Turbine Type	Hydroelectric
Units	Chivor: 8 Tunjita: 2
Installed Capacity (MW)	Chivor: 1,000 / Tunjita: 20
EAF 2022 (%)	84.38%
EAF 2023 (%)	89.11%
EFOF 2023 (%)	0.40%
ESOF 2023 (%)	10.49%
NCF 2023 (%)	46.01%



Hydroelectric Plant Tunjita, Colombia.





# Solar Plants Colombia

Plant	Castilla	San Fernando	Brisas
Location	Castilla La Nueva, Meta, Colombia	Castilla La Nueva, Meta, Colombia	Aipe, Huila, Colombia
Туре	Photovoltaic Solar	Photovoltaic Solar	Photovoltaic Solar
Beginning of Operations	2019	2021	2022
Manufacturer	Power Electronics	Power Electronics	Power Electronics
Units	5 Inverters	15 Inverters	6 Inverters
Installed Capacity (MW)	21	61	23
EAF 2022 (%)	99.74%	1	-
EAF 2023 (%)	99.74%	94.10%	92.14%
EFOF 2023 (%)	0.10%	1.27%	1.59%
ESOF 2023 (%)	0.16%	4.63%	6.27%
NCF 2023 (%)	16.29%	16.87%	18.71%



# TermoAndes [GRIEU30]

Plant	TermoAndes
Location	Salta, Argentina
Beginning of Operations	1999
Turbine Type	Combined cycle
Units	2 gas turbines; 1 steam turbine
Power (MW)	641
Specific Consumption 2022 (BTU/MWh)	7234
EAF 2022 (%)	88.52%
EAF 2023 (%)	93.59%
EFOF 2023 (%)	0.73%
ESOF 2023 (%)	5.68%
NCF 2023 (%)	47.64%

## Transmission Line Global Performance [IF-EU-550a.2]

	2020	2021	2022	2023
SAIDI (hours)	0	0.01	0.91	0.01
Line losses SEN (%)	0.52	0.88	0.70	0.70

Note to IF-EU-000.C: The length of transmission and distribution lines shall be calculated per circuit kilometer. A circuit kilometer is defined as the total length of the circuits, regardless of the conductors used per circuit.



## Plant Availability

Technology	2021	2022	2023
Coal-Fired Plants	93.16%	74.93%¹	88.10%
Technology: Gas-Fired Plants	60.19%	80.52%	93.59%

1. The figures have been restated in accordance with the Company's recalculation of the previous year's figures.







	2023		
	Chile	Colombia	Argentina
Sales of Energy (GWh)			
Contracts*	10,612*	4,136	1,118
Spot	703	3,122	2,603
Spot - Re-routing	1,079	-	-
Total Sales of Energy	12,394	7,258	3,721
Energy Purchases (GWh)			
Other Generators	1,389	523	-
Spot	1,753	2,322	1,118
Total Purchases of Energy	3,142	2,845	1,118
Net Generation (GWh)			
Coal	7,209	-	-
Gas	-	-	2,603
Hydroelectric	731	4,262	-
Biomass	30	-	-
Wind	786	-	-
Solar	496	151	-
Net Generation	9,252	4,413	2,603



\*Coquimbo, Chile: Regulated Customers: 2,526 GWh; Non-Regulated Customers: 8,086 GWh Information in GWh.



## Cybersecurity Incidents

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[IF-EU-550a.1]

Category	2022	2023
Total number of cyberincidents or security gaps.	0	0
Total number of cyberincidents involving loss or compromise of company information.	0	0
Total number of customers affected by the cyberincident or security gaps.	0	0
Amount in US\$ paid for penalties with respect to cyber incidents or security gaps	US\$0	US\$0



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## Cybersecurity Standard for the Chilean Electricity Sector

In October 2020, the National Electricity Coordinator (CEN) released the cybersecurity standard for the Chilean electricity sector, which establishes the control measures to protect the security of cyberassets that are part of the operation of the plants that make up the national electric system.

In 2023, AES first submitted evidence of compliance with the Cybersecurity standard to the National Electricity Coordinator (CEN). Additionally, AES was randomly selected from a pool of electricity sector companies to undergo an audit for compliance with the standard's requirements. This audit was conducted in two stages during the year, with the first in July and the second in December.

	AES Andes S.A.	Alto Maipo SpA	Andes Solar II SpA	Compañía Transmisora La Cebada S.A.	Empresa Eléctrica Angamos S.A	Empresa Eléctrica Cochrane SpA	Energía Eólica Los Olmos SpA	Energía Eólica Mesamávida SpA	Energía Eólica Los Cururos SpA	Parque Eólico Campo Lindo SpA	Helio Atacama Tres SpA
CIP-002 Categorization of SEN Cyber Systems	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CIP-003 Security Management Controls	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CIP-004 Personnel and Training	100%	Not applicable	Notapplicable	Not applicable	100%	100%	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
CIP-005 Electronic Security Perimeter (PSE)	100%	Not applicable	Not applicable	Not applicable	100%	100%	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
CIP-006 Physical Security of SEN Cyber Systems	100%	Not applicable	Not applicable	Not applicable	100%	100%	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
CIP-007 Systems Security Management	100%	Not applicable	Notapplicable	Not applicable	100%	100%	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
CIP-008 Incident Reporting and Response Plans	100%	Not applicable	Not applicable	Not applicable	100%	100%	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
CIP-009 Recovery Plans for SEN Cyber Systems	100%	Not applicable	Not applicable	Not applicable	100%	100%	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
CIP-010 Configuration Change Management and Vulnerability Assessment	100%	Not applicable	Not applicable	Not applicable	100%	100%	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
CIP-011 Information Protection	100%	Not applicable	Not applicable	Not applicable	100%	100%	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
CIP-012 Communications between Control Centers	100%	Not applicable	Not applicable	Not applicable	100%	100%	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
CIP-013 Supply Chain Risk Management	100%	Not applicable	Not applicable	Not applicable	100%	100%	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
CIP-014 Physical Security	100%	Not applicable	Not applicable	Not applicable	100%	100%	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

# Cybersecurity Standard for the Colombian Electricity Sector

In September 2020, the Sectoral Plan for the Protection and Defense of the Critical Computer Infrastructure of the Colombian Electricity Sector established, through the National Operations Council (CNO), the guidelines to be adopted by the various actors of the electricity sector and operators of critical infrastructure, with the aim of coordinating efficient and comprehensive actions to prevent and/or mitigate potential cyber threats that jeopardize the availability and continuity of the electrical energy service due to cybersecurity threats.

During 2023, AES was invited to present at the 9th Critical Infrastructure Power Sector Cybersecurity Conference, focusing on the implementation of our Cybersecurity Guide. Additionally, our commitment to excellence in regulatory compliance in the sector earned us the honor of chairing the 2024 Safety Council. Finally, we played a key role in developing the proposed cybersecurity standard for low-impact power plants generating less than 20MW.

## Enhancing AES's Corporate Email Security Posture

At AES, we are committed to the continuous improvement of our services and the safety of our customers. As part of this commitment, we have significantly enhanced the security and credibility of our email system.

We have adopted advanced security measures, including the adoption of technologies such as SPF, DKIM, and DMARC. While these terms might seem technical, their objective is straightforward: to safeguard our customers and ensure our emails are delivered safely and efficiently.

SPF, DKIM and DMARC are like the gatekeepers of our email system. They collaborate to authenticate every email we send, thereby helping to prevent fraud and phishing. This not only bolsters the security of our emails but also strengthens our reputation as a trusted sender.

Here are simple, high-level definitions of these technologies:

SPF (Sender Policy Framework): It is like a guest list for email. It permits only those mail servers that are on the list to send mail on behalf of your domain.

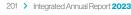
**DKIM (DomainKeys Identified Mail):** It is like an seal of authenticity for emails. It adds a digital signature to the emails,



verifying that they genuinely originate from your domain and haven't been altered during transit.

DMARC (Domain-based Message Authentication, Reporting & Conformance): It is like an email security manager. It utilizes SPF and DKIM to authenticate emails and lets you decide what action to take if an email fails the verification process (e.g., reject or quarantine it).

We take pride in these enhancements and will persist in our efforts to offer our customers the most secure email experience possible.



# 5.6 Social Investment Programs and Initiatives [GRI 203-1, 203-2, 413-1, NCG 461 4.2]







## Tocopilla - Mejillones, Region of Antofagasta



 Employability Training Program

The "Employability Training" program made an important contribution to the

residents of the communes of Tocopilla and Mejillones this



Open Doors Program at Angamos Plant.

year by providing training. The purpose of the initiative was to provide knowledge and qualified tools to the residents of both communities to increase their access to the labor market.

In the commune of Mejillones, 43 residents participated in the "Construction Masonry", "Welding" and "Maritime Guard" courses. Of the total number of participants, 51% were women. There were 360 chronological hours, and 8 hours of the Integral Territory Development (DIT) course, whose objective was to provide tools to the participants of all the courses, in an integral manner, to strengthen their personal leadership and personal development skills.

The total investment amounted to CLP\$ 60.350.000.-Number of Beneficiaries: 43 neighbors.

In Tocopilla, the "Project Formulation", "Gas Plumbing in Gas Class 3" and "Class A2 Conduction" courses were held, with women making up 70% of the participants. The courses lasted 262 chronological hours, and the students also participated in the Integrated Territorial Development (DIT) course.

The investment amounted to CLP\$ 37.144.000.-Number of Beneficiaries: 46 neighbors.



Open Doors Program

During 2023, we developed the program of visits to the Angamos power plant. The year was marked by the presence of authorities

such as the Undersecretary of Energy, the Regional Ministerial Secretariat of Energy, Fundación Imagen de Chile, and members of the Mejillones Industrial Association, who visited the plant to learn about its operation and the scope of the storage proposal designed for its reconversion.

In total, we received 34 visitors as part of the Open Doors Program.

The investment amounted to CLP\$ 200.000.



 Community Infrastructure Projects

In 2023, we contributed to the improvement of public infrastructure in the communes

of Tocopilla and Mejillones. To this end, we have established agreements with both municipalities, in which AES Andes



Courses Mejillones.

commits to finance the design of infrastructure projects. This will enable them to apply for additional financing from state resources for their construction.

One such initiative was the preliminary design of the "Land Works for the Fishermen's Cove of Mejillones" project. We provided financing for the technical unit of the Association of Municipalities of the Region of Antofagasta (AMRA) to design the project. This will enable us to leverage resources from the MOP, amounting to six billion pesos, for its construction. This project will benefit 12,000 permanent residents of the territory, who will be able to utilize the benefits of this infrastructure. It will contribute directly to the economy of the commune by generating employment and promoting tourism, which is the main axis of development in Mejillones.

Investment: \$17,850,000 Commune of Mejillones, equivalent to 12,000 beneficiaries.

Additionally, in Tocopilla, with the purpose of rescuing and providing safety in public spaces in different sectors, we have contributed to the municipality the design of three lighting projects; in a square and two passages of towns in the

northern sector of this commune. This allowed neighbors to have access to recreation and safe transit.

Investment: \$20,000,000

Commune of Tocopilla, equivalent to 12,667 beneficiaries.



During 2023 we carried out actions to benefit the community of Mejillones and we were present in the activities of the community and institutions.

Support for activities in the month of the Sea and Naval Glories	\$2,000,000
Support for Christmas activities and for the benefit of children	\$4,000,000



## Ovalle, Region of Coquimbo







## Los Cururos Wind Farm Participatory Fund

This participatory fund is part of the commitments undertaken in the cooperation agreement signed in 2022 between Parque Eólico Los Cururos SpA and the Municipality of Ovalle. Its objective is that the communities and social organizations

located in the Agricultural Community of La Cebada have access to training and have the resources and tools to carry out their projects. This is achieved through a fund for community organizations and another for entrepreneurs.

The purpose of the second participatory fund aimed at social organizations is to fund local development projects for community benefit through a Competitive Fund of CLP\$ 15,000,000, in the areas of:

- Infrastructure and equipment of spaces for community use.
- Strengthening of local identity.
- Support for initiatives to promote healthy lifestyles and sports.
- Environmental Care, Energy Access and Energy Efficiency.
- Education and Training.

The investment amounted to CLP\$ 15,000,000.-Number of Beneficiaries: 169 neighbors.

The second version of the participatory fund for entrepreneurs finances projects in the areas of:

- Promotion and development of productive activities or services that enhance the locality of La Cebada, in the areas or services in which it has particular strengths.
   Through this program we support the strengthening and reactivation of undertakings and businesses already established that can demonstrate seniority and sales.
- Support for the development of business ideas for undertakings that do not have a proven track record of sales.

In 2023, the program included training and mentoring in

CLP\$500,000 each to strengthen their enterprises in line

with the main economic activities of the community, such as

cheese production, vegetable farming, fishing and seaweed

Council meeting, where the initiatives were presented, it was

decided to grant financing to three social organizations in the

community and ten entrepreneurs. Each awarded initiative

harvesting, lodging, and local gastronomy. At the Local

a series of business plan development workshops for 10 entrepreneurs in the community. They were awarded





Training Program

In 2023, we developed the first training course called Management of Basic

Computer Applications, which was aimed at 18 neighbors of the Agricultural Community of La Cebada, 67% of whom were women. The course consisted of 68 chronological hours under the *Learning-by-Doing methodology* and the students received the initial theoretical contents together with expository activities supported by audiovisual media. In addition, participants received a daily allowance of CLP\$4,000 per class attended, and a notebook to reinforce what they learned once the program was completed.

The characteristics of the target group are diverse. It included entrepreneurs, housewives and dependent workers. Each one acquired the necessary tools to perform better in their daily activities.

The investment amounted to CLP\$ 11,016,000.-Number of Beneficiaries: 18 neighbors.

Governance of Participatory Competitive Fund Los Cururos Wind Farm:

was evaluated by an external consultant.

Number of Beneficiaries: 10 neighbors.

The investment amounted to CLP\$ 5.000.000.-

The definition of the projects will be determined by a Local Council, chaired

by the Mayor of the Commune and composed of the President of the Agricultural Community of La Cebada, President of the Neighborhood Council of El Teniente Bajo, the head of Operations of Los Cururos Wind Farm, the head of Community Relations, Ventanas Thermal Complex of AES Chile.



• Open Doors Program

During 2023, we developed the program of visits to the Los Cururos Wind Farm.
This year was marked by the participation

of 21 fourth-grade students from Liceo Fernando Binvignat together with their teachers. We also received a visit of 15 students from the third semester of the State Technical Training Center of the Region of Coquimbo, Andacollo branch, and we received the visit of the Board of the Agricultural

Community of La Cebada.

In addition, representatives of the Ministry of the Environment visited the wind farm as part of the launch of the Green Tax Emissions Offset System, in which we have been actively involved as a company.

In total, we received 46 visitors as part of the Open Doors Program in Los Cururos Wind Farm.
The investment amounted to CLP\$ 200,000.





• Pre-University Program for higher education entrance examination and support for higher education students.

The Pre-University Program has been running for twelve years, providing scholarships to 30 students, with good school performance, and in conditions of social vulnerability, who are in their fourth year at one of the two high schools in the commune of Puchuncaví. The goal is to help them prepare for higher scores on the Higher Education Entrance Examination, thereby increasing their opportunities for access to higher education. The social investment for this program in 2023 was CLP\$ 11,550,000.

Similarly, and with the aim of helping young people from Puchuncaví broaden their professional horizons and be able to choose quality jobs in the future, since 2012, in collaboration with other public and private companies, we have been awarding 200 scholarships annually to support local young

people pursuing higher education, 80 of which were financed by AES Chile.

The investment amounted to \$20,000,000 Number of Beneficiaries: 80 students.



"Alumnos Dual" Program

In order to contribute to the training of qualified and experienced technicians, the Ventanas plant opens its doors every year

to young students from the technical schools of the commune of Puchuncaví who need to complete their internships. In this way, we contributed to the employability of local people by giving them the opportunity to gain the practical experience necessary to obtain a technical degree. During 2023, a group of eleven young people participated in this program at the Ventanas Complex.

The investment of this program amounted to CLP\$ 9.849,779.-

Number of Beneficiaries: 11 students.





Employability Training Program

This year, through the

SENCE Labor Grants modality, we delivered two programs called "Managing and Formalizing my Entrepreneurship" in the communes of Puchuncaví and Quintero, in line with our areas of action that promote local development through training.

The courses included the following phases:

- Teaching Phase (100 hours),
- Business Plan Follow-up (40 hours),
- Delivery of tool subsidies (purchases of tools and supplies),
- Certification.

The program, which benefited 12 women from the commune of Quintero and 13 women from the commune of Puchuncaví, was aimed at developing an entrepreneurship plan for the management of a sustainable business, strengthening personal, commercial and administrative skills for the formalization and growth of the business. In addition, the program included a tooling subsidy valued at CLP\$200,000, which was allocated according to the nature of each business.

The investment for the commune of Quintero amounted to CLP\$ 8,652,740

Number of Beneficiaries: 12 neighbors of the commune.

The investment for the commune of Puchuncaví amounted to CLP\$ 9,183,010

Number of Beneficiaries: 13 neighbors of the commune.





With the purpose of promoting local development by supporting entrepreneurship and trades for employment, two

courses were held for residents of Puchuncaví, in which 80% of the attendees were women. Each course included a travel allowance and a tool kit valued at CLP\$ 200,000.

The overall objective of the Food Handling and Customer

Service course was to train neighbors to acquire specific skills and knowledge that would enable them to apply appropriate techniques and procedures for food handling and preservation. They also sought to understand and follow hygiene and risk prevention standards associated with the use of kitchen equipment, machines, tools and utensils. It also included the identification and application of basic baking techniques, based on the correct interpretation of recipes. The course had a total duration of 80 hours.

The objective of the course on Business Management and Customer Service System Needs was to provide neighbors with essential skills and knowledge, such as: Identification of the characteristics of potential customers, SWOT analysis, creation of a logo, brand and slogan, as well as a detailed explanation of the "Form your Business in a Day" platform, procedures and requirements for obtaining a commercial patent, among other relevant aspects. The total duration of the course was 64 chronological hours.

The investment amounted to \$18,194,663 Number of Beneficiaries: 21 neighbors.





 Training Program for Social Leaders

We also launched the Social Leaders Program,

which involved twelve representatives from local social organizations in the commune. 72% of the participants were women. The objective of the program was to provide social management tools to leaders and social leaders

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Social Leaders Programs

of the commune of
Puchuncaví, through
the implementation of
training sessions, in order
to optimize their work and
thus contribute positively to
the development of their localities.

There were 40 hours of training and, at the end, each social leader received a diploma certified under the NCH 2728:2015 Chilean standard.

The investment amounted to \$9,500,000 Number of Beneficiaries: 11 representatives of social organizations.

• Sustainable Caletas Program for Fishers of Bahía de Quintero

We have been developing the Sustainable Caletas Program since 2019. This is a

social program that is the result of a joint labor agreement between the fishermen's unions of the caletas located in Bahía de Quintero belonging to the communes of Quintero and Puchuncaví (Translators' Note: A caleta is a productive, economic, social and cultural unit for artisanal fishing and other activities related to artisanal fishing) and AES Andes in Chile. Its main objective is to identify and carry out initiatives that contribute to the sustainable development of the extractive work and complementary activities of fishermen, divers and shellfish collectors.

During 2023, we were able to finance the design of the hall on the second floor of the Loncura Union's social headquarters, and we put out a bid for the construction work, which will begin in early 2024. We also acquired a truck plus bodywork for the "Por la Razón o la Fuerza" Union and a boat, safety equipment and two outboard motors for the Fishermen's Union No. 5, which will be delivered at the beginning of 2024. We also completed the design of the technical bases for the second stage of the kitchen and bathrooms of the Papagallo Fishermen's Union's social headquarters, whose works will be executed at the beginning of the year 2024. All these activities were carried out for the fishermen's unions of the commune of Quintero.

The investment amounted to CLP\$ 100,182,531. Number of Beneficiaries: 238 fishermen, divers and shellfish gatherers.



 Support Program for Artisanal Fishing in Bahía de Quintero and Puchuncaví

Social program aimed at promoting thedevelopment of the work of artisanal fishermen, strengthening and consolidating productive artisanal fishing initiatives, adjacent or related activities, with the potential to become sustainable and self-managed businesses, whose execution is carried out in a safe and sustainable manner. This support program financed the development of projects carried out by the union organizations themselves, such as the improvement of caletas, the purchase of nets and safety equipment for boats, and the improvement of fishing and diving conditions developed by the union's fishermen members.

The total amount of social investments was CLP\$ 55,000,000 Number of Beneficiaries: 534 fishermen, divers and shellfish gatherers.



Open Doors Program

In 2023, we have been carrying out the program of visits to the Ventanas power plant and El Pangue (ash deposit of the

complex, located in El Pangue estate) for the neighbors of the communes of Puchuncaví and Quintero. We received 132 neighbors with the purpose of informing them about the productive processes related to electricity generation.

The investment amounted to CLP\$ 8,695,810.-Number of Beneficiaries: 132 neighbors.



Collaboration Agreement:
 Quintero Fire Department

On January 16, 2023, the company signed a joint work agreement with the Quintero

Fire Department. The purpose of this agreement is to join efforts to solve water supply problems in the rural areas of Valle Alegre in the commune of Quintero, which occur mainly during the summer season. Through this agreement, the company has earmarked a portion of land in Valle Alegre for the installation of a water supply point that will be available for use by the Quintero Fire Department in the event of a fire.

 Contribution to Equipment for the Valparaiso and Laguna Verde Fire Departments.

The donation consisted of support for the standardization of personal protection equipment for the firefighters of the Sixteenth Company of the Valparaiso Fire Department, in order to increase the safety of their work.



The equipment improvement project for the Fire Department of Laguna Verde, Valparaíso, was completed with the delivery of 42 helmets model BULLARD USTM RETRAK.

This contribution amounted to CLP\$ 2,688,000.-





Competitive
 Fund Puchuncaví

The Puchuncaví Competitive Fund is

the result of the joint work between the municipality of the commune and AES Andes, which in 2014 signed the regulation that establishes the bases of the program with an annual amount of UF 4,711 for ten years of validity.

Between August and October 2022, the call for the Ninth edition of the Puchuncaví Competitive Fund took place. At the meeting, the focus areas were reformulated and the following were established: (1) Care for the environment,

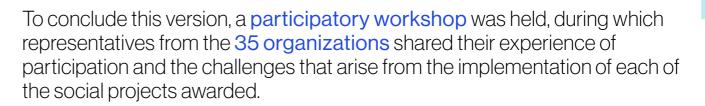
(2) social development and initiatives that promote culture and protect the commune's heritage, (3)

support for initiatives that promote healthy living and sport in its various disciplines,

(4) energy and water efficiency, (5) community/neighborhood safety, (6) entrepreneurship and development of productive or service activities that generate local employment,

tourism and strengthen the commune of Puchuncaví. The initiatives could be presented in connection with community-use infrastructure projects and, if so, they had to develop a social and educational project. It was also established as a requirement that the projects should include a gender perspective.

Most of the projects developed in the ninth version included infrastructure projects, accompanied by socio-educational activities that promoted the participation of all age groups. As for the sports clubs, the activities adopted an inclusive concept from a gender perspective along with promoting children's tournaments.



Most of the organizations that implemented projects related to community and neighborhood safety acknowledged a reduction in the perception of insecurity within their sector, and that several challenges lie ahead in terms of safety.

\*The Puchuncaví Competitive Fund program, which includes the development of 35 projects executed during 2023, represented an investment of CLP\$ 248,089,233, directly benefiting 4,802 people. It is important to note that these projects are not included in the 2023 social investment table, as they were previously reported in 2022.



## 1 aes



The definition of the awarded projects is made by a committee chaired by the mayor of the commune, and composed of equal numbers of representatives of the municipality and AES Andes. The following are present: a council member appointed by the Municipal Council; the director of Community Development of the Municipality, the director of the Community Planning Secretariat, the director of Municipal Works, the Municipal Secretary, the Development Manager of AES Andes in Chile, the Vice President of Corporate Affairs, the Director of the Environment, the Manager of the Centro Complex, the Communications Manager, and the head of Community Relations of the Ventanas Thermal Complex.





Paving of Los Castaños Street.

In 2023, one of the community infrastructure projects for the benefit of the residents of Las Ventanas, in Puchuncaví (Region

of Valparaíso), the paving of Los Castaños street, became a reality thanks to an initiative committed between the municipality and AES Andes. The initiative will benefit approximately 3,494 residents, of whom 1,753 are men and 1,741 are women. The project allowed the paving of 300 linear meters, the replacement of more than 2,000 square meters of vibrated cement concrete, about 1,500 square meters of sidewalks and 600 linear meters of paving slabs.

In addition, the works included the installation of speed bumps and the respective traffic signs. In addition, universal accessibility devices and sidewalk widths were implemented to ensure a better movement of pedestrians in the area, promoting inclusion and comfort for all.

The investment amounted to CLP\$ 265,600,000.-Number of Beneficiaries: 3,494 neighbors.



San José de Maipo, Metropolitan Region









 Contribution to Local Development: Business Strengthening Program

Since 2016, we have implemented in San José de Maipo the Business
Strengthening Program aimed at local entrepreneurs and businessmen. Of this group, 21% have provided services or products to AES Chile. Within the context of this program, in the year 2023 we carried out the "Impacta

Positivo" program together with the SERCOTEC

La Florida Business Center This program was att

La Florida Business Center. This program was attended by 25 entrepreneurs, 81% of whom were women. The primary goal was to heighten participants' awareness of the necessity to shift their business models toward ones that create social or environmental impact. In addition, concrete tools designed to last over time and add value to the participants were provided.

The social investment amounted to CLP\$ 7,500,000.-Number of Beneficiaries: 25 entrepreneurs.





EmployabilityTraining Program

In the commune of San José de Maipo, we have been developing the Employability Training Program during 2010.





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During 2023, in-person courses in Advanced First Aid for Remote Areas (WAFA) and Apiary Management were conducted. This programs were attended by 35 neighbors, 52% of whom were women. The total duration of the courses was 88 hours. The trainings were selected based on the needs identified in the community, focusing mainly on the tourism sector. The participants, in line with the program's focus, were residents of the commune who were 18 years of age or older and involved in either beekeeping or tourism.

The social investment amounted to CLP\$ 13,825,000.-Number of Beneficiaries: 35 neighbors.



EDUCACIÓN DE CALIDAD

Alto Maipo Scholarship Contribution

We carried out the 11th edition of the Alto Maipo Contribution Scholarship Program,

which each year provides an economic incentive to higher education students residing in San José de Maipo who have good academic performance and belong to households with low income or greater socioeconomic vulnerability, according to the Social Household Registry of the Ministry of Social Development.

In 2023, a total of 101 students benefited, with 88 of them falling into the higher education category. Among these, 42 were renewing their scholarships, while 46 were new scholarship recipients. Additionally, 3 scholarships were awarded for Artistic Talent, and 10 were granted to Outstanding Athletes.

The social investment amounted to CLP\$ 80,800,000-Number of Beneficiaries: 101 students.

Total Investment in Scholarships through 2023	\$578,400,000
Total Scholarships warded through 2023	731

Since the beginning of the program, nearly 90% of the students who received the Higher Education Scholarship have completed their degrees.

## Open Doors Program

In 2023, we implemented a program of visits to the Cordillera Power Plant for the residents of the commune of San José de Maipo commune. A total of 177 neighbors and educational institutions participated, and we provided them with an explanation of the electricity generation process.

The social investment amounted to CLP\$ 200,000-Number of Beneficiaries: 177 neighbors.







## San José de Maipo Competitive Fund

In 2009, Alto Maipo, AES Andes (then AES Gener), the Municipality of San José de Maipo and the Community Council of Neighborhood Associations began a process of dialogue that resulted in the execution of a social agreement that laid the foundation for two programs:

 Promotion of Local Employment and Social Program.
 Composed of the San José de Maipo Competitive Fund, which since 2012 and for 30 years will finance scholarships and projects of social organizations and entrepreneurs with an annual social investment of UF 5.807.

Funding was provided for the following areas:

- Education and Training.
- Social, Tourism, Cultural and Infrastructure Development for Community Use.
- Support to sports in its various disciplines.
- Promotion and development of productive activities or services that enhance the commune in the areas where it has particular strengths.

In 2023, the initiatives awarded in the 10th version of the San José de Maipo Competitive Fund were developed and completed. A total of 64 projects

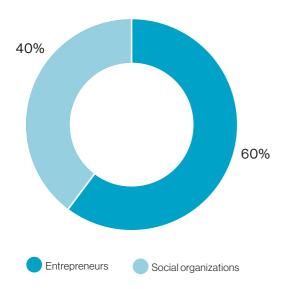
were implemented: 26 for social organizations, and 38 for enterprises in the main characteristic areas of the commune, including tourism, gastronomy, handicrafts, and beekeeping. These efforts benefited almost 3,000 individuals.

Competitive Funds San José de Maipo



## The financing amounts to CLP\$ 134,407,580.-\*

In its ten versions, the total investment of the Competitive Fund amounts to CLP\$ 1,106,279,660, awarded to 498 projects; more than 60% of them correspond to entrepreneurial projects, divided into those who started with a business idea or those who work in established companies.



The San José de Maipo Competitive Fund, which included the execution of 64 projects during 2023, represented an investment of \$134,407,580 pesos, directly benefiting 2,994 people. It is important to note that these projects are not included in the 2023 social investment table, as they were previously reported in 2022.

## Governance of Competitive Fund San José de Maipo:

The projects will be awarded by a Local Council, chaired by the Mayor of the commune, and composed of the Presidential Delegate of the Province of Cordillera, a representative of the Municipal Council, the President of the Municipal Union of Neighborhood Councils, the president of Cajón del Maipo Football League, the President of Communal Union of Senior Citizens, the Vice President of Corporate Affairs and Sustainability of AES Chile; and the Operations Manager of AES Chile.







## • "Cajón Elige" Social Investment Program

During 2023, the "Cajón Elige" social investment program began to be developed with the objective of implementing an innovative initiative that promotes the effective involvement of all local stakeholders and neighbors in the commune's social investment decisions. With the participation of the various stakeholders of San José de Maipo, represented by the Technical Secretariat and the Executive Committee, work was done to define the initiatives that will give life to the proposals for tourism development in the commune. To this end, 16 briefing meetings were held, 110 participatory workshops were attended by 212 people,

and 6 meetings were held with local authorities. In addition, 8 meetings were held with the technical secretariat, and 6 meetings with the executive committee.

We worked on the evaluation of the projects to be presented to the community during 2024.

## Governance:

Members of the Technical Secretariat.

- Director of the Communal Secretariat of Planning (SECPLA) of the Municipality of San José de Maipo.
- Director of Community Development (DIDECO) of the Municipality of San José de Maipo.
- Director of Municipal Works (DOM), Municipality of San José de Maipo.
- Representative of AES Chile.
- Two Councilmen of the Municipality of San José de Maipo.

### Members of the Executive Committee:

- Community Representative, Baños Morales Neighborhood Council.
- Community Representative, Club Atlético Deportivo Halcón.
- Community Representative, Las Vertientes Neighborhood Council.
- Two representatives of the company AES Chile.
- Two Councilmen of the Municipality of San José de Maipo.





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## Mulchén, Region of Biobío







· Los Olmos Wind Farm Participatory Global Fund

In 2023, we implemented the second Participatory Global Fund to develop community initiatives in six areas:

- 1. Education and Training.
- 2. Infrastructure and equipment of spaces for community use.
- 3. Strengthening of local identity and communit development.
- 4. Support for initiatives to promote healthy lifestyles and sports.
- 5. Local community development and entrepreneurship.
- 6. Environmental care and energy efficiency.



Mapuche Loom Course, Los Olmos

This same year the first local council was held, with the objective of approving the proposals for the annual bases presented by the technical secretariat of AES Chile Foundation.

The social investment amounted to CLP\$ 41,579,406. Number of Beneficiaries: 397 neighbors.

The Participatory Fund will finance, for 25 years, community initiatives in the localities of the area of influence of the wind power plant represented by the following social organizations:

- Malven Colhue Indigenous Association, Aurora de Enero.
- San Luis Malven Local Development Committee.
- Rural Neighborhood Council No. 6 Aurora de Enero.
- Rural Neighborhood Council No. 5 Malven Araucano.
- Rural Neighborhood Council No. 6 Rapelco.
- Rural Neighborhood Council No. 6 Sol de Septiembre.

# Governance of the Participatory Fund of Los Olmos Wind Farm:

The definition of the bases is determined by the Local Council chaired by the director of municipal community development, and made up by the president of the Sol de Septiembre Neighborhood Council, the president of the Aurora de Enero Neighborhood Council, the president of the Indigenous Association, the president of the Rapelco Neighborhood Council, the president of the San Luis de Malvin Local Development Committee, the president of the Malven Araucano Neighborhood Council, the Head of Operations and Maintenance of Los Olmos Wind Farm and the Communications Manager of AES Chile.



• Open Doors Program

The activity called "Open Doors to the Community" is part of the informative work we carry out. During 2023, educational

institutions and universities such as Inacap visited the facilities. Sixty-one students from the Renewable Energy Career Center visited the wind farm together with the Career Director of the Los Angeles office. This is part of the work we have been doing with this university for two years, which includes training and knowledge transfer on issues related to renewable energy development.

Also during the year, representatives of the communities and neighbors of the commune of Los Ángeles visited these facilities as part of an exchange with the leaders of the Mesamávida Wind Project.

The social investment amounted to CLP\$ 200,000-Number of Beneficiaries: 61 students.



Photovoltaic Panels Community Project

The Sol de Septiembre Neighborhood Council, situated in the vicinity of our Los Olmos Wind Farm, has devised a project

that will benefit 29 households. Consequently, 100 individuals in the rural area will experience the positive impact of this investment. It represents an innovative approach to utilizing renewable energies within the territory. Its primary objective is to lower electricity expenses for families by installing photovoltaic panels.

As of 2023, the project has reached 50% completion, and it is anticipated to be fully operational by 2024, with a total investment of \$70,000,000.

The social investment in 2023 amounted to CLP\$ 35,000,000. Number of Beneficiaries: 100 neighbors.



## Los Ángeles, Region of Biobío







 Participatory Global Fund Mesamávida Wind Farm

In 2023, we launched the inaugural Participatory Global Fund as part of the agreements established with the four neighborhood councils within the Mesamávida Wind Farm Project's area of influence. This initiative ensures that participatory projects will receive financial support from the social organizations operating in the same area In this version, seven initiatives were undertaken. Of these, three were community projects led by functional social organizations. Additionally, the neighborhood councils focused on developing projects related to sports, community infrastructure, and renewable energies.

The investment amounts to US\$ 60,480, equivalent to CLP\$ 48,880,540 Number of Beneficiaries: 1,536 neighbors.

The following organizations represent the communities in the plant's area of influence:

- 1. San Manuel Neighborhood Council.
- 2. Paso de Arena Neighborhood Council.
- 3. Mesamávida Neighborhood Council.
- 4. San Francisco Neighborhood Council.



Governance of the Participatory Fund of Mesamávida Wind Farm:

The bases of the Global Participative Fund are determined by the Local Council, made up of the president of San Manuel Neighborhood Council, the president of Paso de Arena Neighborhood Council, the president of San Francisco Neighborhood Council, the president of Mesamávida Neighborhood Council, the head of maintenance and operation of the Mesamávida Wind Farm, and the Communications Manager of AES Chile.



 Indigenous Community Fund Coyan Mapu

For the third consecutive year, and in accordance with the provisions of the

collaboration agreement with the Coyan Mapu indigenous community, we contributed 120 Development Units per year. This contribution aims to support initiatives that seek to preserve, strengthen, and disseminate the Mapuche culture in its various manifestations at the community, provincial, and regional levels. In 2023, the allocated funds were used to build a Mapuche ruka.

This collaboration will persist throughout the useful life of the Mesamávida wind farm.

The social investment amounted to 120 Development Units, equivalent to CLP\$ 4,226,732 Number of Beneficiaries: 39 neighbors



 Public Infrastructure Project

the town of San Manuel saw the installation of 40 solar lights. These lights were strategically placed at various neighborhood locations and directed towards the local roads. The primary aim of this initiative was to enhance road visibility and thereby boost the community's sense of safety. A semi-annual maintenance plan is also included as part of this

In the initial six months of 2023.

The social investment amounted to CLP\$ 20.000.000 Number of Beneficiaries: 40 neighbors.



initiative.

Open Doors Program

During 2023, we welcomed educational establishments for guided tours of the wind farms. Twenty-four students from Inacap's

Renewable Energies career participated in this initiative, together with the principal of the San Pedro de la Paz branch. The program has been running since 2021 and its purpose is

Soccer Field Mesamávida for students to learn about the operation and generation of the wind farm.

The social investment amounted to CLP\$ 200,000-Number of Beneficiaries: 24 students and the principal.



Training Program

During the second half of 2023, approximately 20 neighbors from the four neighborhood councils belonging to

Mesamávida's area of influence participated in classroom training in "Entrepreneurship Tools". The training, which lasted 200 hours, aimed to help participants identify their business model, their potential as entrepreneurs and the markets they can access. In addition to the classroom learning, participants received online training in "Coaching and Teamwork Tools" for a total of 150 hours.

The social investment amounted to CLP\$ 9,070,000. Number of Beneficiaries: 20 neighbors.

In addition, three training courses were held with neighbors of the San Manuel Neighborhood Council, belonging to the project's area of influence. The courses developed for this instance were the following:

Solar Panel Assembly Workshop:
 A comprehensive 18-hour workshop was designed for a group of six participants. The primary goal of this workshop was to equip the attendees with both theoretical

understanding and practical skills related to the functioning of ON GRID microinverters and OFF GRID connections in photovoltaic panel systems. Furthermore, each participant was provided with a complete toolkit, facilitating the installation and assembly of residential solar panels.

- Pastry and Confectionery Workshop:
   A comprehensive 18-hour training course was conducted for a group of twelve participants. The course was designed to impart knowledge on the preparation of various pastry recipes, employing diverse production techniques, utilizing the correct equipment, and understanding the steps involved in each procedure. To facilitate hands-on practice, each participant was provided with a basic pastry and confectionery kit. This enabled the students to apply their newly acquired skills at home, benefiting their families or contributing to their businesses.
- Homegrown Vegetables in Greenhouse and Outdoor Gardening:
   A detailed 16-hour course was designed for a group of ten adults and eleven children, aimed at fostering the skills necessary for undertaking vegetable cultivation projects in both greenhouse and outdoor garden settings. The course featured the establishment of a community vegetable garden at the Neighborhood Council's social center.

   Additionally, each adult participant was provided with a vertical vegetable garden.

The social investment amounted to CLP\$ 10,395,000.-Number of Beneficiaries: 39 neighbors.







 Participatory Global Fund Campo Lindo Wind Farm

Upon the completion of the construction phase and the commencement of operations at the Campo Lindo wind farm, "Collaboration and Mutual Benefit" agreements were established with five local social organizations within the project's area of influence. The aim is to foster a collaborative and communicative environment that will drive initiatives to enhance the quality of life in the surrounding area.

Moreover, to fulfill the obligations tied to the operational phase of the wind power plant, the inaugural local council meeting was convened. This meeting approved the proposals put forth by the Technical Secretariat of the AES Chile Foundation and laid the groundwork for the initial version of the Participatory Fund. This marks a significant milestone as this process will recur annually over the course of 30 years, mirroring the operational lifespan of the wind farm.

The following organizations represent the communities in the plant's area of influence:

- 1. Rarinco Los Robles Neighborhood Council.
- 2. Allipén Las Trancas Neighborhood Council.
- 3. San Antonio Las Quintas Neighborhood Council.

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- 4. Candelaria Virguenco Neighborhood Council.
- 5. Arrayán Las Violetas Neighborhood Council.

# Governance of Participatory Fund Campo Lindo Wind Farm:

The definition of the bases is determined by the Local Council chaired by the president of the San Antonio Las Quintas Neighborhood Council, and is made up of the president of the Rarinco Los Robles Neighborhood Council, the president of the Allipén Las Trancas Neighborhood Council, the president of the Candelaria Virquenco Neighborhood Council, the president of the Arrayán Las Violetas Neighborhood Council, the municipal delegate Fabiola Pascal, the Head of Operations and Maintenance, and the Communications Manager of AES Chile.

• Campo Lindo Wind Farm
Social Investment Funds

Throughout 2023, the annual "Trust Fund Plan" fund of CLP\$1,500,000 pesos was

consistently allocated to finance activities aimed at the social and community development of organizations within the area of influence. This included, in 2023, the Candelaria Virquenco Neighborhood Council, the Rarinco Los Robles Neighborhood Council, and the Allipén - Las Trancas.

A notable project was undertaken by the Candelaria de Virquenco Neighborhood Council, which utilized the funds to enhance their social headquarters by constructing a community restroom.

The social investment amounted to CLP\$ 4,500,000. Number of Beneficiaries: 2,323 neighbors.

In line with the Community Infrastructure and Development Plan, a fund amounting to CLP\$ 20,000,000 was allocated to each community within the area of influence, intended for the enhancement of local community infrastructure.

In 2023, the Candelaria Virquenco and Arrayan las Violetas Neighborhood Councils availed of this fund. The Candelaria Virquenco council utilized the funds to effect substantial upgrades to the local roadways. On the other hand, the Arrayán las Violetas council allocated the funds towards the refurbishment of their organization's headquarters.

The social investment amounted to CLP\$ 40,000,000 Number of Beneficiaries: 1922 neighbors.





TrainingCourses

In the latter half of the year, 76 residents within the

sphere of influence of the Campo Lindo, San Matías, and Los Olmos wind farms engaged in a comprehensive 200-hour remote training program on "Effective Communication Techniques". This Level 1 self-instruction course, recognized

by a SENCE code, was designed to equip participants with the knowledge and tools necessary for effective communication.

Furthermore, in our ongoing commitment to promote education and training, we have plans to conduct a series of 15 summer courses at the onset of 2024, specifically tailored for the residents near our wind farms. These in-person training sessions, spanning three hours each day, are designed to bolster specific skill areas that align with the activities of the various zones. This initiative is undertaken in collaboration with AIEP Continuing Education.

The social investment amounted to CLP\$ 42,560,000. Number of Beneficiaries: 76 neighbors.



Open Doors Program

A guided tour of the Campo Lindo facilities was conducted to inform the community about the construction process and



Guided tour in Campo Lindo.



its contribution to the community, promoting the use of renewable energy and our commitment to Greentegra.

In 2023, a group of 38 students from Don Orione School in Los Angeles, accompanied by their teachers visited the wind farm, where they learned about the general aspects of the operation of wind farms and an in-depth look at the Campo Lindo Wind Project. It was a valuable opportunity for them to gain knowledge of local renewable energy production.

The social investment amounted to CLP\$ 200,000-Number of Beneficiaries: 38 students.

San Matías Wind Farm Social Investment Funds



Throughout 2023, the annual "Trust Fund Plan" fund of CLP\$1,500,000 pesos was consistently allocated to finance activities aimed at the social and

community development of each of the organizations, which was established in the collaboration and mutual benefit agreement.

- 1. Millantú Neighborhood Council.
- 2. El Porvenir Neighborhood Council.
- 3. Santa Fe Neighborhood Council, No. 45.
- 4. Rarinco Los Robles Neighborhood Council.
- 5. Victoria de la Candelaria Neighborhood Council.
- Social and Cultural Action Organization Adelanto Committee Sol de Rarinco.
- 7. Las Quilas Advancement Committee.

- 8. Social and Cultural Action Organization, Los Sauces Advancement Committee.
- 9. Acampao Sur Advancement Committee.

This is in addition to the Collaboration and Mutual Benefit Agreement signed in 2020 with the Las Newenches Indigenous Association of Santa Fe, which aims to develop actions to maintain and improve the quality of life of the Association's members, as well as the protection, promotion and development of their culture.

The social investment amounted to CLP\$ 21,000,000. Number of Beneficiaries: 6,289 neighbors.

The Las Newenches Indigenous Association of Santa Fe implemented a noteworthy project in which they utilized funds to conduct a dental program. This program involved fifteen members who had the opportunity to assess their oral health and gain preventive information.

As part of the Community Infrastructure and Development Plan, each community within the influence area is allocated a fund of CLP\$ 20,000,000. This fund is intended to enhance the infrastructure of the local community.

In 2023, two organizations, the EI Porvenir Neighborhood Council and the Social and Cultural Action Organization, Sol de Rarinco Advancement Committee, sought resources for infrastructure development projects. These projects aimed to improve their social headquarters and construct new ones, respectively. These initiatives will provide both organizations with appropriate spaces for conducting various activities such as assemblies, meetings, and other events.

The social investment amounted to CLP\$ 40,000,000. Number of Beneficiaries: 350 neighbors.





Training Program

In 2023, a comprehensive training program was

initiated with the aim of transforming small-scale beekeeping into a more productive system. This program included a field visit by a consultant to the operational sites of each participant. The program was attended by fifteen local beekeepers.

The first stage of this beekeeping development program, which had commenced at the end of 2022, was successfully completed in the first half of 2023, with an investment of \$8.000.000.

The second stage of the program kicked off at the end of 2023, with a social investment of \$650,000, accounting for 8.3% of the total investment for this stage.

The training program is projected to reach full completion in 2024.

Social investment for 2023 amounted to CLP\$ 8,650,000.

Number of Beneficiaries: 15 beekeepers.





# > Colombia

[GRI 203-1, 203-2, 413-1; NCG 461 4.2]



Tenza Valley - ten municipalities in the area of influence of Chivor (1000 MW) and Tunjita (20 MW) hydroelectric power plants.



### Road Infrastructure Projects

In 2023, an investment of COP\$ 3,638 million (US\$ 861,545) was made, which is projected to benefit over 7,100 people

both directly and indirectly. This was achieved through the execution of works on rural and intermunicipal roads in the eleven municipalities influenced by the Chivor hydroelectric power plant. Since 2020, the "Juntos Aceleramos el Desarrollo" Competitive Fund has been in operation. This fund allows Grassroots Community Organizations, including Community Action Boards and Associations of Boards,

to compete for resources to finance their primary needs for improving their access roads, thus strengthening the management capacities of these organizations.

In total, more than 34 agreements were signed for road improvement. Of these, eleven were assigned through the Competitive Fund to the Community Action Boards. Additionally, 23 agreements were signed for priority works. These works included the construction

of over 460 meters of road surface, the maintenance or improvement of three pedestrian bridges, three vehicular suspension bridges, and more than ten hydraulic management works on tertiary roads (box culverts, sewers, and slope stabilization walls).





 Productive Projects for Community Economic Empowerment





Program that since 2018 provides technical assistance, support for the establishment of differentiated commercial channels, strengthening of associations and resources for the planting and production of coffee, benefiting producer associations in the municipalities of Garagoa, Somondoco, Macanal, Guayatá, and Sutatenza. In 2023, the activities of this production chain were completed and the overall achievements were subsequently evaluated.

CACAO +



Established in 2011, a program was initiated to offer training, technical assistance, resources, and support to 44 cocoa farming families. This initiative also aimed to protect two species of migratory birds.







In 2023, the planned activities for this production chain reached a significant milestone with the establishment and inauguration of the Cocoa Experimental Center in Campohermoso, Boyacá. This center is intended to benefit the producers' association, ASPROCACAMP, which consists of 16 affiliates. With the collaboration of various partners, the experimental center aims to enhance the cocoa processing procedure. It also seeks to initiate the transformation of cocoa beans into finished products such as chocolate bars.

### Panela and Bean Production Chains

In 2023, AES Colombia backed the "Technical Diagnostic Study of Sugar Cane and Bean Production Activities in the Area of Influence of Esmeralda Reservoir, Boyacá". This support was provided through an investment of roughly COP\$

Iguanodon Sculpture

96 million pesos (US\$ 24,245). Consequently, two producer organizations in Macanal and Garagoa have acquired valuable information to enhance their production activities.

• Nature Tourism Project: "RedTur Esmeralda Biodiversa"

This project was born in 2020 with the aim of promoting productive ventures centered around nature tourism and protecting the region's natural capital of the region. It also sought to establish a regional tourism network comprising social actors from five municipalities. In 2023, the Redtur Esmeralda Biodiversa Foundation was formalized with 17 of the 45 local stakeholders. This step was necessary for the foundation to exert influence, participate in calls for proposals, and present projects to governmental entities. With the backing of AES Colombia, the Redtur Foundation managed to install an artistic, sculpture-like work in the municipal park of Santa Maria during the year. This new regional tourist attraction underscores the discovery of the footprints of the Iguanodontes Dinosaur, which roamed this area millions of years ago. Efforts will be made to enhance the tourist script and the exploitation of this attraction. This project in 2023 had an investment of \$96,300,000 (US\$23,833).



Environmental Projects

Watershed and Moorland Protection

Since 2006, AES Colombia has been actively involved in the

protection of over 1,780 hectares of tropical rainforest located near its generation infrastructure in Colombia. From 2016 onwards, the company has bought and sold more than 662 hectares of high Andean forest. This initiative was aimed at the restoration and conservation of the Integrated Management Risk Districts of Cristales, Castillejo, and Mamapacha in the department of Boyacá. In 2023, an investment of COP \$984 million pesos (US\$240,000) was made towards the protection of the Batá River watershed.

Additionally, efforts were initiated to bolster productive projects with solidarity groups. These groups are set to commence beekeeping activities on the protected lands.

#### Environmental Research Project

In the years 2022 and 2023, AES Colombia undertook a hydrobiological characterization of the Esmeralda reservoir in Chivor. This was accomplished through a collaboration with the National University. The university team is presently analyzing the results of this study. The final report on this characterization is anticipated to be released in the first half of 2024. The investment for this activity amounted to COP \$52 million pesos (US\$13,114).





 Projects of Social Assistance

• Christmas Smiles in support of the Retirement Home and early childhood in our area of influence

Since 2010, AES Colombia and its team members have been extending their support to underprivileged populations, including children in rural areas and the elderly, particularly during the Christmas season. In 2023, the company made a significant contribution of \$ 367 million pesos (US\$ 97,000). This donation was directed towards the enhancement of the facilities where a Retirement Home and the Day Care Center are located in Santa Maria, Boyacá. This initiative benefited a total of 18 elderly individuals and 25 children in their early childhood. With the assistance of 30 volunteers, the funds will be used to purchase supplies for the remodeling of the facilities for the elderly and children in the region.



2

Municipality of Castilla La Nueva and the towns of Betania, Cacayal and Chichimene in the Department of Meta - Area of Influence of the Castilla and San Fernando Solar Farms.



Female Employment: 38% of the workers hired to build the San Fernando solar project were women.

#### Productive Project for Women's Entrepreneurship

A partnership was established with ASODEC Castilla, a group consisting of 14 local associates (12 women and 2 men), to execute the "Pastoreo Solar" project. This initiative involves utilizing the entire area of the Castilla Solar Plant for the rearing and fattening of over 140 sheep. Throughout







the first cycle of the solar farm's operation and maintenance, the entire area was effectively maintained. This process led to a reduction in the use of herbicides and a decrease in the risk of accidents associated with grass cutting equipment. Furthermore, ASODEC CASTILLA has emerged as a key ally in the operation of the solar farm. The group supplies certain routine elements and has become a regional benchmark in sheep management.

 Support to Productive Projects of Women's Associations

The six productive projects carried out by women from the women's collectives of Castilla La Nueva were supported and monitored. During this phase, support was provided for

the consolidation of inventories and administrative and fiscal management, ensuring that four of the six projects were active and developing their economic activities.

• Science, Technology and Innovation Project with the Henry Daniels School of Castilla La Nueva, Meta.

In 2023, AES contributed \$ 110 million pesos (US\$ 22,987) towards the establishment of a STEAM+H (Science, Technology, Engineering, Arts, and Mathematics) laboratory at the Henry Daniels School in Castilla La Nueva, Meta. This initiative is part of an educational strategy aimed at bolstering the school's four research groups. The school is also promoting six science, technology, and innovation projects as part of the ONDAS Research Program, which is overseen by the country's Ministry of Science and Technology. This project is set to benefit the 1,450 students enrolled at the educational institution.

The projects include:

- Dengue
- Impact of temperature, rainfall and humidity on the prevalence of mosquitoes / dengue among the student population and how to disrupt their reproductive cycles.
- Environmental leaders.
- Organic waste reuse + compost + Asodec (projection).
- Seedbeds for a healthy environmental culture / waste management..
- Catalog of microorganisms community spaces in Castilla.
- Obtaining penicillin from school methods.
- Human Rights Observatory.

- Promotion of children's rights among the student population, extended to the community.
- Registration and Control System for Educating Families.
- Vi-blioteca (Living Library).



Municipality of Aipe, Department of Huila - Zone of influence of the Brisas Solar Park





From April to December 2022, the construction of the Brisas Solar Park led to the creation of over 285 new jobs in the region. Of these,

11% were filled by individuals from the area of direct influence, 62% from other areas and the urban center of Aipe, and the remaining 25% from the national level.

By 2023, all voluntary social investment proposals were realized. This included the initiation of a training and technical assistance process for the establishment of an organization or associative company. This entity was set to participate in the bidding process for the operation of the solar farm. In this context, a partnership was formed with the Fundación del Alto Magdalena. This collaboration provided necessary technical assistance and advice to 20 community members, who subsequently established an S.A.S. company to fulfill this requirement.

Another initiative involved the construction of a playground and a biopark (gymnasium). This project benefited over 300 individuals in the Dindal hamlet of the municipality of Aipe. The facilities included a playground and a gym area equipped with eight exercise stations.



In terms of institutional support, a computer was provided to the Community Liaison

Our Management Approach:

Accelerating a Sustainable Future

Office. This contribution facilitated the office's management tasks and supported the community in issuing documents required for participation in local employability processes.

Additionally, a contribution was made to enhance the office equipment of the municipal police command. This improvement facilitated work in the area of peace and citizen coexistence.

In total, more than \$214 million pesos (US\$52,278) were invested in these four initiatives. This investment aimed to strengthen the relationship between the company, the community, and institutions during the first operational cycle of the solar photovoltaic park.



Municipality of Uribia, Department of La Guajira in the area of influence of the Jemeiwaa Ka'l wind projects



• Water Route [IF-EU-140a.3]

Initiated in 2017, this project aims to provide periodic water supply to 60 settlements in an area where water is a scarce resource.

In 2023, the project successfully delivered more than eleven million liters of water per year, equating to four liters per person per day. This initiative benefited over 7,000 individuals from the Wayuu indigenous community, with an investment of COP\$ 728 million pesos (US\$ 181,988) made in 2023.



In addition, AES Colombia is in the process of planning and securing funding for a rural energization project. This project is designed to provide electricity access to communities within the project's areas of influence that

currently lack an electricity connection. The goal of the project is to offer a sustainable energy solution that operates 24/7 for these communities. An investment of COP \$636 million pesos (US\$ 159,000) was made towards this initiative in 2023.

#### Other Social Assistance





Jemeiwaa Ka'l since 2017 supports approximately 6,000 indigenous Wayuu community members. This project seeks to support indigenous communities in the development of their events of cultural importance, calamities, community infrastructure. In 2023, these social support and assistance programs had an investment of COP\$ 489 million pesos (US\$ 122,290).

#### Strengthening of associativity and self-governance

In alliance with the Biocomercio Foundation, we support indigenous communities in the creation of associative self-government and territorial planning mechanisms (indigenous peoples' life plans), in order to empower them to achieve their own territorial development. In total, ten communities carried out their life plans, where more than 3,000 people were

considered, with an investment of \$ 172 million pesos (US\$ 43.055).

#### • AES Colombia Corporate Volunteering.

In AES Colombia we launched our corporate volunteer program in 2023 with a first activity carried out in Santa María, Boyacá, with the participation of 28 volunteers, including several employees and managers. Together we carry out two activities that contribute to our sustainability strategy.

The objective of the first day was to contribute to the environment and to the compensation activities carried out by the company in the places where we operate, with the planting of around 100 trees. At the same time, the volunteers attended an event with the grandparents of the Retirement Home with the symbolic delivery of the investments to be made by AES for the renovation of the infrastructure of the facilities.



Corporate Volunteering



# 5.7 ESG (Environmental, Social and Governance) Indicators





#### Performance with our Stakeholders

### Labor Performance Tables [NCG 461 3.2, 5.1, 5.2, 5.3]

All the information reported is related to full-time employees of the company's own payroll.



GRI 2-7 Table: Number of persons by gender, by country where they work

Chile			
	Female	Male	Grand Total
Administrative staff	12	9	21
Senior managers	1	5	6
Service workers	1	10	11
Managers	20	67	87
Heads	13	111	124
Other professionals	91	171	262
Other technicians	9	374	383
<b>Grand Total</b>	147	747	894

Argentina			
	Female	Male	Grand Total
Administrative staff	1	1	2
Managers		3	3
Heads		15	15
Other professionals	7	3	10
Other technicians		23	23
Grand Total	8	45	53

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AES Andes			
	Female	Male	Grand Total
Regular Directors	2	7	9





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Table GRI 2-7; NCG 461 5.1.3: Number of persons by age range and gender, by country where they work

Chile		Under 30	Inder 30 From 30 to 40		F	rom 41 tc	50	Fr	om 51 to 6	60	F	rom 61 to	70		Over 70			
Category	F	М	Total	F	М	Total	F	М	Total	F	M	Total	F	M	Total	F	M	Total
Administrative staff	-	-	0	1	2	3	8	2	10	3	3	6	-	2	2	-	-	-
Senior managers	-	-	0	-	1	1	-	2	2	1	2	3	-	-	-	-	-	-
Service workers	1	-	1	-	4	4	-	3	3	-	3	3	-	-	-	-	-	-
Managers	-	-	0	7	16	23	9	31	40	4	15	19	-	5	5	-	-	-
Heads	-	-	0	6	22	28	5	66	71	2	16	18	-	7	7	-	-	-
Other professionals	7	10	17	45	65	110	31	71	102	6	19	25	2	6	8	-	-	-
Other technicians	3	20	23	5	138	143	-	118	118	1	67	68	-	30	30	-	1	1
Total	11	30	41	64	248	312	53	293	346	17	125	142	2	50	52	-	1	1

F: Female M: Male

Argentina		Under 30			om 30 to 4	40		From 41 to	50	Fr	rom 51 to (	60	F	rom 61 to	70
Category	F	M	Total	F	М	Total	F	M	Total	F	M	Total	F	M	Total
Administrative staff	-	-	-	-	-	-	1	-	1	-	1	1	-	-	-
Managers	-	-	-	-	1	1		2	2	-			-	-	-
Heads	-	-	-	-	2	2		6	6	-	7	7	-	-	-
Other professionals	-	-	-	4	1	5	3	2	5	-			-	-	-
Other technicians	-	3	3	-	8	8		5	5	-	4	4	-	3	3
Total	-	3	3	4	12	16	4	15	19	-	12	12	-	3	3

F: Female M: Male



Colombia	Under 30 From 30 to 40			Ю		From 41 to	50	Fi	rom 51 to	60	F	rom 61 to	70		Over 70			
Category	F	М	Total	F	М	Total	F	М	Total	F	М	Total	F	М	Total	F	М	Total
Administrative staff	-	-	-	1	3	4	1	1	2	1	-	1	_	-	-	-	-	-
Senior managers	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1	-	-	-
Service workers	-	-	-	-	-	-	1	-	1	-	-	-	-	-	-	-	-	-
Managers	-	-	-	-	1	1	3	4	7	2	7	9	-	-	-	-	-	-
Heads	-	-	-	2	1	3	-	1	1	-	5	5	-	2	2	-	1	1
Other professionals	2	2	4	10	15	25	9	9	18	2	3	5	-	1	1	-	-	-
Other technicians	2	6	8	3	15	18	-	6	6	-	11	11	-	3	3	-	-	-
Total	4	8	12	16	35	51	14	21	35	5	26	31	-	7	7	-	1	1

F: Female M: Male

AES Andes	Under 30			Fr	om 30 to 4	10		From 41 to	50	Fi	rom 51 to (	60	F	rom 61 to	70		Over 70	
Category	F	М	Total	F	M	Total	F	М	Total	F	М	Total	F	M	Total	F	M	Total
Regular Directors	-	-	-	-	-	-	1	2	3	1	1	2	-	1	1	-	3	3

F: Female M: Male





### GRI 2-7 Table: Number of persons by seniority [NCG 4615.1.4]

Chile	Les	ss than 3 y	years	Fror	From 3 to 6 years			ethan6a than9		Fror	n 9 to 12 <u>y</u>	years	Mo	ore than 12	?years
Category	F	М	Total	F	М	Total	F	М	Total	F	М	Total	F	М	Total
Administrative staff	1	1	2	2	-	2	5	1	6	-	2	2	4	5	9
Senior managers	-	-	-	1	-	1	-	1	1	-	1	1	-	3	3
Service workers	1	-	1	-	2	2	-	1	1	-	4	4	-	3	3
Managers	3	16	19	6	12	18	3	7	10	4	11	15	4	21	25
Heads	2	9	11	5	8	13	-	8	8	3	25	28	3	61	64
Other professionals	32	44	76	37	35	72	3	13	16	7	31	38	12	48	60
Other technicians	3	19	22	3	43	46	-	24	24	1	90	91	2	198	200
Total	42	89	131	54	100	154	11	55	66	15	164	179	25	339	364

F: Female	
M: Male	

Argentina	Les	ss than 3 y	years	Fror	m3to6ye	ears	Fro	m 9 to 12	years	More	than 12 y	ears
Category	F	М	Total	F	М	Total	F	М	Total	F	М	Total
Administrative staff	-	1	2	-	-	-	-	-	-	-	-	-
Managers	-	1	1	-	-	1	-	1	1	-	-	-
Heads	-	2	2	-	1	-	-	-	-	-	13	13
Other professionals	-	1	5	1	1	2	1	1	2	1	-	1
Other technicians	-	6	6	-	7	7	-	1	1	-	9	9
Total	-	11	16	1	9	10	1	3	4	1	22	23

F: Female M: Male

#### Continued from previous page

Colombia	Le	ss than 3 y	years	Fror	m3to6y	ears	More	ethan6a than9		Fron	n 9 to 12 <u>y</u>	years	Мо	re than 12	years
Category	F	М	Total	F	М	Total	F	М	Total	F	М	Total	F	М	Total
Administrative staff	-	1	1	1	2	3	-	-	-	-	-	-	2	1	3
Senior managers	-	-	-	-	_	-	-	-	-	-	-	-	-	1	1
Service workers	-	-	-	1	-	1	-	-	-	-	-	-	-	-	-
Managers	-	-	-	2	1	3	-	-	-	-	1	1	2	9	11
Heads	-	-	-	-	2	2	1	1	2	1	1	2	1	7	8
Other professionals	7	8	15	7	8	15	2	1	3	1	8	9	6	5	11
Other technicians	-	5	5	4	4	8	-	7	7	1	16	17	-	9	9
Total	7	14	21	15	17	32	3	9	12	3	26	29	11	32	43

F: Female M: Male

AES Andes	Less	sthan 3 ye	ars	Fror	m3to6ye	ears	Мог	re than 6 a than 9		Fror	n 9 to 12 y	/ears	Мог	re than 12 y	/ears
Category	F	М	Total	F	М	Total	F	М	Total	F	М	Total	F	M	Total
Regular Directors	1	2	3	1	2	3	-	1	1	-	1	1	-	1	1

F: Female M: Male

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#### New employee hires and staff turnover [GRI 401-1]



### 2023 Turnover Table

Chile	77
Involuntary	45
Voluntary	27
Performance	1
Others - Others/No information	5
Colombia	11
Retirement	3
Voluntary	8
Argentina	5
Involuntary	1
Retirement	2
Voluntary	2
Total	94

Percentage of total employees: 8.7%

#### New employee hires 2023 [GRI 401-1]



#### Hires by age and category:

	From 30 to 50			Fr	rom 51 to 7	O		Under 30	)	Total	
Category	F	М	Total	F	М	Total	F	М	Total		
Argentina											
Administrative staff					1	1				1	
Heads		2	2							2	1
Other professionals	2		2							2	
Total Argentina	2	2	4		1	1				5	1
Chile											
Administrative staff	1		1							1	1
Service workers							1		1	1	1
Managers	1	9	10		1	1				11	1
Heads		4	4					1	1	5	1
Other professionals	8	9	17	1	2	3	4	8	12	32	
Other technicians		5	5					2	2	7	
Total Chile	10	27	37	1	3	4	5	11	16	57	
Colombia											
Administrative staff		1	1							1	1
Other professionals	3	4	7							7	
Other technicians		3	3					2	2	5	
Total Colombia	3	8	11					2	2	13	
Total AES Andes	15	37	52	1	4	5	5	13	18	75	

F: Female M: Male

Percentage of total number of new hires in relation to total number of employees: 6.9%





## NCG 461 5.2 Table: Human Capital Formation and Employment Formality

	Indefinite-term contract			Fix	ed-term co	ntract	International Assignee		
	F	М	Total	F	М	Total	F	М	Total
Chile	147	744	891	0	2	2	0	1	1
Colombia	38	97	135	1	1	2			0
Argentina	8	45	53			0			0
Total	193	886	1,079	1	3	4	0	1	1
% of total	17.80%	81.73%	99.54%	0.09%	0.28%	0.37%	0.00%	0.09%	0.09%

### NCG 461 5.1.5 Table: Number of people with disabilities

	F	М
Visual	0	2
Physical	3	2
Hearing	0	4
Total	3	8

	F	М
Administrative staff	1	0
Other professionals	2	3
Other technicians	0	5
Total	3	8



### Temporary Outsourced Personnel [GRI2-8]

Chile	29
Commercial Area	2
Corporate Affairs Area	1
Generation Area	1
Supply Chain Area	20
Operations Area	3
Transmission and Distribution	2
Colombia	7
Sustainability Area	1
Generation Area	6
Total	36

During 2023, AES Andes had a total of 36 non-payroll workers.



### GRI 404-1 Table: Training hours by position and gender

Chile			
Sum of hours	Female	Male	Total
Administrative staff	90	111	201
Senior managers	6	27	33
Service workers	4	77	82
Managers	962	2,358	3,320
Heads	426	4,106	4,532
Other professionals	2,744	4,787	7,531
Other technicians	293	6,949	7,242
Grand Total	4,526	18,415	22,941



This information, which shows the number of women and men per country based on position within the Company, was obtained from our Workday platform.

Argentina			
Sum of hours	Female	Male	Total
Administrative staff	32	4	36
Managers		1,040	1,040
Heads		5,153	5,153
Other professionals	423	505	928
Other technicians		7,027	7,027
Grand Total	455	13,729	14,184

Colombia					
Sum of hours	Female	Male	Total		
Administrative staff	13	3	16		
Service workers	1		1		
Managers	6	7	13		
Heads	24	7	31		
Other professionals	49	53	102		
Other technicians	17	70	87		
Grand Total	110	139	249		



#### Table GRI 405-1 – NCG 461 5.1.2: Number of persons by nationality

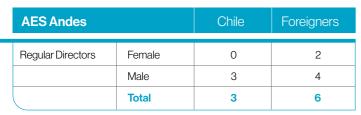
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Chile		Chile	Foreigners
Senior managers	Female	1	0
	Male	2	3
	Total	3	3
Managers	Female	16	4
	Male	51	16
	Total	67	20
Heads	Female	11	2
	Male	108	3
	Total	119	5
Other professionals	Female	79	12
	Male	162	9
	Total	241	21
Administrative staff	Female	12	0
	Male	9	0
	Total	21	0
Service workers	Female	1	0
	Male	10	0
	Total	11	0
Other technicians	Female	8	1
	Male	369	5
	Total	377	6

Argentina		Argentina	Foreigners
Senior managers	Female		
	Male		
	Total	0	0
Managers	Female		
	Male	3	
	Total	3	0
Heads	Female		
	Male	15	
	Total	15	0
Other professionals	Female	7	
	Male	3	
	Total	10	0
Administrative staff	Female	1	
	Male	1	
	Total	2	0
Service workers	Female		
	Male		
	Total	0	0
Other technicians	Female		
	Male	23	
	Total	23	0

Colombia		Colombia	Foreigners
Senior managers	Female		
	Male	1	
	Total	1	0
Managers	Female	5	
	Male	12	
	Total	17	0
Heads	Female	2	
	Male	10	
	Total	12	0
Other professionals	Female	23	
	Male	30	
	Total	53	0
Administrative staff	Female	3	
	Male	4	
	Total	7	0
Service workers	Female	1	
	Male	0	
	Total	1	0
Other technicians	Female	5	
	Male	41	
	Total	46	0







**aes** Andes

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#### Trading and Market Information

### Stock Transactions [NCG4612.3.4b]

On December 6, 2021, The AES Corporation announced a voluntary tender offer to acquire, through Inversiones Cachagua, all the outstanding shares of AES Andes that it did not already own (takeover bid), which amounted to 33.02%. At the beginning of this process, The AES Corporation held 6,959,213,272 shares, equivalent to 66.98% of the total, thus being the controlling shareholder of the company. After this process, The AES Corporation, through Inversiones Cachagua, started to own a 98.13% interest in AES Andes.

Inversiones Cachagua, through stock exchange purchases and proxy purchases, which were effective between January 25, 2022 and September 29, 2023, through Banchile

Corredores de Bolsa, increased its interest in AES Andes, reaching a 99.50% ownership as of December 31, 2023.



### Ownership Structure [NCG461 2.3.1; 2.3.2; 2.3.3]

We are a public company whose shares are traded on two Chilean stock exchanges: the Santiago Stock Exchange and the Chilean Electronic Stock Exchange. As a company we own a single series of shares, therefore, there are no other voting rights.

As of December 31, 2023, our equity attributable to the owners of the parent company amounted to US\$ 682 million, divided into 10,376,645,776 shares. At the end of the year, Inversiones Cachagua SpA (Cachagua) owned a 99.50% interest in AES Andes, with the US company The AES Corporation becoming the indirect controlling company of AES Andes, through its indirect 100% interest in Cachagua. The Pension Fund Managers held no shares in the Company at the end of this year, like as of December 31, 2022, compared to a 3.3% holding through the various funds as of December 31, 2021.

During 2023 there were no relevant changes in the ownership of AES Andes while, during 2022, the relevant change in ownership consisted of the increase in Cachagua's shareholding from 67% as of December 31, 2021 to 99% as of December 31, 2022.

On August 10, 2023, an Extraordinary Shareholders' Meeting was held which, among other matters, approved to request the CMF to cancel the registration of the Company's shares in the CMF Securities Registry since, in accordance with Article 15 of Law 18,045 on Securities Market and other applicable regulations, AES Andes ceased to be eligible to be an open stock corporation. After the Meeting was held, a Right of Withdrawal was triggered for absent or dissenting shareholders. 6.809,063 shares were withdrawn. The Right of Withdrawal was extended for 30 days and only after the Company paid the shareholders who exercised this right, the CMF was requested to cancel it. As of December 31, 2023, no response had been received from the CMF.



#### Main shareholders as of December 31, 2023

Name	Shares	%
Inversiones Cachagua SPA	10,185,166,113*	98.15
Larraín Vial S.A. Corredora de Bolsa	105,253,192	1.01
Banchile Corredores de Bolsa S.A.	40,140,520	0.39
AES ANDES S.A.**	6,809,063	0.07
Santander Corredores de Bolsa LTDA.	6,505,345	0.06
Itau Corredores de Bolsa LTDA.	5,791,257	0.06
Inversiones Guallatiri LTDA.	4,058,819	0.04
Inversiones Tacora LTDA.	2,860,522	0.03
Bci Corredor de Bolsa S.A.	2,800,973	0.03
BICE Inversiones Corredores de Bolsa S.A.	911,421	0.01
Total 10 majors	10,360,297,225	99.84
Others	16,348,551	0.16
Total	10,376,645,776	100.00

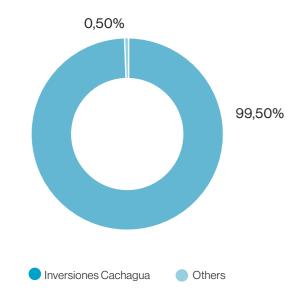
<sup>\*</sup> Shares of Cachagua do not include those in the custody of Banchile Corredores de Bolsa S.A. and Larraín Vial S.A Corredora de Bolsa, which amount to 139,643,160 as of December 31, 2023.



<sup>\*\*</sup> Purchases in connection with the Right of Withdrawal that was triggered after the Extraordinary Shareholders' Meeting of August 10, 2023.







The ownership structure includes the shares in the custody of Banchile Corredores de Bolsa S.A. and Larraín Vial S.A Corredora de Bolsa.

There are no government entities or persons associated with AES Andes with more than 5% voting rights.

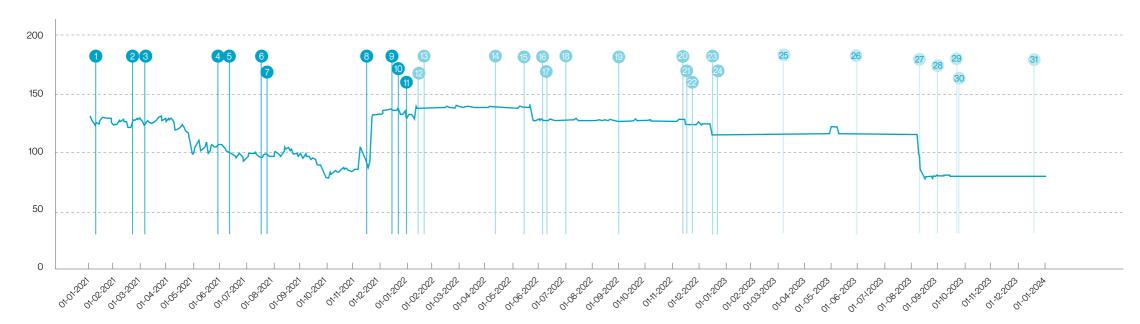


Stock Market Indicators 2023	Unit	Value
Number of Outstanding Shares	Number	10,376,645,776
Stock Closing Price as of December 31, 2023	CLP\$	81.06
Dividend Yield	%	26
Earnings per Share	US\$	(0.017)
Paid dividends	US\$ million	252





### Price of AES Andes share and relevant events (CLP\$)



		2021			2022
0	07-01-21	Successful completion of capital increase	12	10 Jan 2022	Announcement of AES takeover bid results in relation to AES Andes shares
2	23-02-21	Announcement of sale of interest in Guacolda	13	25 Jan 2022	Start of buyer power at a price of CLP\$ 134.14/share
3	04-03-21	Alto Maipo completes tunnel excavation	14	11 Apr 2022	Start of buyer power at a price of CLP\$ 134.14/share
4	31-05-21	Dividend payment	15	12 May 2022	Start of buyer power at a price of CLP\$ 134.14/share
5	06-06-21	Announcement of disconnection of 4 coal-fired units	16	06 Jun 2022	Start of buyer power at a price of CLP\$ 125/share
6	15-07-21	Incorporation of GIP as strategic partner	17	10 Jun 2022	Capital reduction payment
7	20-07-21	Guacolda sale process is completed	18	01 Jul 2022	Start of buyer power at a price of CLP\$ 125/share
8	17-11-21	Announcement of Alto Maipo financial restructuring	19	01 Sep 2022	Start of buyer power at a price of CLP\$ 125/share
9	06-12-21	Announcement of takeover bid	20	16 Nov 2022	Start of buyer power at a price of CLP\$ 125/share
10	27-12-21	Beginning of sale of shares from repurchase plan	21	20 Nov 2022	Start of buyer power at a price of CLP\$ 122/share
1	30-12-21	Synchronization of Alto Maipo	22	25 Nov 2022	Capital reduction payment
			23	15 Dec 2022	Start of buyer power at a price of CLP\$ 114/share
			24	20 Dec 2022	Capital reduction payment

25	04 Mar 2023	Start of buyer power at a price of CLP\$ 114/share
26	01 Jun 2023	Start of buyer power at a price of CLP\$ 114/share
27	10 Aug 2023	Beginning of the right of withdrawal
28	01 Sep 2023	Start of buyer power at a price of CLP\$ 81/share
29	23 Sep 2023	Start of buyer power at a price of CLP\$ 71/share
30	26 Sep 2023	Capital reduction payment
31	19 Dec 2023	Capital reduction payment

2023



During 2022, both domestic and international banks withdrew hedging of AES Andes shares, given the significant increase in The AES Corporation's ownership of AES Andes and the decrease of the minority shareholding to below 1%.

In January 2022, AES Andes will be removed from the IPSA and consequently from the Dow Jones and MILA indexes.



Shareholders per type as of December 31, 2022



Type of Shareholder	Number of Shares	Number of Shareholders	Interest %
Pension Fund	0	0	0.00
Institutional Foreign	667,475	5	0.07
Institutional National	10,367,617,627	80	99.85
National Natural Person	8,360,644	719	0.08
Foreign Natural Person	0	0	0.00
Total	10,376,645,746	804	100









### Transactions in Santiago Stock Exchange

Month-Year	Units	Amount (\$)	Higher	Lower	Average	Closing
01-2021	217,909,930	26,776,008,829	130.00	117.80	122.87	123.30
02-2021	210,261,486	26,016,673,589	128.45	119.80	123.70	124.50
03-2021	205,487,363	25,391,368,386	127.00	119.47	123.52	122.05
04-2021	162,425,754	20,172,607,217	128.00	115.00	124.21	116.79
05-2021	203,890,155	22,302,437,834	122.80	90.00	109.42	104.60
06-2021	212,070,209	21,943,074,220	108.88	96.00	103.52	99.82
07-2021	229,234,803	22,434,966,641	101.99	90.00	97.85	97.50
08-2021	185,055,638	18,139,503,892	105.07	95.10	98.02	103.10
09-2021	83,254,335	8,168,116,969	104.00	93.69	98.13	95.35
10-2021	333,858,090	27,645,561,194	95.70	76.50	82.74	83.60
11-2021	185,784,942	16,858,274,855	106.00	80.50	90.72	91.67
12-2021	733,342,690	95,064,684,474	134.00	87.00	129.69	132.82
01-2022	6,607,636,428	455,663,009,003	136.60	121.00	132.30	135.14
02-2022	9,188,925	1,241,808,798	136.00	135.14	135.14	135.24
03-2022	18,384,130	2,484,911,786	135.50	135.14	135.17	135.14
04-2022	13,177,022	1,780,797,274	136.00	135.14	135.14	135.14
05-2022	5,094,227	688,546,973	136.80	135.14	135.16	135.16
06-2022	7,067,781	905,413,774	161.00	125.00	128.13	125.00
07-2022	2,256,916	282,174,365	128.00	125.00	125.02	125.00
08-2022	3,979,583	497,684,315	128.00	125.00	125.05	125.56

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<sup>(1)</sup> No transactions subject to price fixing were recorded, in accordance with current stock exchange regulations.



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### Transactions in Santiago Electronic Stock Exchange

Month-Year	Quarter	Quantity	Amount (\$)	Higher Price	Lower Price	Average Price	Closing Price
2021	1 <sup>st</sup> Quarter	65,272,917	8,152,939,611	129.52	114.00	124.75	125.50
2021	2 <sup>nd</sup> Quarter	33,387,540	3,784,311,400	128.00	96.96	110.76	97.00
2021	3 <sup>st</sup> Quarter	19,473,781	19,473,781 1,906,673,952 103.00 92.00 97.91 95.0				
2021	4 <sup>nd</sup> Quarter	75,129,959 7,742,559,255 133.50 77.13 103.06 1					133.12
2022	1 <sup>st</sup> Quarter	8,005 377 769,168,830 135.14 125.00 128.08				127.40	
2022	2 <sup>nd</sup> Quarter	52,254	52,254 6,605,460 135.50 125.00 126.41 1				125.00
2022	3 <sup>st</sup> Quarter	14,040	1,755.000	125.00	125.00	125.00	125.00
2022	4 <sup>nd</sup> Quarter	23,526	23,526 2,940,750 125.00 125.00 125.00 125.00				
2023	1 <sup>st</sup> Quarter	No transactions recorded					
2023	2 <sup>nd</sup> Quarter	No transactions recorded					
2023	3 <sup>st</sup> Quarter	No transactions recorded					
2023	4 <sup>nd</sup> Quarter		No	transactions rec	orded		





#### Major Changes to the Ownership of the Company

Shareholder	No. of Shares December 2023	No. of Shares December 2022	Variation No. of Shares
AES ANDES S.A.*	6,809,063	0	6,809,063
ITAU Corredores de Bolsa LTDA.	5,791,257	1,154,351	4,636,906
BANCHILE Corredores de Bolsa S.A.	40,140,520	35,703,783	4,436,737
Castro Vilches Enrique Arturo	850,000	0	850,000
Renta 4 Corredores de Bolsa S.A.	243,437	97,375	146,062
Credicorp Capital Corredores de Bolsa SPA	122,185	0	122,185
DUPOL S.A. Corredores de Bolsa	107,859	219,399	-111,540
Credicorp Capital S.A. Corredores de Bolsa	0	147,488	-147,488
Consorcio Corredores de Bolsa S.A.	890,017	1,277,211	-387,194
Bancoestado S.A. Corredores de Bolsa	464,299	921,083	-456,784
Bci Corredor de Bolsa S.A.	2,800,973	3,291,973	-491,000
Santander Corredores de Bolsa LTDA.	6,505,345	7,557,902	-1,052,557
BTG Pactual Chile S.A. Corredores de Bolsa	427,610	2,829,710	-2,402,100
Bolsa de Comercio Stgo Bolsa de Valores	0	4,840,994	-4,840,994
Banco de Chile por Cuenta de Terceros Ca	6,800	6,480,902	-6,474,102

<sup>\*</sup> Purchases in connection with the Right of Withdrawal that was triggered after the Extraordinary Shareholders' Meeting of August 10, 2023.



According to Circular No. 687 of the Commission for the Financial Market (CMF), the Board of Directors, at an ordinary meeting held on March 30, 2023, agreed as follows:

The Board of Directors of the company agreed to propose to the Shareholders' Meeting the following dividend policy: the distribution as dividends among the company's shareholders of up to 100% of the recurring net profits generated during the year 2023.

Adherence to this dividend policy will depend on actual income as well as the results of the Company's periodic projections of its financial performance, availability of cash and the efficient maintenance of its operations for the subsequent period. It also takes into account the need to contribute own funds to finance investment and construction projects, compliance with the obligations and restrictions on dividends contained in the Company's Articles of Incorporation and the Corporations Law No. 18,046, as well as the credit agreements and indentures entered into with the creditors, which basically consist of the full and timely compliance with the negative covenants set forth in the relevant credit agreements, the payment of interest, and the cash and investment policy.

It is proposed to authorize the Board, under the responsibility of the members who agree, to distribute provisional dividends during the 2023 out of the profits earned, provided that there are no accumulated losses. With regard to dividends for the following years, it was considered appropriate to maintain, in the medium term, a policy similar to the one stated above. This policy was adopted at the Ordinary Shareholders' Meeting held on April 21, 2023.



At the Extraordinary Shareholders' Meeting held on April 21, 2023, in view of the fact that the Company recorded losses for the year ended December 31, 2022, which by law prevents it from distributing dividends to its shareholders. and considering that the Company has available cash and is duly and sufficiently capitalized to carry out its business and operations, it was resolved to distribute a capital reduction in the amount of U\$ 120,000,720, representing US\$0.01156450 per share. After this distribution, the share capital decreased from U\$\$ 2,095,634,135.82 to U\$\$ 1,975,633,415.82.

Subsequently, at the Extraordinary Shareholders' Meeting held on August 10, 2023, it was agreed to distribute a capital decrease in the amount of US\$ 132,000,273, equivalent to US\$ 0.01272090 per share. After this distribution, the share capital decreased from US\$ 1,975,633,415.82 a US\$1,843,633,142.82.



#### History of dividends and capital decreases paid by AES Andes

No. of dividends	Type of Dividend	Payment Date	Amount per Share (US\$)	Charged to FY	% of earnings
125	Capital Decrease	19 Dec 2023	0.01272090	Capital Stock	N/A
124	Capital Decrease	26 Sep 2023	0.01156450	Capital Stock	N/A
123	Capital Decrease	20 Dec 2022	0.0127209	Capital Stock	N/A
122	Capital Decrease	25 Nov 2022	0.0038549	Capital Stock	N/A
121	Capital Decrease	10 Jun 2022	0.0080951	Capital Stock	N/A
120	Eventual	31 May 2021	0.0046083	Retained Earnings	N/A
119	Eventual	10 Dec 2020	0.0231884	Reserve for proposed dividends	N/A
118	Additional Definitive	28 Aug 2020	0.0231884	2019	70.00%
117	Definitive	15 May 2020	0.009677052	2019	30.00%
116	Additional Definitive	29 Nov 2019	0.0239147	2018	70.00%
115	Definitive	24 May 2019	0.0102491	2018	30.00%





### Risk Rating

The local and international risk ratings of AES Gener were ratified by the major credit agencies, maintaining the BBB-and Baa3 rating in the international scale and A+ in the local scale.

Main actions by the rating agencies:

- In November 2023, Standard & Poor's reaffirmed the BBBrating with stable outlook for AES Andes.
- In February 2023, Fitch Ratings ratified the BBB- rating for AES Andes, while it ratified the BBB- rating for Eléctrica Cochrane in June 2023. Both ratings were assigned a stable outlook.
- In February 2023, Moody's reaffirmed the Baa3 rating with stable outlook for AES Andes while it maintained Eléctrica Cochrane's rating in Ba1, changing the outlook to negative from stable in December 2023.



#### National and International Risk Rating

Interna	itional Rating	S&P		MOODY'S		FITCH	
Entity	Issuance	Rating	Outlook	Rating	Outlook	Rating	Outlook
AES Andes	ISSUER SR. UNSECURED HYBRID	BBB- BBB- BB	Stable Stable Stable	Baa3 Baa3 Ba2	Stable Stable Stable	BBB- BBB- BB	Stable Stable Stable
Cochrane	ISSUER SR. SECURED			Ba1	Negative	BBB- BBB-	Stable Stable

Nation	nal Rating	FITCH		FELLE	RRATE
Entity	Issuance	Rating	Outlook	Rating	Outlook
AES Andes	LOCAL NOTE LINE	A+	Stable	A+	Stable
Cochrane	LOCAL NOTE LINE	A+	Stable	A+	Stable

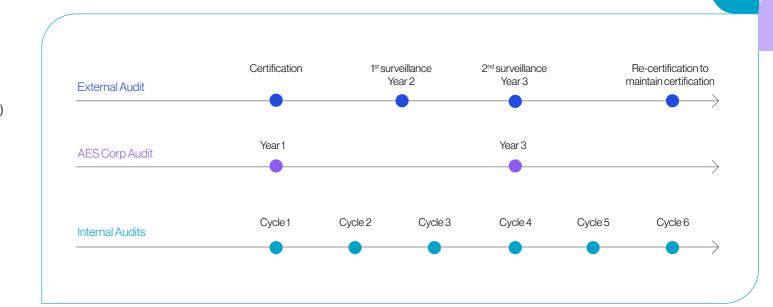
#### Environmental Performance Follow-up and Reviews

We maintain an internal audit program in the environment and safety areas and The AES Corporation develops an external audit program on a three-yearly basis for businesses in operation and on a yearly basis for projects under construction. Environmental audits (both internal and external) are devised to evaluate businesses in three dimensions:

- (1) Site-specific environmental compliance and mitigation of environmental risks.
- (2) Compliance with The AES Corporation environmental standards.
- (3) Compliance with the expectations of the Environmental Management System (SGA, for its acronym in Spanish).

The maintenance of the certification of our management systems is carried out by an external body (certifier), which evaluates whether the system meets the requirements of the reference standard ISO 14001 in a process carried out in 3-year cycles.

The information used to develop the indicators for ongoing businesses was audited locally for AES Andes and its subsidiaries by the auditing firm RSM-Chile. This work was carried out by contrasting the data loaded into INTELEX with the original records and their associated evidence, applying



standard information analysis and auditing methodologies, in order to obtain representative samples of the company's reality.

In addition, The AES Corporation uses Lloyd's Register LRQA, Inc. to audit the data reported in INTELEX.

The indicators are calculated for all our businesses and subsidiaries in operation and over which we have operational

control. When the operation of a new business is started, data are consolidated as from the start date of commercial operation; for acquired operations, data are consolidated as from the year following their incorporation. The data and environmental indicators of the businesses operationally controlled by AES Andes are consolidated at 100% without taking into account the participating interest owned by AES Andes in the business (which is used for the preparation of the financial statements).



### Key Environmental Indicators of AES Andes [NCG 461 8.1.3]

Indicator	Detail Detail
Air Emissions	
Particulate Matter: absolute value (t) and unit value (kg/MWh).  SO <sub>2</sub> : absolute value (t) and unit value (t/MWh).  NO <sub>x</sub> : absolute value (t) and unit value (t/MWh).	The indicator is developed with the data obtained from the Continuous Emission Monitoring (CEM) or alternative methodology established according to the national regulations in the case of businesses in Chile, and for the businesses in Argentina, together with stack isokinetic measurements.  The data are standardized, completed and verified according to the local regulations (Supreme Decree No.13 and its annexes and circulars in Chile, and ENRE Resolution No.13 in Argentina).
Greenhouse Gases: Absolute value (tCO <sub>2</sub> e) and unit value (tCO <sub>2</sub> e/MWh).	Scope 1: Direct emissions related to combustion of the thermoelectric units, SF6 emissions, motor vehicle fleet emissions, equipment and machinery of all the businesses. We made the estimation and calculation of emissions according to the methods and emission factors of "The Greenhouse Gas Protocol" (or "GHG Protocol") mutually agreed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).  Scope 2: Emissions associated to the generation of energy purchased from third parties for our own consumption, and to losses in the transmission of energy not generated by AES Andes and transported through our grids.  Scope 3: Emissions related to the transportation of coal, and flights of the staff of AES Andes and subsidiaries in Child The estimation is performed using the emission factors for passenger and coal transport in "Other Region", as proposed by the GHG Protocol corresponding to the World Resources Institute (WRI) list of March 2017, and emission factors for coal extraction and post-extraction, as proposed in the 2006 IPCC Guidelines for the GHG national inventories.
Heavy metals: annual estimation of mercury emissions (Hg).	The estimation is made considering the percentage of mercury contained in each type of coal, the amount of that coaused, and the particulate matter and SO2 abatement systems available in the generating unit.
Noise	Report on compliance with the noise emission standard for wind farms according to data measured on the ground by the Technical Environmental Monitoring Entity.



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Use of Water	
Conveyance/Collecting: absolute value (m³) and unit value (m³/MWh)  Discharge: absolute value (m³) and unit value (m³/MWh)  Consumption: absolute value (m³) and unit value (m³/MWh)	Consumption is considered as the difference between conveyance/extraction (seawater or continental water) and the discharge to the origin of the resource, making a distinction between Maritime and Continental Water. Under Continental Water, a distinction is made between Surface, Ground or Drinking Water (drinking water distributor, water company, municipal or other similar company). During extractions, the water diverted for hydroelectric generation will not be considered as consumption, since all the water is restored to the surface bodies from which it was captured.  We monitor 100% of the extraction, adduction or consumption water of our premises, using the guidelines of the Global Reporting Initiative (GRI). The information is entered on a quarterly basis into the AES Online system, and the data are verified externally, both by The AES Corporation and locally.
Waste Generation	
Hazardous waste: absolute value (t) and unit value (t/GWh).	It considers all waste generated in businesses, both with non-hazardous waste and waste with hazardous characteristics according to the local regulations of each country (Supreme Decree No. 148/04 in Chile, National Law 24,051 in Argentina and Decree 1076/2015 in Colombia)
Coal Combustion Products in absolute values (t) and (t/GWh).	Fly ash captured in particulate matter and ${\rm SO}_2$ emission abatement systems, and bottom ash are mainly considered. For some units, fly ash includes gypsum.
Reuse of Coal Combustion Products (%)	Percentage of Coal Combustion Products incorporated to third party processes as inputs or raw materials (e.g.: ash for cement industry)
Regulatory Compliance	
Environmental Sanctions	The status of environmental sanction processes is reported.
Biodiversity	
Follow-up to lines of action in Biodiversity.	Follow-up of rescue programs and relocation of specimens of flora and fauna, reforestation and maintenance of conservation areas.





Argentina						
MWh	TermoAndes					
Gross generation	3,495,816					
Gas	3,495,816					
Spot Purchase	53,629					
Purchase from third parties	923,577					
Share in regulated market	0%					

Chile		
MWh	AES Andes	Alto Maipo
Gross generation	9,154,767	388,213
Hydro	661,217	388,213
Biomass	33,395	0
Solar	240,421	0
Coal	7,605,423	0
Wind	614,311	0
Spot Purchase	1,400,971	152,998
Purchase from third parties	266,224	0
Share in regulated market	31%	0%

Colombia								
MWh	AES Chivor							
Gross generation	4,365,400							
Hydro	4,255,500							
Solar	109,900							
Spot Purchase	974,300							
Purchase from third parties	257,800							
Share in regulated market	58%							



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Annual Sampling Effort for ILW (associated with Electricity Generation)

Plant	No. of discharges	Sampling Frequency weekly/monthly
Nueva Tocopilla	2	Weekly
Angamos	2	Weekly
Cochrane	2	Weekly
Ventanas	4	Weekly
Laja	1	Monthly

### Summary of Marine EMPs for AES Andes Operations

Plant	Operating Unit	Name of EMP	Frequency	Operation
Nueva Tocopilla	Units1and2	Norgener Thermoelectric Plant	Bi-annually	Since 1999
Cochrane	Units1and2	Angamos Thermoelectric Plant	Bi-annually and Quarterly	Since 2016
Angamos	Units1and2	Angamos Thermoelectric Plant	Bi-annually and Quarterly	Since 2011
Ventanas	Units1and2	Nueva Ventanas 1-2	Bi-annually	Since 1994
	Unit 3	Unit 3	Bi-annually and Quarterly	Since 2010
		Monitoring of waters of Campiche estuary Ventanas Unit 3	Annually	Since 2008
	Unit 4	Unit 4	Quarterly	Since 2009





### Description of Spill

**aes** Andes

Spill	Location	Spill Volume	Spilled Material (type: chemicals, fuel, etc.)	Material Classification	Body Affected by the Spill (water, soil)	Environmental Consequences of Significant Spills	Social Consequences of Significant Spills	Measures taken
Oil spill in Unit 1 turbine sector (first floor)	Angamos Plant	1,000 L	Chemical substance.	Hazardous - corrosive	First floor of the turbine sector. No damage to soil or water.	No environmental consequences.	No social consequences.	Cleanup in the sector and disposal of waste as hazardous waste







### Areas of High Biodiversity Value [GRI 304-1]

Project	Type of operation	Surface area (HA)	Protected Area or Areas of High Biodiversity Value	Attribute of protected area or areas of high biodiversity value	Location of business in respect of the protected area
Chivor Plant: Municipality of Santa María, Colombia.	Generating Unit (hydroelectric generation).	1,819.40	Regional Integrated Management District (DRMI) Cuchillas Negra and Guanaqué.	Located in an area called Very Tropical Rainforest, it is a protected area registered in the Protected Areas Registry by the regional environmental authority, Corporación Autónoma Regional de Chivor. The protected area is located in the Piedemonte Llanero in the Colombian Eastern Cordillera, which is a biological transition area between Orinoquía, Amazonía and Andean area. This condition makes the nature reserve an area of great importance for the conservation and reproduction of local species.	Inside (partially).
Angamos Plant / Cochrane Plan: Region of Antofagasta, Chile.	Generating Unit (thermal generation).	66 22	Nesting area Gaviotín Chico	Located in the bay of Mejillones and its plateau, it is one of the most important nesting areas of the sterna lorata species, also known as Gaviotin Chico, a species declared "In danger of extinction" in Chile. There are currently two protected areas in the area under the notion of free concession for conservation purposes called "Pampa Gaviotín 1 and 2" and the declaration of the Nature Sanctuary of the Itata - Hualala sector has recently been made official".	Inside.

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Project	Type of operation	Surface area (HA)	Protected Area or Areas of High Biodiversity Value	Attribute of protected area or areas of high biodiversity value	Location of business in respect of the protected area
Ventanas Plant: Region of Valparaiso, Chile.	Generating Unit (thermal generation).	247	Urban Wetland Los Maitenes - Campiche.	Located in the coastal sector of the central area of Chile, it is a protected urban wetland with a wide diversity of plant species on dunes and more than 60 animal species such as fish, coypus and a large number of birds, in a surface area of approximately 500 ha.	Inside (partially)*
Alfalfal Plant: Metropolitan Region, Chile.	Generating Unit (hydroelectric generation).	36	Ecological Preservation Area "Olivares River, Colorado and Tupungato"**.	Located in the Andean area of the Metropolitan Region, the Ecological Preservation Area "Rio Olivares, Colorado and Tupungato" has an area of 110,778 ha at the head of the Maipo river basin. It provides several ecosystem services, the most important of which is water production. As for the biodiversity of the place, it is possible to find four vegetation levels and presence of azonal vegetation, called vegas. As for the fauna, you can find catfish, pumas, Andean cats, Andean ducks, cururos, condors, lizards, among others. In addition, the area has a great interest for its tourist and scientific attraction.	Inside.
Queltehue Plant: Metropolitan Region, Chile.	Generating Unit (hydroelectric generation).	234	Ecological Preservation Area "Altos del Rio Maipo and El Morado"**.	Located in the Andean area of the Metropolitan Region, the Ecological Reserve "Altos del Rio Maipo" covers an area of 127,115 hectares and the Ecological Reserve "El Morado" covers an area of 143,921 hectares, both at the head of the Maipo River basin. It provides several ecosystem services, the most important of which is water production. As for the biodiversity of the place, it is possible to find four vegetation levels (source: Flora andina de Santiago, Tellier, S. et al, 2011) and the presence of azonal vegetation, called "vegas". As for the fauna, you can find catfish, pumas, Andean cats, Andean ducks, cururos, condors, lizards, among others. In addition, the area has a great interest for its tourist and scientific attraction.	Inside.

<sup>\*</sup> Transmission facilities such as lines and aqueducts

<sup>\*</sup> Ecological preservation area according to information from Santiago Metropolitan Regulatory Plan (PRMS).

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Project	Type of operation	Surface area (HA)	Protected Area or Areas of High Biodiversity Value	Attribute of protected area or areas of high biodiversity value	Location of business in respect of the protected area
Maitenes Plant: Metropolitan Region, Chile.	Generating Unit (hydroelectric generation).	30	Ecological Preservation Area El Morado (according to information from PRMS)	Located in the high mountains of central Chile, about 1750 meters above sea level, the protected area corresponds to a valley of glacial origin, modeled over thousands of years by geological processes, with a surface of about 3000 hectares. The Natural Monument is a habitat of 121 vertebrates and 300 species of vascular flora, housed in an area that has given it its current landscape and hydrographic characteristics.	Inside.
Alto Maipo Plant: Metropolitan Region, Chile.	Generating Unit (hydroelectric generation).	188	Natural Monument El Morado.	Located in the high mountains of central Chile, about 1750 meters above sea level, the protected area corresponds to a valley of glacial origin, modeled over thousands of years by geological processes, with a surface of about 3000 hectares. The Natural Monument is a habitat of 121 vertebrates and 300 species of vascular flora, housed in an area that has given it its current landscape and hydrographic characteristics.	Outside.
			Ecological preservation area: High Andean and El Morado Sector (as reported by PRMS).**	The Cordillera province considers the following sectors: High Andean sector: 83441 ha and El Morado: 143921 ha, covering the entire headwaters of Maipo River basin, it provides several ecosystem services, the most important of which is water production. As for the biodiversity of the place, it is possible to find four vegetation levels (source: Flora andina de Santiago, Tellier, S. et al, 2011) and the presence of azonal vegetation, called vegas. As for the fauna, you can find catfish, pumas, Andean cats, Andean ducks, cururos, condors, lizards, among others. In addition, the area has a great interest for its tourist and scientific attraction.	Inside.

<sup>\*</sup> Ecological preservation area according to information from Santiago Metropolitan Regulatory Plan (PRMS).

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### Biodiversity Management Plans [GRI304-2]

Project	Related Impacts	Description of Action Plans
Angamos Plant Cochrane Plant.	Habitat alteration and landscape modification associated with the operation of the Power Plants within the nesting area of conservation category species Sterna Lorata, also known as Gaviotín Chico or Chirrío.	Protection of the species through Fundación del Gaviotín Chico, a public-private association, to reconcile industrial development with the conservation and protection of the Gaviotín, which is considered as a cultural heritage of Mejillones.
Ventanas Plant.	Habitat alteration and landscape modification associated with the operation of the Power Plant and ash dump.	Rescue and relocation of low mobility fauna, staff training, enrichment of Native Forest, through the creation of recovery vegetation areas (ARV, for its acronym in Spanish).  Implementation of a nursery for the rescue of genetic material. Implementation of ecological corridors with monitoring by means of photo-trapping cameras.
Chivor Hydroelectric Plant	Habitat alteration and landscape modification associated with the operation of the power plant and reservoir.	Protection of this natural reserve zone through three rangers who make daily walks with the purpose of safeguarding the fauna and flora of the area. Additionally, we perform biodiversity inventories in collaboration with Institute of Natural Sciences from National University of Colombia. During 2019, we worked on the publication of the guide "Usos tradicionales No Maderables de las plantas de Santa Maria – Boyaca", which as of 2020 is available in digital format.
Los Cururos Wind Farm	Habitat alteration and landscape modification associated with the operation of the plant.	Plant Nursery to rescue the genetic material and reproduce native species of the area, revegetation plans, vegetation restoration, reforestation, and relocation, rescue or relocation of low-mobility fauna, and hunting ban.
Alto Maipo Project (hydroelectric)	Habitat alteration and landscape modification associated with the operation of the plant.	The operations stage continues with the plant nursery to rescue genetic material and reproduce species native to the area, revegetation plans, vegetation restoration, reforestation and relocation, rescue or relocation of fauna with little mobility, and a ban on hunting. As for the commitments related to the fauna, these continue in the operational phase, which considers: monitoring of catfish, macro and micro vertebrates in rivers, monitoring of catfish and Andean ducks in the rivers of the territory.
Mesamávida Project (wind)	Habitat alteration and landscape modification associated with the operation of the plant.	Plans to transfer low mobility fauna (controlled disturbance). Hunting ban and removal of nests/offspring.  Prohibition of cutting of vegetation specimens.
Los Olmos Project (wind)	Habitat alteration and landscape modification associated with the operation of the plant.	Plans to transfer low mobility fauna (controlled disturbance). Hunting ban and removal of nests/offspring.  Prohibition of cutting of vegetation specimens.
Campo Lindo Wind Farm	Damage to the habitat associated with the construction of the plant.	Plans to transfer low mobility fauna (controlled disturbance), hunting ban, prohibition of removal of nests/offspring. Hunting ban.
San Matias Wind Farm.	Damage to the habitat associated with the operation of the plant.	Plans to transfer low mobility fauna (controlled disturbance), hunting ban, prohibition of removal of nests/offspring. Hunting ban. Reforestation.

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### Biodiversity Conservation Areas [GRI 304-3]

Location	Characteristics of the area	Size	Description of initiative AES Andes	Asociación with third parties
Angamos Plant / Cochrane Plant: Regior of Antofagasta, Chile.	Bay of Mejillones, in northern Chile, which is one of the most important nesting sites for the species Sterna lorata, also known as Gaviotín chico and Chirrío.	Since 2020, the Fundación para la Sustentabilidad del Gaviotín Chico has managed the creation of the first official area to protect one of the main nesting sites of the Gaviotín Chico, the Santuario de la Naturaleza Itata - Gualala, with an area of 903 ha. On July 11, 2022, the Supreme Decree for the creation of the Sanctuary was signed and published in the Official Gazette in August of the same year. In 2018, the Foundation was granted two protected areas in the form of free concession for conservation purposes called "Pampa Gaviotín 1 and 2" with a total of 2,027 hectares.	Participation through the Fundación para la Sustentabilidad del Gaviotín Chico in the implementation of management measures for the preservation and conservation of the migratory bird through 3 lines of action: i) Research, ii) Environmental education and dissemination, and iii) Protection and management in the Mejillones Bay area.	AES Andes is member of the Fundación para la Sustentabilidad del Gaviotín Chico, which is the first experience in Chile with the participation of public and private organizations, whose purpose is to contribute to the conservation of an endangered bird, Sterna Lorata, in a manner consistent with the industrial development of Mejillones.
Chivor Plant: Municipality of Santa María, Colombia.	Tropical very humid forest in the Eastern Cordillera of Colombia	AES Colombia has a natural reserve of 1,750 hectares for more than 45 years within the protected area "Distrito Regional de Manejo Integrado (DRMI) Cuchillas Negra y Guanaque", a protected area registered in the Protected Areas Registry by the regional environmental authority Corporación Autónoma Regional de Chivor.	Protection of the contributor basin of La Esmeralda reservoir, with the aim of having tools to help with the planning of conservation actions in one of the strategic conservation areas of the basin, and to maintain the quality and sustainability of ecosystem services, such as water resource regulation and biodiversity conservation, the enrichment of forests and the advance of training activities with the communities. Permanent research development.	Alliance, since 2016, with the National University of Colombia in biodiversity research in the Cuchilla Negra and Guanaqué DRMI.  Agreement with Fundación Humedales to implement the Landscape Management Tools in the Cristales-Castillejo and Mamapacha Integrated Management Districts, located in the watershed contributing to La Esmeralda reservoir.



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Location	Characteristics of the area	Size	Description of initiative AES Andes	Asociación with third parties
			Preparation of field guides open to the community and the specialist public, with more than 11 Field Guides of the Institute of Natural Sciences, which have highlighted the richness of the flora and fauna of Santa María.	
Ventanas Plant - Region of Valparaiso, Chile.	Coastal mountain range in central Chile, under the influence of a Mediterranean-type climate.	The El Pangue Predial Ecological Corridor covers an area of 104 ha, with a central axis of approximately 3.2 km.	Ecological restoration of sclerophyllous forest fragments in central Chile, inside El Pangue estate, to give structural continuity to the vegetation fragments of the site and recover the ecosystem services and self-sufficiency of the forest, through revegetation plans, erosion control and control of exotic species specimens. Installation of wildlife crossings on the interior roads of El Pangue to maintain the biological cordon of the site and prevent animals from being run over.  Development of research activities on the flora and fauna in the surrounding areas that have resulted in the publication of scientific studies in the journal of the Natural History Museum of Valparaiso, as well as the preparation of field guides on flora and fauna and biological risks for dissemination among the community members.  The year 2023 saw the launching of the Educational Trail inside the Estate, which has a length of 750 m and 8 educational stations.	No permanent association with third parties



Main species in conservation category whose habitat is located in areas affected by the operations [GRI 304-4]

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	ted Flora na Species	Classification List IUCN Red	Classification National Listings (*)	Project	Conservation Measure	Part of a regulatory commitment
Gaviotín Ch (Sterna lora		Endangered	Danger of extinction	Angamos Plant / Cochrane Plant: Region of Antofagasta, Chile.	Preservation of nest-building sites, monitoring and follow-up through Fundación para la Conservación del Gaviotín Chico.	Yes
Gato Guiña (Leopardus		Vulnerable	Vulnerable	Ventanas Plant: Region of Valparaiso, Chile.	El Pangue Estate Ecological Corridor.	No
Gato Colo ( (Leopardus		Near Threatened	Near Threatened	Ventanas Plant: Region of Valparaiso, Chile.	El Pangue Estate Ecological Corridor.	No
Frangel (Kagenecki	ia angustifolia).	NearThreatened	Near Threatened	Alto Maipo Plant: Metropolitan Region, Chile.	Rescue and Reforestation Plan (1:10 individuals).	Yes
Sapo de pe (Alsodes no	echo espinoso odosus).	Near Threatened	Near Threatened	Alto Maipo Plant: Metropolitan Region, Chile.	Hunting ban (training, signaling)	Yes
Sapito cuat (Pleurodem	-	Least Concern	Near Threatened	Alto Maipo Plant: Metropolitan Region, Chile.	Hunting ban (training, signaling)	Yes
Iguana (Callopistes	s palluma).	N/A	Near Threatened	Alto Maipo Plant: Metropolitan Region, Chile.	Hunting ban (training, signaling)	Yes
Cóndor (Vultur gryp	ohus).	Vulnerable	Near Threatened	Alto Maipo Plant: Metropolitan Region, Chile.	Hunting ban (training, signaling)	Yes

<sup>(\*)</sup> List of species classified by the Chilean Ministry of the Environment.

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# Environmental Regulatory Compliance [GRI 2-27; NCG 4618.1.3]

The management and evaluation of compliance with applicable regulations is carried out on an ongoing basis by the local Environmental Management teams in each business with the support of the Environmental Strategy and Compliance Deputy Management team.

In Chile and Argentina, the internal system called Cero Falta has been implemented with the identification of legal requirements and uploading of compliance evidence, as well as the ECOSapp System in Alto Maipo, and a PowerBI-based tracking system for projects under construction. The latter system has started to be developed and implemented during the second half of 2023 for renewable projects in operation.

Moreover, pursuant to the guidelines of our Environmental Standard "Environmental Incidents and Environmental Operating Events", all the "Environmental Non-Conformance Events" and "Environmental Operating Events", which include legal sanctions, are monitored in our INTELEX system. Under this Standard, an "Environmental Non-Conformance Event" (ENE) is an event that does not conform to legally required or expected environmental performance. This standard also establishes and includes the "Environmental Near Miss" as an event, action or condition which could have but did not result in harmful environmental impact or non-conformity.

During the year 2023, new regulations of environmental

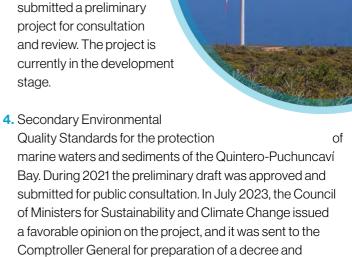
relevance were published in Chile, among them Law No. 21,562, which modifies Law No. 19,300, on General Bases of the Environment, in order to establish restrictions to the evaluation of projects in areas declared latent or saturated; Law No. 21,595 on Economic Crimes -considering a large section dealing with environmental crimes- and Law No. 21,600, which creates the Biodiversity and Protected Areas Service and the National System of Protected Areas, Supreme Decree No. 1, which establishes a new light emission standard, and some regulations related to adjustments to the Green Tax and Green Tax Emission Offsets mechanism.

The progress made in the process of issuing environmental regulations is noteworthy. Those regulations include:

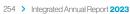
- Supreme Decree No. 13, Emission Standard for Thermoelectric Power Plants. In February 2020, we started the review process. In June 2023, the preliminary project was published, submitted for public consultation, and sent for review and approval to the National Council for Sustainability and Climate Change.
- 2. Supreme Decree No. 38. Ambient Noise Standard. In February 2019, we started the review process. In March 2023, the preliminary project was published and submitted for public consultation. It was then referred for review and approval by the Council of Ministers for Sustainability.

3. Supreme Decree No. 90. ILWs Emission Standard The review process takes several years. Early in 2021 we submitted a preliminary project for consultation and review. The project is currently in the development stage.

approval.



- 5. In 2022, the process to develop the Primary Environmental Quality Standard for Noise began. Currently, the preliminary project is currently being prepared.
- **6.** Intercommunity Regulatory Plan for the Coastal Border of the Region of Antofagasta. Since April 2023, the Strategic







7. In November 2022, the Strategic Environmental Assessment procedure was started for the Modification of the Valparaiso Metropolitan Regulatory Plan (PREMVAL); Road Network: Structuring and Tsunami Hazard Areas. During 2023, only one modification of the Valparaíso PRI is enacted in relation to the Borde Costero satellite.



# Environmental Sanctioning Processes

Plant	Date of Charges	Date Compliance Plan Approval	Successful Execution Date	Status
Nueva Tocopilla Plant	27 Apr 2016	22 Jun 2016	10 Aug 2018	Closed
Angamos Plant	22 Jun 2016	17 Aug 2016	31 Jan 2018	Closed
Alto Maipo Plant	20 Jan 2017	06 Apr 2018	Under execution	Under execution
Ventanas Plant	01 Oct 2019	30 Dec 2021	Under execution	Under execution
Mesamávida Wind Farm	11 Apr 2022	17 Oct 2022	Under execution	Under execution
Ventanas Plant	21 Apr 2023	-	Ongoing	Under review
Cochrane Plant	18 Aug 2022	16-03-2023	Under execution	Under execution
Alto Maipo Plant	26 Jan 2023	-	Ongoing	Under review
Laja Plant	18 Oct 2023	-	Ongoing	Under review







# Main regulations applicable to our operations

### Chile

Environment Impact Assessment System	Law No. 19300/1993, Ley No. 20417/2010 and Decree 40/2013
Air Emissions	Decree 13/2011 Prevention and/or Atmospheric Decontamination Plans (PPDA)
Air emissions of particulate matter, nitrogen oxides, sulphur dioxide and carbon dioxide	Law No. 20780/2014 and its Regulations, Decree 18/2016, as restated with Law No. 21210/2020
Noise	Decree No. 38/2012
Discharge to water bodies	Decree No. 90/2001
Light pollution	Decree No. 1/2023
Storage of hazardous substances	Decree No. 43/2016
Hazardous and non-hazardous waste management	Decree No. 594/2000 and Decree No. 148/2004
Encouraging recycling with extended responsibility to producer	Law No. 20920/2016
Prevention and Air Decontamination Plans of Tocopilla, Huasco and Concón-Quintero-Puchuncaví area	Supreme Decree No. 70/2010 (Tocopilla) Supreme Decree No. 38/2017 (Huasco) Supreme Decree No. 105/2018 (Puchuncaví)

Argentina	
Gaseous emissions	Resolution ENRE No. 13/2012
Air quality standard	National Law No. 20,284 (Annex II)
Waste management	National Law No. 24051 Law 7070, Province of Salta
Water resources	Resolution No. 11/01

Colombia	
Compendium of environmental regulations (environmental licenses, air quality, emissions, water resources, waste management, etc.)	Environment Sector Single Regulatory Decree No. 1076/15







# Ongoing environmental administrative and court proceedings

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Plant	Subject	Starting date	Body	Description	Status as of December 2023	Outcome of the proceedings
Ventanas	Complaint for environmental damages	July 1, 2016	Second Environmental Court of Santiago	The complaint seeks to restore environmental damages caused by the industrial activity of the defendants in Ventanas and Horcón bays, caused, in the case of AES Andes, since 1958, through the creation of an environmental reparation fund.	The lawsuit is in the stage of Review of Measures for better resolution and preparation of the first instance judgment.	Ongoing
Ventanas	Maritime Administrative Summary Investigation 1	November 8, 2013	Gobernación Marítima de Valparaíso	The measures ordered in the Tax Opinion dated October 24, 2017 be applied, consisting, among others, in the payment of a fine of 52,000 gold pesos, due to the coal stranding on Ventanas beach, which occurred between November 8, 2012 and November 8, 2013.	The appeal filed against the resolution of Administrative Summary Investigation was dismissed. An appeal was filed. The resolution considered a reduction of the initial fine from 52,000 gold pesos to 35,000 gold pesos (CLP \$263,379,457).	Completed (payment of fine)
Ventanas	Maritime Administrative Summary Investigation 2	February 7, 2019	Gobernación Marítima de Valparaíso	Investigation into the presence and stranding of coal particles on Ventanas beach from January 2018 to January 2019.	Awaiting the issuance of the Opinion of the Maritime Prosecutor's Office.  The maritime authority issued a first proposed fine during January 2024, attributing responsibility to AES Andes and another company in the sector. AES Andes filed its disclaimer on February 1, 2024.	Ongoing



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### Continued from previous page

Plant	Subject	Starting date	Body	Description	Status as of December 2023	Outcome of the proceedings
Ventanas	Criminal Investigation	August 30, 2018	Regional Public Prosecutors of the Region of Biobío	Investigation into the presence of coal on Las Ventanas Beach pursuant to Article 136 of the General Law of Fisheries and Aquaculture	Investigation in progress, unformalized. To date, the development of a private expert opinion is pending in order to establish the origin of the coal that washes up on the beach through a university or private consultant to be hired by the Prosecutor's Office. In addition, the information requested by the Public Prosecutor's Office is pending.	Ongoing

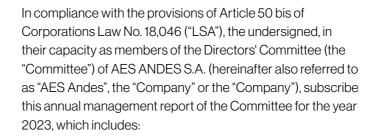






# 5.8 Committee of Directors

[GRI 2-9; NCG 461 3.3, 10]



- A summary of the most relevant activities developed by the Committee from January 26, 2023 (Meeting No. 260) to December 21, 2023 (Meeting No. 275); and
- The details of Committee's expenses for that year and recommendations to the shareholders of the Company.



### 1. Members of the Committee

During 2023, the Committee was made up of two regular directors of the Company, Gonzalo Parot Palma, Daniel Fernández Koprich, and Radován Razmilic Tomicic.

The Committee was chaired by the independent director Gonzalo Parot Palma.



# 2. Activities

During fiscal year 2023, the Committee held regular meetings in 16 opportunities, where they exercised its powers and fulfilled the legal duties established in article 50 bis of the Corporations Law, and informed the Board of AES Andes (the "Board") about the resolutions and recommendations to the Board regarding:

- (1) Financial Statements: "Analyze the Financial Statements submitted by the managers of the Company, the reports of the External Auditors, and the balance sheet, and render an opinion before their submission to the shareholders:"
- (2) External Auditors and Credit Rating Agencies: "Propose to the Board the appointment of external auditors and credit rating agencies;"
- (3) Related-Party Transactions: "Examine the background information concerning transactions between related parties in accordance with Title XVI of the Corporations Law, and give a recommendation:"





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- (4) Remuneration and compensations: "Examine the remuneration systems and the compensation policy for managers, senior executives and employees of the Company;" and y,
- (5) Other matters: "Review the other matters entrusted and/or submitted to it for being relevant to the Company."

Pursuant to its powers, below there is a list of the activities carried out by the Committee of Directors during 2023 in the same order as the above-mentioned topics:

#### (1) Financial Statements and Related Matters.

With regard to this matter, the activities performed included:

- 1.1 To favorably recommend to the Board of Directors the approval of quarterly, interim and/or annual Balance Sheets and Financial Statements, according to IFRS (meetings No. 261 of February 27, No. 264 of May 4, No. 268 of August 3 and No. 272 of November 2).
- 1.2 To analyze the budget of the Company for 2023-2024 and 2024-2025. To favorably recommend its approval by the Board of Directors, including the budget for related party transactions considered in the annual budget, for the purposes of the Regularity Policy (meetings No. 261 of February 27, No. 262 of March 30, No. 270 of September 28, No. 273 of November 21 and No. 275 of December 21).

1.3 To analyze the Integrated Annual Report of the Company (Meeting No. 262 of March 30).

#### (2) External Auditors, Risk Rating Agencies and Related Matters.

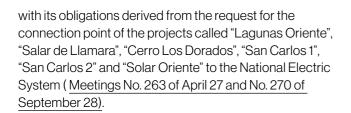
With regard to these matters, the activities performed included:

- 2.1 To propose to the Board of Directors the appointment of the external auditors for the years 2023 and 2024 (meetings No. 260 of January 26 and No. 275 of December 21).
- 2.2 To propose to the Board of Directors the risk rating agencies for the year 2023 (meeting No. 262 of March 30).
- 2.3 To favorably recommend to the Board of Directors to approve the limited review reports and annual report of the Company's External Auditors, including the internal control report (meetings No. 261 of February 27, No. 268 of August 3; and No. 272 of November 2).
- 2.4 Update on the progress of the Internal Audit Plan and favorable recommendation of the internal audit plan for the year 2024 of its budget (meetings No. 262 of March 30, No. 266 of June 29; No. 270 of September 28, and No. 275 of December 21).
- 2.5 Hiring of Ernst & Young ("EY") services required for the issuance of the 144-A Note and S Regulation (meeting No. 271 of October 26).

#### (3) Related-Party Transactions.

The related-party transactions summarized below were known or approved by the unanimous vote of the Committee members, including the unanimous vote of the independent directors of the Company, and all of them were intended to contribute to the corporate interest and were adjusted at the prices, terms and conditions prevailing in the market at the time of performance. The Company's Regularity Policy approved at Board of Directors' meeting No. 680, dated December 17, 2020, establishes the approval or reporting requirements for the related-party transactions included therein.

- 3.1 To recommend to the Board of Directors the granting of guarantees by the Company to secure the obligations of subsidiaries:
  - (i) For the benefit of AES Chile Inversiones Renovables SpA to guarantee the seriousness of the tender of that subsidiary, in the invitation to tender from the Ministry of National Assets for concessions for onerous use on public lands during the period of development and construction of the projects called "Lagunas Oriente", "Salar de Llamara", "Oficina Alemana 3", "Cerro Los Dorados", "San Carlos 1" and "San Carlos 2" (meetings No. 261 of February 27 and No. 263 of April 27).
  - (ii) For the benefit of AES Chile Inversiones Renovables SpA in favor of the owners, lessees, beneficial owners or whoever exploits for any reason the respective transmission system facilities, to guarantee compliance



- (iii) For the benefit of Cristales SpA and Energía Eólica Pampas SpA, in favor of the Ministry of National Assets, for the acquisition of access easements on the projects called "Pampas" and "Cristales" (meeting No. 267 of July 27).
- (iv) For the benefit of Apatama Solar SpA in favor of the owners, lessees, beneficial owners or whoever exploits for any reason the respective facilities of the transmission system into which the "San Carlos" project is interconnected, and also for the benefit of the bank issuing the guarantee bond (meeting No. 269 of August 24).
- (v) For the benefit of Energía Eólica San Matías SpA, in favor of the Ministry of Public Works, Regional Roads Directorate of Biobío, derived from the Ad Referendum Agreement dated August 10, 2022 and the execution of signaling and safety measures (meeting No. 271 of October 26).
- 3.2 Favorably recommend to the Board of Directors, as applicable, to approve the execution of a change order between the subsidiary Andes Solar SpA of the storage systems supply contract entered into with Fluence Energy LLC, for the Andes Solar II B project (meeting No. 260 of January 26).
- 3.3 To favorably recommend to the Board of Directors to

approve, to the extent applicable, the following operations (meeting No. 261 of February 27):

- (i) the incorporation of a new pass-through corporation ("NewCo"),
- (ii) the transfer of transmission assets to the NewCo by the subsidiary Parque Eólico Campo Lindo SpA;
- (iii) The execution of toll or transmission and use of facilities agreements between the NewCo and respectively the subsidiaries Parque Eólico Campo Lindo SpA, Energía Eólica San Matías SpA, Energía Eólica Rinconada SpA and Energía Eólica Don Álvaro SpA, and a shared permit use agreement between Parque Eólico Campo Lindo SpA and the NewCo; and.
- (iv) The execution of other contracts, authorizations and easements related to the above.
- 3.4 To favorably recommend to the Board of Directors to approve a capital increase in the subsidiary AES Colombia (meeting No. 262 of March 30).
- 3.5 To recommend to the Board of Directors to approve, as applicable, the execution by Andes Solar II SpA of a contract for the supply of storage systems with Fluence Energy, LLC for the "Andes Solar II-a" project (meeting No. 262 of March 30).
- 3.6 To favorably recommend to the Board of Directors to approve the execution of a Secondment Agreement with Alto Maipo SpA for up to 50% of the working time of certain employees of the Company, for a period of one year, subject to

the approval of the creditors of Alto Maipo SpA (meeting No. 263 of April 27).

3.7 To acknowledge, in accordance with the Regularity Policy, the modification of the energy supply contract entered into in 2021 between the Company and the subsidiary Empresa Eléctrica Angamos SpA (meeting No. 263 of April 27).



- 3.8 To acknowledge and approve, in accordance with the Regularity Policy, to proceed with the billing of services rendered by the Company to its subsidiaries and to subsidiaries of its parent company The AES Corporation (which are not subsidiaries of the Company) (meetings No. 265 of May 25 and No. 275 of December 21).
- 3.9 To favorably recommend to the Board of Directors, as appropriate, the modification of the security granted by AES Chile Inversiones Renovables SpA, to guarantee obligations of its subsidiary Energía Eólica Paposo SpA, in favor of Esteyco Chile SpA, derived from the Joint Development Contract signed between these companies (meeting No. 267 of July 27).
- 3.10 To favorably recommend to the Board of Directors to approve, as applicable, the execution of a contract for the supply of storage systems for the "Andes Solar III" project between the subsidiary Andes Solar SpA and Fluence Energy LLC (meeting No. 268 of August 3).



3.11 To favorably recommend to the Board of Directors to approve the execution by the Company of the acts, contracts and documents necessary to effect the amendments to the Secured Exit Loan Agreement and the Working Capital Facility entered into between the Company and Alto Maipo SpA (meeting No. 269 of August 24).

3.12 To favorably recommend to the Board of Directors to approve, as appropriate, the execution of a land lease agreement between the subsidiaries Punta del Sol and Eléctrica Angamos for the installation of an energy storage system (meeting No. 269 of August 24).

**3.13** To favorably recommend to the Board of Directors the acceptance of the offer of AES Servicio América for the provision of human resources accounting, treasury and *payroll* services (meeting No. 270 of September 28).

3.14 To acknowledge, in accordance with the Regularity Policy, the modification of the energy supply contract entered into between Andes Solar II SpA and the Company, entered into in January 2022, (meeting No. 270 of September 28).

3.15 To favorably recommend to the Board of Directors that the Company and, as applicable, that the subsidiaries Andes Solar SpA and Andes Solar II SpA should execute the change orders of the storage systems supply agreements entered into by each of them with Fluence Energy LLC, for the projects called "Virtual Reservoir 2", "Andes Solar II-B Expansion" and "Andes Solar IV" (meeting No. 270 of September 28).

3.16 To favorably recommend to the Board of Directors

the implementation of the corporate modifications and restructuring that allow the exercise of the option of Global Infrastructure Partners (GIP) to become a partner in the "Andes IV", "Andes IIB Exp.", "Andes IIA BESS", "Bolero" and "San Matías" projects, as well as the execution of the documents and related party transactions necessary for their implementation (meeting No. 273 of November 21).

3.17 Acknowledge the transfer of concessions for onerous use from AES Chile Inversiones Renovables SpA to the companies San Carlos SpA, Llanos del Sol SpA and Solar Oriente SpA. (meeting No. 275 of December 21).

It is noted that, although this Committee may analyze related party transactions of subsidiaries, such transactions are ultimately approved by the corresponding corporate bodies of the respective subsidiaries.

### (4) Remuneration and Compensation Systems.

In relation to these matters, the compensation and incentive plans of the Chief Executive Officer, senior executives and employees of the Company were reviewed (meeting No. 261 of February 27).

### (5) Other Matters of Relevance to the Company.

With regard to other relevant matters, the activities performed included:

5.1 To favorably recommend to the Board of Directors to

approve the protocol on Essential Facts (meeting No. 261 of February 27).

5.2 To recommend to the Board of Directors to approve the renewal of the insurance plan for the period 2023-2024, an operation that includes the participation of a company related to the controlling company, AES Global Insurance Company (meeting No. 262 of March 30).

5.3 Acknowledge the proposal to convene the extraordinary shareholders' meeting of April 21 and August 10, 2023 (meeting No. 262 of March 30 and No. 266 of June 29).

5.4 Acknowledge the negotiations that are being carried out regarding the sale of transferable debt securities to the order by the electricity price stabilization mechanism (meeting No. 265 of May 25).

5.5 Acknowledge the new structure of powers of attorney of the Company (meeting No. 265 of May 25).

5.6 Acknowledge the proposal to request the withdrawal, disconnection and withdrawal of operations of the coal-fired generation units "Norgener 1" and "Norgener 2", which make up the "Norgener Thermoelectric Power Plant", as well as the proposal to exempt the 24-month term to report the withdrawal (Meetings No. 265 of May 25 and No. 274 of December 7).

5.7 Recognize the market update and hydrological situation (meetings No. 265 of May 25 and No. 266 of June 29).

5.8 Recognize the proposed request for the retirement of Ventanas 2 Power Plant, as well as the request for the exemption from the 24-month term to report the retirement, disconnection and withdrawal of operations of the coal-fired generation unit Ventanas 2, and to cancel the request to place such unit under the Strategic Reserve State. (meetings No. 260 of January 26 and No. 269 of August 24).

### (6) Operation of the Committee of Directors.

With regard to the operation of the Committee, the activities performed included:

**6.1** To approve the annual management report of the Committee, in accordance with the provisions of article 50 bis, paragraph 8, No. 5 of the Corporations Law, to be included in the Annual Report and submitted for the consideration of the next Ordinary Shareholders' Meeting (meeting No. 261 of February 27).

6.2. Approve the provisional items of the agenda of Committee meetings for the year 2023 and 2024 (meetings No. 260 of January 26 and No. 275 of December 21).

### (7) Committee Expenses.

In relation to the budget for 2023 of US\$ 25,000 (twenty-thousand US Dollars) approved by the Ordinary Shareholders' Meeting held on April 21, 2023 for the Committee of Directors, it is informed that the expenses incurred out of that budget in the period covered by this report, were as follows:

#### (8) Recommendations to the Shareholders.

No new recommendations to the shareholders have been considered for this year.

Santiago, February 27, 2024.

		US\$*
PWC	Analysis of the reasonableness of Fluence's remuneration for LTSA	US\$17,000

(\*) reference values with exchange rates as of December 31, 2023







# 5.9 Background Information about Subsidiaries and Affiliates

Background Information about Related Companies as of December 31, 2023.

[NCG461 6.5.1]



### AES Chile Inversiones Renovables SpA

Legal nature: Stock Corporation Tax Id. (RUT) number: 76786355-1

Address: Los Conquistadores N° 1730, Piso 10, Providencia,

Santiago de Chile

Phone: (56 2) 3333 8300

Corporate Purpose: Investment in companies engaged in the generation, transmission, purchase, sale, distribution of and consultancy in anything related to renewable sources of energy (whether conventional or not); generation, transmission purchase, sale and distribution of electric or any other kind of energy, in any area of the country; provision of funding to third parties by means of a credit operations or through other acts or contracts having the same purpose; any other act, contract, business or process related to the previous purposes, as agreed by the shareholders.

Capital and Shares: Paid-in capital: US\$ 108,939,988.61

Number of Subscribed and Paid Shares: 11,419,970,363

Interest: 100% directly

Managing Director: AES Andes S.A. Chief Executive Officer: Javier Dib (1)

## Alto Maipo Delaware, LLC SpA

Legal nature: Limited Liability Company incorporated under the laws of the State of Delaware, United States of America

Tax Id. (RUT) number: Not Applicable

Address: 1000 North King Street, Wilmington, New Castle

County, Delaware 19801, USA Phone: (56 2) 3333 8300

Corporate Purpose: Carry out any activity legally permitted for this form of business.

Capital and Shares: Capital in US\$: Not Applicable Number of Subscribed and Paid Shares: Not Applicable Interest: 100% indirectly through Alto Maipo SpA Managing Director: Alto Maipo SpA.

### Andes Solar II SpA

Legal nature: Stock corporation

Tax Id. (RUT) number: 77,423,682-1 Address: Los Conquistadores N° 1730, Piso 10, Providencia, Santiago de Chile Phone: (56 2) 3333 8300

Corporate Purpose: /a/ Electric power generation; /b/ supply, transmission, assembly and exploitation of electric power equipment and plants, whether owned or otherwise exploited by the Company; /c/ construction, installation and exploitation of electric power generation equipment and plants, whether owned or otherwise exploited by the Company; /d/ purchase, sale, import, export, processing, production, marketing and distribution to all kinds of services, goods or inputs related to the energy business, and investments in relation to them; /e/ provision of all kinds of energy services; /f/ make and develop all kinds of investments relating to all types of real and personal property, tangible or intangible assets, including their exploitation, commercialization and administration, related to electric power generation; /g/ create and participate in other companies, whether they be subsidiaries or affiliate, of any kind and nature whose purpose is related to electric



power generation; and /h/ in general, to execute all kinds of acts and to enter into all contracts that are necessary for the performance of the purpose of the Company or the development of its business, being able to carry out all the activities related to the purposes mentioned above or that are related to its business.

Capital and shares: capital US\$ 407,197,036 divided into 352,271,144 shares.

Interest: 352.268,062 Series A shares (Chile Renovables SpA), 1,000 Series C-1 shares (AES Andes S.A.), 541 Series C-2 shares (Glacier AcquisitionCo SpA), 1,000 Series D-1 shares (AES Andes S.A.) and 541 Series D-2 shares (Glacier AcquisitionCo SpA).

Number of Subscribed and Paid Shares: 352,271,144 subscribed and paid shares.

Managing Director: AES Andes S.A.

### AES Colombia & CIA SCA ESP

Legal nature: partnership limited by shares (foreign).

Address: Av. Calle 100 N° 19-54, office 901, Bogotá,
Colombia.

Phone: (57 1) 4079555 Fax: (57 1) 6427311

Corporate purpose: generation and commercialization of electric power. For the development of its main purpose, the acquisition, construction, operation, maintenance and commercial operation of existing or new

generation plants as well as bringing forward all types of selfgeneration, cogeneration or distributed generation projects.

Capital and shares: paid capital, COP\$ 277,288,278,674 Number of Subscribed and Paid Shares: 264,278,626 Interest: 99.98% indirectly through Norgener Foreign Investment SpA. (264,225,426 shares), and AES Andes S.A. (12 shares).

Chief Executive Officer: Federico Echavarría Restrepo Total staff: 137; 54 technicians, 8 administrative, 65 professionals, 10 executives.

Members of the Board of Directors

Regular Directors: Juan Ignacio Rubiolo, María Paz Cerda (6), Javier Dib (1), Mariana Paz Soto (8) and Ricardo Falú. Alternate Directors: Ricardo Roizen (2), Emiliano Chaparro (3), Daniel Scali Abritta (9), Ricardo Bull Silvarinho (7) and Paola Hartung (10).

### AES Chivor S.A.

(Managing Partner of AES Colombia & CIA SCA E.S.P.) Legal nature: Foreign Stock Corporation Address: Av. Calle 100 No19-54, oficina 901, Bogotá, Colombia.

Phone: (57 1) 4079555 Fax: (57 1) 6427311

Corporate Purpose: Subscription, acquisition, disposition or investment in securities, shares, convertible bonds and all kinds of fixed income securities; investment in other companies; investment in all kinds of goods required to comply with its purpose; participation as partner of other

entities, or capital contributions, acquisition or holding of shares and obligations of other companies. The possibility of guaranteeing and securing obligations of third parties and their own shareholders is excluded.

Capital and shares: paid capital COP\$ 120,000,000

Number of Subscribed and Paid Shares: 120,000.

Interest: 98.12% directly and indirectly through Norgener
Foreign Investment SpA and AES Andes S.A.

Shareholders: AES Andes S.A. (57,750 shares); Norgener
Foreign Investment (60,750 shares); Empresa Eléctrica

Ventanas SpA (750 shares); Jason Dutil (750 shares).

Staff: 54 technicians, 65 professionals, 8 administrative and 10 executives.

### Alto Maipo SpA

Legal nature: Stock Corporation Tax Id. (RUT) number: 76170761-2

Address: Los Conquistadores 1730, piso 10, Providencia,

Santiago de Chile.

Phone: (56 2) 3333 8300

Corporate Purpose: Generation, transmission, purchase, sale and distribution of electrical energy and power anywhere in the country or abroad; execution and exploitation of civil, hydraulic or other infrastructure works; investment in all kinds of movable property and real estate; participation in all kinds of public tenders and bids, whether public or private; provision of integral consultancy services.

Capital and shares: paid capital US\$ 550,409,597.04 Number of Subscribed and Paid Shares: 306,009.000



**aes** Andes

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subscribed and paid shares.

Interest: 99.9% directly and 0.1% indirectly through AES Chile Inversiones Renovables SpA.

Chairman of the Board: Marcelo Tokman Ramos.

Directors: Marcelo Tokman Ramos, Javier Dib (1) and Ricardo Roizen (2).

Alternate Directors: Mariana Soto (8), María Paz Cerda (6) and Leandro Gallardo (11).

Chief Executive Officer: Norberto Corredor (4).

Staff\*: 10 professionals.

### Andes Solar SpA

Legal nature: stock corporation
Tax Id. (RUT) number: 76,579,067-0

Address: Los Conquistadores Nº 1730, Piso 10, Providencia,

Santiago de Chile

Phone: (56 2)3333 8300

Corporate Purpose: Electric power generation; supply, transmission, assembly and exploitation of electric power equipment and plants, whether owned or otherwise exploited by the Company; construction, installation and exploitation of electric power generation equipment and plants, whether owned or otherwise exploited by the Company; purchase, sale, import, export, processing, production, marketing and distribution to all kinds of services, goods or inputs related to the energy business, and investments in relation to them; provision of all kinds of energy services; to make and develop all kinds of investments relating to all types of real property, tangible or intangible assets, including their exploitation, commercialization and administration, related to electric

power generation; create and participate in other companies, whether they be subsidiaries or affiliate, of any kind and nature whose purpose is related to electric power generation; in general, to execute all kinds of acts and to enter into all contracts that are necessary for the performance of the purpose of the Company or the development of its business, being able to carry out all the activities related to the purposes mentioned above or that are related to its business.

Capital and shares: capital US\$ 33,246,193.59.

Number of Subscribed and Paid Shares: 178,010 subscribed and paid shares.

Interest: 100%

Managing Director: AES Andes S.A. Chief Executive Officer: Javier Dib (1)

Regular Directors: Javier Dib (1), Ricardo Roizen (2) and María Paz Cerda (6).

### Andes Solar IV SpA

Legal nature: Stock Corporation Tax Id. (RUT) number: 76,625,173-0

Address: Los Conquistadores Nº 1730, Piso 10, Providencia,

Santiago de Chile Phone: (56 2)3333 8300

Corporate Purpose: Electric power generation; supply, transmission, assembly and exploitation of electric power equipment and plants, whether owned or otherwise exploited by the Company; construction, installation and exploitation of electric power generation equipment and plants, whether owned or otherwise exploited by the Company; purchase,

sale, import, export, processing, production, marketing and distribution to all kinds of services, goods or inputs related to the energy business, and investments in relation to them; provision of all kinds of energy services; to make and develop all kinds of investments relating to all types of real property, tangible or intangible assets, including their exploitation, commercialization and administration, related to electric power generation; create and participate in other companies, whether they be subsidiaries or affiliate, of any kind and nature whose purpose is related to electric power generation; in general, to execute all kinds of acts and to enter into all contracts that are necessary for the performance of the purpose of the Company or the development of its business, being able to carry out all the activities related to the purposes mentioned above or other businesses that are related to its business.

Capital and Shares: Capital US\$ 150,066,646 Number of Subscribed and Paid Shares: 1,541 subscribed and paid shares.

Interest: 1000 Series A shares (AES Andes S.A.) and 541 Series B shares (Glacier AcquisitionCo SpA).

Management: AES Andes S.A.
Chief Executive Officer: Javier Dib (1).

## Bolero SpA

Legal nature: Stock Corporation Tax Id. (RUT) number: 76175608-7

Address: Los Conquistadores N° 1730, Piso 10, Providencia,

Santiago de Chile

Phone: (56 2)3333 8300

Corporate purpose: generation, commercialization,



transportation, transformation, purchase and sale of electric power, either on its own account or on behalf of third parties; operation of electric power plants and the auxiliary structures and services necessary to carry out such purpose; development and construction of photovoltaic projects; commercialization, distribution, representation and sale of all kinds of equipment, materials and supplies related to the electric and industrial field, including import and export; manufacturing of all kinds of products and services, constructions, works, electrical and civil assemblies, either on its own account or on behalf of third parties, through commission and consignment, representation or other contractual systems; purchase, sale, exchange, lease and disposal of all kinds of real estate, concessions, rights and other similar assets; rendering of all kinds of services, on its own account or on behalf of third parties and consulting in general, including, among others, those related to the supply and generation of electricity; and the investment in social rights and shares in companies of any kind incorporated in Chile or abroad. The purpose may be carried out directly by the company or by other companies in which the company participates. The company shall have full legal capacity to acquire rights and assume obligations, to enter into all kinds of acts not contrary to law or its bylaws, and to carry out all the activities, perform contracts and engage in transactions directly or indirectly related to the purpose of the company.

Capital and shares: capital US\$ 284,742,477 Number of Subscribed and Paid Shares: 15,000,153,326,536 shares.

Interest: 15,000,153,325,536 Series A shares (Chile Renovables SpA), 1,000 Series B shares (AES Andes S.A.) Management: AES Andes S.A. Chief Executive Officer: Javier Dib (1).

# Cerro Los Dorados SpA

Tax Id. (RUT) number: 76708867-1

Address: Los Conquistadores Nº 1730, Piso 10, Providencia,

Santiago de Chile

Phone: (56 2) 3333 8300

Legal nature: Stock Corporation

Corporate purpose: in the electrical energy wholesale market, to develop the production of electrical energy and inject such production into the National Electric System; in the area of commercialization, to purchase electrical energy to sell it to electrical energy distributors or non-regulated end users/ customers; to build, install, operate, exploit, maintain and manage generation assets, either thermal, hydraulic or the socalled Non-Conventional Renewable Energies; to acquire, lease or enter into any other legal act related to the incorporation of generation assets, either thermal, hydraulic or the so-called Non-Conventional Renewable Energies; acquire, lease or enter into any other legal act related to electric generation projects of third parties; operate, exploit, maintain and manage energy generation assets acquired from third parties; commercialize surplus energy coming from its own or outsourced Non-Conventional Renewable Energy sources, to prove compliance with the obligation set forth in article 50 bis of law 20,257 or any other law replacing it; commercialize electric energy and its associated power with other generating companies; acquisition, construction, implementation, operation, maintenance and exploitation of all kinds of goods and facilities for the generation of electric energy; design, development, management and/or execution of all kinds of projects, energy, architecture or any other specialty related to the generation of electricity; acquire, exploit and transfer concessions of

electric services, telecommunications, telephony, telegraphy, telex and data transmissions and radio communications: build. install, exploit and maintain electric generation plants of any kind to sell them to third parties; the construction of one or more power generation plants of any kind to sell the production to generators, distributors or end users; to make all kinds of investments and enter into all kinds of acts and contracts of transfer or mere holding, relating to all kinds of real or personal property, either tangible or intangible, for their acquisition, exploitation, commercialization and administration and which are related to any of the aforementioned objects and lines of business; to increase or reduce power through the acquisition or disposal of generation assets of any kind; and to carry out all acts and any other activity, whether or not related to the foregoing, that the shareholders may decide to carry out.

Capital and shares: paid capital US\$ 1,000.

Number of Subscribed and Paid Shares: 1,000.

Interest: 100% AES Andes S.A.

Directors: Javier Dib (1), Ricardo Roizen (2) and María Paz

Cerda (6).

Chief Executive Officer: Javier Dib (1).

### Chagual Energía SpA

Tax Id. (RUT) number: 76975739-2

Address: Los Conquistadores N° 1730, Piso 10, Providencia,

Santiago de Chile

Phone: (56 2) 3333 8300

Legal nature: Stock Corporation

Corporate purpose: in the electrical energy wholesale market, to develop the production of electrical energy and inject such production into the National Electric System; in the

area of commercialization, to purchase electrical energy to sell it to electrical energy distributors or non-regulated end users/customers; to build, install, operate, exploit, maintain and manage generation assets, either thermal, hydraulic or the so-called Non-Conventional Renewable Energies; to acquire, lease or enter into any other legal act related to the incorporation of generation assets, either thermal, hydraulic or the so-called Non-Conventional Renewable Energies; to acquire, lease or enter into any other legal act relating to third-party power generation projects; to operate, exploit, maintain, and manage energy generation assets acquired from third parties; to market surplus energy from our own or outsourced Non-Conventional Renewable Energy sources to prove compliance with the obligation referred to in Article 150 bis of Law 20,257; to market electrical energy and its associated power with other generating companies; acquisition, construction, implementation, operation, maintenance and exploitation of all kinds of goods and facilities for the generation of electric energy; design, development, management and/or execution of all kinds of engineering, energy, architecture or any other projects related to the generation of electricity; acquire, exploit and transfer concessions of electric services, telecommunications, telephony, telegraphy, telex and data transmissions and radio communications; build, install, exploit and maintain electric generation plants of any kind to sell them to third parties; the construction of one or more power generation plants of any kind to sell the production to generators, distributors or end users; to provide advisory services in the wholesale electricity market; to carry out all kinds of investments and to perform all kinds of assignment or mere ownership acts and contracts, relating to all types of personal or real, tangible or intangible property, intended for acquisition, exploitation, marketing and management and relating to any of the purposes and

businesses referred to above; to increase or reduce power through the acquisition or disposition of generation assets of any kind; to perform all acts and any other activity related to or not related to the above matters that the partners may decide to carry out.

Capital and shares: paid capital US\$ 10,000.

Number of Subscribed and Paid Shares: 10,000.

Interest: 100% indirectly through AES Chile Inversiones
Renovables SpA.

Management: AES Chile Inversiones Renovables SpA
Chief Executive Officer: Javier Dib (1).

### Chile Renovables SpA

Legal nature: Stock Corporation

Tax Id. (RUT) number: 77371671-4

Address: Los Conquistadores N° 1730, Piso 10, Providencia,

Santiago de Chile

Phone: (56 2) 3333 8300

Corporate Purpose: To invest in all kinds of personal or real property, movable or immovable, tangible and intangible, including without limitation: shares, social rights, shares in any type of company or corporation, notes, commercial papers, negotiable instruments or any other type of securities, whether in Chile or abroad, as well as to manage, transfer and use them; and to receive dividends and profits resulting from any of them; and to grant funding to third parties by means of credit transactions or through any other act or agreement having the same purpose.

Capital and Shares: Capital US\$ 812,265,395.64. Number of Subscribed and Paid Shares: 813,195,316 shares, 414,729,612 of which are Series A shares and 398465704 are Series B shares.

Interest: AES Andes S.A. 100% Series A shares (partially paid) and Glacier Acquisitionco SpA 100% Series B shares.

Regular Directors: Juan Ignacio Rubiolo, Ricardo Falú, Ricardo Roizen (2), Jonathan Bram, Ronnie Hawkins.

Alternate Directors: Jeff Mackay, María Paz Cerda (6), Daniel

Chile Renovables II SpA

Legal nature: Stock Corporation Tax Id. (RUT) number: 77822344-9 Address: Los Conquistadores N° 1730, Piso 10, Providencia, Santiago de Chile.

Scali Abritta (9), Dan Barbosa and Bob Callahan.

Phone: (56 2) 3333 8300

Corporate purpose: investment and ownership in shares, social rights or interest of any kind in companies engaged in the ownership, operation and maintenance of wind or solar energy generation projects and in the transmission, purchase and sale of energy; execution and exploitation of civil infrastructure or other works related to the development, construction and operation of renewable energy projects; investment in all kinds of personal or real property, movable or immovable, tangible and intangible, including without limitation: shares, social rights, shares in any type of company or corporation, notes, commercial papers, negotiable instruments or any other type of securities, whether in Chile or abroad, as well as to manage, transfer and use them; and to receive dividends and profits resulting from any of them, and to grant funding to third parties by means of credit transactions or through any other act or agreement having the same purpose.

Capital and Shares: Capital US\$1,000

Number of Subscribed and Paid Shares: 1,000 shares, 510 of which are Series A shares and 490 are Series B shares.

Interest: 100% of Series A shares Chief Executive Officer: Javier Dib (1).

Regular Directors: Juan Ignacio Rubiolo, Ricardo Falú, Ricardo Roizen (2), Hernán Ulloa (13), and Norberto Corredor (4). Alternate Directors: Jeff Mackay, María Paz Cerda (6), Daniel Scali Abritta (9), Andrea Sougarret (12), and Leandro Gallardo (11).

## Compañía Transmisora Angamos SpA

Legal nature: Stock corporation
Tax Id. (RUT) number: 76680114-5

Address: Los Conquistadores N° 1730, Piso 10, Providencia,

Santiago de Chile

Phone: (56 2) 3333 8300

Corporate Purpose: Manage, develop and exploit all kinds of electricity transport or transmission systems, on its own

behalf or on behalf of third parties, either owned by the Company or third parties; being able to such effects to get, acquire and enjoy

the relevant concessions and permits and to exercise all the rights and granted to electricity companies by the current laws.

Capital and shares: capital US\$ 10.000

Number of Subscribed and

Paid Shares: 10,000.

Interest: 100% indirectly through Empresa Eléctrica Angamos SpA

Chief Executive Officer: Vicente Javier Giorgio Regular Directors: Javier Dib (1), Ricardo Roizen (2) and María Paz Cerda (6).

### Compañía Transmisora La Cebada S.A.

Santiago de Chile Phone: (56 2) 3333 8300

Corporate Purpose: Exploitation and development of its own or third-party electric systems intended for the transport, transmission and transformation of electrical energy, whether within the country or abroad, including acquisition thereof. For such purposes, it may obtain, acquire or enjoy the relevant concessions, permits and authorizations, as well as exercise the rights and powers granted to electricity companies by the current laws to market the transport capacity of lines and transformation of associated substations and equipment, in order that the generating plants, both domestic and foreign, can transmit the electricity they produce and reach their consumption centers; develop other commercial and industrial activities related to the exploitation of the infrastructure allocated to transmission of electricity; render all kinds of services and advice in the fields of engineering and design, construction, maintenance and operation of transmission systems for third parties, and any other activities related to its corporate purpose; create or participate in all

kinds of companies, associations, corporations or institutions, being able to act directly or through such companies, both in the country and abroad.

Capital and Shares: Paid-in capital: CLP\$ 5,251,131,052. Number of Shares: 5,251,131,052 subscribed and paid shares. Interest: 99.99% AES Andes S.A. and 0.01% Parque Eólico Los Cururos SpA.

Chief Executive Officer: Javier Dib (1).

Directors: Javier Dib (1), Ricardo Roizen (2) and María Paz Cerda (6).

## Compañía Transmisora Sur SpA

Legal nature: Stock corporation Tax Id. (RUT) number: 77733308-9

Address: Los Conquistadores N° 1730, Piso 10, Providencia,

Santiago de Chile

Phone: (56 2) 3333 8300

Corporate Purpose: Exploitation and development of its own or third-party electric systems intended for the transport, transmission and transformation of electrical energy, whether within the country or abroad, including acquisition thereof. For such purposes, it may obtain, acquire or enjoy the respective concessions, permits and authorizations, as well as exercise the rights and powers granted to electric utilities by the current laws. Likewise, the commercialization of the transmission and transformation capacity of the substations and associated equipment, so that the generating plants, both domestic and foreign, can transmit the electricity they produce and reach their consumption centers. Additionally, it may develop other



**aes** Andes

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commercial and industrial activities related to the use of the infrastructure for electric transmission, provide all kinds of services and consultancy in the specialties of engineering and design, construction, maintenance and operation of transmission systems for third parties, as well as other activities related to its corporate purpose. The company may form or take an interest in all kinds of companies, associations, corporations or institutions, and may act directly or through such companies, both in the country and abroad.

Capital and shares: capital US\$ 10,000

Number of Subscribed and Paid Shares: 10,000.

Interest: 100%

Management: AES Andes S.A.

Chief Executive Officer: Javier Dib (1)

### Derivex S.A.

Legal nature: Corporation (Foreign); Address: Av. Cr 7 # 71 – 21 To B, Of 402, Bogotá, Colombia Fax: (57 1) 6427311

Corporate purpose: the administration of a trading system for transactions in derivative financial instruments that have the quality of value under the terms of paragraphs 3 and 4 of article 2 of Law 964 of 2005, whose underlying assets are electricity, fuel gas and/or other energy commodities and registration of transactions in said instruments.

Capital and shares: paid capital US\$ 962,154,000. Number of Subscribed and Paid Shares: 1,026,969. Interest: 5% indirectly through AES Colombia & Cia S.C.A. E.S.P. (51,348 shares), the other interest belongs to third parties.

Chief Executive Officer: Juan Carlos Téllez Urdaneta Staff: 8, 2 coordinators, 4 professionals, 1 executive, 1 intern. Regular Directors: Jorge Hernán Jaramillo Ossa, Cecilia Inés Maya Ochoa, Lina María Betancur, Fernando Gutiérrez and Louis Francois Kleyn López.

Alternate Directors: Andrés Restrepo, Carlos Andrés Morales, Nicolás Eduardo Mayorga Mora, German Garcés and Gloria Cecilia Velásquez Mejía.

### El Trébol SpA

Legal nature: Stock Corporation

Tax Id. (RUT) number: 76708896-5 Address: Los Conquistadores N° 1730, Piso 10, Providencia, Santiago de Chile Phone: (56 2) 3333 8300

Corporate purpose: In the electrical energy wholesale market, to develop the production of electrical energy and inject such production into the National Electric System; in the area of commercialization, to purchase electrical energy to sell it to electrical energy distributors or non-regulated end users/customers; to build, install, operate, exploit, maintain and manage generation assets, either thermal, hydraulic or the so-called Non-Conventional Renewable Energies; to acquire, lease or enter into any other legal act related to the incorporation of generation assets, either thermal, hydraulic or the so-called Non-Conventional Renewable Energies; to acquire, lease or enter into any other legal act relating to third-party

power generation projects; to operate, exploit, maintain, and manage energy generation assets acquired from third parties; to market surplus energy from our own or outsourced Non-Conventional Renewable Energy sources to prove compliance with the obligation referred to in Article 150 bis of Law 20,257 or any other law replacing it: to market electrical energy and its associated power with other generating companies; acquisition, construction, implementation, operation, maintenance and exploitation of all kinds of goods and facilities for the generation of electric energy; design, development, management and/ or execution of all kinds of energy, architecture or any other project related to the generation of electricity; acquire, exploit and transfer concessions of electric services, telecommunications, telephony, telegraphy, telex and data transmissions and radio communications; build, install, exploit and maintain electric generation plants of any kind to sell them to third parties; the construction of one or more power generation plants of any kind to sell the production to generators, distributors or end users; to carry out all kinds of investments and to perform all kinds of assignment or mere ownership acts and contracts, relating to all types of personal or real, tangible or intangible property, intended for acquisition, exploitation, marketing and management and relating to any of the purposes and businesses referred to above; to increase or reduce power through the acquisition or disposition of generation assets of any kind; to perform all acts and any other activity related to or not related to the above matters that the shareholders may decide to carry out.

Capital and shares: paid capital US\$ 1,000. Number of Subscribed and Paid Shares: 1,000. Interest: 100% AES Andes S.A.

Directors: Javier Dib (1). Ricardo Roizen (2) and María Paz

Cerda (6).

Chief Executive Officer: Javier Dib (1).

# Empresa Eléctrica Angamos SpA

Legal nature: Stock Corporation Tax Id. (RUT) number: 76,004,976-K

Address: Los Conquistadores N° 1730, Piso 10, Providencia,

Santiago de Chile

Phone: (56 2) 3333 8300

Corporate Purpose: Generation, purchase, sale and distribution of electric or any other kind of energy, in any area of the country or abroad; extraction, distribution, commercialization and exploitation, in any form, of solid, liquid and gaseous fuels; sale and provision of maintenance and machinery engineering services; rental, construction or acquisition and any kind of exploitation of docks or ports, and performance productive and commercial activities related or complementary to the businesses mentioned above.

Capital and shares: paid capital US\$ 1,000.

Number of Issued and Paid Shares: 22.150.749.834.

Interest: 100% AES Andes S.A.

Regular Directors: Javier Dib (1), Ricardo Roizen (2) and María

Paz Cerda (6).

Chief Executive Officer: Javier Dib (1).

### Empresa Eléctrica Cochrane SpA

Legal nature: Stock Corporation Tax Id. (RUT) number: 76085254-6 Address: Los Conquistadores Nº 1730, Piso 10, Providencia,

Santiago de Chile

Phone: (56 2) 3333 8300

Corporate Purpose: Generation, purchase, sale and distribution of electric or any other kind of energy, in any area of the country or abroad; extraction, distribution, commercialization and exploitation, in any form, of solid, liquid and gaseous fuels; sale and provision maintenance and machinery engineering services; rental, construction or acquisition and any kind of exploitation of docks or ports, and performance of any other productive and commercial activities related or complementary to the businesses mentioned above.

Capital and Shares: Paid capital US\$ 125,396,594.16. Number of Shares: 436,163,745 subscribed and paid shares. Interest: 60% indirectly through Inversiones Cochrane SpA. Regular Directors: María Paz Ceda (6), Ricardo Roizen (2), Marcelo Tokman, Jun Yeol Lee, Kajin Kim. Alternate Directors: Norberto Corredor (4), Daniel Scali Abritta (9), Emiliano Chaparro, Youngjune Park, Jiypung Lee. Chief Executive Officer: Javier Dib (1).

### Empresa Eléctrica Lagunas SpA

Tax Id. (RUT) number: 76708924-4

Address: Los Conquistadores Nº 1730, Piso 10, Providencia,

Santiago de Chile

Phone: (56 2) 3333 8300

Legal nature: Stock Corporation

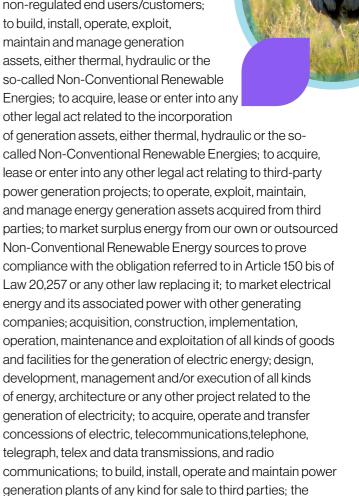
Corporate purpose: In the electrical energy wholesale market, to develop the production of electrical energy and inject such

production into the National Electric System; in the area of commercialization, to purchase electrical energy to sell it to electrical energy distributors or non-regulated end users/customers; to build, install, operate, exploit, maintain and manage generation assets, either thermal, hydraulic or the so-called Non-Conventional Renewable Energies; to acquire, lease or enter into any other legal act related to the incorporation

construction of one or more power generation plants of any

kind to sell the production to generators, distributors or end

users; to provide advice on the wholesale electricity market





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or on the production, storage, transportation and marketing of green hydrogen or other products or derivatives thereof; to carry out all kinds of investments and to perform all kinds of assignment or mere ownership acts and contracts, relating to all types of personal or real, tangible or intangible property, intended for acquisition, exploitation, marketing and management and relating to any of the purposes and businesses referred to above; to increase or reduce power through the acquisition or disposition of generation assets of any kind; evaluate, design, develop, invest in, construct, operate and maintain projects for the production, storage, transportation and commercialization of green hydrogen or other products or derivatives thereof; commercialization, transportation and distribution of green hydrogen or other products and/or derivatives thereof; and to carry out all acts and any other activity, whether or not related to the foregoing, that the shareholders may decide to carry out.

Capital and shares: paid capital US\$ 1,000. Number of Subscribed and Paid Shares: 1,000. Interest: 100% AES Andes S.A.

Directors: Javier Dib (1), Ricardo Roizen (2) and María Paz

Cerda (6).

Chief Executive Officer: Javier Dib (1).

### Empresa Eléctrica Ventanas SpA

Tax Id. (RUT) number: 96,814,370-0 Address: Los Conquistadores N° 1730, Piso 10, Providencia, Santiago de Chile Phone: (56 2) 3333 8300

Corporate purpose: Investment in all kinds of personal or

real property; provision of professional advice, investment in all kinds of intangible property, in particular purchase and sale of bonds, securities and all kinds of commercial papers, shares and rights in national or foreign companies, and in urban and country real properties, including their management, exploitation, and the collection of proceeds therefrom; participation in the creation of companies of any kind and incorporation into existing companies; participation in all kinds of bidding procedures, privatizations, tenders and proposals, whether public or private; provision of overall advisory services, including financial, business, technical and legal advisory services; generation, purchase, sale and distribution of electrical or any other kind of energy, in any area of the country or abroad; extraction, distribution, commercialization and exploitation, in any form, of solid, liquid and gaseous fuels; sale and provision maintenance and machinery engineering services; rental, construction or acquisition and any kind of exploitation of docks or ports, and performance of any other productive and commercial activities related or complementary to the businesses mentioned above; and any other act, contract, business and management related to the above as may be agreed by the shareholders.

Capital and shares: paid capital US\$ 195,868,719.6. Number of Subscribed and Paid Shares: 51,528,779,553 Interest: 100% AES Andes S.A. Directors: Javier Dib (1), Ricardo Roizen (2), María Paz Cerda (6). Chief Executive Officer: Javier Dib (1).

## Energen S.A.

Legal nature: Stock Corporation (Foreign).
Address: Carlos Pellegrini 1023, 9th floor, C1009ABU, City of

Buenos Aires, Republic of Argentina Phone: (54 11) 4000-2300

Corporate Purpose: The purpose of the Company is to carry out the following activities on its own behalf, on behalf of or associated with third parties: (i) purchase and wholesale of electric power produced by third parties and to be consumed by third parties; (ii) import, export, consignment, brokerage and marketing of electric power in Argentina and/or abroad; (iii) any type of procedure and/or activity related to the generation, transport and distribution of electric power; (iv) marketing of any kind of fuel. For this purpose, the Company may carry out all such complementary and subsidiary activities that are linked to its corporate purpose. For that purpose, it has full legal capacity to acquire rights and to enter into obligations and to exercise and enter into all legal acts. contracts and businesses, whether nominated or otherwise. and recognized in the legislation in force in our country or abroad that are not prohibited by the laws or this By-laws.

Capital and shares: paid capital AR\$ 25,364,450. Number of Issued and Paid Shares: 25,364,450. Interest: 29.52% directly and 70.48% indirectly through Gener Argentina S.A.

Chairman of the Board: Martín José Genesio Regular Directors: Iván Diego Durontó and Fabián Carlos Giammaría.

Alternate Directors: Rubén Néstor Zaia, Guillermo Daniel Paponi.

### Energía Eólica Curauma SpA

Legal nature: Stock Corporation
Tax Id. (RUT) number: 76967596-5

Address: Los Conquistadores N° 1730, Piso 10, Providencia, Santiago de Chile

Phone: (56 2) 3333 8300

Corporate purpose: The purpose of the Company will be: to develop in the wholesale electric energy market the production of electrical energy and to inject such production into the National Electric System; in the area of commercialization, to purchase electrical energy to sell it to electrical energy distributors or non-regulated end users/ customers; to build, install, operate, exploit, maintain and manage generation assets, either thermal, hydraulic or the so-called Non-Conventional Renewable Energies; to acquire, lease or enter into any other legal act related to the incorporation of generation assets, either thermal, hydraulic or the so-called Non-Conventional Renewable Energies; to acquire, lease or enter into any other legal act related to third-party power generation projects; to operate, exploit, maintain and manage energy generation assets acquired from third parties; to market surplus energy from our own or outsourced Non-Conventional Renewable Energy sources to prove compliance with the obligation referred to in Article 150 bis of Law 20,257; to market electricity and its associated power with other generating companies; acquisition, construction, implementation, operation, maintenance and exploitation of all kinds of goods and facilities for the generation of electricity; to design, develop, manage and/ or execute of all types of engineering, energy, architecture and other specialty projects related to electricity generation; to acquire, operate and transfer concessions of electric, telecommunications, telephone, telegraph, telex and data transmissions, and radio communications: to build, install, operate and maintain power generation plants of any kind for sale to third parties; the construction of one or more

power generation plants of any kind to sell the production to generators, distributors or end users; to provide advice on the wholesale electricity market; to carry out all kinds of investments and to perform all kinds of assignment or mere ownership acts and contracts, relating to all types of personal or real, tangible or intangible property, intended for acquisition, exploitation, marketing and management and relating to any of the purposes and businesses referred to above; to increase or reduce power through the acquisition or disposal of generation assets of any kind; and to carry out all acts and any other activity, whether or not related to the foregoing, that the shareholders may decide to carry out.

Capital and shares: paid capital US\$ 1,000.

Number of Subscribed and Paid Shares: 1,000.

Interest: 100% indirectly through AES Chile Inversiones
Renovables SpA.

Management: AES Chile Inversiones Renovables SpA.

Chief Executive Officer: Javier Dib (1).

# Energía Eólica Don Álvaro SpA

Phone: (56 2) 3333 8300

Legal nature: Stock corporation
Tax Id. (RUT) number: 77290404-5
Address: Los Conquistadores N° 1730, Piso 10, Providencia,
Santiago de Chile

Corporate purpose: The purpose of the Company will be: to develop in the wholesale electric energy market the production of electrical energy and to inject such production into the National Electric System; in the area of commercialization, to purchase electrical energy to sell it to electrical energy distributors or non-regulated end users/

customers; to build, install, operate, exploit, maintain and manage generation assets, either thermal, hydraulic or the so-called Non-Conventional Renewable Energies; to acquire, lease or enter into any other legal act related to the incorporation of generation assets, either thermal, hydraulic or the so-called Non-Conventional Renewable Energies: to acquire, lease or enter into any other legal act related to third-party power generation projects; to operate, exploit, maintain and manage energy generation assets acquired from third parties; to market surplus energy from our own or outsourced Non-Conventional Renewable Energy sources to prove compliance with the obligation referred to in Article 150 bis of Law 20,257; to market electricity and its associated power with other generating companies; acquisition, construction, implementation, operation, maintenance and exploitation of all kinds of goods and facilities for the generation of electricity; to design, develop, manage and/ or execute of all types of engineering, energy, architecture and other specialty projects related to electricity generation; to acquire, operate and transfer concessions of electric, telecommunications, telephone, telegraph, telex and data transmissions, and radio communications; to build, install, operate and maintain power generation plants of any kind for sale to third parties; the construction of one or more power generation plants of any kind to sell the production to generators, distributors or end users; to provide advice on the wholesale electricity market; to carry out all kinds of investments and to perform all kinds of assignment or mere ownership acts and contracts, relating to all types of personal or real, tangible or intangible property, intended for acquisition, exploitation, marketing and management and relating to any of the purposes and businesses referred to above; to increase or reduce power through the acquisition or disposal of generation assets of any kind; and to carry out all acts and any

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other activity, whether or not related to the foregoing, that the shareholders may decide to carry out.

Capital and shares: paid capital: US\$ 1,000 Number of Subscribed and Paid Shares: 1,000. Interest: 100% indirectly through AES Chile Inversiones Renovables SpA.

Management: AES Chile Inversiones Renovables SpA. Chief Executive Officer: Javier Dib (1).

### Energía Eólica Los Olmos SpA.

Legal nature: Stock corporation Tax Id. (RUT) number: 76868988-1

Address: Los Conquistadores N° 1730, Piso 10, Providencia,

Santiago de Chile Phone: (56 2) 3333 8300

Corporate purpose: in the electrical energy wholesale market, to develop the production of electrical energy and inject such production into the National Electric System;

to purchase electrical energy to sell it to electrical energy distributors or non-regulated end users/customers; to build, install, operate, exploit,

maintain and manage generation assets,

either thermal, hydraulic or the socalled Non-Conventional Renewable Energies; to acquire, lease or enter into any other legal act related to thirdparty power generation projects; to operate, exploit, maintain and manage energy generation assets acquired from third parties; to market surplus energy from our own or outsourced Non-Conventional Renewable Energy sources to prove compliance with the obligation referred to in Article 150 bis of Law 20,257; to market electricity and its associated power with other generating companies; acquisition, construction, implementation, operation, maintenance and exploitation of all kinds of goods and facilities for the generation of electricity; to design, develop, manage and/ or execute of all types of engineering, energy, architecture and other specialty projects related to electricity generation; to acquire, operate and transfer concessions of electric, telecommunications, telephone, telegraph, telex and data transmissions, and radio communications; to build, install, operate and maintain power generation plants of any kind for sale to third parties; the construction of one or more power generation plants of any kind to sell the production to generators, distributors or end users; to provide advice on the wholesale electricity market; to carry out all kinds of investments and to perform all kinds of assignment or mere ownership acts and contracts, relating to all types of personal or real, tangible or intangible property, intended for acquisition, exploitation, marketing and management and relating to any of the purposes and businesses referred to above; to increase or reduce power through the acquisition or disposal of generation assets of any kind; and to carry out all acts and any other activity, whether or not related to the foregoing, that the partners may decide to carry out.

Capital and shares: paid capital US\$ 130,356,960.54. Number of Subscribed and Paid Shares: 139,937,571. Interest: 100% indirectly through Chile Renovables SpA Management: Chile Renovables SpA Chief Executive Officer: Javier Dib (1).

## Energía Eólica Mesamávida SpA

Legal nature: Stock Corporation Tax Id. (RUT) number: 76868991-1

Address: Los Conquistadores Nº 1730, Piso 10, Providencia,

Santiago de Chile

Phone: (56 2) 3333 8300

Corporate purpose: in the electrical energy wholesale market, to develop the production of electrical energy and inject such production into the National Electric System: to purchase electrical energy to sell it to electrical energy distributors or non-regulated end users/customers; to build, install, operate, exploit, maintain and manage generation assets, either thermal, hydraulic or the socalled Non-Conventional Renewable Energies; to acquire, lease or enter into any other legal act related to third-party power generation projects; to operate, exploit, maintain and manage energy generation assets acquired from third parties; to market surplus energy from our own or outsourced Non-Conventional Renewable Energy sources to prove compliance with the obligation referred to in Article 150 bis of Law 20,257; to market electricity and its associated power with other generating companies; acquisition, construction, implementation, operation, maintenance and exploitation of all kinds of goods and facilities for the generation of electricity; to design, develop, manage and/or execute of all types of engineering, energy, architecture and other specialty projects related to electricity generation; to acquire, operate and transfer concessions of electric, telecommunications, telephone, telegraph, telex and data transmissions, and radio communications; to build, install, operate and maintain power generation plants of any kind for sale to third parties; the construction of one or more power generation plants of any kind to sell the production to generators, distributors or end users; to provide advice on the wholesale electricity market; to carry out all kinds of investments and to perform all kinds of assignment or mere ownership acts and contracts, relating to all types of personal or real, tangible or intangible property, intended for acquisition, exploitation, marketing and management and relating to any of the purposes and businesses referred to above; to increase or reduce power through the acquisition or disposal of generation assets of any kind; and to carry out all acts and any other activity, whether or not related to the foregoing, that the partners may decide to carry out.

Capital and shares: paid capital US\$ 410,000. Number of Subscribed and Paid Shares: 410,000. Interest: 100% indirectly through AES Chile Inversiones Renovables SpA. Chief Executive Officer: Javier Dib (1).

### Energía Eólica Pampas SpA

Legal nature: Stock corporation Tax Id. (RUT) number: 77294357-1

Address: Los Conquistadores Nº 1730, Piso 10, Providencia,

Santiago de Chile

Phone: (56 2) 3333 8300

Corporate purpose: The purpose of the Company will be: to develop in the wholesale electric energy market the production of electrical energy and to inject such production into the National Electric System; in the area of commercialization, to purchase electrical energy to sell it to electrical energy distributors or non-regulated end users/ customers; to build, install, operate, exploit, maintain and manage generation assets, either thermal, hydraulic or the so-called Non-Conventional Renewable Energies; to acquire, lease or enter into any other legal act related to the incorporation of generation assets, either thermal, hydraulic or the so-called Non-Conventional Renewable Energies; to acquire, lease or enter into any other legal act related to third-party power generation projects; to operate, exploit, maintain and manage energy generation assets acquired from third parties; to market surplus energy from our own or outsourced Non-Conventional Renewable Energy sources to prove compliance with the obligation referred to in Article 150 bis of Law 20,257; to market electricity and its associated power with other generating companies; acquisition, construction, implementation, operation, maintenance and exploitation of all kinds of goods and facilities for the generation of electricity; to design, develop, manage and/ or execute of all types of engineering, energy, architecture and other specialty projects related to electricity generation; to acquire, operate and transfer concessions of electric, telecommunications, telephone, telegraph, telex and data transmissions, and radio communications; to build, install, operate and maintain power generation plants of any kind for sale to third parties; the construction of one or more power generation plants of any kind to sell the production to generators, distributors or end users; to provide advisory services in the wholesale electricity market; to carry out all kinds of investments and to perform all kinds of assignment or mere ownership acts and contracts, relating to all types of personal or real, tangible or intangible property, intended for acquisition, exploitation, marketing and management and relating to any of the purposes and businesses referred to

above; to increase or reduce power through the acquisition or disposal of generation assets of any kind; and to carry out all acts and any other activity, whether or not related to the foregoing, that the shareholders may decide to carry out.

Capital and shares: paid capital US\$ 1,000.

Number of Subscribed and Paid Shares: 1,000.

Interest: 100% indirectly through AES Chile Inversiones
Renovables SpA.

Management: AES Chile Inversiones Renovables SpA.

Chief Executive Officer: Javier Dib (1).

### Energía Eólica Paposo SpA

Legal nature: Stock Corporation Tax Id. (RUT) number: 77,005,365-K Address: Los Conquistadores N° 1730, Piso 10, Providencia, Santiago de Chile Phone: (56 2) 3333 8300

Corporate purpose: in the electrical energy wholesale market, to develop the production of electrical energy and inject such production into the National Electric System; to purchase electrical energy to sell it to electrical energy distributors or non-regulated end users/customers; to build, install, operate, exploit, maintain and manage generation assets, either thermal, hydraulic or the so-called Non-Conventional Renewable Energies; to acquire, lease or enter into any other legal act related to third-party power generation projects; to operate, exploit, maintain and manage energy generation assets acquired from third parties; to market surplus energy from our own or outsourced Non-Conventional Renewable Energy sources to prove compliance with the obligation



referred to in Article 150 bis of Law 20,257; to market electricity and its associated power with other generating companies; acquisition, construction, implementation, operation, maintenance and exploitation of all kinds of goods and facilities for the generation of electricity; to design, develop, manage and/or execute of all types of engineering, energy, architecture and other specialty projects related to electricity generation; to acquire, operate and transfer concessions of electric, telecommunications, telephone, telegraph, telex and data transmissions, and radio communications; to build, install, operate and maintain power generation plants of any kind for sale to third parties; the construction of one or more power generation plants of any kind to sell the production to generators, distributors or end users; to provide advisory services in the wholesale electricity market; to carry out all kinds of investments and to perform all kinds of assignment or mere ownership acts and contracts, relating to all types of personal or real, tangible or intangible property, intended for acquisition, exploitation, marketing and management and relating to any of the purposes and businesses referred to above; to increase or reduce power through the acquisition or disposal of generation assets of any kind; and to carry out all acts and any other activity, whether or not related to the foregoing, that the partners may decide to carry out.

Capital and shares: paid capital US\$ 1,000. Number of Subscribed and Paid Shares: 1,000. Interest: 100% indirectly through AES Chile Inversiones Renovables SpA.

Management: AES Chile Inversiones Renovables SpA. Chief Executive Officer: Javier Dib (1).

# Energía Eólica Rinconada SpA

Legal nature: Stock corporation Tax Id. (RUT) number: 77116491-9

Address: Los Conquistadores Nº 1730, Piso 10, Providencia,

Santiago de Chile

Phone: (56 2) 3333 8300

Corporate purpose: The purpose of the Company will be: to develop in the wholesale electric energy market the production of electrical energy and to inject such production into the National Electric System; in the area of commercialization, to purchase electrical energy to sell it to electrical energy distributors or non-regulated end users/ customers; to build, install, operate, exploit, maintain and manage generation assets, either thermal, hydraulic or the so-called Non-Conventional Renewable Energies; to acquire, lease or enter into any other legal act related to the incorporation of generation assets, either thermal, hydraulic or the so-called Non-Conventional Renewable Energies; to acquire, lease or enter into any other legal act related to third-party power generation projects; to operate, exploit, maintain and manage energy generation assets acquired from third parties; to market surplus energy from our own or outsourced Non-Conventional Renewable Energy sources to prove compliance with the obligation referred to in Article 150 bis of Law 20,257; to market electricity and its associated power with other generating companies; acquisition, construction, implementation, operation, maintenance and exploitation of all kinds of goods and facilities for the generation of electricity; to design, develop, manage and/ or execute of all types of engineering, energy, architecture and other specialty projects related to electricity generation;

to acquire, operate and transfer concessions of electric, telecommunications, telephone, telegraph, telex and data transmissions, and radio communications; to build, install, operate and maintain power generation plants of any kind for sale to third parties; the construction of one or more power generation plants of any kind to sell the production to generators, distributors or end users; to provide advisory services in the wholesale electricity market; to carry out all kinds of investments and to perform all kinds of assignment or mere ownership acts and contracts, relating to all types of personal or real, tangible or intangible property, intended for acquisition, exploitation, marketing and management and relating to any of the purposes and businesses referred to above; to increase or reduce power through the acquisition or disposal of generation assets of any kind; and to carry out all acts and any other activity, whether or not related to the foregoing, that the shareholders may decide to carry out.

Capital and shares: paid capital US\$ 1,000.

Number of Subscribed and Paid Shares: 1,000.

Interest: 100% indirectly through AES Chile Inversiones
Renovables SpA.

Management: AES Chile Inversiones Renovables SpA.

Chief Executive Officer: Javier Dib (1).

### Energía Eólica San Matías SpA

Legal nature: Stock corporation
Tax Id. (RUT) number: 77116491-9
Address: Los Conquistadores N° 1730, Piso 10, Providencia,
Santiago de Chile

Phone: (56 2) 3333 8300

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Corporate purpose: The purpose of the Company will be: to develop in the wholesale electric energy market the production of electrical energy and to inject such production into the National Electric System; in the area of commercialization, to purchase electrical energy to sell it to electrical energy distributors or non-regulated end users/ customers; to build, install, operate, exploit, maintain and manage generation assets, either thermal, hydraulic or the so-called Non-Conventional Renewable Energies; to acquire, lease or enter into any other legal act related to the incorporation of generation assets, either thermal, hydraulic or the so-called Non-Conventional Renewable Energies; to acquire, lease or enter into any other legal act related to thirdparty power generation projects; to operate, exploit, maintain and manage energy generation assets acquired from third parties; to market surplus energy from our own or outsourced Non-Conventional Renewable Energy sources to prove compliance with the obligation referred to in Article 150 bis of Law 20,257; to market electricity and its associated power with other generating companies; acquisition, construction, implementation, operation, maintenance and exploitation of all kinds of goods and facilities for the generation of electricity; to design, develop, manage and/or execute of all types of engineering, energy, architecture and other

specialty projects related to electricity generation; to acquire, operate and transfer concessions of electric, telecommunications, telephone, telegraph, telex and data transmissions, and radio communications: to build, install, operate and maintain power generation plants of any kind for sale to third parties; the construction of one or more power generation plants of any kind to sell the production to generators, distributors or end users; to provide advisory services in the wholesale electricity market; to carry out all kinds of investments and to perform all kinds of assignment or mere ownership acts and contracts, relating to all types of personal or real, tangible or intangible property, intended for acquisition, exploitation, marketing and management and relating to any of the purposes and businesses referred to above; to increase or reduce power through the acquisition or disposal of generation assets of any kind; and to carry out all acts and any other activity, whether or not related to the foregoing, that the shareholders may decide to carry out.

Capital and Shares: US\$ 63,568,510.54 Number of Subscribed and Paid Shares: 1,541 shares, 1,000 of which are Series A shares and 541 are Series B shares. Interest: 100% of Series A shares Management: AES Andes S.A.

## Gasoducto GasAndes Argentina S.A.

Chief Executive Officer: Javier Dib (1).

Legal nature: Stock Corporation (Foreign).
Address: Bonpland 1745, City of Buenos Aires, Republic of Argentina.

Phone: (54 11) 4849 6100

Corporate Purpose: Transportation of natural gas by pipeline Capital and shares: paid capital: AR\$ 83,467,000 (ThUS \$19,393).

Number of Subscribed and Paid Shares: 83,467,000

Interest: 13%

Class A Regular Directors: Emilio Martín Nadra, Luis Alberto

Santos, Javier Fernández González, Jorge Beytía.

Class A Alternate Directors: Victoria Pérez Sabbioni, Pablo Alejandro Chebli, Héctor Zeballos del Pino, Carmen Paz Talma

Ruiz.

Class B Regular Director: Martín Genesio.

Class B Alternate Director: Iván Diego Duronto.

Class C Regular Director: Klaus Lührmann.

Class C Alternate Director: Alan Targarona Villarroel.

Class D Regular Directors: Emilio José Daneri Conte Grand.

Class D Alternate Directors: Viviana Patricia Valiño. Class B and C Regular Director: Matías María Brea. Class B and C Alternate Director: Fernando Ketchian.

Class E Regular Director: Gustavo Martinez.

Class E Alternate Director: Luis Arancibia Yametti.

### Gasoducto GasAndes S.A.

Legal nature: Closed Stock Corporation.

Tax Id. (RUT) number: 96721360-8

Address: Avenida Chena 11650, Parque Industrial Puerta Sur

San Bernardo, Santiago de Chile.

Phone: (56 2) 23665960 Fax: (56 2) 23665074

Corporate purpose: transportation of natural gas by pipeline. The subject-matter of the company is to provide natural gas transportation services and to make investments in everything related to the industry of natural gas services in Chile or foreign, either on its own behalf or associated with or on behalf of third parties, being able to request any relevant concessions and permits as may be required for

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these purposes. The Company can participate in all sorts of businesses or activities directly or indirectly related to

its corporate purpose, including, without limitation, establishment, operation, exploitation, management and use of gas facilities or transportation networks; separation and processing of natural gas liquids; engineering necessary for pipes or pipelines, and technical assistance related to them; provision of tubing and pipeline construction services; and in general all the services or activities related to the transport, marketing, storage, or processing of gas.

Capital and shares: issued capital ThUS\$ 11,914. Number of Subscribed and Paid Shares: 172,800. Interest: 13%

Chairman of the Board: Emilio Martín Nadra
Chief Executive Officer: Carlos Santiago Romero Oneto
Regular Directors: Emilio Martin Nadra, Luis Alberto Santos,
Matías María Brea, Emilio José Daneri Conte Grand, Javier
Fernández González, Jorge Beytía Moure, Klaus Richard
Lührmann Poblete, Luis Sarrás, Gustavo Martínez.
Alternate Directors: Victoria Pérez Sabbioni, Pablo Alejandro
Chebli, Fernando Ketchian, Viviana Patricia Valiño, Héctor
Zeballos del Pino, Carmen Paz Talma, Alan Targarona
Villarroel, Martín Genesio, Luis Arancibia Yametti.

### Gener Argentina S.A.

Legal nature: Stock Corporation (Foreign).

Address: Carlos Pellegrini 1023, 9° piso, C1009ABU, City of Buenos Aires, República Argentina

Phone: (54 11) 4000-2300

Company Purpose: To engage in the following activities: (a)

Performance of financial and investment operations on its own behalf or on behalf of third parties, including granting or receiving short-term or long-term loans with or without collateral, capital contributions to an individual or other companies incorporated or to be incorporated to finance operations already performed or to be performed, purchase and sale of all kinds of shares, debentures, bonds, securities and credit papers in any of the systems or modalities created or to be created. Except for any transactions covered by the Financial Institutions Law and any other transactions requiring competitive bidding. (b) Participate, either directly or through other controlled or related companies: (i) in the bidding of stock packages of companies whose assets are hydraulic o thermal power plants not yet privatized by the Argentine Government or (ii) in the development of other projects of the electricity sector in Argentina.

Capital and shares: paid capital AR\$ 544,443,672 (US\$ 224,928,640).

Number of Subscribed and Paid Shares: 544,443,672. Interest: 92.05% directly and 7.95% indirectly through Norgener Foreign Investment SpA Chairman of the Board: Martín José Genesio. Regular Directors: Iván Diego Durontó, Carlos Giammaría. Alternate Directors: Rubén Néstor Zaia, Guillermo Daniel Paponi.

Chief Executive Officer: Martín Genesio.

### InterAndes S.A.

Legal nature: Stock Corporation (Foreign).

Address: Carlos Pellegrini 1023, 9° piso, C1009ABU, City of Buenos Aires, República Argentina

Phone: (54 11) 4000-2300

Corporate Purpose: The exploitation of the International Interconnection Electrical Power Transportation Concession of the Transmission System that links Salta Substation, located in the town of Güemes, Province of Salta, and Paso Sico on the border with the Republic of Chile, including its expansions.

Capital and shares: paid capital AR\$ 135,365,996 (US\$ 55,876,946.).

Number of Subscribed and Paid Shares: 135,365,996. Interest: 13.01% directly and 86.99% indirectly through Gener Argentina S.A.

Chairman of the Board: Martín José Genesio Regular Directors: Iván Diego Durontó and Fabián Carlos Giammaría.

Alternate Directors: Rubén Néstor Zaia, Guillermo Daniel Paponi.

### Inversiones Cochrane SpA

Legal nature: Stock corporation
Tax Id. (RUT) number: 77,201,526 -7
Address: Los Conquistadores N° 1730, Piso 10, Providencia,
Santiago de Chile
Phone: (56 2) 3333 8300

Corporate Purpose: To own shares issued by Empresa Eléctrica Cochrane SpA, receive loans for consumption from it, as well as the granting of loans to the shareholders of the company.

Capital and shares: paid capital US\$ 27,751,583. Number of Subscribed and Paid Shares: 110,142,692, 95% of which are Series A shares and 5% of which are Series B shares.

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Interest: 95% through AES Andes S.A. Management: AES Andes S.A. Chief Executive Officer: Javier Dib (1).

### Konavle SpA

Tax Id. (RUT) number: 76708917-1

Address: Los Conquistadores N° 1730, Piso 10, Providencia,

Santiago de Chile

Phone: (56 2) 3333 8300

Legal nature: Stock Corporation

Corporate purpose: in the wholesale electric energy market to develop the production of electrical energy and to inject such production into the National Electric System; in the area of commercialization, to purchase electrical energy to sell it to electrical energy distributors or non-regulated end users/customers; to build, install, operate, exploit, maintain and manage generation assets, either thermal, hydraulic or the so-called Non-Conventional Renewable Energies; to acquire, lease or enter into any other legal act related to the incorporation of generation assets, either thermal, hydraulic or the so-called Non-Conventional Renewable Energies; to acquire, lease or enter into any other legal act related to third-party power generation projects; to operate, exploit, maintain and manage energy generation assets acquired from third parties; to market surplus energy from our own or outsourced Non-Conventional Renewable Energy sources to prove compliance with the obligation referred to in Article 150 bis of Law 20,257, or any other replacing it; to market electricity and its associated power with other generating companies; acquisition, construction, implementation, operation, maintenance and exploitation of all kinds of goods and facilities for the generation of electricity; to

design, develop, manage and/or execute of all types of energy, architecture and other specialty projects related to electricity generation; to acquire, operate and transfer concessions of electric, telecommunications, telephone, telegraph, telex and data transmissions, and radio communications; to build, install, operate and maintain power generation plants of any kind for sale to third parties; the construction of one or more power generation plants of any kind to sell the production to generators, distributors or end users; to carry out all kinds of investments and to perform all kinds of assignment or mere ownership acts and contracts, relating to all types of personal or real, tangible or intangible property, intended for acquisition, exploitation, marketing and management and relating to any of the purposes and businesses referred to above; to increase or reduce power through the acquisition or disposal of generation assets of any kind; and to carry out all acts and any other activity, whether or not related to the foregoing, that the shareholders may decide to carry out.

Capital and shares: paid capital US\$ 1,000.

Number of Subscribed and Paid Shares: 1,000.

Interest: 100% AES Andes S.A.

Directors: Javier Dib (1), Ricardo Roizen (2) and María Paz
Cerda (6).

Chief Executive Officer: Javier Dib (1).

### La Baluma SpA

Tax Id. (RUT) number: 76708919-8 Address: Los Conquistadores N° 1730, Piso 10, Providencia, Santiago de Chile Phone: (56 2) 3333 8300 Legal nature: Stock Corporation

Corporate purpose: in the wholesale electric energy market to develop the production of electrical energy and to inject such production into the National Electric System; in the area of commercialization, to purchase electrical energy to sell it to electrical energy distributors or non-regulated end users/customers; to build, install, operate, exploit, maintain and manage generation assets, either thermal, hydraulic or the so-called Non-Conventional Renewable Energies; to acquire, lease or enter into any other legal act related to the incorporation of generation assets, either thermal, hydraulic or the so-called Non-Conventional Renewable Energies; to acquire, lease or enter into any other legal act related to third-party power generation projects; to operate, exploit, maintain and manage energy generation assets acquired from third parties; to market surplus energy from our own or outsourced Non-Conventional Renewable Energy sources to prove compliance with the obligation referred to in Article 150 bis of Law 20,257, or any other replacing it; to market electricity and its associated power with other generating companies; acquisition, construction, implementation, operation, maintenance and exploitation of all kinds of goods and facilities for the generation of electricity; to design, develop, manage and/or execute of all types of energy, architecture and other specialty projects related to electricity generation; to acquire, operate and transfer concessions of electric, telecommunications, telephone, telegraph, telex and data transmissions, and radio communications; to build, install, operate and maintain power generation plants of any kind for sale to third parties; the construction of one or more power generation plants of any kind to sell the production to generators, distributors or end users; to carry out all kinds of investments and to perform all kinds of assignment or mere ownership acts and contracts, relating to all types of personal or real, tangible or

Cerda (6).



intangible property, intended for acquisition, exploitation, marketing and management and relating to any of the purposes and businesses referred to above; to increase or reduce power through the acquisition or disposal of generation assets of any kind; and to carry out all acts and any other activity, whether or not related to the foregoing, that the shareholders may decide to carry out.

Capital and shares: paid capital US\$ 1,000. Number of Subscribed and Paid Shares: 1,000. Interest: 100% AES Andes S.A. Directors: Javier Dib (1), Ricardo Roizen (2) and María Paz Cerda (6).

Chief Executive Officer: Javier Dib (1).

### Llanos del Sol SpA

Tax Id. (RUT) number: 76,708,918-K

Address: Los Conquistadores Nº 1730, Piso 10, Providencia,

Santiago de Chile

Phone: (56 2) 3333 8300

Legal nature: Stock Corporation

Corporate purpose: in the wholesale electric energy market to develop the production of electrical energy and to inject such production into the National Electric System; in the area of commercialization, to purchase electrical energy to sell it to electrical energy distributors or non-regulated end

users/customers; to build, install, operate, exploit, maintain and manage generation assets, either thermal, hydraulic or the so-called Non-Conventional Renewable Energies; to acquire, lease or enter into any other legal act related to the incorporation of generation assets, either thermal, hydraulic or the so-called Non-Conventional Renewable Energies: to acquire, lease or enter into any other legal act related to third-party power generation projects; to operate, exploit, maintain and manage energy generation assets acquired from third parties; to market surplus energy from our own or outsourced Non-Conventional Renewable Energy sources to prove compliance with the obligation referred to in Article 150 bis of Law 20,257, or any other replacing it; to market electricity and its associated power with other generating companies; acquisition, construction, implementation, operation, maintenance and exploitation of all kinds of goods and facilities for the generation of electricity; to design, develop, manage and/or execute of all types of energy, architecture and other specialty projects related to electricity generation; to acquire, operate and transfer concessions of electric, telecommunications, telephone, telegraph, telex and data transmissions, and radio communications; to build, install, operate and maintain power generation plants of any kind for sale to third parties; the construction of one or more power generation plants of any kind to sell the production to generators, distributors or end users; to carry out all kinds of investments and to perform all kinds of assignment or mere ownership acts and contracts, relating to all types of personal or real, tangible or intangible property, intended for acquisition, exploitation, marketing and management and relating to any of the purposes and businesses referred to above; to increase or reduce power through the acquisition or disposal of generation assets of any kind; and to carry out all acts and any other activity, whether or not related to the foregoing, that the

shareholders may decide to carry out.

Capital and shares: paid capital US\$ 1,000.

Number of Subscribed and Paid Shares: 1,000.

Interest: 100% AES Andes S.A.

Directors: Javier Dib (1), Ricardo Roizen (2) and María Paz

Chief Executive Officer: Javier Dib (1).

### Norgener Foreign Investment SpA

Legal nature: Stock Corporation Tax Id. (RUT) number: 96678770-8 Address: Los Conquistadores N° 1730, Piso 10, Providencia, Santiago de Chile

Phone: (56 2)3333 8300

Corporate Purpose: Investment in companies engaged in the generation, purchase, sale and distribution of electric or any other kind of energy, mainly abroad or in any area of the country; generation, purchase, sale and distribution of electric or any other kind of energy, mainly abroad or in any area of the country; extraction, distribution, commercialization and exploitation, in any form, of liquid and gaseous fuels; sale and provision maintenance and machinery engineering services; rental, construction or acquisition and any kind of exploitation of docks or ports, and performance of any other productive and commercial activities related or complementary to the businesses mentioned above; investments in any kind of personal, tangible or intangible properties, specially bonds, debentures, shares, rights in corporations and, in general, any kind of investments in securities, to administrate those properties and receive the proceeds resulting from them; and any other act, agreement, business and procedure related to the purposes referred to above.



Capital and shares: paid capital US\$ 153,107,722.45. Number of Subscribed and Paid-in Shares: 2,977,838,525

Interest: 100% directly.

Managing Director: AES Andes S.A. Chief Executive Officer: Javier Dib (1)

### Parque Eólico Campo Lindo SpA

Tax Id. (RUT) number: 76363072-2

Address: Los Conquistadores N° 1730, Piso 10, Providencia,

Santiago de Chile

Phone: (56 2) 3333 8300 Legal nature: Stock Corporation

Corporate Purpose: Management, development, investment, exploitation and operation of the electricity generation project called Campo Lindo, as well as the management, development, investment and operation of all kinds of renewable energy projects in Chile, either on its own behalf or on behalf of third parties, in particular power generation parks with wind resources and the performance of any other activity directly or indirectly related to these purposes.

Capital and shares: paid capital US\$ 115,570,226.12. Number of Subscribed and Paid Shares: 360,490,359. Interest: 51% indirectly through Chile Renovables SpA Chief Executive Officer: Javier Dib (1).

### Parque Eólico Los Cururos SpA

Legal nature: Stock Corporation Tax Id. (RUT) number: 76,178,599-0

Address: Los Conquistadores Nº 1730, Piso 10, Providencia,

Santiago de Chile

Phone: (56 2) 3333 8300

Corporate Purpose: The generation of electrical energy through all types of fuels and all kinds of renewable energy in any of its forms such as wind, photovoltaic and biomass; the transmission, purchase and sale of electrical energy to either end customers or any interconnected system; the development, implementation and commissioning of projects related to its business, as well as the creation and commissioning of projects aimed at the development of renewable energies, regeneration or cogeneration, their management and maintenance; to participate in all types of renewable energy developments, including generation and transmission; the execution of partnerships, representations, obtaining of franchises, and any other form of development of the corporate business, whether carried out on its own behalf or on behalf of third parties; any other business to be agreed by the partners.

Capital and shares: capital US\$ 185,168,841. Number of Shares: 79,642,969,474 subscribed and paid shares.

Interest: 51% indirectly through Chile Renovables SpA Chief Executive Officer: Javier Dib (1).

## Cristales SpA

Tax Id. (RUT) number: 76975746-5 Address: Los Conquistadores Nº 1730. Piso 10. Providencia. Santiago de Chile Phone: (56 2) 3333 8300

Legal nature: Stock Corporation

Corporate purpose: in the electrical energy wholesale market, to develop the production of electrical energy and inject such production into the National Electric System; to purchase electrical energy to sell it to electrical energy distributors or non-regulated end users/customers; to build, install,

operate, exploit, maintain and manage generation assets. either thermal, hydraulic or the so-called Non-Conventional Renewable Energies; to acquire, lease or enter into any other legal act related to third-party power generation projects; to operate, exploit, maintain and manage energy generation assets acquired from third parties; to market surplus energy from our own or outsourced Non-Conventional Renewable Energy sources to prove compliance with the obligation referred to in Article 150 bis of Law 20.257: to market electricity and its associated power with other generating companies; acquisition, construction, implementation, operation, maintenance and exploitation of all kinds of goods and facilities for the generation of electricity; to design, develop, manage and/or execute of all types of engineering. energy, architecture and other specialty projects related to electricity generation; to acquire, operate and transfer concessions of electric, telecommunications, telephone, telegraph, telex and data transmissions, and radio communications; to build, install, operate and maintain power generation plants of any kind for sale to third parties; the construction of one or more power generation plants of any kind to sell the production to generators, distributors or end users; to provide advisory services in the wholesale electricity market; to carry out all kinds of investments and to perform all kinds of assignment or mere ownership acts and contracts. relating to all types of personal or real, tangible or intangible property, intended for acquisition, exploitation, marketing and management and relating to any of the purposes and businesses referred to above; to increase or reduce power through the acquisition or disposal of generation assets of any kind; and to carry out all acts and any other activity, whether or not related to the foregoing, that the partners may decide to carry out.

Capital and shares: paid capital US\$ 10,000. Number of Subscribed and Paid Shares: 10.000.



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Interest: 100% indirectly through AES Chile Inversiones

Renovables SpA

Chief Executive Officer: Javier Dib (1).

### Punta del Sol SpA

Legal nature: Stock Corporation Tax Id. (RUT) number: 76917669-1

Address: Los Conquistadores Nº 1730, Piso 10, Providencia,

Santiago de Chile

Phone: (56 2) 3333 8300

Corporate purpose: in the electrical energy wholesale market, to develop the production of electrical energy and inject such production into the National Electric System; in the area of commercialization, to purchase electrical energy to sell it to electrical energy distributors or non-regulated end users/customers; to build, install, operate, exploit, maintain and manage generation assets, either thermal, hydraulic or the so-called Non-Conventional Renewable Energies; to acquire, lease or enter into any other legal act related to the incorporation of generation assets, either thermal, hydraulic or the so-called Non-Conventional Renewable Energies; to acquire, lease or enter into any other legal act related to third-party power generation

projects; to operate, exploit, maintain and manage energy generation assets acquired

from third parties; to market surplus energy from our own or outsourced Non-Conventional Renewable Energy sources to prove compliance with the obligation referred to in Article 150 bis of Law 20,257; to market electricity and its associated power with other generating companies; acquisition, construction,

implementation, operation, maintenance and exploitation of all kinds of goods and facilities for the generation of electric energy; design, development, management and/ or execution of all kinds of engineering, energy, architecture or any other projects related to the generation of electricity; to acquire, operate and transfer concessions of electric, telecommunications, telephone, telegraph, telex and data transmissions, and radio communications; to build, install, operate and maintain power generation plants of any kind for sale to third parties; the construction of one or more power generation plants of any kind to sell the production to generators, distributors or end users; to provide advisory services in the wholesale electricity market; to carry out all kinds of investments and to perform all kinds of assignment or mere ownership acts and contracts, relating to all types of personal or real, tangible or intangible property, intended for acquisition, exploitation, marketing and management and relating to any of the purposes and businesses referred to above; to increase or reduce power through the acquisition or disposal of generation assets of any kind; and to carry out all acts and any other activity, whether or not related to the foregoing, that the partners may decide to carry out.

Capital and shares: paid capital: US\$ 10,000 Number of Subscribed and Paid Shares: 10,000. Interest: 100% indirectly through AES Chile Inversiones Renovables SpA. Chief Executive Officer: Javier Dib (1).

### San Carlos SpA

Legal nature: Stock Corporation Tax Id. (RUT) number: 77162182-1 Address: Los Conquistadores N° 1730, Piso 10, Providencia, Santiago de Chile Phone: (56 2) 3333 8300

Corporate purpose: development, construction, financing, exploitation, operation and maintenance, in any form and under any title, either directly or through its investment in other national or foreign companies, of one or more electric power generation projects, as well as the transmission of electricity, in general; and the execution and development of all activities directly or indirectly related to such projects, the commercialization of electricity, power and non-conventional renewable energy, in general, being able to buy, sell and market electric energy with non-regulated customers, regulated customers, through supply agreements, public or private supply bids, or otherwise. For such purposes, the company may carry out, directly or indirectly, through third parties: (a) studies, measurements, surveys and other activities necessary to determine the feasibility and geographical, meteorological, technical and economic conditions of the projects and to develop, construct, finance, operate and maintain such project, as well as to develop, construct, operate and maintain all facilities, works, plants and substations necessary for the generation and transmission of electricity; (b) to purchase, sell, import, export and commercialize goods or supplies related to the generation and transmission of electric energy; (c) to obtain, transfer, purchase, lease, pledge or exploit in any form the respective concessions and rights contemplated in the electric legislation and regulations; (d) to make and develop all kinds of investments related to all kinds of personal or real property, tangible or intangible, their exploitation, commercialization and administration that are related to the main purpose; and in general, to carry out all those commercial or industrial activities that are complementary or annexed to its business, being able to execute all kinds of commercial and legal acts of any nature authorized by law, which are indirectly related to its purpose, including the contracting of loans or other forms of financing that are deemed necessary for the development of its activities, for the best fulfillment of its corporate purposes.



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Capital and shares: paid capital US\$ 11,861. Number of Subscribed and Paid Shares: 100. Interest: 100% AES Andes SpA

Chief Executive Officer: Javier Dib (1).

Regular Directors: Javier Dib (1), Ricardo Roizen (2) and María

Paz Cerda (6).

### Solar Oriente SpA

Tax Id. (RUT) number: 76.708.806-K

Address: Los Conquistadores N° 1730, Piso 10, Providencia,

Santiago de Chile

Phone: (56 2) 3333 8300

Legal nature: Stock Corporation

Corporate purpose: In the electrical energy wholesale market, to develop the production of electrical energy and inject such production into the National Electric System: in the area of commercialization, to purchase electrical energy to sell it to electrical energy distributors or non-regulated end users/customers; to build, install, operate, exploit, maintain and manage generation assets, either thermal, hydraulic or the so-called Non-Conventional Renewable Energies; to acquire, lease or enter into any other legal act related to the incorporation of generation assets, either thermal, hydraulic or the so-called Non-Conventional Renewable Energies; to acquire, lease or enter into any other legal act related to third-party power generation projects; to operate, exploit, maintain and manage energy generation assets acquired from third parties; to market surplus energy from our own or outsourced Non-Conventional Renewable Energy sources to prove compliance with the obligation referred to in Article 150 bis of Law 20,257, or any other replacing it; to market electricity and its associated power with other generating companies; acquisition, construction, implementation,

operation, maintenance and exploitation of all kinds of goods and facilities for the generation of electricity; to design, develop, manage and/or execute of all types of energy, architecture and other specialty projects related to electricity generation; to acquire, operate and transfer concessions of electric, telecommunications, telephone, telegraph, telex and data transmissions, and radio communications: to build. install, operate and maintain power generation plants of any kind for sale to third parties; the construction of one or more power generation plants of any kind to sell the production to generators, distributors or end users; to carry out all kinds of investments and to perform all kinds of assignment or mere ownership acts and contracts, relating to all types of personal or real, tangible or intangible property, intended for acquisition, exploitation, marketing and management and relating to any of the purposes and businesses referred to above; to increase or reduce power through the acquisition or disposal of generation assets of any kind; and to carry out all acts and any other activity, whether or not related to the foregoing, that the shareholders may decide to carry out.

Capital and shares: paid capital: US\$ 1,000 Number of Subscribed and Paid Shares: 1.000. Interest: 100% AFS Andes S.A. Directors: Javier Dib (1), Ricardo Roizen (2) and María Paz Cerda (6). Chief Executive Officer: Javier Dib (1).

### TermoAndes S A

Legal nature: Stock Corporation. Address: Carlos Pellegrini 1023, 9th floor, C1009ABU, City of Buenos Aires, C1022AAR, Republic of Argentina Phone: (54 11) 4000-2300.

Corporate purpose: to carry out on its own behalf or on

behalf of third parties or in association with third parties, the following activities, in the country or abroad: production, commercialization, export and import of electric power. Construction, operation and/or maintenance of electric power transmission lines and systems in low/high voltage: provision of electric power transmission services in low/high voltage, either within the limits of the Republic of Argentina and/or through its borders by means of transmission lines and/or systems linking its points of consumption, generation and/or other electric energy transmission systems in the Republic of Argentina with other countries, and vice versa, for electric power import and/or export purposes. To this end, the company has full legal capacity to carry out by itself or through third parties, all those complementary and subsidiary activities that are related to its corporate purpose, being able to directly make loans to private companies, being able to give, demand and accept guarantees in its own or others' businesses, having full legal capacity to acquire rights, contract obligations and exercise all the acts that are not prohibited by law or by these bylaws.

Capital and shares: paid capital AR\$ 581,869,516 (US\$ 299,833,447.).

Number of Subscribed and Paid Shares: 581,869,516. Interest: 8.82% directly and 91.18% indirectly through Gener Argentina S.A.

Chairman of the Board: Martín José Genesio. Regular Directors: Iván Diego Durontó and Fabián Carlos Giammaría.

Alternate Directors: Rubén Néstor Zaia, Guillermo Paponi. Staff\*: technical and administrative staff: 39; professionals: 14.

<sup>(\*)</sup> Staff of related companies that consolidate their profits and losses with those of AES Andes and have employees under employment contracts.

## Transmisora Tal Tal SpA

Legal nature: Stock corporation Tax Id. (RUT) number: 77209147-8

Address: Los Conquistadores Nº 1730, Piso 10, Providencia,

Santiago de Chile

Phone: (56 2) 3333 8300

Corporate purpose: The purpose of the Company will be: to develop in the wholesale electric energy market the production of electrical energy and to inject such production into the National Electric System; in the area of commercialization, to purchase electrical energy to sell it to electrical energy distributors or non-regulated end users/ customers; to build, install, operate, exploit, maintain and manage generation assets, either thermal, hydraulic or the so-called Non-Conventional Renewable Energies; to acquire, lease or enter into any other legal act related to the incorporation of generation assets, either thermal, hydraulic or the so-called Non-Conventional Renewable Energies; to acquire, lease or enter into any other legal act related to third-party power generation projects; to operate, exploit, maintain and manage energy generation assets acquired from third parties; to market surplus energy from our own or outsourced Non-Conventional Renewable Energy sources to prove compliance with the obligation referred to in Article 150 bis of Law 20,257; to market electricity and its associated power with other generating companies; acquisition, construction, implementation, operation, maintenance and exploitation of all kinds of goods and facilities for the generation of electricity; to design, develop, manage and/ or execute of all types of engineering, energy, architecture and other specialty projects related to electricity generation;

to acquire, operate and transfer concessions of electric. telecommunications, telephone, telegraph, telex and data transmissions, and radio communications; to build, install, operate and maintain power generation plants of any kind for sale to third parties; the construction of one or more power generation plants of any kind to sell the production to generators, distributors or end users; to provide advisory services in the wholesale electricity market; to carry out all kinds of investments and to perform all kinds of assignment or mere ownership acts and contracts, relating to all types of personal or real, tangible or intangible property, intended for acquisition, exploitation, marketing and management and relating to any of the purposes and businesses referred to above; to increase or reduce power through the acquisition or disposal of generation assets of any kind; and to carry out all acts and any other activity, whether or not related to the foregoing, that the shareholders may decide to carry out.

Capital and shares: paid capital: US\$ 1,000 Number of Subscribed and Paid Shares: 1,000-Interest: 100% indirectly through Energía Eólica Paposo SpA. Chief Executive Officer: Javier Dib (1).

The business relationship of AES Andes S.A. with its related companies are regulated by the existing contracts. The executives of AES Andes S.A. do not receive any compensations for their duties as directors of related companies.

With regard to subsidiaries whose capital is expressed in a foreign currency other than United States dollars, the information provided in this section is in United States dollars, using the exchange rate in effect as at December 31, 2023.

- (1) Chief Executive Officer of AES Andes S.A.,
- (2) Vice President of Corporate Finance AES Andes S.A.
- (3) Commercial Vice President of AES Andes S.A.,
- (4) Chief Operations Officer of AES Andes S.A.,
- (5) Vice President of Business Development.,
- (6) Vice President of Legal Affairs of AES Andes S.A.
- (7) Vice President of Human Resources of AES Andes S.A.
- (8) Vice President of Legal Affairs and Sustainability of AES Andes S.A.,
- (9) Chief M&A Officer of AES Andes S.A.,
- (10) Chief Regulation Officer of AES Andes S.A.,
- (11) Chief Financial Officer of AES Andes S.A.
- (12) Chief Legal Affairs Officer de AES Andes S.A.,
- (13) Manager of M&A of AES Andes S.A.

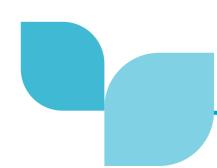




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# 5.10 Essential Facts and Communications

[NCG 4619]



### March 30, 2023

In compliance with the provisions of Article 9 and the first and second paragraphs of Article 10 of Law No. 18,045 on Securities Market, Article 63 of Law No. 18.046 on Corporations, as well as the provisions of General Rule No. 30 of the Commission under your charge, and duly empowered to do so, I hereby inform and communicate to you, as an essential fact, that by means of resolutions of the Board of Directors of AES Andes S.A., adopted at a meeting held on March 30, 2023, it was agreed to convene the shareholders to an Ordinary Shareholders' Meeting for April 21, 2023, at 10:00 a.m., at the Company's offices located in Los Conquistadores No. 1730, 10th floor, Providencia, and then, immediately thereafter, to an Extraordinary Shareholders' Meeting for April 21, 2023. The purpose of the Ordinary Shareholders' Meeting would be to discuss and resolve the following topics: (1) The formalities inherent in the matters relating to the form of adoption of resolutions, attendance, calls, powers and other formalities specific to deem that the Ordinary Shareholders' Meeting has been held; (2) the appointment of the shareholders who, together with the Chairman and the Secretary, will sign the minutes of the Meeting; (3) the Annual Report, Balance Sheet and Financial Statements for the year ended December 31, 2022, situation of the Company and the External Auditors' report; (4) the dividend policy for the fiscal

year 2023 and the authorization to the Board of Directors for the distribution of interim dividends, as applicable; (5) if applicable, the distribution of dividends and the distribution of profits for the fiscal year 2022; (6) the determination of the remuneration of the members of the Directors' Committee: (7) the approval of the budget of the Directors' Committee and its advisors for the year 2023; (8) the information on the expenses and activities carried out by said Committee during the year 2022; (9) the approval of the budget of the Board of Directors and its advisors for the year 2023; (10) the appointment of the External Auditing firm for the fiscal year 2023; (11) the appointment of the Risk Rating agencies for the fiscal year 2023; (12) the reporting of the resolutions related to to the operations with related parties referred to in Title XVI of Law No. 18,046 on Corporations; (13) the designation of the newspaper for the publications to be made by the Company; (14) other matters of corporate interest that should be adopted at an Ordinary Shareholders' Meeting; and, (15) in general, the adoption of any other resolutions that may be necessary or convenient for the materialization of the decisions made by the Ordinary Shareholders' Meeting. The purpose of the Ordinary Shareholders' Meeting would be to discuss and resolve the following topics: (1) The formalities inherent in the matters relating to the form of adoption of resolutions,



attendance, calls, powers and other formalities specific to deem that the Extraordinary Shareholders' Meeting has been held; (2) the appointment of the shareholders who, together with the Chairman and the Secretary, will sign the minutes of the Meeting: (3) to amend the current Article 4 of the Company's bylaws, regarding the purpose of the Company, in order to eliminate the ownership limitation of at least 51% in those companies that are incorporated by contributing assets directly related to electricity generation; (4) to amend the current Article Five of the Company's bylaws, regarding the Company's capital, in order to decrease said capital in the effective amount of US\$ 120.000.720 or the amount agreed by the Meeting, and its return to the shareholders, without altering the number of shares into which the capital is divided; (5) to set the date for the distribution resulting from the capital decrease, if applicable; and, (6) in general, to adopt such other resolutions as may be necessary or convenient for the materialization of the decisions made by the Meeting.

### March 31, 2023

Pursuant to the provisions of Article No. 9 and the second paragraph of Article No. 10 of the Securities Market Law and General Rule No. 30 of the Commission under your charge, and duly authorized to that effect, I hereby communicate as a Essential Fact of AES Andes S.A., the following: as informed by means of a Essential Fact dated March 30, 2023, the Board of Directors of the Company, in a meeting held on the same date, resolved to convene an Ordinary Shareholders' Meeting of the Company for April 21, 2023, at 10:00 a.m., at

the corporate offices located in Los Conquistadores No. 1730. 10th floor, Providencia, and an Extraordinary Shareholders' Meeting to be held immediately after the previous one. The Essential Fact dated March 30, 2023 is supplemented in that, at the meeting held on the same date, the Board of Directors of the Company also agreed to implement technological means to allow the remote participation and voting in the Shareholders' Meetings, within the framework of the provisions of the General Rule No. 435 and Circular Letter No. 1141 of the Commission for the Financial Market.

### April 21, 2023

Pursuant to Articles 9 and 10, subsection two, of Securities Market Law No. 18.045, and as established in Section II of General Rule No. 30 of the Commission for the Financial Market, we reported as an Essential Fact of AES Andes S.A. that at the Extraordinary Shareholders' Meeting held on this date, the Company's shareholders adopted, among others, the following resolutions: (a) it was agreed to amend Article Four of the Company's bylaws regarding the Company's purpose, in order to eliminate the limitation whereby the Company must maintain an ownership of at least 51% in those companies that are incorporated by contributing assets directly related to electricity generation; (b) it was also agreed to decrease the capital stock from US\$ 2,095,634,135.82 to US\$ 1,975,633,415.82, which has been fully subscribed and paid. It was agreed that the reduction of US\$ 120,000,720 will be carried out through the distribution to the shareholders of said amount pro rata to their respective interest in the capital stock, in accordance with the number of shares they hold

registered in the Shareholders' Registry at midnight of the fifth business day prior to the respective distribution date, i.e. September 26, 2023. As a result of this decrease, the capital stock shall be as follows: US\$ 1,975,633,415.82 divided into 10.376.645.776 shares, of one and the same series. without par value, fully subscribed and paid. As a result of the foregoing, it was agreed to amend the fifth and first transitory articles of the Articles of Incorporation, both related to the capital stock.

### May 25, 2023

Pursuant to the provisions of Article No. 9 and the second paragraph of Article No. 10 of the Securities Market Law and General Rule No. 30 of the Commission under your charge, and duly authorized to that effect, I hereby communicate as a Essential Fact of AES Andes S.A., the following: on this date, in accordance with Article 72-18 of the General Law of Electric Services, AES Andes informed the National Energy Commission, the Superintendency of Electricity and Fuels and the National Electricity Coordinator, the definitive disconnection of the coal-fired generation units Norgener 1 and Norgener 2 from the National Electric System, as of December 31, 2025. These units make up the Norgener Thermoelectric Power Plant with an installed capacity of 276 MW located in the commune of Tocopilla, Region of Antofagasta, Chile. By virtue of the above and in accordance with its Transformational Greentegra Strategy, AES Andes and its subsidiaries have committed to date to cease coalfired operations in its power generation complexes: Ventanas, Angamos, and Norgener as of 2025, which represents the



provision of 1,693MW of installed capacity. In view of the aforementioned events, AES Andes will record an impairment loss on Property, Plant and Equipment, which will affect net income for the year 2023 by approximately US\$ 200 million. This non-recurring accounting adjustment will have no impact

### June 5, 2023

on the Company's cash flow.

Pursuant to the provisions of Article No. 9 and the second paragraph of Article No. 10 of the Securities Market Law and General Rule No. 30 of the Commission under your charge, and duly authorized to that effect, I hereby communicate as a Essential Fact of AES Andes S.A., the following: on this date, the Company entered into a share purchase agreement with EDF EN Chile Holding SpA, Marubeni Corporation and Helio Atacama Tres SpA, under which the Company will acquire all the shares of HAT, which is the owner of a photovoltaic plant with an installed capacity of 146 MW called "Bolero", including an electric substation and a 220Kv transmission line. The materialization of the Transaction is subject to the fulfillment of certain conditions, as it usually happens in this type of transactions. Pursuant to the foregoing, once the Transaction is closed, HAT will become a subsidiary of AES Andes. The total value of the Transaction amounts to US\$112.7 million, which corresponds to a capital contribution to HAT by the Company, to be allocated for the payment of all its current financial obligations with a syndicate of banks led by Banco Itaú Chile and the price to be paid for the shares owned by the Sellers. As a result of the Transaction, the Company will not consolidate new financial debt, since all of HAT's obligations

with banks and financial institutions will be terminated. The transaction is part of the Greentegra Strategy defined by the Company, which consists of incorporating renewable generation assets to its portfolio, in line with the commitment to decarbonize the energy matrix. In accordance with the provisions of Circular Letter No. 988 of the Commission for the Financial Market, it was reported that the transaction described above will affect the Company's results as it will have to consolidate its financial statements with those of the new subsidiary. However, at this stage it is not possible to quantify the effects that the reported event will have on the Company's results.

### June 9, 2023

Pursuant to the provisions of Article No. 9 and the second paragraph of Article No. 10 of the Securities Market Law and General Rule No. 30 of the Commission under your charge, and duly authorized to that effect, I hereby communicate as a Essential Fact of AES Andes S.A., the following: as previously informed by means of an Essential Fact dated June 5, the Company acquired all of the shares issued by Helio Atacama Tres SpA, in accordance with the provisions of the agreement entered into on June 5, 2023, after the fulfillment of the conditions precedent stipulated therein. Pursuant to the foregoing, as of this date, HAT became a subsidiary of AES Andes. As previously reported, the total value of the transaction amounted to US\$112.7 million, and corresponds to a capital contribution to HAT by the Company, allocated to the payment of all its current financial obligations with a syndicate of banks led by Banco Itaú Chile and the price paid for the

aforementioned shares. In accordance with the provisions of Circular Letter No. 988 of the Commission for the Financial Market, it was reported that the transaction described above will affect the Company's results as it will have to consolidate its financial statements with those of the new subsidiary, HAT. However, at this stage it is not possible to quantify the effects that the this Essential Fact will have on the Company's results.

#### June 30, 2023

Pursuant to the provisions of Article No. 9 and the second paragraph of Article No. 10 of the Law No. 18,045 on Securities Market and provisions of Section I of Circular No. 660, and Section II of General Rule No. 30, both issued by the Commission for the Financial Market, it was informed that by resolution of the Board of Directors of AES Andes S.A., adopted at a meeting held on June 29, 2023, it was agreed to convene the shareholders of the Company to an Extraordinary Shareholders' Meeting to be held on August 10, 2023, at 10:00 a.m. In the Company's offices located at Los Conquistadores No. 1730, 10th floor, Providencia, Santiago, Chile. The purpose of the Extraordinary Shareholders' Meeting would be to discuss and resolve the following topics: (1) the deregistration the Company and its shares from the Securities Registry of the Commission; (2) the amendment of the bylaws in order to adjust them to those of a closed stock corporation in the event that the deregistration of the Company and its shares in the Securities Registry is approved; (3) to amend the current Article Five of the Company's bylaws. regarding the Company's capital, in order to decrease said capital in the effective amount of US\$ 132,000.273, or such

amount as the Extraordinary Shareholders' Meeting may resolve, and its return to the shareholders, without altering the number of shares into which the capital is divided; (4) to set the date or dates for the distribution resulting from the capital decrease, if applicable; and (5) in general, to adopt all other resolutions that may be necessary or convenient for the materialization of the decisions made by the Shareholders' Meeting.

### August 10, 2023

Pursuant to Articles 9 and 10, subsection two, of Securities Market Law No. 18,045, and as established in Section II of General Rule No. 30 of the Commission for the Financial Market, I report as an Essential Fact of AES Andes S.A. that at the Extraordinary Shareholders' Meeting held on August 10, 2023 at 10:00 AM, the Company's shareholders adopted, among others, the following resolutions: (1) It was agreed to decrease the capital stock from US\$1,975,633,415.82 to US\$1,843,633,142.82, which is fully subscribed and paid in. It was agreed that the reduction of US\$ 132,000,273 will be carried out through the distribution to the shareholders of said amount in a single installment and pro rata their respective interest in the capital stock, in accordance with the number of shares they hold registered in the Shareholders' Registry at midnight of the fifth business day prior to the respective distribution date, i.e. December 19, 2023. As a result of this decrease, the capital stock shall be as follows: US\$ 1,843,633,142.82 divided into 10,376,645,776 shares, of one and the same series, without par value, fully subscribed and paid. As a result of the foregoing, it was agreed to amend

the fifth and first transitory articles of the bylaws, both related to the capital stock; (2) it was agreed to request the deregistration of the Company's shares from the Securities Registry of the Commission for the Financial Market; (3) it was agreed, subject to the suspensive condition of approval by that Commission of the deregistration, to amend the Company's bylaws in order to adjust them to those of a closed stock corporation, including the following matters: (a) the amendment of Article 6 to eliminate the right of forced sale in favor of the parent company; (b) the amendment of Articles 14 and 24 concerning related party transactions; (c) the amendment of Article 22 to adjust the procedures for convening a shareholders' meeting; (d) the amendment of Article 25 regarding the shareholders who are authorized to participate in a shareholders' meeting and the possibility of conducting these meetings remotely; (e) the amendment of Article 29 to eliminate certain reporting obligations that are typical of open corporations; (f) the amendment of Article 34 to eliminate the reference to "Trading Equity" to identify the shareholders who are eligible to file legal actions in accordance with the bylaws; and (g) the addition of a new transitory article to outline the procedure to be followed once that Commission cancels the registration of the Company's shares in the Securities Registry.

### August 14, 2023

Pursuant to the provisions of Article No. 9 and the second paragraph of Article No. 10 of the Law No. 18,045 on Securities Market and provisions of Section I of Circular No. 660, and Section II of General Rule No. 30, both issued by

the Commission for the Financial Market, it was informed as an Essential Fact related to the business of AES Andes S.A. (the "Company") as follows: On this date, the Company and Inter-American Investment Corporation reached an agreement pursuant to which, subject to certain conditions, the Company will sell to IIC payment documents resulting from the application of the price stabilization mechanism under Law No. 21.472, which "Creates a Tariff Stabilization Fund and Establishes a New Temporary Electricity Price Stabilization Mechanism for Customers Subject to Price Regulation", Exempt Resolution No. 86 of March 2, 2023 and Exempt Resolution No. 334 of July 27, 2023, both issued by the National Energy Commission. The Consumer Protection Mechanism Law has established a Tariff Stabilization Fund and introduced a temporary electricity price stabilization mechanism. This mechanism, applicable to customers under tariff regulation, has a limit of up to US\$ 1.8 billion. It will remain operative until the balances accrued from the implementation of this law are fully settled. The mechanism is set to expire no later than December 31, 2032. Under the terms of the Agreement, the Company is permitted to sell to IIC the payment documents. These documents are generated due to the discrepancy between the projected billing, based on the energy and power tariffs outlined in the supply contracts between the Company and the Distribution concessionaire companies. and the actual billing derived from the application of the Consumer Protection Mechanism Law. It is estimated that the total amount of payment documents to be issued in the name of the Company, to be sold to IIC, could amount to US\$ 227,065,002. In accordance with the provisions of the



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Commission's Circular Letter No. 988, we inform you that the facts reported in this communication will have no effect on the Company's results.

# August 24, 2023

Pursuant to the provisions of Article No. 9 and the second paragraph of Article No. 10 of the Securities Market Law and General Rule No. 30 of the Commission under your charge, and duly authorized to that effect, I hereby communicate as a Essential Fact of AES Andes S.A., the following: As reported in an Essential Fact on December 29, 2020, AES Andes and the Ministry of Energy of the Republic of Chile entered into a Decommissioning and Cessation of Operations Agreement for the Ventanas 1 and Ventanas 2 coal-fired units on June 4, 2019. This decision was informed and supplemented by Essential Facts on June 11 and December 16, 2019. Pursuant to this decision. AES Andes requested that the Ventanas 2 unit of the Ventanas Complex enter into an operational state known as Strategic Reserve State as of December 29, 2020, for a period of 60 effective months. This request was made in accordance with Supreme Decree No. 62 of 2006 of the Ministry of Economy, Development and Reconstruction, which was amended by Supreme Decree No. 42 of 2020 of the Ministry of Energy. In accordance with the provisions of the same regulation, AES Andes informed the National Energy Commission about the decommissioning of Ventanas 2 unit, as of December 29, 2025, in accordance with Article 72-18 of the General Law of Electric Services, considering the permanence in Strategic Reserve State during the indicated term. On this date, in accordance with Article 72-18 of the

General Law of Electric Services, AES Andes requested the National Energy Commission to exempt it from the 24-month term to report the early and final decommissioning, disconnection and cease of operations from the National Electric System of the coal-fired generation unit Ventanas 2. effective December 31, 2023. AES Andes also requested that the request to place this unit in Strategic Reserve State be annulled, in view of the fact that, to date, the unit has not been declared in this state, due to factors beyond AES Andes' control and related to the security of the electricity supply in the Valparaíso Region. The Ventanas 2 unit is located in Quintero, Region of Valparaíso, and has an installed capacity of 208 MW. In accordance with its Transformational Greentegra Strategy, AES Andes and its subsidiaries have committed to date to cease coal-fired operations in its power generation complexes: Ventanas, Angamos, and Norgener as of 2025, which represents the provision of 1,693MW of installed capacity. As stated in the Essential Fact on September 29, 2020, the Ventanas 2 unit was no longer considered a strategic asset due to its disassociation from energy supply contracts. This led to the creation of an independent "Cash Generating Unit". Consequently, AES Andes recorded an impairment loss on Property, Plant, and Equipment, which impacted the net result for 2020. Consequently, the facts reported in this communication will have no effect on the results of AES Andes.

# November 2, 2023

Pursuant to the provisions of Article No. 9 and the second

paragraph of Article No. 10 of the Securities Market Law and General Rule No. 30 of the Commission under your charge, and duly authorized to that effect, I hereby communicate as a Essential Fact of AES Andes S.A., the following: On the same date, the Board of Directors of the Company acknowledged the resignation of Mr. Bernerd da Santos as a director of the Company, effective as of November 1, 2023. Pursuant to the provisions of Article 32 of Law No. 18,046 on Corporations, at a board meeting held on this date, the Board of Directors of the Company agreed to appoint Mr. Francisco Morandi as a director to succeed Mr. Da Santos. Mr. Morandi will serve in this capacity until the next ordinary shareholders' meeting, at which point the entire Board of Directors will be completely renewed.

# December 7, 2023

Pursuant to the provisions of Article No. 9 and the second paragraph of Article No. 10 of the Securities Market Law and General Rule No. 30 of the Commission under your charge, and duly authorized to that effect, I hereby communicate as a Essential Fact of AES Andes S.A., the following:

As informed in Essential Fact of May 25, 2023, and in accordance with Article 72-18 of the General Law of Electric Services, AES Andes S.A. informed the National Energy Commission, the Superintendency of Electricity and Fuels and the National Electricity Coordinator, the definitive disconnection of the coal-fired generation units Norgener 1 and Norgener 2 from the National Electric System, as of December 31, 2025.

On this date, in accordance with Article 72-18 of the General Law of Electric Services, AES Andes S.A. requested the National Energy Commission to exempt it from the 24-month term to report the early and final decommissioning, disconnection and cease of operations from the National Electric System of the coal-fired generation units Norgener 1 and 2, effective March 31, 2024.

The Norgener 1 and 2 units are located in the commune of Tocopilla, Region of Antofagasta, and have an installed capacity of 276 MW.

In accordance with the Transformational Greentegra Strategy, AES Andes S.A. and its subsidiaries have, thus far, either decommissioned or initiated the decommissioning process for certain generation units, or have made them available to the appropriate regulatory body. These actions are scheduled to become effective on January 1, 2025. The

objective is to discontinue coal-based

operations of these units as promptly as the system's safety, adequacy,

and economic conditions allow.

This signifies the readiness for retirement of 1,693MW of installed capacity.

Advancing the decommissioning date for the Norgener 1 and 2 units, as proposed, may incur extra costs beyond those disclosed

in the Essential Fact on May 25, 2023. These additional expenses are projected to fall between US\$15 million and US\$25 million, with the precise amount to be ascertained following the completion of the operational shutdown.

# December 21, 2023

Pursuant to the provisions of Article No. 9 and the second paragraph of Article No. 10 of the Securities Market Law and General Rule No. 30 of the Commission under your charge, I am duly authorized to communicate the following Essential Fact about AES Andes S.A.: (a) As previously disclosed in an Essential Fact on July 15, 2021, AES Andes S.A. and Glacier AcquisitionCo SpA, a subsidiary controlled by Global Infrastructure Management LLC, have agreed to jointly invest in a portfolio of renewable energy projects through Chile Renovables SpA. These projects are being developed by subsidiaries of the Company. (b) As of today, the Company and Glacier AcquisitionCo SpA have entered into a series of agreements to increase their joint investments by 693 MW. These investments are directed towards entities that are currently developing the following renewable energy projects: Bolero Solar Plant, Andes Solar IV and San Matías Wind Farm, along with the expansions of the solar plants known as Andes Solar IIA and Andes Solar IIB. (c) As a result of this transaction, the parties have valued 49% of the Renewable Projects at US\$ 441,381,567. Of this amount, Glacier AcquisitionCo SpA has invested US\$ 332,626,467. The remaining funds will be allocated as stipulated in the contracts once the agreed-upon conditions are fulfilled and the Renewable Projects commence commercial operations.

This excludes the Bolero Solar Plant, which has already reached this phase. (D) Furthermore, the Transaction, which received unanimous endorsement from the Company's Board of Directors, entailed, among other aspects, the establishment of a new subsidiary named Chile Renovables II SpA. This entity will receive contributions of select Renewable Projects and will be governed by the following terms: (i) the Company has a 51% interest and Glacier a 49% interest; and (ii) Glacier AcquisitionCo SpA and the Company have entered into a Shareholders' Agreement, which regulates, among other matters, the form of administration of Chile Renovables II SpA, certain restrictions on the transfer of shares of Chile Renovables II SpA and the terms and conditions under which Renewable Projects will be contributed to Chile Renovables II SpA. These conditions similar to those contained in the Shareholders' Agreement entered into between the Company and Glacier AcquisitionCo SpA with respect to Chile Renovable SpA. (e) Finally, in accordance with the provisions of Circular Letter No. 988 of the Commission for the Financial Market, I hereby inform you that the reported transaction consists of a change in the ownership interest of a controlling company in subsidiaries that does not result in a loss of control (IFRS 10, paragraph 23). At this stage, it is not possible to quantify the effects, if any, that this Essential Fact will have on the Company's results.





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308-2	Negative environmental impacts in the supply chain and actions taken	Sustainability in the Supply Chain	122	
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403-2	Hazard identification, risk assessment, and incident investigation	Safety and Health of our People	27	•	
403-3	Occupational health services	Preventive Management	27	<b>Ø</b>	
403-4	Worker participation, consultation, and	Preventive Management	27	•	
	communication on occupational safety and health	Preventive health and safety campaigns	96	<b>Ø</b>	
403-5	Worker training on occupational health and safety	Safety and Health of our People	27	<b>Ø</b>	
		Occupational Safety and Health of our Employees and Contractors	93-94	•	
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403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational safety and health of our employees and contractors	93-94		
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403-9	Work-related injuries	Occupational Safety and Health of our Employees and Contractors	93-95	•	
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	and transition assistance programs	Labor Reconversion: Generating New Skills	111	
404-3	Percentage of employees receiving regular performance and career development reviews	Performance Management	112	•
Diversity and ed	qual opportunities			
405-1	Diversity of governance bodies and employees	Development, Growth and Well-Being of our People	100	•
		Human Capital Formation	102	<b>⊘</b>
		Senior executives	152	<b>Ø</b>
		Number of persons by nationality	229	<b>⊘</b>
		Composition of the Board of Directors as of December 31, 2023 expressed in data	146	
405-2	Ratio of basic salary and remuneration of women to men	Pay gap per gender and position	107	<b>⊘</b>
Human rights as	ssessment			
412-1	Operations that have been subject to human	AES Colombia Human Rights Management System	140	
	rights reviews or impact assessments	Due diligence	142	
Local communi	ties			
413-1	Operations with local community participation, impact assessments, and development programs	Social Investment Programs and Initiatives	202-219	•
Supplier Social	Assessment			
414-1	New suppliers that were screened using social criteria	Sustainability in the Supply Chain	122	



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Electric Utilities ?	Electric Utilities Sector Disclosures					
EU1	Installed capacity, broken down by primary energy source and by regulatory regime	Our Main Assets and their Performance	55			
EU2	Net energy output, by primary energy source and by regulatory regime	Energy Balance	198			
EU14	Programs and processes to ensure the availability of a skilled workforce	Training and Development	103-107			
EU19	Stakeholder participation in the processes	Community engagement	70			
1	processes related to energy planning and infrastructure	Commitment to local development	36			
1	development	Citizen Participation Process 2023	68			
EU30	Average plant availability factor by	Thermoelectric Plants AES Andes	192-197			
	energy source and by regulatory regime	Consolidated AES Andes KPI	60			





# 5.12 General Rule 461, CMF of Chile

Our Management Approach:

Accelerating a Sustainable Future

Indicator	Section	Description	Section or Response	Page No.
1. Table of Contents				
Table of Contents				3
2. Company Profile				
Our Mission, Vision, Purpose and Values	2.1	Indicate whether or not it adheres to the United Nations Guiding Principles on Business and Human Rights, or other equivalent standards, guidelines or regulations.	Human Rights Policy	140
Historical information	2.2	Provide a description of the history of the company from its inception to the present, with emphasis on the most recent fiscal year and the events relevant to the company that occurred during that fiscal year.	Our History	13-14
Control Situation	2.3.1	In particular, it must be indicated whether or not the company has a controlling entity in accordance with the provisions of Title XV of Law No. 18,045.	Ownership Structure	230
		If so, disclose the percentage directly and indirectly controlled by the controlling entity or each of its members, with a breakdown of such percentages by class of shares, if applicable.	Ownership Structure	233
		Additionally, expressly indicate whether or not the members of the controlling entity have a joint action agreement and whether or not it has been formalized. If there is a formalized joint action agreement, inform whether or not it considers limitations to the free disposition of the shares. The natural persons behind the legal entities indicated in the previous paragraph must be identified,	There is a single controlling shareholder, The AES Corporation, with 99.5% ownership as of December 31, 2023.	-



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Financial Statements

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		mentioning for each one of them: the Tax Id. (RUT) number, full name and percentage of ownership in the parent company, both direct and indirect.		
Significant changes in ownership and control	2.3.2	If there have been significant changes in the ownership of the entity in the last year, indicate what these changes were.	Ownership Structure	230
Identification of Partners or Majority Shareholders	2.3.3	Indicate the taxpayer identification (RUT) number, full name or company name, and percentage of ownership of all natural or legal persons, other than the controlling shareholders, that alone or with others with which it has a joint action agreement, may appoint at least one member of the board of directors or management of the company, or own 10% or more of the capital or of the voting capital in the case of a stock corporation.	There are no natural or legal persons other than the parent company owning more than 10% of the shares of AES Andes or who alone can elect a member of the Board of Directors.	-
		Natural persons owning less than 10% of the capital stock must be included in the list when, together with their spouse and/or relatives, they own more than such percentage, either directly or through legal entities. Relatives shall be understood as those up to the second degree of consanguinity or affinity. In the cases referred to in this section, if the entity has several classes or series of shares or interest that grant different rights to their owners, the information must be provided by class of share or interest held by each owner.	There are no natural or legal persons other than the parent company that together may own more than 10% of the shares of AES Andes	-
		In addition, a pie chart should show the percentage interest of the shareholders, grouped into: i) controlling shareholder; ii) majority shareholders; iii) ADRs or other certificates issued abroad; iv) pension funds; v) other funds; and vi) other shareholders. The information referred to in this section shall be presented as of the closing date of the fiscal year covered by the Annual Report.	Ownership Structure	230



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Continued from previous page Indicator	Section	Description	Section or Response	Table of General Standard 46 Page No.
Shares, their characteristics and rights	2.3.4	a. The following information should be disclosed:  i. Description of the series of shares: If there is a series of shares, describe the characteristics of each one of them and the terms of validity of the relevant preferences.	Ownership structure (There is a single series of shares)	230
		ii. Dividend Policy: Explain the dividend and/or profit distribution policy, as appropriate, that the entity's management intends to follow for the next two years.	Dividends Policy	238
		iii. Statistical information a. Dividends: In relation to distributed dividends, if any, indicate the amount paid for interim and final dividends, and what part corresponds to the profit for the year and retained earnings from previous fiscal years. In addition, include a statistic of dividends paid per share in the last three years, breaking down the information by class of shares, if applicable.	Dividends Policy	239
		b. Transactions in stock exchanges: Identify the stock exchanges on which the company's shares are listed and provide a summary table for each market, i.e., the jurisdictions in which the company's shares are listed, with information on price, market presence, volume and amounts traded for the last year and on a quarterly basis.	Trading and Market Information	235-237
		c. Number of shareholders: Report the total number of shareholders of record at the end of the annual period. In the event that the shareholders include one or more of the depositaries and/or custodians referred to in Law No. 18,876, the total number of shareholders shall be determined by adding the number of shareholders entered in the company's register of shareholders and the number of shareholders entered in the list that the	AES Andes at a Glance	10



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Indicator	Section	Description	Section or Response	Page No.
		companies are required to draw up and maintain pursuant to Article 26 of the said Law.		
Other Securities	2.3.5	This section provides information on the characteristics and rights of the securities issued by the company, other than the shares referred to in section 2.3.4 above, in force at the end of the annual period to which the report relates.	Ownership structure (There are no other voting rights)	230
3. Corporate Governance:				
Governance Framework	3.1	The structure and operation of the entity's corporate governance should be disclosed, with reference to the adoption of best practices, if applicable, at least with respect to the following matters:  i. How the entity seeks to ensure and evaluates the proper operation of its corporate governance.	Corporate Governance Structure	144
		ii. How the company integrates a sustainability approach into its business; in particular, how the company integrates environmental (especially climate change), social, and human rights issues into its various assessment processes and strategic definitions, and how the company identifies the entities or individuals responsible for these issues.	Sustainability Strategy and Management Our Environmental Policy	25;33
		iii. How the company identifies and manages conflicts of interest, conduct that may affect free and fair competition, and how it prevents corruption, money laundering and the financing of terrorism.	Ethical Framework Conflict of interest policy Conflicts of interest	135;149
		iv. How the entity addresses and manages the interests of its key stakeholders, at a minimum by identifying them and noting the entity's activities that have a direct impact on those stakeholders.	Relationship with External Stakeholders	44-48



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Indicator	Section	Description	Section or Response	Page No.
		v. How the entity promotes and facilitates innovation	Transformation and Innovation to Improve Lives	30-31
		and whether it allocates corporate resources to research and development.	Transformation and Innovation to Improve Lives	31
		vi. How the company identifies and reduces organizational, social, or cultural barriers that may inhibit the diversity of skills, conditions, experiences, and visions that would naturally occur in the organization without these barriers.	Moving Forward Together with our People Development, Growth and Well-being of our People	32; 100
		vii. How the company identifies the diversity of skills, knowledge, conditions, experiences and visions that must be available to all those who perform functions at different levels of the company	Moving Forward Together with our People Development, Growth and Well-being of our People Diversity and Inclusion	32; 100; 106
		and what are the hiring policies to achieve and preserve that diversity.	Diversity and Inclusion Women's Leadership Program	106
		An organizational chart of the company's structure shall be provided, clearly identifying the company's management and/ or leadership units or bodies, as well as its internal control, risk management, sustainable development or equivalent departments, and its relationships with shareholders, investors, and the media, as well as any other entities relevant to the company's business.	Organization Chart and Reporting Structure of the Chief Executive Officer	154
Board of Directors	f Directors 3.2	With respect to the Board of Directors or equivalent administrative body, the following should be reported:  i. The identification of each of its members, indicating:	Regular Directors as of December 31, 2023	147
		the date of their appointment or last re-election	Regular Directors as of December 31, 2023	147
		as well as their termination of office, where appropriate	Board of Directors	146
		and including their profession or trade	Regular Directors as of December 31, 2023	147
		if they have been appointed as Chairman or Vice-chairman	Regular Directors as of December 31, 2023	147



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		whether they are independent directors or not	Regular Directors as of December 31, 2023	147
		and where appropriate, whether they are regular or alternate directors.	Regular Directors as of December 31, 2023	147
		ii. The compensation of its members as a result of their service on the Board of Directors,	Remuneration of the Board of Directors	148
		identifying its source and presenting a comparison with the previous fiscal year.	Remuneration of the Board of Directors	148
		For this purpose, it should be indicated whether the income is fixed (e.g. attendance fees) or variable, which may correspond to remuneration for their functions or employment in the same company other than the exercise of their office, or to representation expenses, per diems, royalties and, in general, any other remuneration.	Remuneration of the Board of Directors	148
		iii. A description of the policy that would have been implemented for the engagement of experts to advise you on accounting, tax, financial, legal or other matters.	Budget for Board Consultants	148
		In addition to the foregoing, report the total amount paid to consulting firms retained by the Board.	Budget for Board Consultants	148
		With respect to services contracted with the auditing firm in charge of auditing the financial statements, as well as with other entities whose amount is considered relevant in relation to the annual budget of the Board of Directors, disclose the identity of the contractors, the amount paid and the nature of the services contracted.	In accordance with the provisions of Article 36 of the Articles of Incorporation, Article 52 of the Corporations Law and Article 91 of the Regulations, the Ordinary Shareholders' Meeting appoints the external auditors.	-
		If this is not the case, please state it expressly.	All of the above, if applicable, was previously answered	-



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		iv. A matrix of the knowledge, skills and experience of the directors.	Knowledge Matrix	150
		v. A description of the procedures or mechanisms in place for the induction of new members, including the key issues that have been identified as requiring their knowledge and understanding.	Collective knowledge of highest governance body	150
		vi. The frequency of meetings with the risk management, internal audit and corporate social responsibility departments, or persons responsible for equivalent functions,	Review of economic, environmental, and social topics	151
		and with the external audit firm responsible for auditing the financial statements, including the main topics covered in such meetings and whether the chief executive officer or other senior management participates in such meetings.	Operation of Board Meetings	149
		vii. A description of how and on what basis matters relating to environmental and social issues, in particular climate change, are reported, and whether these issues are considered when, among other things, strategic decisions, business or budget plans are discussed and made.	Review of economic, environmental, and social topics	151
		viii. Whether, during the year, the Board or any of its members made site visits to the various units and facilities of the Company, if the Company has them, in order to understand aspects such as:	Board of Directors	146
		the status and operation of such units and facilities,	Board of Directors	146



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		the main functions and concerns of those who work in the same,	Board of Directors	146
		recommendations and improvements that, in the opinion of those responsible for such units and facilities, would be relevant to improve their functioning.	Board of Directors	146
		In addition, you should report whether the Chief Executive Officer or other senior management participates in such activities.	Board of Directors	146
		ix. If the Board periodically evaluates its collective and/or individual performance, in addition to that of its committees, a description of the procedures that have been established to continuously improve its operations, the frequency with which such performance is evaluated and such procedures are reviewed and updated, and, in particular, a reference to:	Assessment of the highest governance body's performance	150
		a. The identification of the areas in which its members can be trained, strengthened and continuously improved, indicating the subjects considered most relevant for the purposes of continuous updating of knowledge.	Collective knowledge of highest governance body	150
		b. The identification and reduction of organizational, social or cultural barriers that may inhibit the natural diversity of skills, visions, characteristics and conditions that would be present in its composition if these barriers did not exist.	Review of economic, environmental, and social topics	151
		c. Whether it considers the possibility of hiring an external expert to evaluate the performance and functioning of the Board, in addition to identifying and implementing any improvements or areas for strengthening.	It is not considered at this time, notwithstanding that this decision may be reviewed by the Board	-



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Indicator	Section	Description	Section or Response	Page No.
		x. Without prejudice to legal obligations, if it expressly provides for the determination of the minimum number of ordinary meetings	Operation of Board Meetings	149
		the minimum average time spent in person and remotely	The average length of a regular Board meeting is 2 hours, and the length of a special Board meeting varies depending on the topic.	-
		and the advance notice with which the invitation must be sent, as well as the background information necessary for their proper conduct, recognizing the particular characteristics of the company as well as the diversity of experience, conditions and knowledge existing in the Board of Directors, according to the complexity of the matters to be dealt with.	Operation of Board Meetings	149
		xi. If it expressly provides for the modification, if necessary, of its internal organization and functioning in emergency or crisis situations, having in place an operational continuity plan.	Operation of Board Meetings (In compliance with the provisions of Circular Letter 385)	149
		xii. If the company has an information system that allows each attendant to have secure, remote and permanent access to the following documents:	We have information systems that allow each director to securely and remotely access the documents he or she needs, as described below:	-
		a. The minutes and documents kept for each meeting of the Board of Directors, or the equivalent, indicating their duration according to the historical record of such minutes and documents.	A digital platform called Boardvantage is used	-
		b. The minutes or document summarizing all the matters to be dealt with at each meeting and the other background information that will be presented in such meeting or additional information necessary for their preparation, all of this without prejudice to the legal obligations regarding the deadline for sending the contents referred to in each of the notices.	A digital platform called Boardvantage is used	-

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Indicator	Section	Description	Section or Response	Page No.
		c. An established whistleblowing system or channel.	Complaint Mechanism / AES Helpline	142
		d. The final text of the minutes of each meeting, with an indication of the period after each meeting during which the minutes will be available for inspection.	Operation of Board Meetings.  The minutes are available immediately after being signed by all Directors.	149
		xiii. With respect to the composition of the board of directors, the following must be reported:a. The total number of directors, broken down by men and women, and distinguishing between regular and alternate directors.	Labor Performance Tables	221
		b. The number of directors by nationality,	Labor Performance Tables	229
		broken down by men and women, and distinguishing between regular and alternate directors.	Labor Performance Tables	147
		c. The number of directors by age group as defined in section 5.1.3,	Labor Performance Tables	222
		broken down by men and women, and distinguishing between regular and alternate directors.	Labor Performance Tables	222
		d. The number of directors in order of seniority in the organization according to the ranges referred to in section 5.1.4,	Labor Performance Tables	222
		broken down by men and women, and distinguishing between regular and alternate directors.	Labor Performance Tables	225
		e. The number of directors with disabilities,	There are no directors with disabilities	-
		broken down by men and women, and distinguishing between regular and alternate directors.	There are no directors with disabilities	-
		f. The average and median gender pay gap, as reported in section 5.4.2, where there is a differentiation in remuneration between	The Directors receive no compensation for the discharge of their duties.	148



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		members of the Board or where there are fees, allowances or other types of remuneration that do not apply to all members of the Board.		
Board Committee	3.3	The following should be reported for each of the committees that have been created within the Board of Directors:  i. A brief description of the role and main functions of the respective committee.	Committee of Directors	259
		ii. The identity of each of its members during the last two fiscal years,	Members of the Committee of Directors	148
		indicating those who hold or have held the status of independent directors.	Members of the Committee of Directors	148
		iii. The compensation of its members as a result of their service on the relevant committee, compared to the previous year.	Members of the Committee of Directors	148
		iv. Identification of the major activities developed by the committee during the year.	Committee of Directors	259-263
		In the case of the committee referred to in art. 50 bis of Law no. 18,046, in addition to stating this fact, indicate whether the committee has complied with the obligations set forth in the aforementioned art. 50 bis.		259
		In the event that it has had to review the transactions referred to in Title XVI of Law no. 18,046, it shall mention them.	Committee of Directors	259
		In addition, the annual management report of the Committee shall be submitted, including its main recommendations to the shareholders, as provided for in the aforementioned article.	Committee of Directors	259-263
		v. The policies that have been in place for the engagement of consulting firms	Budget for Board Consultants	148



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		and the expenses incurred by the respective committee during the fiscal year for this purpose.	Committee of Directors	263
		vi. In the case of the Committee of Directors under Article 50 bis of Law 18,046, or a committee that performs equivalent or risk management duties, the frequency of meetings between the committee with the risk management, internal audit and corporate social responsibility departments, or persons responsible for equivalent functions; and with the external audit firm responsible for auditing the financial statements, including the main topics covered in such meetings and whether the chief executive officer or other senior management participates in such meetings.	Review of economic, environmental, and social topics  Meetings with the Board of Directors or Directors' Committee: Risk team at least 2 times a year, internal audit 4 times a year and sustainability 2 times a year.	151
		vii. The frequency with which each committee reports to the Board of Directors.	At each meeting of the Board of Directors, a report is made on the decisions taken at the previous meetings of the Committee.	-
Senior Executives	3.4	With respect to executive officers, the following information must be provided: i. Position, name, tax identification ("RUT") number, occupation and the date each of them has held the position.	Senior Executives.	153
		ii. The amount of compensation received by the executive officers on an aggregate basis and in comparison to the prior year.	Overview of Senior Management Compensation.	155
		iii. If a company has special compensation or benefit plans for its executive officers, the compensation should be broken down into its fixed and variable components, if those components are included in the benefits or compensation.	Overview of Senior Management Compensation.	155
		Also provide a description of such plans or benefits.	Overview of Senior Management Compensation.	155



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		In the case of a compensation plan that provides for payments based on options on the Company's stock, you must also disclose whether the options have been granted or not	Overview of Senior Management Compensation The options described are not of AES Andes S.A. but of the parent company, The AES Corporation	155
		and, if the options have been granted, the number of executive officers to whom they have been granted, the percentage of the total number of shares that have been granted to them, the percentage that remains to be granted to them and, if the options have been exercised, the total number of shares that have been granted.	The Senior Management in Chile is made up of six executive officers. The Senior Management is made up of six members in Chile and one member in Colombia	155
		If the company does not have any special compensation or benefit plans for its executive officers, it should disclose that fact.	Compensation plans are described on page 155	-
		iv. Disclose the percentage ownership of the issuer held by each of the company's senior executives and directors, directly and indirectly through entities controlled by them.	Senior executives and board members have no direct or indirect ownership interest in the company through companies controlled by them.	-
		If this is not the case, please state it expressly.	Senior executives and board members have no direct or indirect ownership interest in the company through companies controlled by them.	-
		In addition, state whether there have been any material changes in such ownership during the past year.	Senior executives and board members have no direct or indirect ownership interest in the company through companies controlled by them.	-
nerence to national or rnational codes	3.5	Explain whether the company adopts or adheres to codes of good corporate governance issued by national or foreign public or private bodies,	Organizations that promote High Standards	131
		specifying which ones, and indicating which principles or practices of those codes are not adopted and the reasons for the company's decision.	Organizations that promote High Standards	131



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		If applicable, provide the URL where the report prepared by the company disclosing its adoption of the code is available.	AES Colombia Sustainability Report co. AES Colombia Sustainability Resources co.	-
Risk Management	3.6	Describe how the company integrates a risk management and internal control framework into its operations, including in particular:  i. The general guidelines established by the Board of Directors, or management body, on risk management policies, especially related to operational, financial, labor, environmental (particularly physical and transitional risks related to climate change), social and human rights risks.	Risk Governance	38
		indicating whether it has used national or international principles, guidelines or recommendations as a guide and, if so, on which of these it was based.	Risk Management	38-41
		ii. The risks and opportunities that the company has identified that could materially affect its business performance and financial position, describing their impact on the development of its activities, its strategy and financial planning, and the resilience of its business model in the event that they materialize.	Sensitivity Analysis and Stress Tests	39
		In doing so, take into account the definitions, guidelines and recommendations on risk management, including climate change risks, issued by recognized international organizations in these fields, such as COSO (Committee of Sponsoring Organizations of the Treadway), COBIT (Control Objectives for Information and Related Technology), ISO (International Organization for Standardization) and TCFD (Task Force on Climate-related Financial Disclosure), among others. At least reference should be made, where relevant, to:	Risk Management	38
		a. Risks and opportunities inherent in the company's activities and those associated with events that may affect it through its	Risk Management Strategic and Emerging Risks	38-41; 175-179



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		subsidiaries, associates, suppliers or the market in general, including environmental, social and human rights risks. In particular, with respect to climate change, the short-, medium-, and long-term physical and transition risks and opportunities. When discussing the impact of these risks and opportunities, you should mention the impact they would have on the funding of operating expenses, revenues, cost and use of capital, and access to financing. If scenarios were used to determine these impacts, a brief description of the scenarios should be provided. For example, if the transition to an economy with low greenhouse gas emissions were taken into account in order to avoid a rise of more than 2° Celsius above the average temperature of the planet before industrial development.		
		b. b. Information security risks, particularly with respect to the privacy of customer data.	Risk Management	40
		c. Risks related to free competition.	Free Competition Policy	139
		d. Risks relating to consumer health and safety.	Energy is delivered to the injection point and the customer takes it from the withdrawal point. As there is no direct interaction with the customer for the delivery of the product/service, this indicator does not apply.  In the case of photovoltaic systems at customer sites, we have established technical corridors, implemented lifelines and a remote monitoring and maintenance system that allows us to detect and address failures in a timely manner, thereby minimizing risk.	-
		e. Other risks and opportunities arising from the direct or indirect environmental or social impacts of the company and its operations.	Risk Management Strategic and Emerging Risks	38-41; 175-179



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		iii. How all such risks are identified and how those that are relatively	Risk Management	38
		more significant than others are determined, including whether		
		such a process takes into account changes in existing regulations or the emergence of new regulations	Strategic and Emerging Risks	175-179
		and human rights due diligence procedures.	Due Diligence	142
		iv. Describe the role of the board or governing body and senior management in identifying, assessing, managing, and monitoring	Risk Governance	38
		such risks, particularly environmental, social, and human rights risks, with a particular focus on climate change,		
		and how strategic responses are adopted to mitigate, transfer, accept, avoid, and prioritize such risks.	Risk Governance	38
		v. Whether it has a risk management unit specifically charged with identifying, quantifying, monitoring, and communicating risks.	Risk Governance	38
		vi. Whether it has an internal audit function, or equivalent, responsible for reviewing the effectiveness of and compliance	Risk Model	39
		with the policies, procedures, controls, and codes implemented to manage risks.		
		vii. Whether it has a code of ethics or conduct or equivalent document that sets forth the principles and policies that must	Ethical framework	135
		guide the actions of its employees and board of directors.		
		viii. Whether it has ongoing programs to educate and train employees on the policies, procedures, controls and codes in	Ethical framework	135
		place to manage risks.		
		ix. Whether it has a channel available for its employees,	Complaint mechanisms	142-144

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		shareholders, customers, suppliers and/or third parties outside the company to report any irregularities or illegalities, including	Procedures for Queries and Claims: Complaint mechanisms	71; 142-144
		how this channel operates	Complaint mechanisms	142-144
		in particular whether it guarantees the anonymity of the whistleblower	Complaint mechanisms	142-144
		whether it allows the complainant to know the status of his or her complaint	Complaint mechanisms	142-144
		and whether it is brought to the attention of its employees, shareholders, customers, suppliers and third parties, both through training and through the company's website.	Complaint mechanisms	142-144
		x. Whether it has procedures for establishing a Succession Plan that includes identifying potential successors to the chief executive officer and other senior officers from among the entity's employees or other external parties.	Performance Management	112
		Indicate whether the Succession Plan allows for the prompt replacement of the chief executive officer and other senior officers, and the transfer of their functions and relevant information, in the event of their unexpected absence, while minimizing the impact on the organization.	Performance Management Organization Chart and Reporting Structure of the Chief Executive Officer	112; 154
		xi. Whether it has procedures for the board of directors to review the compensation structure and the compensation and severance policies of the chief executive officer and other executive officers,	An annual presentation is made to the Board of Directors, which reviews and approves the compensation structure and the compensation and severance policies for the Chief Executive Officer and other executive officers.	-
		including the frequency of such reviews	Annually	-
		and whether it considers seeking advice from an outside advisor for these purposes.	Advice from AES Corp.'s Global Compensation Team is considered.	-
		xii. Whether it has procedures for submitting the compensation structure and the compensation and severance policies of the	There are no procedures in place to submit the compensation structure and the compensation	-



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		chief executive officer and other executive officers to the approval of the shareholders, in addition to the approval of the board of directors or a committee thereof.	and severance policies of the chief executive officer and other executive officers to the approval of the shareholders.	
		On the other hand, it does consider the disclosure of these structures and policies to the general public.	These structures are disclosed in this Integrated Annual Report	-
		xiii. Whether it has implemented a crime prevention model, in accordance with the provisions of Law 20,393, aimed at preventing the perpetration of such crimes in the organization.	Policies that govern our actions	138
Relations with stakeholders and the bublic in general	3.7	Describe how stakeholder relations are managed, in particular reporting:  i. Whether the company has a unit for relations with stakeholders and the media that allows them to clarify doubts about the company's main risks, financial, economic or legal situation and publicly known business activities, and the means by which this unit can be contacted.	Relationship with stakeholders	44-48
		ii. Whether it has a continuous improvement process in place to identify and implement improvements in the processes for preparing and disseminating the company's disclosures to the market so that such disclosures are easy to understand and provided in a timely manner.	There is no continuous improvement process in place to identify and implement improvements in the processes for preparing and disseminating the company's disclosures to the market so that such disclosures are easy to understand and provided in a timely manner. However, a survey of major shareholders and market analysts was conducted in 2020 to gather feedback and improve disclosure.	-
		It must also indicate the frequency with which these procedures are carried out and whether the advice of experts outside the company is available for this purpose.	There is no fixed frequency for these procedures	-



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		In turn, in the case of open corporations, inform: iii. Whether it has a procedure whereby shareholders can be informed, prior to the shareholders' meeting at which directors are to be elected, of the diversity of skills, conditions, experiences and visions that the board considers it advisable to have as members, so that it is better able to safeguard the social interest.	The information is made available to shareholders in accordance with the applicable Chilean law, through its publication on the website See link co.	-
		Also, prior to the corresponding vote, the experience, profession or business of those who are candidates for the Board of Directors.	This information is made available to shareholders in accordance with the applicable Chilean law, through its publication on the website see link $\infty$ .	-
		iv. Whether it has a mechanism, system or procedure that allows shareholders to participate and exercise their voting rights remotely, at the same time as the other shareholders physically present at the meeting, and to inform the public in real time of the resolutions adopted at such meetings.	According to the "Protocol for Participation and Voting in the Shareholders' Meetings of AES Andes S.A.", approved at an Extraordinary Shareholders' Meeting held on December 6, 2021, the updated text of which is available at the following link the procedures for the verification of identity, access and form of remote voting at the Company's Shareholders' Meetings are set forth as follows:	-
4. Strategy				
ime horizons	4.1	The short,	GREENTEGRA 2018-2027	20
		medium		
		and long term time horizons relevant to the company should be indicated, taking into account the useful life of its assets or infrastructure.		
Strategic Goals	4.2	Mention the strategic goals of the company and describe in general terms the planning that has been put in place to achieve these goals.	GREENTEGRA 2018-2027 Our goals as of 2027	20-24; 49-52



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		Explicitly mention the company's strategy with respect to environmental (especially climate change), social and human rights issues, and how these issues are part of, inform or promote its corporate governance.	Our goals to 2027	49-50
		Similarly, mention the strategic commitments made in the context of meeting the United Nations Sustainable Development Goals (SDGs) or other equivalent goals.	Our Environmental Policy	33
		In line with these commitments, indicate whether the organization has a policy to generate a positive impact on various objectives of social interest, such as respect for human rights, poverty eradication, education for third parties outside the organization, health and nutrition, donations, volunteering, or student scholarships, among others.	Our Environmental Policy Community Relations Human Resources Policy	33; 70; 140
nvestment plans	4.3	If the company has approved the implementation of an investment plan, whether short or long term, report the relevant investments associated with that plan, provided that they are not strategic in nature and could place the issuer at a disadvantage with respect to its competitors.	Our commitment Our goals to 2027 Our Investment Grade	24; 49; 63
		At a minimum, the following information should be provided: the time horizon of the investment plan,	Our Commitment Our goals to 2027 Our Investment Grade	24; 49; 63
		a description of the investment plan and the estimated total amount to be invested	Our Commitment Our Investment Grade	24;63
		and, in the case of investment plans that have been partially implemented, their progress, the amount invested to date and the sources of financing used.	Increasing Renewable Energy Capacity Our Investment Grade Our projects under construction and development	50; 63; 65



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5. People				
		The information on the company's personnel referred to in this section shall include all persons who, at the balance sheet date, provide services to the company under an employment contract, including persons who provide services to the company and are formally employed by companies of the same group. Information should be reported according to the functional categories defined below.  The entity is responsible for organizing the information using the following functional categories in a manner that is relevant and consistent with the purpose of the report.	Labor Performance Tables	220-229
		i. Senior Managers: This category corresponds to the chief executives of the entity, persons in charge of a management or equivalent unit composed of other units or departments (i.e., management is in charge of divisions, departments, or equivalent).	Labor Performance Tables	220-229
		ii. Managers: This category of functions includes those persons in charge of a management, deputy management or equivalent unit that reports to the senior management and is composed of other units or departments (i.e., management is in charge of divisions, departments, or equivalent). This category includes those managers who are considered second or third line in the hierarchical structure.	Labor Performance Tables	220-229
		iii. Heads: This category of functions contemplates those who are in charge of a division or equivalent, made up of people, which is part of a management. For example, heads of units, or heads of areas. In case it is in charge of other units or departments, they must be included in the Management category.	Labor Performance Tables	220-229
		iv. Operatives: This category of functions includes all persons who perform manual work or work that requires	Labor Performance Tables	220-229



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		physical effort to perform.			
		v. Sales workers: This category of functions includes all persons engaged in serving the public or selling products and services to the public.	Labor Performance Tables	220-229	
		vi. Administrative support workers: This category of functions relates to personnel who perform duties in support of the work of the units or departments to which they belong that are not included in the above categories, including, but not limited to, secretarial or administrative support personnel.	Labor Performance Tables	220-229	
		vii. Service workers: This category of functions includes all persons who, without professional or technical training, provide services ancillary to the company's business, including, but not limited to, cleaning, maintenance or mailroom personnel.	Labor Performance Tables	220-229	
		viii. Other professionals: This category of functions includes all persons who are part of a unit, division or equivalent of the company, and whose job skills are supported by specialized knowledge and an academic degree from an institution of higher education, and who are not included in the previous categories. For example, research analysts, accountants, auditors, product engineers, project engineers, lawyers, economists, architects or physicians.	Labor Performance Tables	220-229	
		ix. Other technicians: This category of functions includes all persons who are part of a unit, division or equivalent of the company, and whose skills are supported by specialized knowledge and a higher-level technical degree, and who are not included in the previous categories. For example, agricultural	Labor Performance Tables	220-229	



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		technicians, nursing technicians, top-level general accountant and maintenance technicians for machinery or vehicles.		
Number de people by gender	5.1.1	For each type of position or category of function, report the total number of men and women.	Labor Performance Tables	220-221
lumber of persons by nationality	5.1.2	Report the number of individuals by nationality	Labor Performance Tables	229
		disaggregated by gender	Labor Performance Tables	229
		for each type of position or function category	Labor Performance Tables	229
Number of people by age range	5.1.3	Report the number of persons by age range	Labor Performance Tables	222-223
Tallige		disaggregated by gender	Labor Performance Tables	222-223
		for each type of position or function category	Labor Performance Tables	222-223
		less than 30 years	Labor Performance Tables	222-223
		from 30 to 40	Labor Performance Tables	222-223
		from 41 to 50	Labor Performance Tables	222-223
		from 41 to 50	Labor Performance Tables	222-223
		from 51 to 60	Labor Performance Tables	222-223
		from 61 to 70	Labor Performance Tables	222-223
		more than 70 years	Labor Performance Tables	222-223



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Geniority	5.1.4	Report the number of individuals by seniority in the organization	Labor Performance Tables	224-225
		disaggregated by gender	Labor Performance Tables	224-225
		for each type of position or function category	Labor Performance Tables	224-225
		less than 3 years	Labor Performance Tables	224-225
		from 3 to 6	Labor Performance Tables	224-225
		more than 6 and less than 9	Labor Performance Tables	224-225
		from 9 to 12	Labor Performance Tables	224-225
		more than 12 years working for the company.	Labor Performance Tables	224-225
Number of persons with disabilities	5.1.5	Report the number of persons with disabilities. For these purposes, a person with a disability is a person who has one or more physical, mental, psychological, intellectual or sensory impairments, whether temporary or permanent, which, in interaction with various barriers in the environment, prevent or limit their full and effective participation in society on an equal basis with others.	Labor Performance Tables	227
		for each type of position or function category	Labor Performance Tables	227
		broken down by men and women.	Labor Performance Tables	227

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Labor formality	5.2	Indicate the persons with indefinite-term contracts	Labor Performance Tables	227
		fixed-term contract	Labor Performance Tables	227
		for work or work site	Labor Performance Tables	227
		In addition, persons providing services on a fee basis	Labor Performance Tables	227
		The above, expressed both in number of persons	Labor Performance Tables	227
		and as a percentage of the total number of employees of the entity that these persons represent according to the type of contract.	Labor Performance Tables	227
		All of the above, disaggregated by gender.	Labor Performance Tables	227
Labor Adaptability	5.3	Report separately by gender	Labor Performance Tables	-
		the number of employees with regular working hours	All employees of AES Andes have a regular work schedule	-
		with part-time working hours	There are no employees on a part-time work schedule.	-
		and on a flexible working arrangement for employees with family responsibilities	In order to reconcile personal and family life, AES Andes has had a telecommuting policy since 2017. This allows anyone who needs to keep a normal work schedule to work from home 2-3 times a week, or even 100% of the time in special cases.	-
		and the percentage of the total number of employees in the company that these employees represent for each of these modalities.	In order to reconcile personal and family life, AES Andes has had a telecommuting policy since 2017. This allows anyone who needs to keep a normal work schedule to work from home 2-3 times a week, or even 100% of the time in special cases.	-

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		In addition, where applicable, report the percentage of the total workforce of the company, disaggregated by gender, of persons benefiting from teleworking or flexitime arrangements.	In order to reconcile personal and family life, AES Andes has had a telecommuting policy since 2017. This allows anyone who needs to keep a normal work schedule to work from home 2-3 times a week, or even 100% of the time in special cases.	-	
Equity Policy	5.4.1	The entity shall disclose the existence of policies aimed at ensuring equitable remuneration among the company's employees in accordance with their roles and responsibilities,	Pay gap per gender and position	107	
		and explicitly state whether any plans and/or targets have been defined to reduce any inequalities that may exist in this area.	Pay gap per gender and position	107	
		Indicate the targets set by the company.	Pay gap per gender and position	107	
Pay gap	5.4.2	Report the annual pay gap by gender and for each job category of those defined at the beginning of Section 5, measured as the percentage of women's gross pay relative to men's gross pay, taking into account:	Pay gap per gender and position	108	
		* Gross pay includes all fixed and variable benefits that make up an employee's gross pay, such as base pay, social security, transportation and meal allowances, bonuses, overtime, commissions, and others. For this purpose, each component of the salary that is assigned with a different periodicity must be accrued on a monthly basis.	Pay gap per gender and position	108	
		* "N/A" should be reported in cases where a job category includes only persons of the same sex.	Pay gap per gender and position	108	



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		* 100% should only be reported if the average or median pay is the same for men and women.	Pay gap per gender and position	108
		* In no case should a gap of 0% be reported, including negative values.	Pay gap per gender and position	108
		* The gross hourly wage, that is, the gross monthly wage divided by the number of monthly hours of work for each person, must be calculated.	Pay gap per gender and position	108
		* Where i corresponds to each employee of the company and the total monthly working hours correspond to the hours stipulated according to the employment relationship with the person. The company shall report the calculation of the pay gap based on the mean and the median for each function category as follows.	Pay gap per gender and position	108
		For the calculation of the average: Divide the average gross hourly wage for women by the average gross hourly wage for men in the same job category. For these purposes, the following calculations will be made: Average gross hourly wage for women:  Where F refers to female workers and the number of female workers refers to those considered in the sum of gross hourly wages. Average gross hourly wage for men: Where M refers to male workers and the number of male workers refers to those considered in the sum of gross hourly wages.  Average pay gap: It corresponds to the ratio, expressed as a percentage, between the average gross hourly wage for men.	Pay gap per gender and position	108
		For the calculation of the median: Divide the central value of the sorted gross hourly wage data for women by the central value	Pay gap per gender and position	108



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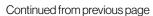
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		of the sorted gross hourly wage data for men in the same job category. For these purposes, the gross hourly wage values are sorted from lowest to highest. In case these correspond to an odd number of data, the median will be the value of the gross salary at the center of the records. If the amount of data is an even number, the median will be the mean between the two gross hourly wages at the center of the records. For these purposes, the following calculations will be made: Median gross hourly wage (formula) found in the central position of the sorted female gross wage data. Median gross hourly wage (formula) = value of the gross hourly wage that is in the middle position of the sorted male gross hourly wage data. Median of the pay gap (formula).		
Workplace and Sexual Harassment	5.5	Report on whether the company has policies to prevent and manage workplace and sexual harassment,	Discrimination and Harassment Prevention Policy	139
		including whether it has training programs on these issues	Discrimination and Harassment Prevention Policy	139
		and any reporting channels in place	Discrimination and Harassment Prevention Policy	139
		In addition, disclose the percentage of the total number of employees who received training on these topics during the year,	Discrimination and Harassment Prevention Policy	139
		the number of sexual harassment complaints received during the year pursuant to Law No. 20,005 or any equivalent laws in effect in the foreign jurisdictions in which the company operates,	Discrimination and Harassment Prevention Policy	139
		and the number of workplace harassment complaints received during the year pursuant to Law No. 20,607 or any equivalent laws in effect in the foreign jurisdictions in which the company operates	Discrimination and Harassment Prevention Policy	139

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		in both cases distinguishing between those filed with the same entity and those filed with the Labor Directorate or equivalent body.	Discrimination and Harassment Prevention Policy	139
Occupational safety	5.6	Refer to the company's occupational safety policy. Consider the following formulas:  Where the number of employees is equal to the monthly average of hired employees. In the case of the fatality rate, exclude from the calculation any death caused by road traffic accidents and any death suffered by leaders of trade union organizations as a result of or in the course of performing their trade union duties	Safety and Health of our People	27-28
		informing targets	Safety and Health of our People	27
		and accident rate indicators per hundred workers	Occupational safety	94
		fatality rate per hundred thousand workers		
		occupational disease rate per hundred workers		
		and the average number of days lost per accident during the year		
Parental leave	5.7	Disclose whether the company has a policy that establishes a period of leave after the birth of a child	Parental leave	110
		or once custody or personal care has been judicially granted as a protective measure	Parental leave	110
		or when personal care of a minor is granted in an adoption application procedure, longer than that legally in force,	Parental leave	110
		indicating the time defined in number of days,	Parental leave	110
		and whether this policy has among its objectives the promotion of parental co-responsibility, indicating how the use of parental leave by men is encouraged.	Parental leave	110



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Indicator	Section	Description	Section or Response	Page No.
		For example, disclose whether the company provides more days of postnatal parental leave than the minimum days required by law and, if so, the number of additional days. In addition, for each country in which the company operates, indicate the percentage of persons, disaggregated by gender, who have taken parental leave out of the total number of persons eligible to take such leave. In addition, disclose the average number of days taken during the year by function category. In particular, with respect to parental leave taken by fathers, a distinction should be made between parental leave of 5 days and parental leave of 6 weeks (or less).	Parental leave	110
Training and Benefits	5.8	The company shall report on the existence of training policies and benefits for its employees, including:	Training and Development Quality of life of our people	103; 109
		i. The total amount of monetary resources and the percentage of the total annual income from ordinary activities of the company (or its equivalent) that has been allocated to the training and development of the people working in the company.	Training and Development	104
		ii. The total number of employees trained	Training and Development	105
		and the percentage of the total number of employees that this number represents.	Training and Development	104
		iii. The average annual number of training hours spent by staff on training activities at the expense of the company, disaggregated by gender and function category.	Training and Development	105
		iv. Identification, in general terms, of the subjects covered by such training.	Training and Development	103



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Indicator	Section	Description	Section or Response	Page No.
		With respect to benefits provided by the entity to its employees, the nature of the benefits considered shall be specifically stated, including quantifiable monetary benefits that correspond to allowances that are not part of the individual's gross salary, such as health or life insurance paid by the employer. Where reference is made to any of these benefits, explicit reference should be made to whether they depend on the nature of the employment relationship, i.e. whether the person is employed for an indefinite period, for a fixed term, on a work or task basis or on a fee basis.	Training and Development	109
Subcontracting Policy	5.9	Disclose whether there is a policy that establishes guidelines for the selection of subcontractors whose personnel will perform functions in the company, the labor standards required of these companies, and the procedures used to verify that these companies permanently comply with these standards.	Sustainability in the Supply Chain Ethical Framework	122; 135
6. Business Model				'
Industrial Sector	6.1	Describe the industrial or economic sector(s) in which the entity's activities are carried out. The description for each industrial sector should consider at least the following information:	Company Profile Business Model	5; 26
		i. The nature of the company's products and/or services that are marketed in the industry.	Company Profile	5
		ii. The competition faced by the company in the industry sector.	Company Profile	6
		iii. If there is any legal or regulatory framework that regulates or affects the industry in which it participates, indicate what those rules are and how they affect its activities.	Regulatory Framework.	182-191
		iv. The national or foreign regulatory entities that have supervisory powers over the company.	Regulatory Framework.	182-191



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Indicator	Section	Description	Section or Response	Page No.
		v. The major stakeholders identified and the reasons why these groups have this status.	Relationship with stakeholders	44
		vi. The company's affiliation with unions, associations, or organizations.	Recognitions and memberships	128-132
International	6.2	Describe the business of the company, including its subsidiaries and relevant affiliates. This description should take into account the different business segments of the company. For this purpose, business segment is defined in accordance with IFRS. The description of activities and operations shall include, for each business segment, at least the following, as appropriate.	Company Profile	5-6
		i. The principal products and/or services produced and the principal markets in which those products are sold.	Company Profile	5
		ii. The sales channels and distribution methods used to market the goods and services.	Customer Relations: Excellence and Quality	129-121
		iii. The number of suppliers that individually represent at least 10% of the total purchases made during the period for the supply of goods and services of the segment. If no supplier reaches this level of concentration, this fact shall be disclosed	In 2023, 1 suppliers individually account for more than 10% of invoiced purchases (excluding fuel suppliers).	-
		iv. The number of customers that individually account for 10% or more of the segment's revenues. If no customer reaches this level of concentration, this fact shall be disclosed	During 2023, there were eleven customers that individually accounted for at least 10% of the segment's revenue.	-
		v. The principal brands used in the marketing of goods and services.	The brands are those described in Organizational structure.	6
		vi. If material, the patents owned by the company and the production processes in which such patents are used.	Main Licenses and Concessions	57



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Indicator	Section	Description	Section or Response	Page No.
		vii. The main licenses, franchises, royalties, and/or concessions held by the company. Provide a summary of the key features of such agreements in terms of rights, obligations and terms.	Main Licenses and Concessions	57
		viii. Other factors in the external environment that are relevant to the development of the company's business, including legal, commercial, social, environmental and political aspects.	Main Macroeconomic Aspects and Regulatory Changes of Energy Relevance in the Region	156-164
Stakeholders	6.3	Describe the stakeholders that are relevant to the company	Relationship with stakeholders	44-48
		and the reasons why these stakeholders are relevant to the company.	Relationship with stakeholders	44-48
		In addition, if the entity belongs to, is affiliated with, or participates in any unions, associations, or organizations.	Recognitions and memberships	128-132
Properties and facilities	6.4	Provide clear and precise information on the main properties owned by the company for the exercise of its activities. In this regard, property is understood to mean the facilities used by the company for the production, distribution and/or marketing of the goods produced, as well as those used for the provision of the services offered by the company and, in general, any property used by the company to carry out its business. In light of the foregoing, the following information should be considered:	Our Main Assets and their Performance	55-57
		i. The most important characteristics of the main properties used by the company to carry out its business should be disclosed, indicating their location. It is recommended that the information be provided on a segmented basis by business line.	Our Main Assets and their Performance	55-57



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ntinued from previous page Indicator	Section	Description	Section or Response	Table of General Standard 4 Page No.
		ii. In the case of natural resource extraction companies, identify the concession areas and/or land owned, indicating their surface and location, the volume of the main resources available to the company for future fiscal years, indicating the status of such resources for exploitation and, in the latter case, identifying the source of this information.	AES Andes is not an extractive company.	-
		The same information must be submitted for those lands, resources and others not yet exploited.	AES Andes is not an extractive company.	-
		In particular, the companies of exploration or exploitation of mining resources and reserves must submit information regarding the results of their activities of exploration of mining deposits, estimation of resources, as well as the reserves associated with the mining exploitation, as appropriate, identifying the competent person in mining resources and reserves who has signed or issued the technical report, as indicated in Article 18 of Law No. 20,235.	AES Andes is not a mining company.	-
		Finally, in the case of companies extracting renewable resources, the policies followed for the renewal of resources must be indicated.	AES Andes is not an extractive company.	-
		iii. In all of the above cases, determine whether the company owns the facilities or whether they are used under some other type of contract, such as a finance or operating lease.	Our Main Assets and their Performance	55-57
6.5 Subsidiaries, associates and	investments i	in other companies		
Subsidiaries and associates	6.5.1	With respect to subsidiaries and associates (direct and indirect), in accordance with the definition of IFRS, provide detailed information on each of them, in accordance with the following:	Background Information about Subsidiaries and Affiliates	264-284

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Continued from previous page  Indicator	Section	Description	Section or Response	Page No.
		i. Individualization, domicile and legal nature.	Background Information about Subsidiaries and Affiliates	264-284
		ii. Subscribed and Issued Capital:	Background Information about Subsidiaries and Affiliates	264-284
		iii. Corporate purpose and clear indication of the activity or activities carried out.	Background Information about Subsidiaries and Affiliates	264-284
		iv. Names and surnames of the directors, administrators, if any, and chief executive officer.	Background Information about Subsidiaries and Affiliates	264-284
		v. Current percentage ownership of the parent or investing entity in the capital of the subsidiary or associate and changes during the last fiscal year.	Background Information about Subsidiaries and Affiliates	264-284
		vi. The percentage that the investment in each subsidiary or associate represents of the total individual assets of the parent company. In the case of subsidiaries, state the amount of the investment taking into account the parent company's share in the net assets reported in the financial statements used for consolidation, and in the case of associates, the value determined according to the equity method.	Background Information about Subsidiaries and Affiliates	264-284
		vii. Indicate the name and surname of the directors, chief executive officer or senior management of the parent or investing entity who hold such positions in the subsidiary or associate.	Background Information about Subsidiaries and Affiliates	264-284
		viii. A clear and detailed description of the business relationships with the subsidiaries or associates during the fiscal year and of the expected future relationships with them.	Background Information about Subsidiaries and Affiliates	264-284
		ix. A brief description of the transactions and agreements entered into with the subsidiaries or associates that have a significant influence on the operations and results of the parent or investing entity.	Background Information about Subsidiaries and Affiliates	264-284
		x. A schematic table showing the direct and indirect ownership relationships between the parent company and the subsidiaries or associates, and between them.	Group of companies	174

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ontinued from previous page				ble of General Standard
Indicator	Section	Description	Section or Response	Page No.
Investment in other companies	6.5.2	For those companies in which investments representing more than 20% of the total assets of the company are held, and which are not subsidiaries or associates, a detail containing the following information must be submitted:	There are no companies in which investments representing more than 20% of the total assets of AES Andes are held, and which are not subsidiaries or associates	-
		i. Identification of them and their legal nature.	There are no companies in which investments representing more than 20% of the total assets of AES Andes are held, and which are not subsidiaries or associates	-
		ii. Percentage of ownership.	There are no companies in which investments representing more than 20% of the total assets of AES Andes are held, and which are not subsidiaries or associates	-
		iii. Description of the main activities carried out.	There are no companies in which investments representing more than 20% of the total assets of AES Andes are held, and which are not subsidiaries or associates	-
		iv. Percentage of the company's individual total assets represented by these investments.	There are no companies in which investments representing more than 20% of the total assets of AES Andes are held, and which are not subsidiaries or associates	-
7. Supplier Management				
Payment to Suppliers	7.1	Describe the supplier payment policy,	Sustainability in the Supply Chain	122
		including whether the policy distinguishes between critical and non-critical suppliers,	Sustainability in the Supply Chain	122
		whether the company has a policy that encourages timely payment,	Sustainability in the Supply Chain	122
		and whether the company has established a target number of calendar days as the maximum payment period for its domestic and/or foreign suppliers.	Sustainability in the Supply Chain	122

Our Management Approach:
Accelerating a Sustainable Future

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Indicator	Section	Description	Section or Response	Page No.
Investment in other companies	7.1	Also, in ranges of up to 30 days, between 31 and 60 days, and more than 60 calendar days from the date the invoice was received, at least distinguishing between domestic and foreign suppliers, if applicable:	This information is detailed below:	-
		i. Number of invoices paid: the number of invoices paid during the year to suppliers for each of the ranges already indicated.	Up to 30: International 1.194 / National: 97,628 31-60: International 36 / National: 1,089 More than 61: International 24 / National: 664	-
		ii. Total amount (in millions of pesos): the sum of the value of the invoices paid during the year for each of the above ranges.	Up to 30: International US\$595 million / National: US\$1,542 million 31-60: International US\$5 million / National: US\$ 121 million More than 61: International US\$ 112 million / National: US\$ 92 million	-
		iii. Total amount of interest for late payment of invoices (millions of pesos): the sum of the value of interest paid or to be paid for late payment or simple delay for invoices issued during the reporting period.	US\$ 542	-
		iv. Number of suppliers: the number of suppliers to which the invoices paid during the year correspond in each of the aforementioned areas.	Up to 30: International 196 / National: 3,491 31-60: International 5 / National: 45 More than 61: International 5 / National: 33	-
		v. Number of contracts registered in the register of contracts with exceptional payment terms, if any, kept by the Ministry of Economy.	We have no contracts registered in the register of contracts with exceptional payment terms	-
Supplier Assessment	7.2	Indicate whether the company has a policy for evaluating suppliers	Supplier Qualification	125
		and, in particular, whether the company has procedures in place to identify and evaluate for its own purposes the quality of its suppliers' corporate governance, risk management system, and other sustainability aspects and their practices in these areas.	Supplier Qualification	125
		Indicate the types of criteria used for these effects.	Supplier Qualification	125



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Indicator	Section	Description	Section or Response	Page No.
		In addition, disclose the number of suppliers evaluated during the year against the company's own sustainability criteria, the percentage of the total number of suppliers evaluated that they represent, and the percentage of the year's total purchases that correspond to suppliers evaluated against sustainability criteria, distinguishing at least between domestic and foreign suppliers. The above shall refer to all suppliers evaluated during the year, whether they were analyzed in order to decide on the initiation of a contractual or commercial relationship, whether such relationship is established or not, or as a result of the review processes of those with which it already has such a relationship.	Supplier Qualification	125-126
Environmental				
Environmental Regulatory Compliance	8.1.3	Describe the compliance models or compliance programs that include information on the definition of its environmental obligations,	Our Environmental Policy, Environmental Regulatory Compliance	33-35; 92; 254-258
		the established compliance modality	Our Environmental Policy, Environmental Key Performance Indicators	33-35; 89-92
		the implementation period of the compliance behavior	Performance Indicators	75
		the responsible unit	Performance Indicators	75
		the environmental risk matrix	The company is developing a methodology to identify and monitor relevant environmental risks. Notwithstanding this, key deviations have historically been identified and managed in the various operating businesses.	-
		and all relevant background information related to the understanding of such obligation and its compliance.	Sustainability Strategy and Management	25
		If the company does not have such models or programs, it shall clearly state this fact and provide the reasons.	Models or programs have been described before	-
		In addition, report the number of enforceable sanctions from the Public Registry of Sanctions of the Environmental Superintendency or the equivalent body in foreign jurisdictions	Ongoing environmental administrative and court proceedings	255-258



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Indicator	Section	Description	Section or Response	Page No.
		total number of fines	Ongoing environmental administrative and court proceedings	92;254-258
		and the number of compliance programs approved; compliance programs satisfactorily implemented; environmental remediation plans submitted; and environmental remediation plans satisfactorily implemented.	Sanction Processes at the Environmental Superintendency	255
8. Indicators				
Customer Relationship 8.1.1		Indicate whether the company has procedures in place to prevent and detect non-compliance with regulations related to the rights of its clients, particularly with respect to Law 19,496 on the Protection of Consumer Rights, or equivalent legislation if the company operates in foreign jurisdictions.	Customer Relations: Excellence and Quality	119
		In addition, report the number of sanctions imposed in this area and the amount in pesos of such sanctions.	Customer Relations: Excellence and Quality	119
Regarding its employees 8.1.2		Indicate whether the company has procedures in place to prevent and detect non-compliance with regulations related to the rights of its employees.	Discrimination and Harassment Prevention Policy Human Rights Policy	139;140
		In addition, report the number of sanctions imposed in this area and the amount in pesos of such sanctions. In particular, it should indicate whether it has been the subject of labor protection proceedings.	Discrimination and Harassment Prevention Policy	139
Free Competition	8.1.4	Indicate whether the company has procedures in place to prevent and detect non-compliance with regulations related to the rights of its employees.	Free Competition Policy	139



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Continued from previous page  Indicator	Section	Description	Section or Response	able of General Standard Page No.
		In addition, report the number of sanctions imposed in this area and the amount in pesos of such sanctions.	We have no sanctions in this regard in 2023	-
Others	8.1.5	State whether the company has procedures in place to prevent and detect violations of Law No. 20,393, which establishes the criminal liability of legal entities.	Crime Prevention Model under Law No. 20,393 on Corporate Criminal Liability	138
		In addition, report the number of sanctions imposed in this area and the amount in pesos of such sanctions.	Crime Prevention Model under Law No. 20,393 on Corporate Criminal Liability	138
Sustainability Indicators by Industry  8.2 Report sustainability to the company at 6.1 above. For this Industry Classificate board of directors Accounting Stand metrics shall be us equivalent measure other provisions in the entity shall expressionate any of the		Report sustainability performance indicators that are material to the company according to its industry, as defined in section 6.1 above. For this purpose, the most relevant Sustainable Industry Classification System (SICS), as determined by the board of directors or senior management, and the Sustainability Accounting Standards Board's (SASB) definition of sustainability metrics shall be used. This is regardless of whether similar or equivalent measures have been reported in accordance with other provisions in the preceding paragraphs. If this is the case, the entity shall explicitly disclose the reasons why it is unable to estimate any of the metrics it would be required to disclose under its industry sector.	SASB Indicators Tables	343-347
9. Relevant or Essential Facts				
Relevant or Essential Facts	9	Include a summary of the essential or relevant facts disclosed by the company during the fiscal year, indicating the effect that they have had or may have on the company's performance, its securities or the offering of such securities.	Essential Facts and Communications	285



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Indicator	Section	Description	Section or Response	Page No.
		Similarly, include information about any material or relevant facts that, although occurring before the period covered by the annual report, have had a significant influence or effect on the development of the company's business, financial statements, securities or the offering thereof during the fiscal year, or may have such an effect in future fiscal years.	Essential Facts and Communications	285
10. Comments of shareholders a	and the commi	ittee of directors		
Comments of shareholders and the committee of directors	10	Include an accurate summary of the comments and proposals, if any, made by the shareholders and the Board of Directors on the company's business performance, in accordance with the provisions of article 74 of Law 18,046.	Ordinary Shareholders' Meeting	145
		If there are none, this fact must be expressly stated.	Ordinary Shareholders' Meeting	145
11. Financial reports				
Financial reports	11	It should be noted that the Company's financial statements are available on the website of the Commission for the Financial Market and on the Company's own website, if it has one, indicating the URLs of both sites. In addition, the Company may include its summarized financial statements together with those of the companies referred to in paragraph A.4.2 of point 2.1 of Section II of NCG 30, if it deems it appropriate to do so.	Financial Management / Profit (loss) for the year	61

# 5.13 Table of SASB Indicators

[NCG 461 8.2]



Table 1. Outreach topics on sustainability and accounting parameters

Our Management Approach:

Accelerating a Sustainable Future

Торіс	Accounting Parameter	Category	Measurement Unit	Code	Page	Section or Response
Greenhouse gas emissions and energy resource planning.	1) Scope 1 gross global emissions, percentage covered by (2) emission limitation regulations and (3) emission reporting regulations.	Quantitative	Metric tons (t) of CO <sub>2</sub> -e, percentage (%)	IF-EU-110a.1	(1) 80 (3) 184	(1) Air Emissions, Greenhouse Gases (GHGs)  (2) There is no emissions regulation in Chile or Argentina, and in Colombia we only have renewable power plants. In Chile there is a tax on air emissions according to Law 20780, as amended by Law 21210 (see section 6.4.1 Energy regulatory framework in Chile of this Annual Report), which applies to 99% of our smokestack emissions, excluding Laja Plant, which is exempt from this tax because it uses biomass as fuel.  (3) Regulatory Framework, Renewable Energy and Emission Standards
	Greenhouse gas (GHG) emissions associated with energy supplies.	Quantitative	Metric tons (t) of CO <sub>2</sub> -e,	IF-EU-110a.2	80	Air Emissions, Greenhouse Gases (GHGs)
	Analysis of the long- and short-term strategy or plan for managing Scope 1 emissions, emission reduction targets, and analysis of performance against these targets.	Discussion and Analysis	N/A	IF-EU-110a.3	49 50	Our goals for 2027 Increasing Renewable Energy Capacity



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Topic	Accounting Parameter	Category	Measurement Unit	Code	Page	Section or Response
	1) Number of customers served in markets subject to renewable portfolio standards (RPS) and 2) percentage of compliance with the RPS target for each market.	Quantitative	Number, percentage (%)	IF-EU-110a.4		The company complies with the regulations regarding renewable energy generation applicable in Chile and Argentina. In Colombia the company has only renewable generation.
Air quality	Air emissions of the following pollutants: (1) NOx (except N2O), (2) SOx, (3) particulate matter (PM10), (4) lead (Pb), and (5) mercury (Hg); the percentage of each in or near densely populated areas.	Quantitative	Metric tons (t), percentage (%)	IF-EU-120a.1	78	Local Air Emissions No percentage of each of them in or near densely populated areas will be reported.
Water management	(1) Total water extracted, (2) total water consumed, percentage of each in regions with high or extremely high initial water stress.	Quantitative	Thousand cubic meters (m³), percentage (%)	IF-EU-140a.1	82 84	Extraction by consumptive water source.  Water Stress Analysis.
	Number of non-compliance incidents related to permits, standards and regulations of water quantity or quality.	Quantitative	Number	IF-EU-140a.2	81	Water sources and uses.
	Description of water management risks and analysis of strategies and practices to mitigate them.	Discussion and Analysis	N/A	IF-EU-140a.3	219 57 81	Water Route: Water Desalination Assets, Water sources and uses.
Coal ash management	Amount of coal combustion residuals (CCR), percentage recycled.	Quantitative	Metric tons (t), percentage (%)	IF-EU-150a.1	86 87	Annual Waste Generation by Type. Annual Recycling of Waste Classified by Type



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Topic	Accounting Parameter	Category	Measurement Unit	Code	Page	Section or Response
	Total number of coal combustion residuals (CCR) impoundments, broken down by risk potential classification and structural integrity assessment.	Quantitative	Number	IF-EU-150a.2		The company has 3 ash dumps: Barriles (Tocopilla), Cerro Gris (Mejillones) and El Pangue (Ventanas). Not reported by risk potential classification and structural integrity assessment.
Energy Affordability	Average retail electric rate for (1) residential, (2) commercial and (3) industrial customers	Quantitative	Speed	IF-EU-240a.1		The company does not participate in the residential customer sales sector. For the commercial and industrial segment, contracts are subject to confidentiality obligations.
	Typical monthly electricity bill for residential customers for (1) 500 kWh and (2) 1000 kWh of electricity supplied each month.	Quantitative	Foreign currency to inform	IF-EU-240a.2		Given the nature of the generation business, we do not have residential customers.
	Number of residential customers disconnected for non-payment, percentage reconnected within 30 days.**	Quantitative	Number, percentage (%)	IF-EU-240a.3		Given the nature of the generation business, we do not have residential customers.
	Analysis of the effect of external factors on the affordability of electricity for customers, including the economic conditions of the service territory.	Discussion and Analysis	N/A	IF-EU-240a.4		Given the nature of the generation business, we rely on third-party assets for the transmission and distribution of the generated energy.
Workforce Health and Safety	(1) Total recordable incident rate (TRIR), (2) fatality rate and (3) near miss frequency rate (NMFR).	Quantitative	Speed	IF-EU-320a.1	94 95	Occupational safety Incident rate according to OSHA
End-use efficiency and demand	Percentage of electric utility revenues from tariff structures that (1) are decoupled and (2) contain a lost revenue adjustment mechanism (LRAM).	Quantitative	Percentage (%)	IF-EU-420a.1		Given the nature of the business, which does not include electricity distribution, the indicator is not applicable to the company.



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Торіс	Accounting Parameter	Category	Measurement Unit	Code	Page	Section or Response
	Percentage of electric load supplied with smart grid technology.	Quantitative	Percentage (%) per megawatt hour (MWh)	IF-EU-420a.2		Not applicable since AES Andes does not have a smart grid to supply customers.
	Electricity savings by customers, thanks to efficiency measures, per market.	Quantitative	Megawatt hour (MWh)	IF-EU-420a.3		Given the nature of the business, which does not include electricity distribution, the indicator is not applicable to the company.
Nuclear safety and emergency management	Total number of nuclear power units, broken down by the US Nuclear Regulatory Commission (NRC) "Share Matrix" column	Quantitative	Number	IF-EU-540a.1		Given the nature of the business, which does not include electricity distribution, the indicator is not applicable to the company.
	Description of nuclear safety management and emergency preparedness initiatives	Discussion and Analysis	N/A	IF-EU-540a.2		The company does not have nuclear energy generation.
Electrical grid resilience	Number of incidents of non-compliance with physical or cyber-security standards or regulations.	Quantitative	Number	IF-EU-550a.1	199	Detail of cybersecurity incidents.  In 2023, 10 asset-related physical security incidents were reported.
	1) System Average Interruption Duration Index (SAIDI), (2) System Average Interruption Frequency Index (SAIFI), and (3) Customer Average Interruption Duration Index (CAIDI), which includes days on which severe events occur.	Quantitative	Minutes, number	IF-EU-550a.2	(1) 197	Transmission Line Global Performance The company will not report indicators 2 and 3 for 2023

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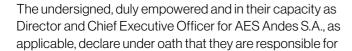
# Table 2. Activity Parameters

Topic	Category	Measurement Unit	Code	Page	Section or Response
Number of: served (1) residential, (2) commercial and (3) industrial customers.	Quantitative	Number	IF-EU-000.A	119 to 121	Customer relations: Excellence and Quality.
Total electricity supplied to: (1) residential customers, (2) commercial customers, (3) industrial customers, (4) all other retail customers, and (5) wholesale customers.	Quantitative	Megawatt hour (MWh)	IF-EU-000.B	198	Energy Balance
Length of transmission and distribution lines.	Quantitative	Kilometers (km) IF	IF-EU-000.C	57	Transmission assets.
Total electricity generated, percentage by main energy source, percentage in regulated markets.	Quantitative	Megawatt hour (MWh) Percentage (%)	IF-EU-000.D	77 198	Energy Management Energy balance.
Total electricity purchased wholesale.	Quantitative	Megawatt hour (MWh)	IF-EU-000.E	198	Energy balance.





# 5.14 Affidavit of liability



the veracity of all the information contained in this Integrated Annual Report, in accordance with General Rule No. 30, of the Commission for the Financial Market.

Javier Dib Chief Executive Officer 24957431-7

Giselle Leger

Director

RD6701015

Arminio Borjas

Director 121593012 Ricardo Manuel Falú Director

21535942-5

Daniel Fernández Koprich

Director

7750368-4

Madelka Mcalla

Director PA0635589 Gonzalo Parot Director

6703799-5

Radovan Razmilic

Director

6283668-7

Francisco Morandi

Director

680588291





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# Financial Statements

AES Andes S.A. and Subsidiaries



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# Financial Statements

AES Andes S.A. and Subsidiaries

> For the year ended December 31, 2023

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US DOLLARS	US\$
THOUSANDS OF US DOLLARS	THUS\$
CHILEAN PESOS	\$
THOUSANDS OF CHILEAN PESOS	THCLP\$
COLOMBIAN PESOS	COP\$
THOUSANDS OF COLOMBIAN PESOS	THCOP\$
ARGENTINE PESO	AR\$
THOUSANDS OF ARGENTINE PESOS	THAR\$
DEVELOPMENT UNIT (UNIDAD DE FOMENTO)	UF





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# 6.1 Independent Auditors Report



EY Chile Avda. Presidents Riesco 5435, 4th floor, Las Condes. Santiago Tel: +56 (2) 2676 1000 www.eychile.cl

### Report of the Independent Auditor

(Translation of the report originally issued in Spanish – See note 2)

To the Shareholders of AFS Andes S A

### Opinion

We have audited the consolidated financial statements of AES Andes S.A. and its subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the years then ended, and the corresponding notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of AES Andes S.A. and its subsidiaries as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended, in accordance with International Financial Reporting Standards.

### **Basis for Opinion**

We conducted our audits in accordance with Generally Accepted Auditing Standards in Chile. Our responsibilities under those standards are further described in the "Auditor's Responsibility for the Audit of the Consolidated Financial Statements" section of our report. We are required to be independent of AES Andes S.A. and its subsidiaries and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibility of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.



In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate that raise substantial doubt about the ability of AES Andes S.A. and its subsidiaries, to continue as a going concern for at least the twelve months following the end of the reporting period, but not limited to that period.

### Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with the Generally Accepted Auditing Standards in Chile will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with Generally Accepted Auditing Standards in Chile, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of the internal control relevant to an audit in order to design
  audit procedures that are appropriate in the circumstances, but not for the purpose of
  expressing an opinion on the effectiveness of the internal control of AES Andes S.A.
  and its subsidiaries. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

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 Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the ability of AES Andes S.A. and its subsidiaries to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies and material weaknesses in internal control that we identified during the audit.

Patricio Guevara R. EY Audit Ltda.

Santiago, February 26, 2024





# Classified Consolidated Statements of Financial Position

As of December 31, 2023 and 2022

(Amounts expressed in thousands of United States dollars, unless stated otherwise)

	Note	December 31, 2023	December 31, 2022
CURRENT ASSETS			
Cash and Cash Equivalents	8	227,659	186,070
Other Current Financial Assets	9	10,761	9,004
Other Current Non-Financial Assets	11	36,900	15,548
Trade and Other Receivables	12	686,258	781,521
Related Party Receivables	13	25,411	16,015
Inventory	14	189,252	530,036
Taxes Receivables	15	27,433	13,875
Total Current Assets		1,203,674	1,552,069
NON-CURRENT ASSETS			
Other Non-Current Financial Assets	9	9,302	13,268
Other Non-Current Non-Financial Assets	11	1,462	13,247
Trade and Other Receivables	12	74,859	42,794
Related Party Receivables	13	1,422	2,360
Intangible Assets	16	81,817	79,388
Property, Plant and Equipment	17	3,593,735	3,395,834
Right-of-use Assets	18	61,000	57,306
Taxes Receivables	15	19,033	66,284
Deferred Taxes	15	306,414	190,510
Total Non-Current Assets		4,149,044	3,860,991
TOTAL ASSETS		5,352,718	5,413,060



# Classified Consolidated Statements of Financial Position

As of December 31, 2023 and 2022

(Amounts expressed in thousands of United States dollars, unless stated otherwise)

	Note	December 31, 2023	December 31, 2022
CURRENT LIABILITIES			
Other Current Financial Liabilities	19	486,260	242,053
Lease Liabilities, Current		6,749	5,858
Trade and Other Payables	21	529,169	658,613
Related Party Payables	13	21,631	16,295
Provisions	22	15,668	5,315
Taxes Payable	15	50,030	40,915
Employee Benefits	23	5,135	4,242
Other Current Non-Financial Liabilities	24	29,225	27,345
Total Current Liabilities		1,143,867	1,000,636
NON-CURRENT LIABILITIES			
Other Non-Current Financial Liabilities		2,292,324	2,649,353
Lease Liabilities, Non- Current		77,705	76,863
Provisions		93,551	137,939
Deferred Taxes	15	208,944	155,226
Employee Benefits		23,818	25,731
Other Non-Current Non-Financial Liabilities	24	31,780	39,301
Total Non-Current Liabilities		2,728,122	3,084,413
TOTAL LIABILITIES		3,871,989	4,085,049
EQUITY			
Issued Capital		1,843,925	2,095,925
Retained Earnings (Accumulated Losses)	25	(988,708)	(813,842)
Share Premium		48,812	48,812
Own Shares in Portfolio		(415)	_
Other Components of Equity	25	11,232	11,029
Other Comprehensive Income (loss)	25	(233,107)	(304,297)
Equity Attributable to Shareholders of Parent		681,739	1,037,627
Non-Controlling Interests	3.5	798,990	290,384
Total Equity		1,480,729	1,328,011
TOTAL EQUITY AND LIABILITIES		5,352,718	5,413,060



# Consolidated Statements of Comprehensive Income Classified by Cost Function

For the years ended December 31, 2023 and 2022 (Amounts expressed in thousands of United States dollars, unless stated otherwise)

	Note	For the nine- month period	December 31, 2022
Operating Revenues	26	2,741,650	2,578,962
Cost of Sales.	27	(2,134,560)	(1,880,352)
Gross Profit	<u></u>	607,090	698,610
Other Operating Income		1,098	1,667
Administrative Expenses	27	(94,325)	(90,429)
Other Operating Expenses		(20,385)	(14,427)
Other Income (Loss)	28	(296,533)	10,709
Finance Income	29	82,054	22,432
Finance Expenses	29	(215,708)	(155,947)
Profit or Loss by Impairment IFRS 9	12	42	(409)
Foreign Currency Exchange Differences	29	(155,695)	17,149
Profit or Loss by Indexation Units	33	(26,039)	(31,490)
Net Income (Loss) before Taxes		(118,401)	457,865
Income (loss) Tax Expense	15	(17,968)	(145,515)
Net Income (Loss)		(136,369)	312,350
Income (Loss) Attributable to:			
Attributable to Shareholders of the Parent		(174,866)	276,663
Attributable to Non-Controlling Interests	3.5	38,497	35,687
Net Income (Loss)		(136,369)	312,350
Basic Earnings (Losses) per Share Basic Earnings (Losses) per Share from Continued Operations Basic Earnings (Losses) per Share from Discontinued Operations	30	(0.017)	0.027
Basic Earnings (Losses) per Share		(0.017)	0.027
Diluted Earnings (Losses) per Share			
Diluted Earnings (Losses) per Share from Continued Operations		(0.017)	0.027
Diluted Earnings (Losses) per Share from Discontinued Operations			
Diluted Earnings (Losses) per Share		(0.017)	0.027



# Consolidated Statements of Comprehensive Income Classified by Cost Function

For the years ended December 31, 2023 and 2022 (Amounts expressed in thousands of United States dollars, unless stated otherwise)

	December 31, 2023	December 31, 2022
Net Income (loss) of the year	(136,369)	312,350
Components of Other Comprehensive Income that will not be Reclassified to Net Income		
Other Comprehensive Income from Actuarial Gains (Losses) on Defined Benefit Plans	. 225	(1,142)
Income Tax Related to Cash Flow Hedges of Other Comprehensive Income	. (181)	328
Components of Other Comprehensive Income that will be Reclassified to Net Income		
Income (Loss) from Foreign Currency Translation Adjustments	. 75,741	(15,497)
Unrealized Income (Loss) for Cash Flow Hedges	(8,868)	55,552
Income Tax Related to Income (Loss) for Cash Flow Hedges	3,152	(8,709)
Total Other Comprehensive Income (Loss)	70,069	30,532
Total Comprehensive Income (Loss)	(66,300)	342,882
Comprehensive Income (Loss) Attributable to:		
Comprehensive Income (Loss) Attributable to Shareholders of the Parent	. (106,536)	305,788
Comprehensive Income (Loss) Attributable to Non-Controlling Interests	40,236	37,094
Total Comprehensive Income (Loss)	(66,300)	342,882



# Consolidated Statements of Changes in Shareholders' Equity

For the years ended December 31, 2023 and 2022

(Amounts expressed in thousands of United States dollars, unless stated otherwise)

	Issued Capital	Share Premium	Own shares in portfolio	Other Components of Equity	Total Other Comprehensive Income	Retained Earnings (Accumulated Losses)	Equity Attributable to Shareholders of Parent	Equity Attributable to Non-Controlling Interests	Total Equity
Opening Balance, January 1, 2023	2,095,925	48,812	_	11,029	(304,297)	(813,842)	1,037,627	290,384	1,328,011
Changes in Equity									
Net Income	. —	_	_	_	_	(174,866)	(174,866)	38,497	(136,369)
Other Comprehensive Income	. —	_	_	_	68,330	_	68,330	1,739	70,069
Capital decrease	. (252,000)	_	_	_	_	_	(252,000)	_	(252,000)
Increases (Decreases) for Transfers and Other Changes	. –	_	(415)	203	2,860	_	2,648	468,370	471,018
Ending Balance, December 31, 2023	1,843,925	48,812	(415)	11,232	(233,107)	(988,708)	681,739	798,990	1,480,729
Opening Balance, January 1, 2022	2,349,806	48,812		10,673	(352,627)	(1,090,505)	966,159	191,415	1,157,574
Changes in Equity									
Net Income		_	_	_	_	276,663	276,663	35,687	312,350
Other Comprehensive Income	. –	_		_	29,125	_	29,125	1,407	30,532
Capital decrease	. (256,001)	_	_	_	_	_	(256,001)	_	(256,001)
Payments Subsidiaries to non- controlling interest	. –	_	_	_	_	_	_	(35,633)	(35,633)
Sale of non-controlling interest							_	116,476	116,476
Increases (Decreases) for Transfers and Other Changes	2,120	_		356	19,205	_	21,681	(18,968)	2,713
Ending Balance, December 31, 2022	2,095,925	48,812	_	11,029	(304,297)	(813,842)	1,037,627	290,384	1,328,011



# Consolidated Statements of Direct Cash Flows

For the years ended December 31, 2023 and 2022 (Amounts expressed in thousands of United States dollars, unless stated otherwise)

	Note	December 31, 2023	December 31, 2022
		2020	2022
Proceeds from Operating Activities:			
Collections from sales of goods and services		3,059,612	2,806,393
Other collections for operating activities		144	_
Classes of Payment			
Payments to suppliers for goods and services		(1,917,465)	(2,316,715)
Payments to employees		(86,351)	(76,075)
Other payments for operating activities		(112,914)	(159,242)
Dividends received	13	5,727	2,911
Interests received		60,955	16,262
Income taxes paid		(51,638)	(37,213)
Other cash outflows		7,981	78,452
Net Cash Flows Provided by Operating Activities		966,051	314,773
Cash Flows Provided by (Used in) Investing Activities		·	·
Cash flows used to obtain control of subsidiaries or other businesses	3.1	(110,935)	_
Loans to related entities	13	_	(50,668)
Proceeds from sales of property, plant and equipment		8	9,533
Purchases of property, plant and equipment	17	(439,452)	(593,094)
Proceeds from long-term assets		(1,170)	_
Loan payment from related parties	13	430	48,074
Other cash inflows (outflows)		2,115	37,864
Net Cash Flows Provided by (Used in) Investing Activities		(549,004)	(548,291)



# Consolidated Statements of Direct Cash Flows

For the years ended December 31, 2023 and 2022 (Amounts expressed in thousands of United States dollars, unless stated otherwise)

	Note	December 31, 2023	December 31, 2022
Cash Flows Provided by (Used in) Financing Activities			
Proceeds for changes in interests in subsidiaries not resulting in a loss of control		538,477	116,476
Payments for purchase or redemption of shares of the entity		(416)	_
Amounts from the issuance of other equity instruments		_	2,128
Payments for other components of equity	25.2	(252,001)	(256,001)
Proceeds from long-term borrowings	19.1.c	35,000	934,803
Proceeds from short-term borrowings	19.1.c	384,318	130,228
Loan payments	19.1.c	(642,150)	(508,319)
Payment of financial lease obligations	20	(7,266)	(7,655)
Payments to non-controlling interest	3.5	(66,697)	(35,633)
Interest paid	19.c	(244,457)	(149,332)
Other cash outflows		(21,897)	99,988
Net Cash Flows Provided by (Used in) Financing Activities		(277,089)	326,683
Net cash and cash equivalents increase, before foreign exchange difference		139,958	93,165
Net Foreign Exchange Differences on Cash and Cash Equivalents			
Net foreign exchange differences on cash and cash equivalents		(98,369)	(18,828)
Increase in Cash and Cash Equivalents		41,589	74,337
Cash and cash equivalents at beginning of year		186,070	111,733
Cash and Cash Equivalents at End of year		227,659	186,070

The accompanying note are an integral part of these consolidated financial statements.

AES Andes and Subsidiaries - December 2023 (amounts are expressed in thousands of United States dollars, unless stated otherwise)



### NOTE 1 - OVERVIEW

At the Company's Extraordinary Shareholders' Meeting held on April 23, 2021, the Company's shareholders approved the change of the corporate name from "AES Gener S.A." to "AES Andes S.A."

AES Andes S.A., (www.aesandes.cl) (hereinafter referred to as the "Company", "Group", "AES Andes", "Andes" or "Parent") was incorporated by means of a public deed dated June 19, 1981, delivered in Santiago by Notary Public Patricio Zaldívar Mackenna. Its business name was, at that time, Compañía Chilena de Generación Eléctrica S.A. (Chilectra Generation S.A.). The Comisión para el Mercado Financiero (Commission for the Financial Market - CMF) approved its bylaws by means of Resolution No. 410-S dated July 17, 1981, published in the Official Gazette No. 31,023 dated July 23, 1981. The Company is registered with the Commercial Registry of the Real Estate Registrar of Santiago on page number 13,107, No. 7,274 of 1981.

AES Andes is a listed Company primarily engaged in the generation of electricity. Its mission is to accelerate the future of energy, along with its customers, shareholders, workers, communities, suppliers, and other persons and groups to which it is related.

The Company serves the National Electric System (SEN) through the three run-of-the-river hydroelectric power plants, a coal-fired plant and a cogeneration plant, all of them owned by AES Andes. In addition, it serves the SEN through a run-of-river hydroelectric power plant owned by Alto Maipo SpA, three coal-fired plants owned by the subsidiaries Empresa Eléctrica Ventanas S.A., Empresa Eléctrica Angamos S.A. and Empresa Eléctrica Cochrane SpA, three photovoltaic solar plants owned by the subsidiary Andes Solar, Andes Solar II SpA and Bolero SpA, acquired on June 9, 2023, and four wind plants owned by the subsidiaries Los Cururos, Energía Eólica Los Olmos SpA, Energía Eólica Mesamávida SpA and Parque Eólico Campo Lindo SpA. From now on, the company together with its subsidiaries will be referred to indistinctly as "the Company", "The Group" or "AES Andes".

In response to the opportunities offered by the Chilean market, in the Antofagasta region, the Company is close to completing the expansion of photovoltaic solar farm Andes Solar of 238 MW. Also, in the Bío-Bío region the following wind farm is under construction San Matias (82 MW) owned by Energía Eólica San Matías SpA.. As of December 31, 2023, 13 MW of Andes Solar and 17 MW of San Matias are injecting electrical energy into the national electrical system (SEN).

The Company is a leader in the Chilean market in the construction and operation of energy storage systems. It currently has 236 MW of batteries in operation. On July 17, 2023, the Andes Solar IIB complex came into operation with a capacity of 112 MW for 5 hours. On the other hand, the "Virtual Reservoir" energy storage systems of 10 MW for 5 hours and the Virtual Reservoir II of 50 MW for 4 hours are located in the vicinity of the Alfalfal I Power Plant, which entered into commercial operation on December 5, 2023. These storage systems are added to the existing 62 MW ones at the Andes substation at the Cochrane and Angamos plants. AES Andes continues to advance with the construction of other storage system projects under construction for 147 MW for 5 hours (12 MW for 5 hours already in operation) and 80 MW for 3 hours that will allow solar energy to be injected into the grid at night.

In addition to its share in the Chilean electricity sector, the Company produces electricity in Argentina and Colombia through its subsidiaries Termoandes S.A. and AES Colombia, respectively.

The registered address of AES Andes is Los Conquistadores N°1730, floor 10, municipality of Providencia, Metropolitan Region, Santiago. AES Corporation controls the Company through its subsidiary Inversiones Cachagua SpA. with an equity share of 99.49% as of December 31, 2023.

These consolidated financial statements were approved by the Company's Board of Directors on February 26, 2024.

AES Andes and Subsidiaries - December 2023 (amounts are expressed in thousands of United States dollars, unless stated otherwise)



# NOTE 2 - BASIS OF PREPARATION

# 2.1.- Basis of Preparation of the Consolidated Financial Statements

The Company prepared these consolidated Financial Statements in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements of AES Andes S.A. and subsidiaries include the classified consolidated statements of financial position as of December 31, 2023 and 2022, the consolidated statements of comprehensive income classified by cost function for the fiscal years ended December 31, 2023 and 2022, the statements of changes in shareholders' equity and of cash flows presented using the direct method for the years ended December 31, 2023 and 2022 and their accompanying notes.

These consolidated financial statements were prepared in accordance with the going concern principle through the application of the cost method, except, according to IFRS, for the assets and liabilities recognized at fair value.

The preparation of these consolidated financial statements requires the use of certain critical accounting estimates. It also requires Management to exercise its judgment in the process of applying the Company's accounting policies. Note 6 reveals areas that imply a greater degree of judgment or complexity or the areas where assumptions and estimates are significant for the consolidated financial statements.

An asset or liability is considered to be current when it is expected to be realized, sold or used in the normal course of the entity's operating cycle, is held primarily for trading purposes, or is expected to be realized within 12 months after the date of the reporting years.

The information contained in these consolidated financial statements is the responsibility of the Management of AES Andes S.A. In the preparation of the consolidated financial statements, the policies deriving from AES Andes S.A. were used for all the subsidiaries included in the consolidation.

For the convenience of the reader, the consolidated financial statements and their accompanying notes have been translated from Spanish into English.

#### 2.2.- New Accounting Pronouncements

#### a. Impact of the application of new standards and amendments in 2023

The standards and interpretations, as well as the improvements and amendments to IFRS, issued and effective as of the date of these financial statements, are detailed below:

	Standards, Interpretations & Amendments	Mandatory Application Date
IFRS 17	Insurance contracts	January 1, 2023
IAS 8	Definition of Accounting Estimates	January 1, 2023
IAS 1	Disclosure of Accounting Policies	January 1, 2023
IAS 12	Deferred taxes related to assets and liabilities arising from a single transaction	January 1, 2023
IAS 12	International tax reform – Rules of the second pillar model	January 1, 2023

The application of these standards does not have any significant effects for the Company, which are detailed in Note 2.2 (b) below. The remaining accounting criteria applied in 2023 have not changed with respect to the previous year.

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#### b. Impact of the application of new standards and amendments in 2023

The Company applied certain standards, interpretations, and amendments for the first time, which are effective for periods beginning on or after January 1, 2023. The current standards, interpretations, and amendments to IFRS that came into effect as of the date of these Consolidated financial statements, their nature and impacts are shown below:

#### **IFRS 17 Insurance Contracts**

In May 2017, IASB issued IFRS 17 Insurance Contracts, a new standard of comprehensive accounting for insurance contracts covering recognition, measurement, presentation, and disclosure. Once it comes into effect, it will substitute IFRS 4 Insurance Contracts, as issued in 2005. The new standard is applicable to all the types of insurance contracts, regardless of the type of issuing entity, as well as certain guarantees and financial instruments with specific discretionary participation features. Some exceptions within the scope might be applied.

In December 2021, the IASB amended IFRS 17 to add a transition option for a "classification overlay" to address potential accounting asymmetries between financial assets and insurance contract liabilities in comparative information presented on initial application of IFRS 17.

If an entity applies the classification overlay, it may only do so for comparative periods to which it applies IFRS 17 (i.e. from the date of transition to the date of initial application of IFRS 17).

IFRS 17 is applicable for the first time in 2023, however, it does not have an impact on the Company's financial statements.

# IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates

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 the correction of errors. In addition, they clarify how entities use measurement techniques and inputs to develop accounting 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 the correction of prior period errors. 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 corrections of errors.

The amendment is applicable for the first time in 2023, however, it does not have a significant impact on the Company's financial statements.

#### IAS 1 Presentation of Financial Statements - Disclosures of Accounting Policies

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement No. 2 Making Materiality Judgments, in which it provides guidance and examples to assist entities in applying materiality judgments to accounting policy disclosures.

The amendments are intended to help entities provide accounting policy disclosures that are more useful by:

a. Replacing the requirement for entities to disclose their "significant" accounting policies with a requirement to disclose their "material" accounting policies;

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b. Including guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

In assessing the materiality of accounting policy disclosures, entities should consider both the size of transactions and other events or conditions, as well as the nature of those events or conditions.

The amendment is applicable for the first time in 2023, however, it does not have a significant impact on the Company's financial statements.

#### IAS 12 Deferred Taxes related to assets and liabilities arising from a single transaction

In May 2021, the IASB issued amendments to IAS 12, which reduce the scope of the initial recognition exception under IAS 12 so that it no longer applies to transactions that result in equal taxable and deductible temporary differences.

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgment (having considered applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgment is important in determining whether temporary differences exist in the initial recognition of assets and liabilities.

Likewise, according to the amendments issued, the exception in the initial recognition does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

It only applies if the recognition of a lease asset and a lease liability (or a decommissioning liability and a component of the decommissioning asset) result in taxable and deductible temporary differences that are not equal. However, the resulting deferred tax assets and liabilities may not be equal (for example, if the entity cannot benefit from tax deductions or if different tax rates apply to the taxable and deductible temporary differences). In such cases, an entity would need to account for the difference between the deferred tax asset and the deferred tax liability in profit or loss.

The amendment is applicable for the first time in 2023, however, it does not have a significant impact on the Company's financial statements.

# IAS 12 International Tax Reform- Pillar Two Model Rules

In May 2023, the Board amended IAS 12, introducing a mandatory exception to the recognition and disclosure of deferred tax assets and liabilities related to income taxes from the Pillar 2 Model Rules. The amendments clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar 2 Model Rules issued by the Organization for Economic Co-operation and Development (OECD), including tax law implementing qualified national minimum complementary taxes. Such tax law and the income taxes derived therefrom are referred to as "Second Pillar legislation" and "Second Pillar income taxes", respectively.

The amendments require an entity to disclose that it has applied the exemption to recognize and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. In this regard, an entity must separately disclose its current tax expense (benefit) related to Pillar Two income taxes in periods when the legislation is in effect.

In addition, the amendments require, for periods in which the Pillar Two legislation is (substantively) enacted but not yet effective, disclosure of known or reasonably estimable information that would assist users of financial statements in understanding the entity's exposure arising from Pillar Two income taxes. An entity must disclose qualitative and quantitative information about its exposure to Pillar Two income taxes at the end of the reporting period.

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The temporary exemption from recognition and disclosure of deferred tax information and the requirement to disclose the exemption application apply immediately and retrospectively to the issuance of the amendments.

Disclosure of current tax expenses related to Pillar Two income taxes and disclosures concerning periods before the effective date of the legislation are required for annual periods beginning on or after January 1, 2023, but are not required for any period ending on or before December 31, 2023.

The amendment is applicable for the first time in 2023 but does not significantly impact the Company's financial statements.

# c. Accounting standards applicable as of January 1, 2024 and thereafter

Standards, interpretations, and amendments to IFRS that have been issued, but are not yet effective as of the date of these financial statements, are detailed below. The Company has not adopted these standards in anticipation:

	Standards & Interpretations	Date of Mandatory Application
IFRS 16	Lease liability on a sale and leaseback	January 1, 2024
IAS 1	Classification of liabilities as current or non-current	January 1, 2024
IAS 7 and IFRS 7	Disclosures About Vendor Financing Arrangements	January 1, 2024
IFRS 21	Lack of interchangeability	January 1, 2025
IFRS 10 and IAS 28	Consolidated financial statements –sale or contributions of assets between and investor and its associate or joint ventures	To be determined

### IFRS 16 Lease Liability on a Sale and Leaseback

The amendment addresses the requirements that a seller-lessee uses to measure the lease liability arising on a sale and leaseback transaction.

The amendment provides that after the commencement date of a sale and leaseback transaction, the seller-lessee applies paragraphs 29-35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36-46 of IFRS 16 to the lease liability arising from the leaseback. In applying paragraphs 36 to 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 asset that it retains. The application of these requirements does not preclude the seller-lessee from recognizing, 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 arising from a leaseback. The initial measurement of lease liabilities 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-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 for annual reporting periods beginning on or after January 1, 2024. Earlier application is permitted, and that fact should be disclosed. A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application (i.e. the amendment does not apply to sale and leaseback transactions entered into before the date of initial application). The date of initial application is the beginning of the annual reporting period in which an entity first applied IFRS 16.

The Company will assess the impact of the amendment once it becomes effective.

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#### IAS 1 "Presentation of Financial Statements - Classification of liabilities as current or non-current"

In 2020 and 2022, the IASB issued amendments to IAS 1 to specify the requirements for the classification of liabilities as current or non-current. Such amendments clarify about:

- 1. The meaning of a right to defer settlement.
- 2. The right to postpone at the end of the reporting period exists.
- 3. The lack of impact on the classification of the probability of an entity exercising its right to defer.
- 4. Only if a derivative embedded in a convertible liability is an equity instrument, the terms of liability would not affect its classification.

The amendments are effective for periods beginning on or after January 1, 2024. The amendments should be applied prospectively. Early application is permitted and must be disclosed. However, an entity that applies the 2020 amendments early is also required to apply the 2022 amendments and vice versa.

The Company will assess the impacts of these amendments once they come into force.

#### IAS 7 & IFRS 7 – Disclosure about supplier finance arrangements

In May 2023, the Board amended the IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures. The amendments specify disclosure requirements to enhance the current conditions aimed at helping users of financial statements understand the effects of vendor financing arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments clarify the characteristics of vendor financing arrangements. In these arrangements, one or more financial service providers pay amounts that an entity owes to its suppliers. The entity agrees to settle those amounts with the financial service providers under the terms and conditions of the agreements, either on the same date or later than the date on which the financial service providers pay the entity's suppliers.

The amendments require an entity to provide information about the impact of supplier financing arrangements on liabilities and cash flows, including the terms and conditions of those arrangements, quantitative information about the liabilities related to those arrangements at the beginning and end of the reporting period and the type and effect of non-monetary changes in the carrying amounts of those arrangements. Information about those arrangements must be presented on an aggregate basis unless the individual arrangements have terms that are not similar or unique. In the context of the quantitative liquidity risk disclosures required by IFRS 7, supplier finance arrangements are included as an example of other factors that may be relevant to disclose.

The amendments will become effective for annual periods beginning on or after January 1, 2024. Early adoption is permitted but must be disclosed. The amendments provide certain transitional exemptions concerning comparative and quantitative information at the beginning of the annual reporting period and disclosures in financial information.

The Company will assess the impact of the amendment once it comes into force.

#### IAS 21 The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability

The amendments to IAS 21, The Effects of Changes in Exchange Rates, specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

A currency is considered exchangeable for another currency when an entity can obtain the other currency within a standard administrative period and through a market or exchange mechanism where an exchange transaction would create enforceable rights and obligations.

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If a currency is not exchangeable for another currency, an entity must estimate the spot exchange rate at the measurement date. The objective of this estimate is to reflect the rate at which an exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments state that an entity may use an unadjusted observable exchange rate or other estimation technique.

When an entity estimates a spot rate because a currency is not exchangeable for another currency, it should disclose information that enables users of its financial statements to understand how this fact affects or is expected to affect the entity's financial performance, financial position and cash flows.

The amendments are effective for annual periods beginning on or after January 1, 2025. Earlier adoption is permitted but must be disclosed. In applying the amendments, an entity may not restate comparative information.

The Company will assess the impact of the amendment once it becomes effective.

# IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures – Sale or Contribution of Assets between and Investor and its Associate or Joint Venture

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, state that when the transaction involves a business (whether it is in a subsidiary or not) the entire gain 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 date of mandatory application of these amendments is yet to be determined because the IASB is awaiting the results of its research project on equity method accounting. These amendments must be applied retrospectively; early adoption is permitted and must be disclosed.

The Company will assess the impact of this amendment once it comes into force.

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# NOTE 3 - BASIS OF CONSOLIDATION

The consolidated Financial Statements include the financial statements of AES Andes S.A. and subsidiaries as of December 31, 2023 and 2022, the consolidated statements of comprehensive income by function and the statements of changes in shareholders' equity and cash flows presented using the direct method for the years ended December 31, 2023 and 2022.

The financial statements of the subsidiaries are prepared as of and for the same years as the parent company and the same accounting policies are consistently applied.

#### 3.1.- Subsidiaries

According to IFRS 10, subsidiaries are all those entities controlled by AES Andes. An investor controls an investee if the investor:

- 1. has power over the investee,
- 2. is exposed, or has rights, to variable returns from its involvement with the investee, and
- 3. has the ability to affect those returns through its power over the investee.

It is considered that an investor has power over an investee when the investor has existing rights that give it the ability to direct the relevant activities, i.e., the activities that significantly affect the investee's returns. In the case of the Company, in general, the power over its subsidiaries is derived from the ownership of a majority of voting rights granted by capital instruments of the subsidiaries.

If the Company has less than the majority of the voting rights of an investee, it has power over the investee when these voting rights are sufficient to grant it, in the usual practice, the ability to unilaterally direct the relevant activities of the investee. The Company considers all the events and circumstances to assess whether the voting rights in an investee are enough to grant it the power, including:

- the number of voting rights held by the investor relative to the number and dispersion held by the other vote holders:
- potential voting rights held by the investor, other vote holders and other parties;
- · rights arising from other contractual arrangements; and
- any additional facts and circumstances suggesting the investor has, or fails to have, the current ability to direct
  the relevant activities when decisions need to be made, including voting patterns at previous shareholders'
  meetings.

The Company shall reassess whether it controls an investee if facts and circumstances indicate that there have been changes to one or more of the three control elements mentioned above. Consolidation of a subsidiary shall begin from the date the investor obtains control of the investee and shall cease when the investor loses control of the investee. Specifically, the income and expenditure of a subsidiary acquired or sold during the years are included in the Income Statement since the date on which the Company obtains control until the date on which the Company ceases to control the subsidiary.

The acquisition method is used to account for the acquisition of subsidiaries. The acquisition cost is the fair value of the assets delivered, the equity instruments issued, and the liabilities incurred or assumed on the date of exchange. Identifiable assets and liabilities acquired and identifiable contingencies assumed in a business combination are initially recognized at fair value on the acquisition date, irrespective of the extent of non-controlling interest. The excess of the acquisition cost over the fair value of the interest of AES Andes S.A. in the net identifiable assets acquired is recognized as goodwill. If the acquisition cost is less than the fair value of the net assets of the acquired subsidiary, the difference is directly recognized in the income statement.

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#### Below is a detail of the subsidiaries included in the consolidation:

					Interest Percentage			
Tax payer ID (R.U.T.)	Ref.	Name of the Company	Country of origin	Functional Currency	December 31, 2023		023	2022
					Direct	Indirect	Total	Total
96.678.770-8	NFI	Norgener Foreign Investment S.p.A	CHILE	US\$	100.00 %	<b>-</b> %	100.00 %	100.00 %
76.803.700-0	NI	Norgener Inversiones S.p.A (5)	CHILE	US\$	— %	— %	— %	100.00 %
76.786.355-1	AES Chile	AES Chile Inversiones Renovables S.p.A (antes AES Chile S.p.A)	CHILE	US\$	100.00 %	— %	100.00 %	100.00 %
76.579.067-0	Andes Solar	Andes Solar S.p.A	CHILE	US\$	100.00 %	— %	100.00 %	100.00 %
76.868.991-1	Mesamávida	Energía Eólica Mesamávida S.p.A	CHILE	US\$	100.00 %	— %	100.00 %	100.00 %
76.175.608-7	Bolero	Bolero SpA (2)(3)	CHILE	US\$	50.00 %	25.50 %	75.50 %	— %
76.170.761-2	Alto Maipo	Alto Maipo S.p.A. (1)	CHILE	US\$	100.00 %	— %	100.00 %	100.00 %
77.733.308-9	Trans. del Sur	Cía. Transmisora del Sur SpA (6)	CHILE	US\$	100.00 %	— %	100.00 %	— %
77.162.182-1	San Carlos	San Carlos SpA (antes Apatama Solar SpA) (4)	CHILE	US\$	100.00 %	— %	100.00 %	— %
Foreign	-	Alto Maipo Delaware LLC (1)	United States	US\$	— %	100.00 %	100.00 %	100.00 %
76.729.711-4	La Cebada	Compañía Transmisora La Cebada S.A.	CHILE	US\$	99.99 %	0.01 %	100.00 %	100.00 %
Foreign	GASA	Gener Argentina S.A.	ARGENTINA	US\$	92.04 %	7.96 %	100.00 %	100.00 %
Foreign	Energen	Energen S.A.	ARGENTINA	US\$	29.52 %	70.48 %	100.00 %	100.00 %
Foreign	Interandes	Interandes S.A.	ARGENTINA	US\$	13.00 %	87.00 %	100.00 %	100.00 %
Foreign	Termoandes	Termoandes S.A.	ARGENTINA	US\$	8.82 %	91.18 %	100.00 %	100.00 %
Foreign	AES Colombia	AES Colombia & Cia S.C.A. E.S.P.	COLOMBIA	COL\$	— %	99.99 %	99.99 %	99.99 %
Foreign	-	AES Chivor S.A.	COLOMBIA	COL\$	47.50 %	51.88 %	99.38 %	99.38 %
96.814.370-0	Ventanas	Empresa Eléctrica Ventanas S.A.	CHILE	US\$	0.01 %	99.99 %	100.00 %	100.00 %
76.004.976-K	Angamos	Empresa Eléctrica Angamos S.A.	CHILE	US\$	— %	100.00 %	100.00 %	100.00 %
76.680.114-5	-	Cía. Transmisora Angamos S.p.A	CHILE	US\$	— %	100.00 %	100.00 %	100.00 %
76.917.669-1	Punta del Sol	Punta del Sol S.p.A.	CHILE	US\$	— %	100.00 %	100.00 %	100.00 %
76.975.746-5	Cristales	Cristales S.p.A.	CHILE	US\$	— %	100.00 %	100.00 %	100.00 %
76.975.739-2	Chagual	Chagual Energía S.p.A	CHILE	US\$	— %	100.00 %	100.00 %	100.00 %
77.116.491-9	San Matías	Energía Eólica San Matías S.p.A. (2)	CHILE	US\$	65.00 %	— %	65.00 %	100.00 %
77.005.365-K	Paposo	Energía Eólica Paposo S.p.A.	CHILE	US\$	— %	100.00 %	100.00 %	100.00 %
76.967.596-5	Curauma	Energía Eólica Curauma S.p.A.	CHILE	US\$	— %	100.00 %	100.00 %	100.00 %
77.294.357-1	Pampas	Energía Eólica Pampas S.p.A.	CHILE	US\$	— %	100.00 %	100.00 %	100.00 %
77.290.404-5	Don Álvaro	Energía Eólica Don Álvaro S.p.A.	CHILE	US\$	— %	100.00 %	100.00 %	100.00 %
77.209.147-8	Tal Tal	Transmisora Tal Tal S.p.A.	CHILE	US\$	— %	100.00 %	100.00 %	100.00 %
77.197.853-3	Rinconada	Energía Eólica Rinconada S.p.A.	CHILE	US\$	— %	100.00 %	100.00 %	100.00 %
77.201.526-7	Inv Cochrane	Inversiones Cochrane S.p.A.	CHILE	US\$	— %	95.00 %	95.00 %	95.00 %
76.085.254-6	Cochrane	Empresa Eléctrica Cochrane S.p.A.	CHILE	US\$	— %	57.00 %	57.00 %	57.00 %
77.423.682-1	Andes Solar II	Andes Solar II S.p.A (2)	CHILE	US\$	32.50 %	25.50 %	58.00 %	75.50 %
77.371.671-4	Chile Renovables	Chile Renovables S.p.A (2)	CHILE	US\$	51.00 %	— %	51.00 %	51.00 %
76.363.072-2	Campo Lindo	Parque Eólico Campo Lindo S.p.A (2)	CHILE	US\$	— %	51.00 %	51.00 %	100.00 %
76.868.988-1	Los Olmos	Energía Eólica Los Olmos S.p.A (2)	CHILE	US\$	— %	51.00 %	51.00 %	51.00 %
78.178.599-0	Los Cururos	Parque Eólico los Cururos Spa. (2)	CHILE	US\$	— %	51.00 %	51.00 %	51.00 %
76.625.173-0	Andes Solar IV	Andes Solar IV SpA (2)	CHILE	US\$	65.00 %	— %	65.00 %	— %
76.708.924-4	Lagunas	Empresa Electrica Lagunas SpA (7)	CHILE	US\$	100.00 %	— %	100.00 %	— %
76.708.867-1	Los Dorados	Cerro Los Dorados SpA (7)	CHILE	US\$	100.00 %	— %	100.00 %	— %



							Interes	st Percenta	ge			
	Tax payer ID (R.U.T.)	Ref.	Name of the Company	Country of origin	Functional Currency	Dece	ember 31, 2	023	2022			
						Direct	Indirect	Total	Total			
	76.708.896-5	El Trébol	El Trébol SpA (7)	CHILE	US\$	100.00 %	— %	100.00 %	-	— %		
	76.708.918-k	Llanos del Sol	Llanos del Sol SpA (7)	CHILE	US\$	100.00 %	— %	100.00 %	-	— %		
	76.708.806-k	Sol Oriente	Solar Oriente SpA (7)	CHILE	US\$	100.00 %	— %	100.00 %	-	— %		
	76.708.917-1	Konavle	Konavle SpA (7)	CHILE	US\$	100.00 %	— %	100.00 %	-	— %		
	76.708.919-8	La Baluma	La Baluma SpA (7)	CHILE	US\$	100.00 %	— %	100.00 %	-	— %		
	77.822.344-9	Chile Renovables II	Chile Renovables II SpA (2)	CHILE	US\$	51.00 %	— %	51.00 %		— %		

<sup>(1)</sup> See Note 3.2

- (5) Norgener Inversiones was merged with AES Andes in October 2023.
- (6) Compania Transmisora del Sur SpA was incorporated during the month of March 2023,
- (7) The companies were established during 2023 for the development of renewable projects.

# 3.2.- Alto Maipo deconsolidation

On August 27, 2021, AES Andes issued a Material Fact with regards to Alto Maipo SpA's (owner of Alto Maipo Hydroelectric Project) financial situation, where the Company informed that the subsidiary's Board approved and delivered the Final Budget and long-term Business Plan to its creditors. For this milestone, studies and projections prepared by independent third parties were received as support to analyze energy prices under different scenarios. In some of these scenarios, projections foresee a reduction in energy prices and expected annual generation. These variations are related to the incorporation of renewable capacity on the grid that have caused a significant drop in energy prices and to hydrological conditions that imply a significant decrease in water inflows in the last ten years compared to the historical average.

On November 17, 2021, AES Andes issued a new Material Fact in which it refers to the fact that AES Andes became aware of the decision of its subsidiary Alto Maipo SpA ("Alto Maipo"), after reaching a pre-arranged agreement of financial restructuring with its creditors, to start a reorganization process in the United States of America in accordance with the regulations established in Chapter 11 of Title 11 of the United States Code. The entry application was presented that same day by Alto Maipo in the pre-arranged modality. The foregoing was in order to achieve a capital structure that is sustainable in the long term for Alto Maipo.

Considering the start of the Chapter 11 Proceeding and the characteristics of Alto Maipo's capital structure (including guarantees and subordination agreements for the benefit of Alto Maipo's senior creditors), in accordance with paragraph 8 of International Financial Reporting Standard No. 10 ("IFRS 10"), the Company ceased to control Alto Maipo and therefore, based on paragraph 25 of IFRS 10, it ceased to consolidate this subsidiary and derecognized in its Consolidated Statement of Financial Position, the assets and liabilities of the entity that has ceased to be a subsidiary. In turn, it recognized in the Consolidated Statements of Comprehensive Income of the fourth quarter of 2021 an extraordinary net accounting loss associated with the loss of control attributable to the former controlling interest, amounting to approximately ThUS\$1,106,558 that primarily related to the deconsolidation of the investment and the impairment of accounts receivable held with Alto Maipo. In addition, the deconsolidation of Alto Maipo implied a decrease in cash and cash equivalents of ThUS\$14,826, due to the outstanding balances with Alto Maipo as of the

<sup>(2)</sup> See Note 3.3

<sup>(3)</sup> Bolero SpA (formerly Helio Atacama Tres SpA.) was acquired on June 9, 2023, becoming a subsidiary of AES Andes as of this date. The cash flow used to obtain control of this subsidiary was ThUS\$110,838, which is included in the Statement of Cash Flows, which considers the total value of the operation for ThUS\$112,700 plus expenses, offset by the cash acquired at the acquisition date.

<sup>(4)</sup> Apatama Solar Spa was acquired on August 28, 2023, becoming a subsidiary of AES Andes as of that date. The cash flow used to acquire the Company was MUS\$97, which is included in the Statement of Cash Flows.

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deconsolidation date, which was adjusted in the cash flows from investing activities of the Statement of cash flows as of December 31, 2021, specifically in the line cash flow from loss of control of subsidiary or other businesses.

On May 26, 2022, Alto Maipo concluded its restructuring process initiated on November 17, 2021. This restructuring included the execution of several agreements and contractual amendments to implement the Restructuring Agreement entered into on November 16, 2021, between the shareholders, the creditors and the contractor, which was approved by the Court that intervened in Chapter 11.

Upon completion of the reorganization process and as of December 31, 2022, The Administration determined that the power over decisions that most significantly impact Alto Maipo's economic performance is shared between the creditors and the shareholders; therefore, AES Andes does not control Alto Maipo and will continue to operate without consolidating Alto Maipo.

AES Andes' investment in Alto Maipo is classified under the category of Financial Assets at Fair Value Through Profit or Loss in accordance with IFRS 9, paragraph 4.1.5. Based on the calculation made by the Administration, the fair value of AES Andes' investment in Alto Maipo as of December 31, 2023, is US\$0 (nil).

# 3.3.- Incorporation of Global Infrastructure Partners (GIP) as a strategic partner

As part of the strategy for renewable growth, Global Infrastructure Partners (GIP) became a company's partner on July 15, 2021. AES Andes owns 51% and GIP 49% of the shares in Chile Renovables SpA, an entity that has acquired and will acquire the companies with renewable projects for 733 MW as they commission, and the other conditions agreed are met. As a result of this transaction, AES Andes expects to receive approximately ThUS\$441,000 between 2021 and 2024, including all the projects involved in the agreement.

As of December 31, 2023, Chile Renovables SpA has acquired Los Cururos, Andes Solar IIA, Los Olmos, Campo Lindo and Andes Solar IIB. Still pending to be included Mesamávida.

During the year 2023, AES Andes received ThUS\$49,514 for the sale of Campo Lindo and MUS\$156,337 for the sale of Andes Solar IIB, while during the fiscal year 2022, AES Andes received ThUS\$116,476, for its ownership interest in the photovoltaic park Andes Solar IIA and Energía Eólica Los Olmos SpA; and during fiscal year 2021, it received ThUS\$53,510, from the sale of a stake in Los Cururos SpA Wind Farm.

On December 21, 2023, AES Andes and GIP signed a series of contracts to expand by 693 MW their joint investments in the companies that are developing the following renewable energy projects: Bolero Solar plant, Andes Solar IV and San Matías wind parks, along with expansions of the solar plants Andes Solar IIA and Andes Solar IIB. As a result of this transaction, the parties have valued 49% of the renewable projects at ThUS\$441,381 of which GIP invested ThUS\$332,626 to date. The pending amount will be invested as the conditions established in the agreements signed by the parties are met and the renewable projects reach commercial operation (except for the Bolero Solar Plant, which is already in operation). The Transaction, which was previously unanimously approved by the Board of Directors of the Company, involved, among other things, the creation of a new subsidiary of the Company, called Chile Renewables II SpA.

# 3.4.- Functional currency change of Argentine subsidiaries

On February 5, 2023, the Energy Secretariat published Resolution 59/2023, which enables the generating agents owning thermal generation plants with technology classified as combined cycles, as per Resolution 826 dated December 12, 2022, to adhere to a power availability and efficiency improvement agreement with Compañía Administradora del Mercado Mayorista Eléctrico Sociedad Anónima (CAMMESA) on behalf of distributors and large users of the Wholesale Electricity Market (MEM) to encourage the necessary investments for major and minor maintenance of the machines. On March 9, 2023, and March 21, 2023, the Group signed the notes and the agreement with CAMMESA to adhere to such scheme, respectively, waiving any administrative and/or judicial claim related to the remuneration in force until the signing of the agreement.

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As a result of this change in the Argentine electricity market and its impact on the operations of the Argentine subsidiaries of AES Andes, Management has concluded that the US dollar is the currency of the main economic environment in which these subsidiaries operate and, therefore, must be considered as their functional currency.

# 3.5.- Non-Controlling Interests

Non-controlling interests represent the portion of profits or losses and net assets of the subsidiaries that are not wholly owned by the Group. Non-controlling interests are presented separately in the income statement and in the consolidated statement of financial position within shareholders' equity, separately from the shareholders' equity of the parent. AES Andes applies the policy of considering transactions with non-controlling investors as equity transactions. The disposal or acquisition of non-controlling interest not resulting in a change of control, involves an equity transaction with no recognition of profits and/or losses in the income statement. Any difference between the price paid and the relevant proportion of the carrying amount of the subsidiary's net assets is recognized as equity distribution or contribution.

The summarized financial information as of December 31, 2023 and 2022, is presented below:

	December 31, 2023							
	Interest %	Current Assets	Non- current Assets	Current Liabilities	Non- current Liabilities	Ordinary Revenue	Ordinary Expenses	Net gain (loss)
Eléctrica Cochrane	40.0%	200,368	778,312	(138,225)	(718,036)	543,909	(394,315)	69,572
Inversiones Cochrane	5.0%	51	73,462	(10)	_	_	_	41,735
Chile Renovables S.p.A	49.0%	10,299	817,242	(10,329)	_	_	_	4,660
				Decembe	r 31, 2022			
	Interest %	Current Assets	Non- current Assets	Current Liabilities	Non- current Liabilities	Ordinary Revenue	Ordinary Expenses	Net gain (loss)
Eléctrica Cochrane	40.0%	207,421	839,472	(131,724)	(777,873)	589,677	(444,989)	63,265
Inversiones Cochrane	5.0%	54	82,386	(2)		_	65	37,999
	0.070	٥.	02,000	(-)			-	01,000



Accumulated balances attributed to non-controlling interests of the shareholders' equity are:

	December 31, 2023	December 31, 2022
Chile Renovables S.p.A	400,434	146,894
Andes Solar IV	150,056	_
Inversiones Cochrane S.p.A.	74,590	88,532
Energía Eólica San Matías	63,568	_
Andes Solar II	61,376	_
Empresa Eléctrica Cochrane S.p.A.	48,968	54,918
Other	(2)	40
Total	798,990	290,384

Income or (loss) attributed to non-controlling interests is detailed as follows:

	December 31, 2023	December 31, 2022
Eléctrica Cochrane	27,829	25,306
Inversiones Cochrane	8,399	9,374
Chile Renovables S.p.A	2,283	1,015
Other	(14)	(8)
Total	38,497	35,687

Comprehensive income attributed to non-controlling interests is detailed as follows:

	December 31, 2023	December 31, 2022
Eléctrica Cochrane	29,568	26,713
Inversiones Cochrane	8,399	9,374
Chile Renovables S.p.A	2,283	1,015
Other	(14)	(8)
Total	40,236	37,094



Dividend payments and capital reductions attributed to non-controlling interests are detailed as follows:

	December 31, 2023	December 31, 2022
Eléctrica Cochrane	35,520	12,806
Inversiones Cochrane	22,372	15,939
Chile Renovable SpA	8,771	6,860
Other	34	28
Total	66,697	35,633

These payments have been classified as cash flows from financing activities in the Statement of Cash Flows as of December 31, 2023, and 2022, specifically as payments to non-controlling interests.

# NOTE 4 - SUMMARY OF MAIN ACCOUNTING POLICIES

#### 4.1.- Associates

Associates are all those entities on which AES Andes has significant influence, but fails to have the control that, generally, is accompanied by a 20% to 50% voting interest. The investments in affiliates or associated companies are accounted for according to the equity method and are initially recognized at their cost. The investment of AES Andes in associates includes the goodwill recognized during the acquisition, net of any accumulated impairment loss.

The Group's share of losses or profit (net of taxes) subsequent to the acquisition of its associates is recognized in profit or loss, and its share in equity movements subsequent to the acquisition shall not be recognized in profit or loss, are accounted for as shareholders' equity reserves (and are shown as appropriate in the statement of other comprehensive income). To the extent that the Group's share of losses of an associate is equal to or higher than its interest therein, including any other unsecured account receivable, no additional losses are recognized, unless the Group has incurred in obligations or made payments on behalf of the associate.

Unrealized gains from transactions between the Group and its associates are removed based on the participating interest of the Group in those associates. Unrealized losses are also removed, except if the transaction provides evidence of impairment loss in the asset that is being transferred. When necessary to ensure its consistency with the policies adopted by the Company, financial information of the associates is adjusted.

As of December 31, 2023 and 2022, the Group has no investments in affiliates or associates.

#### 4.2.- Operating Segments

Segment information is consistently presented with the internal reports provided to the Management that makes decisions for AES Andes, which is responsible for allocating resources and evaluating the performance of the operating segments. Management identifies its operating segments according to the markets where it participates, i.e., the markets of Chile, Argentina and Colombia, for which strategic decisions are made.

Intercompany transactions are removed between segments on a consolidated basis. Financial costs are not separated by operating segments since the Group manages debts on a consolidated basis.



This financial information by operating segments is detailed in Note 7.

### 4.3.- Foreign Currency Transactions

#### a. Reporting Currency and Functional Currency

The items included in the financial statements of each of the entities of the Company are measured using the currency of the principal economic environment in which the entity operates (functional currency). The consolidated financial statements of AES Andes are expressed in United States dollars, which is the functional and reporting currency of the Company and all of its subsidiaries, except for its Colombian subsidiaries, whose functional currency is the Colombian peso, and the Argentine subsidiaries, whose functional currency is the Argentine peso.

#### b. Transactions and Balances

Transactions in foreign currencies other than the functional currency are translated into functional currency using the exchange rates at the date of the transactions. Exchange differences arising from the settlement of these transactions or the translation using the closing exchange rates of the monetary assets and liabilities in foreign currency, are recognized in profit or loss, except if they differ in shareholders' equity, such as cash flow hedges.

Non-monetary items in a currency other than functional currency carried at historical cost are translated into the functional currency using the exchange rates at the date of each initial transaction. Non-monetary items in a currency other than functional currency carried at fair value are translated into the functional currency using the exchange rate of the date when the fair value was determined.

#### c. Translation Basis

Assets and liabilities in a currency other than the functional currency and those denominated in Unidades de Fomento (UF) are presented using the following exchange rates and closing values per US\$1, respectively:

	Symbol	December 31, 2023	December 31, 2022
Chilean Pesos	Ch\$	877.12	855.86
Argentine pesos	Ar\$	808.45	177.16
Colombian pesos	Col\$	3,822.05	4,810.20
Euro	€	0.90	0.93
Unidad de Fomento	UF	0.02	0.02

UF is a local inflation-indexed monetary unit denominated in Chilean pesos. The UF rate is set daily in advance, based on the change in the consumer price index of the previous month.

#### d. Translation Bases for Subsidiaries with Different Functional Currencies

The results and financial position of all the Group entities, which have a functional currency other than the reporting currency and whose functional currency is not that of a hyperinflationary economy, are translated into the reporting currency as follows:

- i. The assets and liabilities are translated at the closing exchange rate as of the closing date.
- ii. Adjustments to goodwill and distribution of the price paid, as arising from the acquisition of a foreign entity, are treated as assets and liabilities of the foreign entity and are converted at the period-end foreign exchange rate.
- iii. Revenue and expenditure of each profit and loss account are converted at the monthly average exchange rates (unless this average is other than a reasonable approximation of the cumulative effect of exchange rates

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prevailing as of the transaction dates, in which event the income and expenditure will be translated at the exchange rate reported on those transaction dates).

All resulting exchange differences are recognized as a separate component of the shareholders' equity, under the account "Other Reserves". To the extent the investment is sold, those exchange differences are recognized in the income statement as part of the gain or loss on sale.

For consolidated purposes, exchange differences arising from the conversion of a net investment in foreign entities are accounted for in shareholders' equity. When all or part of those investments are sold, exchange differences are recognized in the income statement as part of gain or loss on sale.

# d.1 Translation Bases for Subsidiaries with Different Functional Currencies in hyperinflationary economy

The results and financial position of the Group entities, which have a functional currency other than the reporting currency and whose functional currency is that of a hyperinflationary economy (as in the case of Argentine subsidiaries), are translated into the reporting currency as follows:

- i. Assets, liabilities, shareholders' equity, revenues and costs are translated at the closing date exchange rate.
- ii. The comparative figures are unchanged in relation to those reported in the previous Financial Statements since the reporting currency of the Group is that of a non-hyperinflationary economy.

Prior to applying the above translation method, the entities are required to restate their financial statements in accordance with IAS 29 based on the purchasing power at the end of the reporting period. Therefore, the transactions of this period and the balances of non-monetary items as of the end of the period, should be restated to reflect the current price index as of the balance sheet date.

For the restatement of the Financial Statements in homogeneous currency, the National Consumer Price Index (CPI) published by the National Institute of Statistics and Census of Argentina (INDEC) is used, according to the series prepared and published by the Argentine Federation of Professional Councils of Economic Sciences (FACPCE).

To translate the inflation-adjusted balances of the Argentine subsidiaries into the Group's reporting currency, applying the criteria established in IAS 29 - *Financial Reporting in Hyperinflationary Economies*, the Company uses the exchange rate published by Banco de la Nación Argentina (BNA).

# 4.4.- Property, Plant and Equipment

The plots of land of AES Andes Group are carried at cost less relevant accumulated impairment losses.

Plants, buildings, equipment and transmission systems held for electricity generation and other items of property, plant and equipment are recognized at historical cost less relevant accumulated depreciation and impairment losses.

The cost of an asset includes its purchase price, all costs directly attributable to bringing the asset to the location and condition necessary for it to operate as expected by the Management, and the initial estimated costs of dismantling and removing the asset, either in whole or in part, and restoring the site where it is located. This is an obligation assumed by the Company, at the time of purchasing the asset or as a consequence of using the asset during a certain period.

Subsequent costs are included in initial asset value or recognized as a separate asset, only when, according to the recognition criteria of IAS 16 *Property, Plant and Equipment*, it is probable that the future economic benefits associated with the fixed assets will flow to the Group and the cost of the item can be reliably measured. The value of

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the replaced component is derecognized. Other repairs and maintenance are recognized in the income statement for the period as incurred.

The works-in-progress include, among other items, the following capitalized expenses during the construction period only:

- i. Financial expenses related to external financing that are directly attributable to constructions, both specific and generic in nature. In terms of generic financing, capitalized finance expenses are obtained by applying the weighted average cost of long-term financing to the average accumulated investment eligible for capitalization that is not specifically financed.
- ii. Directly related staff and other operative costs attributable to the construction.

Works-in-progress are transferred to fixed assets once the testing period is completed and they are available for use, at which time depreciation shall begin.

Depreciation of fixed assets is calculated using the straight-line method, considering the cost less the residual value over their estimated economic useful lives. The estimated useful lives for the main and most relevant asset classes are detailed in Note 17.

The residual value and the useful life of these assets are reviewed periodically and, where necessary, they are adjusted so that their remaining useful life is consistent with the expected useful life of the assets.

When the value of an asset exceeds its estimated recoverable amount, it is immediately reduced up to the recoverable amount through the recognition of impairment losses (Note 4.7).

Profit and losses on sales of fixed assets are calculated by comparing the proceeds from the sale with their carrying value and are included in the income statement as other net income (losses).

Derecognition of fixed assets is equivalent to the gross carrying value less accumulated depreciation at the time of recording.

#### 4.5.- Goodwill

Goodwill represents the excess of the acquisition cost over the fair value of the interest of the Group in the net identifiable assets of the subsidiary/associate acquired on the purchase date. Goodwill is tested for impairment on an annual basis and is valued at cost less accumulated impairment losses. Gains and losses for sale of an entity include the carrying amount of the goodwill related to the entity being sold.

Goodwill is allocated to Cash Generating Units (CGU) with the purpose of testing whether the CGUs are impaired. When the recoverable amount of a CGU is lower than its carrying amount, an impairment loss will be recognized. Impairment losses related to goodwill cannot be reversed in future periods (Note 4.7).

As of December 31, 2023 and 2022, the Group has not recognized any amount as Goodwill.

# 4.6.- Intangible Assets

#### a. Computer programs

Licenses for purchased software are capitalized based on costs incurred to purchase and prepare the specific programs for use. These costs are amortized over their estimated useful lives using the straight-line method. (Note 16).

Expenses related to software development or maintenance are recognized as incurred. Costs directly related to the production of unique and identifiable software programs controlled by the Group, and which are likely to generate

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economic benefits greater than their costs for more than one year, are recognized as intangible assets. Direct costs include expenses incurred by the staff in developing the software. Software program development costs recognized as assets are amortized over their estimated useful lives.

#### b. Easements

Easement rights are carried at historical cost. As the exploitation period of these rights has no limit, they are considered as assets with an indefinite useful life and are therefore not subject to amortization. Nevertheless, the indefinite nature of a useful life is reviewed at each reporting period to determine whether it should still be regarded as such. These assets are tested for impairment annually. The exception to the rule of an indefinite useful life is only applicable to cases where there is an underlying agreement limiting the useful life of the easement (Note 16).

# c. Water Rights

Water rights are carried at historical cost. As the exploitation period of these rights has no limit, they are considered as assets with an indefinite useful life and are therefore not subject to amortization. Nevertheless, the indefinite nature of a useful life is reviewed at each reporting period to establish whether such nature is still applicable. These assets are tested for impairment annually.

# 4.7.- Impairment of Non-Financial Assets

Assets subject to amortization and depreciation are tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. If there is an indication of impairment, the recoverable amount shall be estimated for the asset on an individual basis. If the recoverable amount cannot be determined for individual assets or the assets have an indefinite useful life, the entity shall determine the lowest level for which there are separately identifiable cash flows ("cash generating units") and shall estimate the recoverable amount of the cash generating unit to which the asset belongs.

An impairment loss is recognized to the extent the carrying amount of the asset or cash-generating unit exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less costs to sell or its the value in use. The estimation of the value in use is based on the present value of the future expected cash flows at a pre-tax discount rate that reflects the current market assessments and the risks associated with the asset or cash generating unit. The best determination of the fair value less costs to sell includes prices of similar transactions. If the transactions cannot be identified in the market, a valuation model will be used.

Non-financial assets, other than goodwill, which might have suffered an impairment loss are assessed at every year-end to check for any events that would justify a reversal of the impairment loss. The reversal of an impairment loss shall not exceed the carrying amount that would have been obtained, net of amortization and depreciation, if no impairment loss would have been recognized for that asset in prior periods.

Intangible assets and goodwill with indefinite useful lives are tested for impairment every October 1 of each year or any indication that the value of these assets may not be recoverable.

# 4.8.- Financial Assets

#### **Initial Classification**

AES Andes classifies its financial assets in the following categories: fair value through profit or loss, amortized cost, and fair value through Other Comprehensive Income. The classification of financial assets in the initial recognition depends on the contract cash flow characteristics and AES Andes's business model for their management. Except for trade receivables with no significant financial component or for which AES Andes has applied a practical solution, AES Andes initially recognizes a financial asset at fair value plus, in case of a financial asset not recognized at fair value through changes in profit or loss, transaction costs.

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Financial assets classified and recognized at amortized cost are maintained within a business model with the aim of maintaining financial assets to collect contractual cash flows, while the financial assets classified and recognized at fair value through OCI are maintained within a business model with the purpose of keeping their ownership for the collection of contractual cash flows and sales. Financial asset sales or purchases requiring the delivery of assets within a period of time established by market regulation or convention (regular transactions) are recognized on the negotiation date, namely, the date on which the Company undertakes to buy or sell the asset.

# a. Financial Assets at fair value through profit or loss (FVTPL)

These instruments are initially measured at fair value. Net income and losses, including any income from interest or dividends, are recognized in profit or loss for the period. The financial assets are classified in the category of financial assets at fair value through profit or loss when they are held for negotiation purposes or designated in their initial recognition at fair value through profit or loss. A financial asset is classified in this category if it is acquired mainly with the purpose of being sold in the short term. Profit and losses from assets held for trading are recognized as profit or loss and the associated interest is recognized separately in financial income. Derivatives are also classified as acquired for trading purposes unless they are designated as hedges.

#### b. Assets carried at amortized cost

They are initially carried at the fair value of the transaction, plus or minus the transaction costs that are directly attributable to the acquisition or issuance of the financial asset or liability. They are held to collect contractual cash flows that meet the "Solely Payments of Principal and Interest" (SPPI) criterion. This category includes trade receivables and other accounts receivable.

#### c. Financial Assets at fair value through other comprehensive income (FVTOCI)

These instruments are initially carried at fair value, with gains or losses reclassified through profit or loss for the period upon derecognition. The financial instruments in this category meet the SPPI criterion and are kept within the business model of the Company, both to collect and sell the cash flows.

The business model of AES Andes for the management of financial assets refers to how it manages financial assets to generate cash flows. A business model establishes whether the cash flows will result from collecting contractual cash flows or selling financial assets, or both.

The accounting policy used to determine the fair value is detailed in Note 4.21.

#### **Subsequent Valuation**

The financial instruments are afterwards measured at FVTPL, amortized cost, or FVTOCI. The classification is based on two criteria: (i) the business model of the Company to manage the financial instruments, and (ii) whether the contractual cash flows of the financial instruments are "Solely Payments of Principal and Interest".

#### a. Financial Assets measured at fair value through profit or loss (FVTPL):

These instruments are afterwards measured at fair value. Net profit and losses, including any income from interest or dividends, are recognized as profit or loss for the period.

These instruments are held for trading purposes and mainly acquired with the purpose of selling them or buying them back in the short term. Derivative instruments are also classified as held for trading, unless they are designated for hedge accounting. The financial instruments in this category are classified as other current and non-current financial assets. They are subsequently measured through determination of the fair value, and changes in value are accounted for in the income statement as other income (losses).

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#### b. Financial Assets measured at amortized cost:

These instruments are subsequently measured at amortized cost less accumulated depreciation through the effective interest method and adjusted through provisions for impairment losses, in the case of financial assets. Financial income and expense, exchange gains and losses and impairment are charged to income. Any profit or loss on derecognition is recognized as profit or loss of the period.

Loans and receivables are non-derivative financial instruments with fixed or determinable payments that are not listed in an active market. They are carried at amortized cost and the accrual of agreed terms is directly recorded as profit or loss.

#### c. Financial Assets measured at fair value through other comprehensive income (FVTOCI):

These instruments are afterwards measured at fair value. Revenue from interest calculated using the effective interest method, financial income and expense, exchange gains and losses and impairment are charged to income. Other net gains and losses are recognized in Other Comprehensive Income (OCI). Upon derecognition, retained earnings and losses in OCI are reclassified as profit or loss.

#### **Impairment**

Following the requirements of IFRS 9, the Company applies an impairment model that relies on the assessment of expected credit losses, based on the Company's historical information, existing market conditions, and prospective estimates at the end of each reporting period. This model applies to financial assets measured at amortized cost or measured at fair value through other comprehensive income, except for investments in equity instruments.

The expected credit loss is determined considering the probability of default, which is the difference between all the contractual cash flows that are due in accordance with the contract and all the cash flows that the entity expects to receive (i.e., insufficient money), discounted at the original effective interest rate.

To determine expected credit losses, the Company applies two different approaches:

- General approach: applied to financial assets other than trade receivables, contract assets or lease receivables. This approach is based on the assessment of significant increases in the credit risk of financial assets, since the initial recognition. In case that, as of the date of presentation of the financial statements, the credit risk has not had a significant increase, impairment losses are measured by reference to the 12-month expected credit losses; otherwise, if the credit risk has had a significant increase, the impairment is measured considering the expected credit losses throughout the life of the asset. In general, expected credit losses as per the general approach are determined on an individual basis.
- Simplified approach: for trade receivables, the Company applies a simplified method, whereby the impairment provision is always recorded with reference to expected credit losses over the life of the asset. This is the mostly applied approach, since trade receivables represent the main financial asset of the Company.

With respect to corporate customers and distribution companies whose power purchase agreements are long term and cover a significant portion of their installed capacity, the Company allocates its exposure to a credit risk grade based on data determined to be predictive, including credit ratings, audited financial statements, projected cash flows, and customer-related information available, and by applying experienced judgment relying on this information. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default and consistent with the definition of credit risk according to the criteria applied by the risk agencies. Regarding the exposure to losses for customers whose credit assessment cannot be determined, considering the aforementioned guide, the Company

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covers this credit risk through the request for financial guarantees, which are stipulated in accordance with the respective power purchase agreements (see Note 32).

As of December 31, 2023, the Company holds guarantees received from customers as detailed in Note 32 to these financial statements for the payment obligations of customers under PPAs, including, in some cases, letters of credit from financial institutions with an investment grade rating and corporate bonds from their parent companies with an investment grade rating. Obligations under these letters of credit and corporate bonds may increase or decrease depending on our customers' capacity to meet certain construction, operational or financial thresholds or the change in the investment grade ratings of their respective parent companies.

The impact on the Company's results due to impairment of trade receivables as of December 31, 2023 amounts to an income of ThUS\$42.

Based on the benchmark market and industry where our customers do business, as well as the recovery expectations after 90 days for such accounts receivable, the Company mainly applies a default maturity of 180 days to assess expected credit losses, as it is considered an effective indicator of a significant increase in credit risk. As a result, financial assets that are more than 90 days past due are generally not considered to be in default.

Based on Company-specific assessments, the prospective adjustment may be applied considering qualitative and quantitative information to reflect possible future events and macroeconomic scenarios, which may affect the risk of the portfolio or financial instrument.

#### 4.9.- Financial Liabilities

AES Andes classifies its financial liabilities in the following categories: fair value through profit or loss, derivatives designated as effective hedging instruments (see Note 4.10) and amortized cost. Management determines the classification of its financial liabilities on initial recognition.

Financial liabilities are derecognized when the obligation is paid, settled, or expires. When an existing financial liability is replaced by another liability from the same lender under substantially different terms, or if the terms of the existing liabilities are substantially modified, such exchange or modification shall be treated as a derecognition of the original liability and a recognition of a new liability, and the difference in the respective carrying amounts is recognized in the income statement.

Financial liabilities are initially recognized at fair value and, in the case of loans, they include costs directly attributable to the transaction. Subsequent measurement of financial liabilities depends on their classification, as explained below.

When the Group has the right to offset obligations with financial rights, the net amount shall not be reported in accordance with paragraph 42 of IAS 32 *Financial Instruments: Presentation*, as the Company intends to pay and collect those items independently. IFRS 7 *Financial Instruments: Disclosures* also apply to recognized financial instruments whose derivative contracts are subject to an enforceable netting arrangement or similar agreement, irrespective of the net or gross disclosure under IAS 32. See Note 10.2 (e).

#### a. Financial Liabilities at Fair Value through Profit or Loss

Financial liabilities are classified in the category of financial liabilities at fair value through profit or loss when they are held for trading or they are designated on initial recognition at fair value through profit or loss. Gains and losses on held-for-trading liabilities are accounted for as profit or loss. This category includes derivative instruments not designated for hedge accounting.

#### b. Financial liabilities at amortized cost

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Other financial liabilities are subsequently carried at amortized cost using the effective interest rate method. The amortized cost is calculated by considering any premium or discount from the acquisition and includes costs of transactions are an integral part of the effective interest rate. This category includes trade payables and other accounts payable and loans included in other current and non-current financial liabilities.

# 4.10.- Derivative Financial Instruments and Hedging

The Group uses derivative financial instruments such as interest rate swaps, foreign exchange rate swaps, and foreign exchange forwards to hedge its risks associated with fluctuations in interest, foreign exchange rates, and coal prices. Derivatives are initially recognized at the fair value of the date on which the derivative agreement has been entered into and they are subsequently remeasured at their fair values. The method to recognize the gain or loss resulting from the change in fair value depends on whether the derivative has been designated as a hedging instrument, and, if so, the nature of the item that it is hedging. The Group recognizes certain derivatives as:

- i. fair value hedges
- ii. cash flow hedges

At the beginning of the transaction, the Group documents the relation existing between hedging instruments and hedged items, as well as their objectives for risk management and the strategy to carry out various hedging transactions. The Group also documents its assessment, both at the beginning and on a continuous basis, about whether the derivatives that are used in hedging transactions are highly effective to offset changes in the fair value or cash flows of the hedged items, namely, when the hedge relationship meets the following efficacy requirements.

- There is an economic relationship between the hedged item and the hedging instrument;
- The effect of the credit risk has no predominance over the changes in value resulting from that economic relationship; and
- The hedge ratio of the hedge relationship is the same as that resulting from the amount of the hedged item that
  the Group is actually hedging and the amount of the hedging instrument that the Group actually uses to hedge
  such amount of the hedged item.

If a hedge relationship ceases to meet the hedge effectiveness requirements in relation to the hedge ratio, but the risk management goal for that designated hedge relationship remains unchanged, the Group will adjust the hedge ratio of the hedge relationship so that it complies again with the required criteria. (Referred to as "rebalancing" in IFRS 9).

#### a. Fair Value Hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognized in the income statement, together with any changes in the fair value of the hedged asset or liability that is attributable to the hedged risk.

The Group has not used fair value hedges in the reporting years.

#### b. Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognized in other comprehensive income and are accumulated as cash flow hedge reserves in other reserves. The effective portion of changes in the fair value of the derivative instrument that is recognized in other comprehensive income is limited to the cumulative change in the fair value of the hedged item, as established on the basis of the present value, from the beginning of the hedging transaction.

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Any loss or gain related to the ineffective portion is recognized immediately in the income statement within financial costs or exchange differences, according to their nature.

The Group recognized only the change in the spot fair value of the forward contract as the hedging instrument in the cash flow hedge relationships. The change in the fair value of the forward points in foreign currency is accounted for separately as hedging cost and is recognized in a hedge cost reserve within shareholders' equity.

When the expected transaction that is subsequently hedged brings about the recognition of a non-financial item as inventory, the accumulated amount in the hedging reserve and the cost of the hedging reserve is directly included in the initial cost of the non-financial item upon recognition.

For all the expected hedged transactions, the amounts accumulated in Other reserves are accounted for in the income statement during periods in which the hedged item affects the result. In the case of interest rate hedges, this means that the amounts recognized in shareholders' equity are reclassified as profit or loss in financial costs as interest

on associated debts is accrued. For cross currency swaps, the amounts recognized in other reserves are reclassified to financial costs as interest is accrued and to exchange differences as a result of measuring the debts at closing exchange rates.

If the hedged item ceases to meet the criteria for hedge accounting or the hedging instrument expires, is sold, terminated or exercised, hedge accounting is prospectively discontinued. When hedge accounting for cash flow hedges is discontinued, the amount accumulated in other reserves will remain in shareholders' equity until, if the hedging of a transaction brings about the recognition of a non-financial item, it is included in the cost of the non-financial item on initial recognition or, in the case of other cash flow hedges, it is reclassified in profit or loss in the same period or periods in which the expected hedged future cash flows affect the income statement.

When it is expected that the transaction is not likely to occur, the gain or loss accumulated in shareholders' equity is immediately charged to income within financial cost or exchange differences, according to their nature.

#### c. Derivatives not qualifying for hedge accounting

Certain derivatives are not designated for hedge accounting and are carried at fair value through profit or loss. Changes in the fair value of these derivatives are immediately recognized in the income statement.

#### d. Embedded Derivatives

The Company assesses the existence of embedded derivatives in financial and non-financial instrument agreements to establish whether their characteristics and risks are closely related to the host contract, provided that the whole set is not classified as an asset or liability at fair value through profit or loss. If they are not closely related, embedded derivatives are accounted for separately from the host contract and recognized at fair value with variations immediately recognized in the income statement.

#### 4.11.- Inventory

Inventory is valued at the lowest of its cost or net realizable value, except in the case of those elements that will be used in the production process if their value is expected to be recovered through the sale of the final product. The cost is calculated using the acquisition cost method. The net realizable value is the estimated selling price in the ordinary course of business, minus applicable variable selling costs.

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# 4.12.- Cash and Cash Equivalents

Cash and cash equivalents include cash-in-hand balances; time deposits in credit entities; other highly-liquid, short-term investments with original maturity of three months or less; and bank overdrafts. In the statement of financial position, bank overdrafts are classified as borrowed capital in other current financial liabilities.

Cash and cash equivalents subject to restrictions are included in the statement of financial position within cash and cash equivalents, except when the nature of the restriction is such that it ceases to be liquid or readily convertible to cash. In this case, restricted cash set aside for less than 12 months will be recognized within other current financial assets, and the restricted cash set aside for more than 12 months will be recognized within other non-current financial assets. The classification of Cash and Cash Equivalents does not differ from that used in the Statement of Cash Flows.

IAS 7 sets forth that the entity must submit information on cash flows from operating activities using the direct or indirect method. According to Official Letter No. 2058 published by the CMF, as from the reporting date, March 31, 2013, all listed companies must present their cash flow statements using the direct method.

## 4.13.- Issued Capital

Capital stock is represented by common stock of a single class, with no par value, and entitled to one vote per share.

Incremental costs directly attributable to the issuance of new shares or options are recognized in shareholders' equity as a deduction, net of taxes, of the amounts obtained from the issuance of new shares.

#### 4.14.- Taxes

#### Income taxes

The Company and all its subsidiaries determine their current income tax based on the taxable net income determined according to the current legal provisions for each fiscal year. The tax rates and laws used in the calculation of the income tax are those published as of the date of presentation of the financial statements in the countries where the Group does business and generates taxable income.

The income tax expense for the year is determined as the sum of the current tax of the Company and its respective subsidiaries, and it results from the application of the tax on the taxable income for the year, which considers taxable income and tax deductible expenses, plus the variation of assets and liabilities for deferred tax and tax credits.

#### **Deferred Taxes**

Deferred taxes arising from temporary differences and other events that create differences between the tax bases of assets and liabilities and their carrying value are recognized according to the current standards set out in IAS 12 *Income Taxes*.

The differences between the carrying values of assets and liabilities and their tax bases generate (with the possible exception of investments in subsidiaries, associates or interest in joint ventures, as stated below) deferred tax assets and liabilities, which are calculated using the tax rates that are expected to apply to the period when the assets and liabilities are realized. Deferred tax liabilities are recognized by all the taxable temporary differences associated with investments in subsidiaries, associates, and interests in joint arrangements, except if the following conditions are met:

i. the parent company, investor or participant of a joint venture can control the timing for temporary difference reverses and

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ii. it is unlikely that the temporary difference will reverse in the foreseeable future.

Deferred tax assets are recognized by all deductible temporary differences originating from investments in subsidiaries, associates or interests in joint businesses, only to the extent it is likely that:

- i. the temporary differences will reverse in the foreseeable future; and
- ii. there is liquid taxable income against which temporary differences can be applied.

Current tax and changes in deferred taxes arising other than from business combinations, are recognized in profit or loss or in shareholders' equity, based on how the income or loss originating them have been recognized.

Deferred tax assets and tax credits are recognized to the extent that it is probable that sufficient future taxable profit will be available to recover deductible temporary differences and against which tax credits can be utilized.

Group companies representing tax losses recognize deferred tax assets when such losses are likely to be utilized. For that purpose, the generation of future tax profits and the expiration date of tax losses is considered. Both in Chile and Colombia, tax losses have no expiration date; however, in Argentina they expire at the fifth year.

# 4.15.- Employee Benefits

#### **Short-term Employee Benefits**

The Company recognizes all short-term benefits to employees, such as salary, vacation, bonuses, and others, on an accrual basis and considers the benefits arising as an obligation from the collective bargaining agreements as a regular practice of the Company.

#### Post-Employment Benefits - Defined Benefit Plans

The Company has recognized the total of liabilities related to voluntary pension plans for retired employees (active employees are not creditors of this benefit at the time of retirement) and other post-retirement benefits, as stipulated under the collective bargaining agreements existing in the Chilean companies of the Group. Pension benefits include the payment of a supplementary pension in addition to the pension provided for in the Chilean Social Security System payable for life to retired employees. Furthermore, these benefits include health services and electricity grants. In addition, the Colombian subsidiary AES Colombia has a pension plan limited to a certain staff group which includes a supplementary pension for those people who are not covered by the provisions of Law No. 100 of 1993.

The liabilities under post-employment benefit plans were recognized at the value of projected benefit liability, as assessed by applying the actuarial calculation and using the projected unit credit method. The actuarial assumptions considered in the calculation include the likelihood of such payments or benefits based on employee mortality (in the case of retired employees), future costs and level of benefits and discount rate. In Chile, the discount rate is based on reference to the performance of UF-denominated sovereign bonds issued by the Chilean Central Bank and the average long-term projected inflation, while in Colombia, the rate is assessed based on the performance of long-term sovereign bonds issued by the Colombian government. Sovereign bond rates are used considering that in none of both countries there are sufficiently active markets of high credit quality corporate notes.

In the case of Chilean former employees, who are only entitled to medical benefits and electricity grants, the benefits are recognized based on an estimation of the proportion of benefits accrued as of the balance sheet date. The obligations related to medical benefits and electricity grants have been determined considering the trend in future medical costs and fixed electricity for the bonus given to retired and active employees after retirement.

Actuarial gains and losses include adjustments for experience and effects of changes on the actuarial assumptions and are recognized in other comprehensive income.

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# **Stock-based Compensations**

AES Corporation, majority shareholder of AES Andes, grants stock-based compensation to certain employees of its subsidiaries, which consist of a combination of options and restricted stock. The rights on these plans are generally vested in three-year terms.

The fair value of the services received from the employees in exchange for the granting of the option is recognized as an expense and a corresponding increase in or contribution to the shareholders' equity of the Company. The cost is measured as of the date of granting based on the fair value of the equity instruments or liabilities issued and is recognized as an expense on a straight-line basis over the vesting period, net of an estimation for non-exercised options.

#### **Staff Seniority Indemnities**

A provision for the Company's obligation concerning staff seniority compensations agreed with the staff under relevant agreements is calculated at the present value of the total liability based on the projected benefit cost method and considering for these purposes, a discount rate based on performance of UF-denominated sovereign bonds issued by the Chilean Central Bank and average long-term projected inflation.

The actuarial assumptions considered in the calculation include the likelihood of such payments or benefits based on mortality (in the case of retired employees) and employee rotation, future costs and level of benefits and discount rate. The discount rate is established in the same manner as for post-employment benefits, as detailed in Note 4.15 Post-Employment Benefits - Defined Benefit Plans.

#### 4.16.- Provisions

#### Obligations for decommissioning, litigation and others

Provisions for environmental restoration, site restoration and asset removal, restructuring and litigation expenses are recognized when:

- i. the Group has a present obligation, whether legal or constructive, as a result of past events;
- ii. it is likely that an outflow of resources will be needed to settle the obligation; and
- iii. the amount has been reliably estimated.

Provisions are measured at present value of the expenditure expected to be required to settle the obligation, using a discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. Increases in provisions due to the passage of time are recognized as an interest expense.

#### Future losses derived from operations.

No provisions are recognized for other expenses incurred in the normal course of operations.

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# 4.17.- Revenue Recognition

Revenues of the Company mainly come from the production and sale of energy and power. Revenues are recognized when the control of the goods and services is transferred to the customers and are recognized net of any tax collected that must be paid to the authorities of each country.

#### a. Proceeds from sales of goods and services

#### Sale of goods

For contracts with customers where the sale of equipment is the only obligation, the adoption of IFRS 15 has no impact on the proceeds and profits or losses of the Company, given that revenue recognition occurs at a point where control of the asset is transferred to the customer, upon delivery of goods. The Company has impacts associated with the sale of goods individually, as it is not currently engaged in the sale of goods under a single sales contract.

#### **Provision of Services**

The Company provides the energy and power supply service to regulated and non-regulated customers. Service revenues are recognized based on the physical delivery of energy and power. The services are provided over time since customer simultaneously receives and uses the benefits provided by the Company. As a result, the Company recognizes revenue from grouped service contracts over time instead of at a point in time. The main revenue recognition policies of the Company for each type of customer are described below:

- Regulated customers: distribution companies in Chile and Colombia: The proceeds from electric power sales are recorded based on the physical delivery of energy and power pursuant to long-term agreements at a tendered price.
- ii. Non-regulated customers: for customers in Chile, Argentina and Colombia: The proceeds from electric power sales for these customers are recorded based on the physical delivery of energy and power at the rates specified in the relevant contracts.
- iii. Spot Market Customers: The proceeds from electric energy and power sales for these customers are recorded based on the physical delivery of energy and power to other generating companies or the system coordinator at the marginal cost of energy and power. The spot market is organized pursuant to the law through Dispatch Centers (CEN in Chile, CAMMESA in Argentina and XM in Colombia), where electric energy and power surpluses and deficits are traded. The surpluses of energy and power are recorded as income, and the deficits are recorded as expenditure within the consolidated statement of comprehensive income.

For those agreements where multiple committed goods and services are involved, revenues are allocated to each committed consideration based on independent sales prices using a market or expected cost plus a margin approach. In addition and in the event of variable considerations from contracts with customers, the Company distributes them in contracts among one or more, but not all, the different goods and services that are an integral part of a consideration when: (i) the variable consideration is specifically related to the efforts made to transfer the different goods and services and (ii) the variable consideration represents the amount that the Company expects to be entitled to in exchange for the transfer of goods and services to the customer.

AES Andes establishes the existence of significant financing components in its contracts by adjusting the value of the consideration, if appropriate, to reflect the effects of the time value of money. Nevertheless, AES Andes applies the practical solution provided by IFRS 15, and will not adjust the value of the committed consideration as a result of the effects of a significant financing component if the Company expects, at the beginning of the contract, that the period between payment and transfer of property or customer service will be one year or less.

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Revenues from generation agreements are recognized using the output or transferred production/generation method considering that the transferred quantities of energy and power better represent the transfer of goods and services to the customers. The considerations involved in the contracts, including energy and ancillary services (such as operation, maintenance, and dispatch costs) are usually measured based on MWh delivered. Considerations associated with power are measured based on availability of generation plants.

When energy and power are sold or purchased in spot markets or to the regulator, the Company evaluates the facts and circumstances to establish the gross or net presentation of purchases and sales in the spot market. Generally, the nature of the consideration includes the sale of excess energy and power over the contractual commitments or the purchase of energy and power to overcome deficits in generation.

In some contracts of the Company, it is considered that the nature of the consideration includes the sale of excess energy and power contracted and unused by customers in the spot market, and the collection of a commission for these transactions. Given that energy and power have been contracted by customers and that the risk of loss from transfers in the spot market is assumed by the customers, it is considered that these services are controlled by the customers before they are transferred to the spot market.

#### b. Contracts' assets and liabilities

When a party to a contract has performed, the Company recognizes a contract asset or a contract liability, depending on the relationship between the Company's performance and the customer's payment.

The Company has receivables from certain customers for services paid in advance. The effect on income of these will be recognized in operating income over the term of the respective contracts.

Advances received from customers: in sale agreements, there are different payment methods, such as prepayment and monthly payment. The prepayment method is recognized as a non-financial liability (contract liability), which represents the entity's obligation to transfer the service in the future following the terms of each contract.

The Company recognizes a contract asset at the time of performance by transferring goods or services to the customer before payment is due. Contract assets are presented separately from accounts receivable.

The Company determines the existence of significant financing components in its contracts, adjusting the value of the consideration, if appropriate, to reflect the effects of the time value of money. Financing effects are presented separately (as interest income or interest expense as appropriate) from revenue from ordinary activities of contracts with customers in the statement of comprehensive income.

However, applying practical expedient in IFRS 15, there is no adjustment to the value of the promised consideration for the effects of a significant financing component if the Company expects, at contract inception, that the period between payment and transfer of goods or services to the customer is one year or less.

#### c. Transaction Price Allocated to Outstanding Performance Obligations

The transaction price allocated to outstanding performance obligations represents a consideration for unsatisfied (or partially unsatisfied) performance obligations as of each year-end date. As of December 31, 2023, the Company has no committed and unsatisfied or partially unsatisfied performance obligations.

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#### 4.18.- Leases

The contracts executed by the Company are initially evaluated to identify whether they are, or contain, a lease. A contract is, or contains, a lease if it involves a right to control the use of an identified asset during a period of time in exchange for a consideration. To perform this evaluation, the Company assesses whether, during the same period of use of the asset, the user has:

- The right to obtain substantially all the economic benefits arising from the use of the identified asset (directly or indirectly); and
- ii. The right to direct the use of the identified asset.

# a. When the Group is Lessor

In those cases where the Company acts as Lessor, leases are classified as: Financial lease depending on whether the agreement assigns substantially all the risks and benefits associated to the ownership of the asset or Operating lease when no such risks and benefits are assigned. This classification is made considering the background on the manner of transaction at the beginning of the lease (date on which lessor makes the asset available for use by the lessee) and is reassessed only when there is an amendment to the lease agreement.

#### a.1 Financial Lease

At the beginning of the lease, the Company recognizes the assets held for lease in its statements of financial position and discloses them as accounts receivable equivalent to the amount of the net investment in the lease, calculated as the sum of payments for lease payments plus any unsecured residual value, discounted at the interest rate implicit in the lease.

After the initial recognition, the Company recognizes a financial income for the duration of the lease, based on a pattern reflecting a constant periodic rate of return on the net investment of the Company in the lease.

#### a.2 Operating Lease

The Company recognizes the payments for operating leases in their statements of income as an income on a straight-line basis during the lease term. The costs incurred in obtaining the lease income, such as depreciation, are charged to income as an expense. For the years covered by these financial statements, the Company was not a party to significant contracts of this nature.

#### b. When the Group is Lessee

In those cases where the Company acts as Lessee, the lease is recognized at the beginning as a Right-of-Use Asset and a Lease Liability.

At the beginning of the lease, the Right-of-Use Asset is recognized at cost and the following items are considered:

- The initial amount calculated for the Lease Liability;
- Any lease payment made before or at the beginning of the lease;
- Any initial direct cost incurred by the Company; and
- An estimation of costs to be incurred by the Company for the dismantling and removal of the asset and restoration of the site where the asset is located.

After the initial recognition, the Right-of-Use Asset is measured using a cost model, minus accumulated depreciation, accumulated impairment losses, and adjustments for remeasurement of Lease Liability.

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In those cases where the ownership of the asset will be transferred upon termination of the lease term or when it is expected to exercise a purchase option contained in the lease, the Right-of-Use Asset is depreciated during its remaining useful life. Otherwise, the Right-of-Use Asset is depreciated since the beginning of the lease until the earlier between the end of the useful life of the asset and termination of the lease.

To establish whether the Right-of-Use Asset is damaged, the Company uses the criteria described in Note 4.7.

Initially, the Lease Liability is calculated as the present value of lease payments that have not been made as of that date. Lease payments are discounted using the interest rate implicit in the lease, in case it can be readily determined; otherwise, the Company uses its borrowing rate (rate at which the Company would have borrowed the funds necessary to obtain an asset of a similar value to the Right-of-Use Asset during a time period similar to that of the lease).

Lease payments included in the initial measurement of the Lease Liability include:

- Fixed payments, less any account receivable associated to an incentive for the lease;
- Variable payments that depend on the variation of an index or rate;
- Amounts expected to be paid as collateral for the residual value;
- The exercise price of a purchase option if the lessee has a reasonable certainty that the option will be exercised;
- Payments for penalties for the early termination of the lease, if the lease term reflects the exercise of this option.

The Lease Liability is subsequently measured to reflect:

- The increase in the carrying amount associated with the interest recognized over the Lease Liability;
- The reduction in the carrying amount as a result of the lease payments made;
- Changes in the variable payments that depend on an index or rate;
- Remeasurements in carrying amount as a result of revaluations or modifications of the lease.

The interest on the Lease Liability is reflected in the income statement in the period during which it is incurred. For short-term leases and those where the asset is of low value, the Company recognizes the lease payments as an expense on a straight-line basis over the term of the lease.

#### 4.19.- Dividends

Dividend distributions to the Company's shareholders are recognized as a liability with the ensuing decrease in the shareholders' equity in the consolidated financial statements of the Group for the period during which dividends are approved by the Shareholders' Meeting of the Company.

At the end of each fiscal year, the Company makes a provision consisting of 30% of the result less dividends distributed on an basis pursuant to Law No. 18,046 as minimum dividend, given that such law requires the distribution of at least 30% of the financial result for the year, unless the Shareholders' Meeting unanimously resolves otherwise with regards to the voting shares issued.

Dividends will be paid exclusively from net income for the year or retained earnings in the balance sheet approved by the shareholders. However, if the Company has accumulated losses, the profits for the year shall first be used to absorb them.

Liquid earnings (losses) are equal to the Income (Loss) attributable to the parent.

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# 4.20.- Environmental Expenditures

Disbursements related to environmental protection are expensed as incurred. Investments in infrastructure works intended to meet environmental requirements are capitalized following the general accounting criteria for Property, Plant and Equipment, according to IFRS.

#### 4.21.- Fair Value

Fair value is defined as the price that the Company would have received if it had sold an asset, or that it would have paid if it had transferred a liability, in an orderly transaction entered into between market players on the measurement date (namely, the disposal price). The definition of fair value emphasizes that fair value is a market-based measurement, rather than an entity-specific measurement. When measuring the fair value, management uses the assumptions that market players would use when pricing the asset or liability under current market conditions, including assumptions about risk and other elements. As a result, the intention of the Company to hold an asset or to settle or otherwise satisfy a liability is not relevant when measuring the fair value.

A fair value measurement requires an entity to determine the following:

- i. the particular asset or liability being measured;
- ii. for a non-financial asset, the highest and best use of the asset and whether the asset is used in combination with other assets or on a stand-alone basis;
- iii. the main or most advantageous market in which an orderly transaction would take place for the asset or liability; and
- iv. the appropriate valuation techniques to be used upon measuring the fair value. The valuation techniques adopted should maximize the use of relevant observable inputs and minimize unobservable inputs. Those inputs should be consistent with the inputs a market participant would use when pricing the asset or liability.

A fair value measurement assumes that a financial or non-financial liability or an equity instrument of the Company (e.g. equity interests issued as consideration in a business combination) is transferred to a market participant on the measurement date. The transfer of a liability or an equity instrument of the Company assumes the following:

- A liability would remain outstanding and the market participant transferee would be required to fulfill the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date.
- ii. An entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

The fair value hierarchy categorizes into three levels the inputs to the valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets and liabilities (Level 1 inputs) and lowest priority to unobservable inputs (Level 3 inputs). If the fair value uses some unobservable inputs, it is classified as Level 2 as long as the quantity of unobservable inputs is not significant. Transfers between hierarchy levels are recognized as of the date of the event or change in circumstances that gave rise to the transfer.

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# 4.22.- Assets Classified as Held for Sale and Discontinued Operations

Non-current assets, including property, plant and equipment, intangible assets, investments in associates and joint ventures, and groups of assets for disposal (group of assets that will be disposed of or distributed along with directly associated liabilities) are classified as held for sale if the carrying value will be primarily recovered through the implementation of a sales transaction, instead of from its continued use.

For the previous classification, assets must be immediately available for sale in its current condition and the sale must be highly probable. In order for the transaction to be considered highly probable, the Management must be committed to a sales plan, and the steps required to complete the plan must have been taken. Likewise, the sale is expected to be completed in one year as from the classification date.

The activities required to complete the sales plan should indicate that it is unlikely that significant changes can be made in the plan or that such plan would be canceled. The likelihood of approval by the shareholders (if required in the jurisdiction) should be considered as part of the assessment as to whether the sale is highly probable.

The assets or groups subject to expropriation classified as held-for-sale are measured at the lowest of the carrying value and the fair value less the sales costs.

Depreciation and amortization of these assets cease as soon as the criteria to be classified as non-current assets held for sale are met.

Assets that cease to be classified as held for sale or that cease to form part of the group of assets for disposal are valued at the lower of the carrying value before classification, less depreciations, amortizations, or reassessments that would have been recognized if they were not classified as such, and the recoverable value on the date on which they are reclassified as non-current assets.

The non-current assets and asset group components for disposal classified as held-for-sale are recognized in the consolidated statement of financial position as follows: assets in a single line called "Assets classified as held-for-sale".

A discontinued operation is a component of the Group that has been disposed of, or otherwise that has been classified as held for sale, and:

- i. represents a line of business or geographic area, which is significant and can be regarded as separated from the rest:
- ii. is an integral part of an individual and coordinated plan to dispose of a line of business or geographic area of the operation that is meaningful and can be regarded as separated from the rest; or
- iii. is a subsidiary acquired exclusively for the purpose of being resold.

The after-tax income or loss from discontinued operations are expressed in a single line of the statement of comprehensive income called "Income (loss) from discontinued operations", including the loss or income recognized by the fair value measurement less the sales cost or by the disposal of assets or groups for disposal that constitute the discontinued operation.

As of December 31, 2023 and 2022, the Group has not recognized any amount as assets held for sale.

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# 4.23.- Trade Payables

Trade payables include amounts due for the purchase of goods or services associated with the construction of coal (fuel) projects and purchases, which are related to reverse factoring operations. Under these operations, suppliers can choose to receive the advance payment of their invoice from a financial institution by factoring their accounts receivable from the Group. According to the reverse factoring process, a financial institution undertakes to pay to a participating supplier the amounts for any invoices owed by the Group and receives the payment from the Group at a later date. The main purpose of these transactions is to facilitate the efficient processing of payments and to allow suppliers, who so wish, to sell their accounts receivable owed by the Group to a financial institution before their due date. From the Group's point of view, these transactions do not significantly extend the payment terms beyond the normal ones agreed to with other suppliers, considering that the payment terms under this system range from 30 to 120 days. Commissions paid to participating financial institutions are not representative amounts in relation to the amounts that those institutions pay to suppliers.

The Group has not derecognized the original liabilities subject to this reverse factoring system since neither a legal release has been obtained nor the original liability has been substantially changed when entering into each transaction. The Group discloses the amounts factored by suppliers within trade payables due to the fact that the nature and function of the financial liability remain the same as those of other trade payables.

# 4.24.- Loans between related companies

Intercompany loans are transactions in which an AES entity incurs a liability to another group entity due to receiving temporary financing. The absence of an interest charge on the transactions does not preclude them from being considered a loan. The balances from these transactions are presented and classified in each entity's balance sheet as Loans Receivable or Loans Payable between related companies under IAS 39 and IFRS 9.

Loans between related companies are analyzed periodically to identify changes in circumstances that may result in a change in management's expectations and intentions regarding their payment. Although changes in management's expectations are infrequent, they may include changing the characteristics of the loan from one that was expected to be repaid in the future to a permanent investment, or conversely, changing a loan that was initially considered as a permanent investment to one that is expected to be repaid. Changes in the characteristics of these transactions, including changes in their accounting treatment, are appropriately analyzed and approved by the Company's management.

Transfers of funds between related companies whose liquidation is not expected or planned in the foreseeable future are treated as capital contributions rather than a loan.

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# NOTE 5 - FINANCIAL RISK MANAGEMENT

# 5.1.- Risk Management Policy

The risk management strategy is designed to safeguard the stability and sustainability of Andes Group in relation to all relevant components of financial uncertainty, both in normal and special circumstances. The Company's risk management is consistent with the general guidelines defined by its ultimate controlling shareholder, the AES Corporation.

Events of "financial risk" refer to situations in which the entity is exposed to conditions of financial uncertainty and are classified according to the sources of uncertainty and associated transmission mechanisms. For this reason, the strategy of the Management is to manage, with responsibility and effectiveness, all the identified and evaluated components of financial uncertainty relevant to the transactions, both under normal and special conditions.

The relevant aspects include, without limitation:

- i. To provide transparency by establishing risk tolerances and determining guides that will make it possible to develop strategies to mitigate significant exposure to the relevant risk.
- ii. To provide a formal discipline and process for assessing risks and implementing the commercial aspects of its businesses.

The structure of financial risk management involves the identification, determination, analysis, quantification, measurement, and control of these events. The ongoing assessment and management of the financial risk is the responsibility of the Management, more specifically the Chief Financial Officer and the Chief Commercial Officer.

#### 5.2.- Market and Financial Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market prices. Among the market price risks, the following three types are considered: exchange risk, interest rate risk, and fuel price risk. Financial risk refers to the likelihood of occurrence of events that have negative financial implications, including the credit risk and liquidity risk.

#### 5.2.1.- Foreign Exchange Risk

In Chile, the functional currency of the Company is the US dollar, given that the revenue, costs, investments in equipment and financial debt are mainly determined in such currency. Moreover, in Chile, the Company is authorized to file income tax returns and pay income taxes in US dollars. Foreign Exchange Risk is associated with any revenue, costs, investments and financial debt denominated in any currency other than US dollars. The main items denominated in Chilean pesos are the accounts receivable for sale of electricity and tax credits mostly related to VAT credits.

As of December 31, 2023, AES Andes maintained several forward contracts with banks with the purpose of reducing the exchange risk associated with the sales of energy, since, although the tariffs of most of the energy supply agreements of the Company are denominated in US dollars, they are paid in Chilean pesos using a foreign exchange rate that is fixed during a period of time.

As of December 31, 2023, given the net assets of the Company in Chilean pesos, the impact of a 10% devaluation in the Chilean peso to US dollar exchange rate as of period-end would have resulted in a negative impact of approximately ThUS\$8,763 in the results of AES Andes, however, it maintains a loan denominated in Colombian pesos, and the impact of a 10% devaluation in the exchange rate of the Colombian peso concerning the US dollar at the end of the period would have generated a positive effect of approximately ThUS\$9,751. In the year ended December 31, 2023, approximately 74% of the ordinary revenues and 71% of the sales costs of the Company were denominated in US dollars, whereas in the year ended December 31, 2022, approximately 79% of the ordinary

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revenues and 81% of the sales costs were denominated in US dollars.

With regard to Colombia, it should be noted that the functional currency of AES Colombia is the Colombian peso since most part of the income, particularly the sales through contracts and sales in the spot market, and the operating costs of the subsidiary, are linked to the Colombian peso.

In the year ended December 31, 2023, the contract and spot sales in Colombia accounted for 26% of the consolidated income, as compared with the 17% recorded during 2022. In addition, dividends of AES Colombia to AES Andes are established in Colombian pesos; however, financial hedging mechanisms are used to fix the amounts in US Dollars. It is expected that the impact of a 10% devaluation on the exchange rate of the Colombian peso to the US dollar at the closing of the year would have resulted in a positive realized effect of approximately ThUS\$1,351 in the results of AES Andes, considering the net liability position in US dollars held by AES Colombia as of that date.

With regard to Argentina, it should be noted that the functional currency of the AES Andes Subsidiaries is the US dollar. It is expected that, as of December 31, 2023, a 10% devaluation of the Argentine peso to the US dollar as of the end of the year would have resulted in a negative impact of ThUS\$4,234 in the results of AES Andes, considering the net asset position in US dollars held by Termoandes as of that date. A further weakening of the Argentine peso might cause a significant decrease in Termoandes' operating results, cash flow, ability to pay dividends to AES Andes and the value of its assets.

On a consolidated basis, the investments in new plants and maintenance equipment are mainly fixed in US dollars. Short-term investments associated with the handling of cash are carried out mainly in US dollars. As of December 31, 2023, 52% of the investments and balances in current accounts are expressed in US dollars, 15% in Chilean pesos, 14% in Colombian pesos, and 19% in Argentine pesos. The cash balances denominated in Argentine pesos are subject to the exchange rate volatility inherent in the Argentine market. As of 2022, 48% of the investments and balances in current accounts are expressed in US dollars, 11% in Chilean pesos, 7% in Colombian pesos, and 34% in Argentine pesos.

The following table shows the debt composition per currency based on owed capital as of December 31, 2023 and 2022:

Currency	December 31, 2023	December 31, 2022
US\$	91.0 %	85.0 %
UF	1.0 %	1.0 %
Col\$	8.0 %	14.0 %

#### 5.2.2.- Interest rate risk

The interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to its long-term debt obligations with variable interest rates.

The Company manages its interest rate risk by having an important percentage of its debt at fixed rate or with rate swaps to have them fixed. To mitigate interest rate risks with long-term obligations, AES Andes has entered into hedging transactions by way of interest rate swaps.

The following table shows the debt composition per type of rate as of December 31, 2023 and 2022:

Rate	December 31, 2023	December 31, 2022
Fixed rate or with interest rate	69.00 %	65.00 %
Variable rate	31.00 %	35.00 %

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It is expected that a 10% increase in the variable interest rates would have generate a negative impact on the year of approximately ThUS\$5,880 in the results of AES Andes.

#### 5.2.3.- Fuel Price Risk

The AES Andes Group is mainly affected by the volatility of prices of certain coal, a "commodity" with international prices fixed by market factors beyond the control of the Company.

The price of fuels is a key factor for the dispatch of plants and spot prices both in Chile and Colombia. Given that AES Andes is a company with a mixture of mainly thermal generation, the fuel cost represents an important portion of the sales costs.

At present, the volume of AES Andes's contract energy is balanced with the generation from plants with high dispatch probabilities (efficient generation). Today, most of the power purchase agreements of AES Andes include indexation mechanisms that adjust the price on the basis of increases or decreases in the price of coal, according to the specific adjustment indexes and schedules of each contract, which makes it possible to mitigate much of the variations in the price of this fuel.

Based on the above, it is expected that a 10% rise in the cost of diesel during the year ended December 31, 2023, would not give rise to a significant impact on the results.

#### 5.2.4.- Credit Risk

The credit risk is associated with the credit quality of the partners of AES Andes and its subsidiaries. These risks are mainly reflected in trade receivables and financial assets, including deposits with banks and other financial institutions and other financial instruments.

With respect to the sales debtors under contracts, the customers of AES Andes in Chile are mainly highly solvent distributing companies and industrial customers, and a significant percentage of them and their parent companies have local and/or international investment grade risk ratings. The sales of AES Andes Group in the spot market are compulsorily made to the various SEN loss-making members according to the economic dispatch made by this entity.

In Colombia, AES Colombia performs risk assessments of its partners based on an internal credit assessment, which could include guarantees in certain cases.

On the other hand, in Argentina, the main commercial partners of Termoandes are CAMMESA (Compañía Administradora del Mercado Mayorista Eléctrico S.A.) and non-regulated customers called "Large Users" of the Wholesale Electricity Market, whose contracts operate under the Plus Energy standards. Termoandes conducts internal credit assessments of its customers.

The financial investments made by AES Andes and its subsidiaries, such as repurchase agreements and time deposits, including derivatives, are entered into with local and foreign financial entities whose national and/or international risk rating greater than or equal to "A" according to Standard & Poor's and Fitch and "A2" according to Moody's. In addition, derivatives executed for the financial debt are entered into with first-class local and international entities. There are cash, investment and treasury policies to govern the cash management of the Company and minimize the credit risk.

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#### 5.2.5.- Liquidity Risk

Liquidity risk is related to the need for funds to meet payment obligations. The Company's goal is to maintain the necessary liquidity and financial flexibility through normal operating flows, bank loans, public bonds, short term investments, committed and non-committed credit lines.

As of December 31, 2023, AES Andes had a balance in liquid available funds of ThUS\$227,659 recognized as cash and cash equivalents. Moreover, on 2022, AES Andes had a balance in liquid available funds of ThUS\$186,070, which includes cash and cash equivalents. It should be noted that the balance of cash and cash equivalents includes cash, time deposits with an original term of less than three months, marketable securities, US-denominated low-risk and immediately available mutual funds, buy-back options, and fiduciary rights.

In addition, as of December 31, 2023, AES Andes has committed and unused credit lines for approximately ThUS\$255,000 in addition to non-committed and unused credit lines for approximately ThUS\$219,837.



The chart and table below show the maturity schedule, based on outstanding principal, in millions of United States dollars as of December 31, 2023:

	Principal	Average interest									
	Balance	rate	2024	2025	2026	2027	2028	2029	2030	2031	2032 +
AES Andes US\$ 550 M Junior Notes due 2079	516.00	7.13%	_	_	_	_	_	_	_	_	516.00
AES Andes US\$ 450 M Junior Green Notes due 2079	328.41	6.35%	_	_	_	_	_	_	_	_	328.41
AES Andes US\$ 409 M Senior Notes due 2025	117.49	5.00%	_	117.49	_	_	_	_	_	_	_
AES Andes UF\$ 1.0 M Senior Notes due 2024 (2)	15.60	7.50%	15.60	_	_	_	_	_	_	_	_
AES Andes Loan ST	165.00	6.96%	165.00	_	_	_	_	_	_	_	_
Angamos US\$ 600 M Senior Secured Notes 2029	34.72	4.88%	6.32	6.32	6.32	6.32	6.32	3.12	_	_	_
Cochrane US\$ 430 M Secured Bond due 2027	225.45	5.50%	60.11	65.58	67.38	32.38	_	_	_	_	_
Cochrane US\$ 485 M Syndicated Loan due 2034	485.00	6.25%	_	_	_	11.95	67.42	72.09	74.34	55.83	203.37
Total Fixed Rate	1,887.67		247.03	189.39	73.70	50.65	73.74	75.21	74.34	55.83	1,047.78
	68.65%										
AES Andes Green Loan	346.80	7.16%	53.60	80.00	213.20	_	_	_	_	_	_
AES Andes Scotia	50.00	7.34%	_	_	_	50.00	_	_	_	_	_
AES Andes Loan ST	50.00	6.96%	50.00	_	_	_	_	_	_	_	_
AES Andes US\$150 M SMBC-MIZ 2027	150.00	6.86%	_	_	_	150.00	_	_	_	_	_
AES Andes Citi 35M due 2026	35.00	7.54%	_	_	35.00	_	_	_	_	_	_
AES Colombia LT due 2027 (1)	120.88	14.84%	30.22	30.22	30.22	30.22	_	_	_	_	_
AES Colombia LT due 2025/2026 (1)	87.61	15.26%	35.15	48.10	4.36	_	_	_	_	_	_
AES Colombia 12Y 2030 (1)	21.72	17.09%	3.41	3.41	3.41	3.41	3.41	3.41	1.26		_
Total Variable Rate	862.01		172.38	161.73	286.19	233.63	3.41	3.41	1.26	_	_
	31.35%										
Total	2,749.68		419.41	351.12	359.89	284.28	77.15	78.62	75.60	55.83	1,047.78

<sup>(1)</sup> Correspond to debts in Colombian pesos

<sup>(2)</sup> Corresponds to debts in UF

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#### 5.3.- Risk Measurement.

The Company maintains methods to measure the effectiveness and efficiency of risk strategies both prospectively and retrospectively.

Various methodologies on risk quantification, such as regression analysis methods, risk tolerances and maximum exposures are used and documented for such analysis in order to adjust risk and mitigation strategies and to assess their impacts.

More information related to risks is included in Reasoned Analysis.

## NOTE 6 - USE OF ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

Management must make judgments and estimates that have a significant effect on the figures presented in the financial statements. Changes in these assumptions and estimates may have a major impact on the financial statements. Below there is a detail of the estimates and critical judgments used by the Management:

- Assumptions used in the actuarial calculation of post-employment obligations with employees, including the discount rate. (Note 23)
- Assessment as to whether an agreement contains a lease (Note 18)
- Useful lives and residual values of property, plant and equipment, and intangible assets. (Note 16 and Note 17)
- Assumptions used in the calculation of the fair value of the financial instruments, including credit risk. (Note 10)
- Likelihood of occurrence and amount of any liabilities of uncertain amount or contingent liabilities. (Note 22 and Note 31)
- Future disbursements due to dismantling and asset removal obligations, including the discount rate. (Note 22)
- Allocation of intangible assets and goodwill to Cash Generating Units (CGU) and the determination of recoverable value in tests for impairment. (Note 16)

Despite the fact that these estimates have been made based on the best information available at the date of issuance of these consolidated financial statements, the new information or events that may take place in the future are likely to change them (either upwards or downwards) in the next fiscal years. In such event, any changes would be made prospectively by recognizing the effects of the change in estimate in the relevant future consolidated financial statements, according to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

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#### NOTE 7 - OPERATING SEGMENTS

### 7.1.- Definition of segments

The Company defines and manages its activities based on certain business segments that meet particular and individual qualities from an economic, regulatory, commercial or operational point of view.

A segment is a component of the Group:

- that is involved in business activities from which it generates revenues and incurs in costs;
- whose operating results are regularly monitored by the Management to make decisions, allocate resources and evaluate performance, and
- · on which certain financial information is available.

Management monitors separately the operating results of its operating segments for the decision-making process related to allocation of resources and performance evaluation. Segment performance is evaluated based on certain operating indicators, such as gross margin (difference between ordinary revenue and sales cost) and EBITDA. EBITDA shall be calculated based on the profit for the years, and adding interest expense, depreciation, amortization, exchange rate effects, asset dismantling costs, other gains/(losses) and interest in the income of associates.

Segment results and asset balances are measured according to the same accounting policies applied to the financial statements. Unrealized transactions and results are deleted between segments.

Financial liabilities of AES Andes are centralized and controlled at a corporate level and are not disclosed by reportable segments.

#### 7.2.- Description of segments

The Company segments its business activities according to the interconnected energy markets where it does business, which are:

- Chile.
- Argentina.
- Colombia.

The segments referred to above relate to geographical areas.

In all segments, the main activity of the Company is the generation of electric power.



# 7.3.- Assets and liabilities by segment

Assets and liabilities by segment are detailed as follows:

		December 31, 2023				December 31, 2022				
	Chile	Colombia	Argentina	Elim.	Total	Chile	Colombia	Argentina	Elim.	Total
Cash and cash equivalents	148,947	35,152	43,560	_	227,659	105,578	15,917	64,575	_	186,070
Trade receivables and other accounts receivable (1)	637,509	146,220	21,076	(18,277)	786,528	741,810	89,166	25,747	(16,393)	840,330
Property, Plant and Equipment	2,921,518	475,283	196,934	_	3,593,735	2,817,005	370,489	208,340	_	3,395,834
Financial liabilities <sup>(2)</sup>	2,532,312	246,272	_	_	2,778,584	2,464,192	427,214	_	_	2,891,406
Trade payables and other accounts payable <sup>(3)</sup>	472,442	68,528	28,107	(18,277)	550,800	625,108	46,180	20,013	(16,393)	674,908
Total current assets by segment	997,973	148,847	75,131	(18,277)	1,203,674	1,384,580	91,743	92,139	(16,393)	1,552,069
Total non-current assets by segment	3,241,578	642,303	372,427	(107,264)	4,149,044	3,248,033	709,420	208,393	(304,855)	3,860,991
Total current liabilities by segment	934,244	198,112	29,788	(18,277)	1,143,867	859,265	124,600	33,164	(16,393)	1,000,636
Total non-current liabilities by segment	2,527,866	255,815	51,705	(107,264)	2,728,122	2,907,639	440,253	41,376	(304,855)	3,084,413

<sup>(1)</sup> Trade receivables and other accounts receivable, net, include the current and non-current portion, in addition to the item "Accounts receivable from related entities, current".

<sup>(2)</sup> Financial liabilities include both the current and non-current item.

<sup>(3)</sup> Trade payables and other accounts payable, include the current and non-current portion, in addition to the item "Accounts payable to related entities, current".



# 7.4.- Revenues, costs, and capital expenditures by segment

Revenues and costs by segments for the years ended December 31, 2023 and 2022, are detailed as follows:

	December 31, 2023				December 31, 2022					
	Chile	Colombia	Argentina	Elim.	Total	Chile	Colombia	Argentina	Elim.	Total
Results:										
Income from ordinary activities	1,935,535	706,328	102,554	(2,767)	2,741,650	2,066,179	416,807	97,710	(1,734)	2,578,962
Sales cost	(1,607,487)	(439,545)	(88,176)	648	(2,134,560)	(1,622,768)	(196,567)	(61,673)	656	(1,880,352)
Gross Margin	328,048	266,783	14,378	(2,119)	607,090	443,411	220,240	36,037	(1,078)	698,610
Income before tax	(340,586)	257,124	(34,939)	_	(118,401)	231,242	191,752	34,871	_	457,865
Net income for the year	(249,536)	157,454	(44,287)	_	(136,369)	164,650	127,214	20,486	_	312,350
Adjusted EBITDA	387,403	259,578	38,621	_	685,602	537,965	217,377	56,131	_	811,473
Financial income	11,861	83,258	59,788	(72,853)	82,054	3,672	9,921	16,519	(7,680)	22,432
Financial costs	(210,112)	(78,415)	(34)	72,853	(215,708)	(141,001)	(22,581)	(45)	7,680	(155,947)
Depreciation and amortization for the year	(143,618)	(11,534)	(29,435)	_	(184,587)	(159,270)	(11,517)	(25,251)	_	(196,038)
Property, Plant and Equipment										
Capital Expenditures	554,294	24,110	17,708	_	596,112	564,012	28,546	21,017	_	613,575
Cash Flow:										
Operating flow	856,385	199,832	78,373	(168,539)	966,051	256,290	122,498	60,445	(124,460)	314,773
Investing flow	(900,007)	308,066	(2,810)	45,747	(549,004)	(514,206)	(341,172)	(2,674)	309,761	(548,291)
Financing flow	86,707	(486,584)	(4)	122,792	(277,089)	294,094	217,893	(3)	(185,301)	326,683



## **Consolidated Adjusted EBITDA**

The table below details the items being considered for the calculation of the Adjusted EBITDA.

	December 31, 2023	December 31, 2022	
Income from ordinary activities	2,741,650	2,578,962	
Sales cost	(2,134,560)	(1,880,352)	
Gross Margin	607,090	698,610	
Depreciation and amortization	184,587	196,038	
Operating margin	791,677	894,648	
Other income, by function	1,098	1,667	
Other expenses, by function	(20,385)	(14,427)	
Sales and administration expenses	(94,325)	(90,429)	
Other costs (income) not included in EBITDA	7,537	20,014	
TOTAL ADJUSTED EBITDA	685,602	811,473	

## NOTE 8 - CASH AND CASH EQUIVALENTS

	December 31, 2023	December 31, 2022
Cash	20	38
Bank balances	96,460	110,142
Short-term deposits	99,043	41,063
Other cash and cash equivalents	32,136	34,827
Total	227,659	186,070

Short-term deposits expire in a term of less than three months from the date of acquisition and accrue interest at market rates for this type of short-term investments.

Other cash and cash equivalents includes mutual funds consisting in (i) low-risk investments in US dollars of immediate availability and with no restrictions, measured at fair value as of the end date of the financial statements, and (ii) buy-back agreements consisting in short-term investments in banks and brokerage firms, backed by financial instruments issued by the Chilean Central Bank and private banks of high credit rating.

Balances of Cash and Cash Equivalents included in the Statement of Financial Position are consistent with the Statement of Cash Flows.

The items of this account per types of currencies as of December 31, 2023 and 2022 are detailed as follows:

	December 31, 2023	December 31, 2022
Ch\$	33,973	19,481
Ar\$	42,484	63,540
Col\$	33,336	13,294
US\$	117,866	89,755
Total	227,659	186,070



#### NOTE 9 - OTHER FINANCIAL ASSETS

As of December 31, 2023 and 2022, other financial assets are detailed as follows:

	Curr	ent	Non C	urrent
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Hedging assets <sup>(1)</sup>	4,172	2,906	3,880	7,183
Assets at fair value through profit or loss(1)	1,870	1,766	_	857
Investment in Gasoducto Gasandes S.A. (2)	_	_	2,353	2,353
Investment in Gasoducto Gasandes (Argentina) (2)	_	_	2,200	2,200
Restricted investments	_	_	685	437
Other investments	965	386	184	238
Loans receivable	3,754	3,946	_	
Total	10,761	9,004	9,302	13,268

<sup>(1)</sup> Hedging assets and assets at fair value through profit or loss (derivatives not designated as hedging) are recognized at fair value (more details in Note 10.4).

<sup>(2)</sup> The investments in Gasoducto Gasandes S.A. (Argentina) and Gasoducto Gasandes S.A. account for 13% of the shareholding interest owned by AES Andes in both companies (for more details see Note 10.1 Financial Instruments by Category).



## NOTE 10 - FINANCIAL INSTRUMENTS

## 10.1.- Financial Instruments by Category

The classification of financial assets to the categories described in Note 4.8 is detailed as follows:

December 31, 2023	Cash and cash equivalents	Financial assets at amortized cost	Assets at fair value through profit and loss	Hedging derivatives	Total
Cash and cash equivalents	227,659	_	_	_	227,659
Other current financial assets	_	3,754	2,835	4,172	10,761
Trade receivables and other accounts receivable	_	542,719	19,015	_	561,734
Other non-current financial assets	_	_	5,422	3,880	9,302
Accounts receivable from related entities		26,833	_	_	26,833
Total	227,659	573,306	27,272	8,052	836,289

December 31, 2022	Cash and cash equivalents	Financial assets at amortized cost	Assets at fair value through profit and loss	Hedging derivatives	Total
Cash and cash equivalents	186,070	_	_	_	186,070
Other current financial assets	_	3,946	2,152	2,906	9,004
Trade receivables and other accounts receivable	_	626,919	26,075	_	652,994
Other non-current financial assets	_	_	6,085	7,183	13,268
Accounts receivable from related entities		18,375	_	_	18,375
Total	186,070	649,240	34,312	10,089	879,711

The carrying amount of financial assets such as cash and cash equivalents and the current portion of accounts receivable from related entities approximate to their fair values, due to the short-term nature of their maturities.

The instruments recognized within other current and other non-current financial assets classified as financial assets at fair value through profit or loss and hedging derivatives are carried at fair value in the statement of financial position. In Note 10.2 Measurement of Derivative Instruments, there is an explanation of the methodology used for the calculation of fair values.

Trade receivables and other accounts receivable classified as assets at fair value through profit or loss include accumulated accounts receivable related to the Stabilization Fund Law. (PEC 1 and PEC 2)

The financial instruments classified as Assets at fair value through profit or loss include the investments in Gasoducto Gasandes S.A. and Gasoducto Gasandes Argentina, which are carried at cost due to the fact that there is no sufficient information to establish their market value (Note 9).

The classification is based on the business model of the Company for the management of its financial model and the characteristics of the contractual cash flows of the financial assets.



The classification of financial liabilities with respect to the categories described in Note 4.9 is detailed as follows:

December 31, 2023	Financial Liabilities at Fair Value through Profit or Loss	Hedging derivatives	Financial liabilities at amortized cost	Total
Other current financial liabilities/current lease liabilities	4,527	3,860	477,873	486,260
Trade payables and other accounts payable	_	_	464,239	464,239
Other non-current financial liabilities/Non-current lease liabilities	231	2,148	2,289,945	2,292,324
Accounts payable to related entities	_	_	21,631	21,631
Total	4,758	6,008	3,253,688	3,264,454

Financial Liabilities at Fair Value through Profit or Loss	Hedging derivatives	Financial liabilities at amortized cost	Total
31	8,220	233,802	242,053
_	_	602,926	602,926
15	1,038	2,648,300	2,649,353 16,295
	9 258	•	3,510,627
	Liabilities at Fair Value through Profit or Loss 31	Liabilities at Fair Value through Profit or Loss  31 8,220	Liabilities at Fair Value through Profit or Loss  Hedging derivatives  31 8,220 233,802  — 602,926  15 1,038 2,648,300  — 16,295

The carrying amounts of the current portion of accounts payable to related entities and trade payables approximate to their fair values given the short-term nature of their maturities.

The instruments recorded in other current and non-current financial liabilities classified as financial assets at fair value through profit or loss (derivatives not designated as accounting hedges) and hedging derivatives are carried at fair value in the Statement of Financial Position. In Note 10.2 Measurement of Derivative Instruments, the methodology used for the calculation of fair values is explained.

The financial instruments recorded in Other current and non-current financial liabilities, involving Financial assets at amortized cost, show significant differences between the carrying amount and fair value mainly due to the fluctuations of the exchange rate (dollar and unidad de fomento) and market interest rates. The calculation methodology is the present value of future debt flows discounted using a yield curve. Certain assumptions such as currency of debt, credit rating of the instrument, credit rating of the Company or the Group, are used to calculate the present value. The assumptions used as of December 31, 2023 and 2022, are classified as Level 2 within the Fair Value Hierarchy as defined in Note 10.2 (d). The following table shows the carrying value and fair value of the interest-bearing loans:

	Decembe	r 31, 2023	December	r 31, 2022
	Carrying amount	Fair value	Carrying amount	Fair value
Interest-bearing Loans	2.767.817	2.737.983	2.882.102	2.684.263

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#### 10.2.- Measurement of Derivative Instruments

The Company entrusted FIS Treasury and Risk Manager - Quantum system with the calculation of the fair value of the interest rate and currency swaps and currency forwards. For the calculation of embedded derivatives, the Company has developed internal assessment models.

The main assumptions used in the valuation models for derivative instruments are as follows:

- a. Market assumptions, such as spot prices and other price projections, credit risk (both own and counterparty credit risk) and interest rates.
- b. Discount rates, such as risk-free rates, sovereign and counterparty spread (based on risk profiles and information available in the market).
- c. Moreover, the variables incorporated in the model include, without limitation, volatility, correlations, regression formulas and market spread, using observable market information and techniques commonly used by market participants.

#### **Method for the Measurement of Derivative Instruments**

#### a. Interest Rate Swaps

The valuation model of interest rate swaps projects the forward interest rates based on spot interest rates for each intermediate and final date of instrument settlement, and then flows are discounted using the zero-coupon LIBOR rate. The assumptions used in the model include, without limitation, observable market prices and rates, risk-free rates, country and/or counterparty risk, and the Company's own credit risk.

#### b. Cross-Currency Swaps

The valuation model of cross-currency swaps discounts cash flows of the instrument using a representative interest rate, and then these flows are translated into United States dollars at the spot foreign exchange rate. The assumptions considered in the model are historical transactions, observable market prices and rates, risk-free rates, country and/or counterparty risk, and the Company's own credit risk.

#### c. Foreign Exchange Forward

Observable market forward prices are used and then cash flows are discounted according to a representative interest rate to calculate the fair value of the foreign exchange forwards.

#### d. Hierarchy of Fair Value of Financial Instruments

Financial instruments carried at fair value in the Statement of Financial Position are classified based on the following hierarchies:

- Level 1: Quoted prices in active markets for identical assets and liabilities.
- **Level 2:** Inputs other than quoted prices included within Level 1 that are observable for assets and liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Inputs for assets or liabilities that are not based on observable market data.



The hierarchy of recognized financial assets and liabilities carried at fair value is detailed as follows:

December 31, 2023	Note	Level 1	Level 2	Total
Assets				
Assets at fair value through profit or loss				3,019
Foreign Exchange Forward	10.4 (b)	_	1,870	
Other Investments	_	1,149	_	
Hedging derivatives				8,052
Foreign Exchange Forward	10.4 (a.1)	_	8,052	
Total Assets	_	1,149	9,922	11,071
Liabilities	-			
Financial liabilities at fair value through profit or loss				4,758
Foreign Exchange Forward	10.4 (b)	_	4,758	
Hedging derivatives				6,008
Foreign Exchange Forward	10.4 (a.1)	_	6,008	
Total Liabilities	_	_	10,766	10,766
	=			
December 31, 2022	Note	Level 1	Level 2	Total
Assets				
Assets at fair value through profit or loss				3,247
Foreign Exchange Forward	10.4 (b)	_	2,623	
Other Investments		624	_	
Hedging derivatives				10,089
Foreign Exchange Forward	10.4 (a.1)	_	10,089	
Total Assets		624	12,712	13,336
Liabilities	_			
Financial liabilities at fair value through profit or loss				46
Foreign Exchange Forward	10.4 (b)	_	46	
Hedging derivatives				9,258
Foreign Exchange Forward	10.4 (a.1)	_	9,258	

#### e. Master Netting Agreements

The following table shows the derivative instruments as of December 31, 2023 and 2022 that are subject to Master Netting Agreements where there is a contractual right to compensate for assets and liabilities under these financial instruments.

AES Andes and Subsidiaries - December 2023 (amounts are expressed in thousands of United States dollars, unless stated otherwise)



	Decembe	r 31, 2023	Decembe	r 31, 2022	
<b>Current and Non-Current Derivative Instruments</b>	Assets	Liabilities	Assets	Liabilities	
Current	4,173	(8,299)	3,486	(8,220)	
Non-current	3,881	(2,372)	7,315	(1,053)	
Total	8,054	(10,671)	10,801	(9,273)	
Gross amounts of derivative instruments subject to netting					
Gross amount (equal to net) recognized in the balance sheet	8,054	(10,671)	10,801	(9,273)	
Unnetted derivative instruments	(3,605)	3,605	(2,686)	2,686	
Total Net Amount	4,449	(7,066)	8,115	(6,587)	

As of December 31, 2023 and 2022, there are no balances of cash deposit securities.

## 10.3.- Credit Quality of Financial Assets

The Company is exposed to credit risk in its commercial activities as well as in its financial activities.

#### Credit Rating of Counterparties of AES Andes and Chilean Subsidiaries

The Company assesses the credit rating of its counterparties (customers), which primarily include distributing companies and industrial customers. In the case of AES Andes, most of them have a local risk classification and/or international investment grade. Credit ratings are provided by specialized rating agencies that assess the creditworthiness of a company based on a rating from "AAA" (highest rating) to "E" (lowest rating). "Investment grade" is obtained once BBB rating or above is achieved.

With regard to financial assets and derivatives, the investments made by AES Andes and subsidiaries are entered into with local and foreign financial institutions with national and/or international credit rating greater than or equal to "A" and "A2" according to Standard & Poor's and Moody's, respectively. In addition, derivatives executed for the financial debt are entered into with first class local and international entities. There are cash, investment and treasury policies that govern the cash management of the Company and minimize the credit risk.

#### **Credit Rating of Counterparties of Foreign Subsidiaries**

The Colombian subsidiary AES Colombia concentrates for its financial counterparties (banks) in Colombian pesos a AAA credit rating, which is considered as the highest credit rating according to Colombian credit rating agency Duff & Phelps. With respect to the credit rating of financial counterparties in US dollars, its lowest limit is A+ (Standard & Poors) or A1 (Moody's), which is considered as a low credit risk.

With respect to the credit risk for business transactions of AES Colombia, this has been historically very limited, given the short-term nature of collections from customers.

The Company considers that the Argentine subsidiary Termoandes S.A. does not represents significant credit risk given that its commercial transactions are mainly concentrated with CAMMESA and customers of the Wholesale Electricity Market denominated "Grandes Usuarios (GUME/GUMA)" that operates under the regulation of Energy Plus.

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#### 10.4.- Derivative Instruments

Financial derivatives of AES Andes and Subsidiaries correspond primarily to transactions with the purpose of hedging interest and exchange rate volatility as a result of financing for the development of electric projects.

The Company, following its risk management policy, enters into interest rate swaps, cross currency swaps, and currency forwards to reduce the expected variability of future cash flows from the underlying hedged asset.

The portfolio of derivative instruments as of December 31, 2023 and 2022 is detailed as follows:

#### a. Derivative Instruments for Cash Flows Hedge Accounting

#### Foreign Exchange Forward

		December 31, 2023				December 31, 2022			
	Ass	sets	Liabilities		Assets		Liabilities		
	Current	Non Current	Current	Non Current	Current	Non Current	Current	Non Current	
Fixed Costs - AES Andes	3,330	3,880	3,590	2,148	2,906	7,183	6,678	1,038	
Forward Customers capacity - AES Andes	842	_	270	_	_	_	1,542	_	
TOTA	L 4,172	3,880	3,860	2,148	2,906	7,183	8,220	1,038	

The detail of the current currency forwards is detailed below:

Company	Contract date	Hedged item	Partners	Nominal amount MUS\$	Nominal Amount as December 31, 2023 MUS\$	Maturity
AES Andes	Q3 2021	Fixed Cost	JP Morgan, Scotiabank, Banco de Chile y Banco Estado	62,935	20,801	06-2024
AES Andes	Q4 2021	Fixed Cost	Banco de Chile, Scotiabank y Banco Estado	12,783	5,819	10-2024
AES Andes	Q2 2022	Fixed Cost	Scotiabank	10,912	2,417	11-2024
AES Andes	Q3 2022	Fixed Cost	Scotiabank, Deutsche Bank, Bofa y Banco de Chile	46,157	29,446	07-2025
AES Andes	Q2 2023	Fixed Cost	Scotiabank, Banco de Chile, HSBC, JP Morgan	43,066	26,416	03-2026
AES Andes	Q3 2023	Fixed Cost	Scotiabank, Banco de Chile, BCI, HSBC,	103,454	94,724	07-2026
AES Andes	Q2 2023	Accounts receivable per power	Scotiabank	15,188	12,664	04-2024
AES Andes	Q4 2023	Accounts receivable power	Scotiabank	22,889	22,889	10-2024

#### Other Background Information on Cash Flow Hedging

The Company has not made any cash flow hedging accounting for highly probable transactions that have not occurred later.

AES Andes and Subsidiaries - December 2023 (amounts are expressed in thousands of United States dollars, unless stated otherwise)



There are no effects associated with the ineffectiveness of the cash flow hedges for the years ended as of December 31, 2023 and 2022.

The changes recognized in other reserves (see note 25.6 c) during the years December 31, 2023 and 2022, include:

	December 31, 2023	December 31, 2022
Profit/loss from derivatives recorded in other reserves	9,949	44,889
Profit/loss from derivatives reclassified from other reserves to profit or loss	(18,817)	32,065
Total	(8,868)	76,954

#### b. Derivatives Not Designated as Hedges

			December 31, 2023				December 31, 2022			
			Ass	ets	Liabilities		Assets		Liabi	ilities
Derivative instruments	Classification	on	Current	Non Current	Current	Non Current	Current	Non Current	Current	Non Current
Currency forward - (Capex) AES Colombia	IFVRCR (1)		_	_	245	223	_	_	_	_
Derivative Energy supply contract - AES Colombia	IFVRCR (1)		1,870	_	82	8	1,186	725	31	_
Currency fwd (Dividend subs. Colombia) AES Andes	IFVRCR (1)	_	_	_	4,200	_	580	132	_	15
	T	otal	1,870	_	4,527	231	1,766	857	31	15

Company	Contract date	Hedged item	Partners	Nominal amount ThUS\$	Nominal Amount as December 31, 2023 ThUS\$	Maturity
AES Andes	Q4 2022	Dividends AES Colombia	JP Morgan, Merryll Lynch, Banco de Chile y Scotiabank	53,277	12,765	10-2024
AES Colombia	Q3 2023	Capex AES Colombia	BNP Paribas, Bancolombia, Bank of America, JP Morgan	5,977	5,977	06-2025

In July 2018, AES Colombia executed a power sales agreement between 2022 and 2024 with Empresas Municipales de Cali (EMCALI). The agreement allows EMCALI to supply energy directly from the spot market at those times where the spot energy price is lower than the contract energy price. Considering the characteristics of Colombia's electricity market and given that it is impossible to guarantee the delivery of physical energy during the hours when the spot price is lower than the contract price, it was impossible to apply the exception identified in IFRS 9 paragraph 2.4 to this agreement. The agreement was measured at fair value through profit or loss.

The amounts related to these contracts are classified in current assets/liabilities.

#### c. Embedded derivatives (through profit and loss)

As of December 31, 2023 and 2022, there are no embedded derivatives.



#### NOTE 11 - OTHER NON-FINANCIAL ASSETS

As of December 31, 2023 and 2022, other non-financial assets are detailed as follows:

	Curr	ent	Non Current		
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	
Insurance paid in advance	18,060	703	_	_	
Taxes to be recovered (1)	10,457	11,660	978	12,695	
Delivered guarantees	290	325	161	150	
Advance payment from purchases of energy	1,593	2,036	_	_	
Advance payment for other purchases	5,774	_	_	_	
Others	726	824	323	402	
Total	36,900	15,548	1,462	13,247	

<sup>(1)</sup> Mainly involving taxes to be recovered by AES Andes, associated with water right patents.

#### NOTE 12 - TRADE RECEIVABLES AND OTHER ACCOUNTS RECEIVABLE

The balances of Trade receivables and other accounts receivable involve operations in the ordinary course of business of the Company and subsidiaries, mainly energy and power sales, income from transmission system, and coal sales.

The balances of other accounts receivable are related primarily to advance payments to suppliers, accounts receivable associated with the staff, and delivered guarantees, among others.

The items of this account as of December 31, 2023 and 2022, are detailed as follows:

	Curr	ent	Non C	urrent
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Trade receivables, gross	556,329	647,293	8,407	7,579
Bad debt allowance	(2,858)	(1,219)	(144)	(659)
Trade receivables, net	553,471	646,074	8,263	6,920
Remaining tax credit, gross	110,469	94,554	_	_
Contract asset	_	_	65,828	30,684
Other accounts receivable, gross	22,318	40,893	768	5,190
Total	686,258	781,521	74,859	42,794

On November 2, 2019, Law 21,185 was published in the Official Gazette, to be immediately effective, whereby a mechanism was created to stabilize electricity prices for contracts with regulated customers, with reference to tariff decree 20-T, related to the tariffs for the first half of 2019. This way, the increase in future prices for these customers shall be temporarily assumed by the generators that supply such agreements, who will finance a maximum amount of US\$1,350 million.

The exhaustion of the stabilization mechanism created by Act No. 21,185 in February 2022, and the accumulation of fund surplus until June 2022, prompted the approval of Act No. 21,472 published on August 2, 2022, that establishes a new transitory stabilization mechanism for electricity prices for customers subject to price regulation,

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whose validity may not exceed December 31, 2032. To such an aim, additional charges may be set in the regulated tariff fixations called Customer Protection Mechanism Charges (MPC Charges). This new mechanism establishes a discount on the monthly invoicing of generators to their respective regulated customers, which will be returned monthly to the supplier through the issuance of a payment document called "transferable credit title" and will be issued by the Ministry of Finance will be guaranteed by the Treasury and will include the accrual of interest at the time of issuance of the payment document.

On August 14, 2023, AES Andes entered into an agreement with IDB Invest called "Purchase Facility" pursuant to which, subject to certain conditions, IDB Invest undertakes to purchase and AES Andes undertakes to sell certain eligible payment documents issued to favor of the Company under Law 21,472 that "Creates an Electricity Rate Stabilization Fund and establishes a Temporary Customer Protection Mechanism (MPC)", and Exempt Resolution No. 334, of the National Energy Commission (together the "Stabilization Mechanism"), for an amount of up to ThUS\$1,800.

On August 31, 2023, AES Andes received funds from the sale of payment documents (DDP) from the application of the Electricity Rate Stabilization Law for ThUS\$121,900. On October 30 and December 28, 2023, AES Andes received the funds for the second and third sale of DDP for an amount of ThUS\$5,090 and ThUS\$4,693, respectively.

As of December 31, 2023, current commercial debtors include accounts receivable for ThUS\$127,007 related to the new stabilization fund (see note 31.2.1 j).

Additionally, there is a remainder of unbilled accrued accounts receivable of AES Andes associated with regulated customers that will not be part of the new mechanism described above, which will be charged to the distribution companies in installments.

Through different programs, AES Andes seeks to reduce its exposure and has sold a significant portion of the accounts receivable accrued as of December 31, 2021. The Administration is working on trading the accumulated balances during 2022.

In relation to the contractual asset, and as a consequence of the strategy to modify commercial contracts, including the extension of the expiration of these contracts and changes to convert them to contracts supplied with renewable energy, the Company identified contractual conditions that were adjusted so that the recognition of revenue for these contracts is adjusted to amounts that reflect the price that customers would have paid for the contracted energy committed if it had been paid in cash.

The other fair values of trade receivables and other accounts receivable are not significantly different from their carrying values.



The past due, unpaid but not impaired financial assets are detailed as follows:

	Regulated Customers			egulated tomers	Total			
December 31, 2023	No. Clients	Gross portfolio	No. Clients	Gross portfolio	Gross portfolio	Bad debt allowance	Net Portfolio	
No past due payments	14	243,851	970	295,733	539,584	(144)	539,440	
1 to 30 Days	10	16,633	209	3,598	20,231	_	20,231	
31 to 60 Days	1	139	65	461	600	_	600	
61 to 90 Days	1	147	64	86	233	_	233	
91 to 120 Days	1	154	223	308	462	(17)	445	
121 to 150 Days	1	157	35	214	371	_	371	
151 to 180 Days	_	_	21	41	41	(4)	37	
181 to 210 Days	_	_	15	51	51	_	51	
211 to 250 Days	_	_	29	186	186	(8)	178	
>250 Days	2	1	394	2,976	2,977	(2,829)	148	
Total trade receivables	30	261,082	2,025	303,654	564,736	(3,002)	561,734	

		ulated tomers		egulated tomers	Total		
December 31, 2022	No. Clients	Gross portfolio	No. Clients	Gross portfolio	Gross portfolio	Bad debt allowance	Net Portfolio
No past due payments	14	276,603	626	320,024	596,627	(687)	595,940
1 to 30 Days	5	14,318	380	37,987	52,305		52,305
31 to 60 Days	2	572	31	383	955		955
61 to 90 Days	2	494	13	16	510		510
91 to 120 Days	2	593	29	16	609		609
121 to 150 Days	1	605	8	20	625	(1)	624
151 to 180 Days	5	6	15	61	67	(27)	40
181 to 210 Days	_	_	11	59	59	(37)	22
211 to 250 Days	2	4	14	80	84	(53)	31
>250 Days	4	6	307	3,025	3,031	(1,073)	1,958
Total trade receivables	37	293,201	1,434	361,671	654,872	(1,878)	652,994

The amounts for impaired trade receivables and other accounts receivable are detailed as follows:

Balances as of January 1, 2022	1,469
Increase (decrease) for the year	409
Balances as of December 31, 2022	1,878
Increase (decrease) for the year	(42)
Foreign currency exchange	1,166
Balances as of December 31, 2023	3,002



## NOTE 13 - BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The transactions between the Company and its subsidiaries involve the usual operations regarding purpose and terms. These transactions have been eliminated in the consolidation process and are not broken down in this note.

#### 13.1.- Balances and Transactions with Related Entities

The balances of accounts receivable between the Company and its non-consolidated related companies are detailed as follows

Accounts receivable with related entities							Cur	rent
Tax payer ID (RUT) Number	Company	Country	Transaction description	Nature of the relationship	Currency	Maturity	December 31, 2023	December 31, 2022
Foreign	AES Corporation	United States	Other reimbursements	Parent	US\$	On demand	1,245	1,028
Foreign	AES Maritza East Ltd.	Bulgaria	Cost reimbursements	Common Parent	US\$	On demand	67	67
Foreign	AES Panamá Ltda	Panama	Project Consultancy	Common Parent	US\$	On demand	29	29
Foreign	AES Engineering, LLC	United States	Cost reimbursements	Common Parent	US\$	On demand	127	127
Foreign	AES Argentina Generación S.A.	Argentina	Management Fee	Common Parent	US\$	On demand	6,624	4,489
Foreign	AES Energy Storage	United States	Cost reimbursements	Common Parent	US\$	On demand	28	28
Foreign	AES Holdings Brasil Lt	Brazil	Management Fee	Common Parent	US\$	On demand	2,010	2,010
Foreign	Energética Argentina S.A.	Argentina	Management Fee	Common Parent	US\$	On demand	456	303
Foreign	Vientos Neuquinos I S.A.	Argentina	Management Fee	Common Parent	US\$	On demand	523	401
76.170.761-2	Alto Maipo SpA	Chile	Miscellaneous services	Investment	US\$	On demand	12,644	6,680
76.170.761-2	Alto Maipo SpA	Chile	Loans and interest receivable	Investment	US\$	On demand	1,620	797
	Other minor						38	56
					Total		25,411	16,015

Accounts receivable with related entities							Current
Tax payer ID (RUT) Number	Company	Country	Transaction description	Nature of the relationship	Currency	December 31, 2023	December 31, 2022
76.170.761-2	Alto Maipo SpA	Chile	Loans	Investment	US\$	1,225	2,360
73.069.400-8	Fundación AES Gener	Chile	Cost Reimbursement	Common Parent	US\$	197	_
					Total	1,422	2,360



The balances of accounts payable between the Company and its non-consolidated related companies are detailed as follows:

Accounts payable with related entities					Current		rent	
Tax payer ID (RUT) Number	Company	Country	Transaction description	Nature of the relationship	Currency	Maturity	December 31, 2023	December 31, 2022
Foreign	AES Corporation	United States	Remuneration of foreign staff	Parent	US\$	On demand	5,240	5,642
Foreign	AES Servicios América	Argentina	Administrative services and system support	Common Parent	US\$	On demand	733	1,593
Foreign	AES Big Sky, LLC	United States	Technology Services	Common Parent	US\$	On demand	14,817	8,196
Foreign	AES Argentina	Argentina	Cost reimbursements	Common Parent	US\$	On demand	11	12
Foreign	AES NA Central, LLC	United States	Cost reimbursements	Common Parent	US\$	On demand	24	24
Foreign Foreign	Dominican Power Part AES Hawaii	Dominican Republic United States	Cost reimbursements Cost reimbursements	Common Parent	US\$ US\$	On demand On demand	72 48	72 48
Foreign	AES Latinoamerica, S De RL		Cost reimbursements	Common Parent	US\$	On demand	69	69
Foreign	AES Panamá	Panama	Cost reimbursements	Common Parent	US\$	On demand	38	38
Foreign	AES Holdings Brasil Lt	Brazil	Cost reimbursements	Common Parent	US\$	On demand	495	430
76.170.761-2	Alto Maipo SpA	Chile	Miscellaneous services	Investment	US\$	On demand	48	62
	Other minor						36	109
					Total		21,631	16,295

There are no accounts payable with related parties classified in non-current liabilities.



The effects in the income statement of transactions with non-consolidated related parties for the years ended December 31, 2023 and 2022, are detailed as follows:

Tax payer ID (RUT) Number	Company	Country	Nature of the relationship	Transaction description	December 31, 2023	Effect in Income	December 31, 2022	Effect in Income
76.170.761-2	Alto Maipo SpA	Chile	Investment	Sale of energy and power	7,165	7,165	2,447	2,447
76.170.761-2	Alto Maipo SpA	Chile	Investment	Miscellaneous services	7,869	7,869	3,302	3,302
76.170.761-2	Alto Maipo SpA	Chile	Investment	Loans and interest	237	237	50,668	364
76.170.761-2	Alto Maipo SpA	Chile	Investment	Loan collections	430	_	48,074	_
Foreign	AES Argentina Generación S.A.	Argentina	Common Parent	Management fee	2,168	2,168	2,175	2,175
Foreign	Energética Argentina S.A.	Argentina	Common Parent	Management fee	152	152	107	107
Foreign	Vientos Neuquinos I S.A.	Argentina	Common Parent	Management fee	123	123	111	111
Foreign	AES Corporation	United States	Parent	Management fee	837	837	239	239
Foreign	Gasoducto Gasandes Argentina	Argentina	Investment	Dividends	3,062	3,062	535	535
96.721.360-8	Gasoducto Gasandes Chile S.A.	Chile	Investment	Dividends	2,665	2,665	2,376	2,376
				Total revenues	24,708	24,278	110,034	11,656
76.170.761-2	Alto Maipo SpA	Chile	Investment	Purchase of energy and power	54	(54)	533	(533)
Foreign	AES Servicios América S.R.L.	Argentina	Common Parent	Administrative services and system support	8,434	(8,434)	7,375	(7,375)
Foreign	AES Corporation	United States	Parent	Cost reimbursements	3	(3)	4,607	(4,607)
Foreign	AES Big Sky, LLC	United States	Common Parent	Technology services	23,857	(23,857)	17,191	(17,191)
				Total costs	32,348	(32,348)	29,706	(29,706)

Transactions with related companies in general involve transactions inherent in the business of the Company and subsidiaries, which are carried out in accordance with the legal provisions on equity terms regarding deadlines and at market prices. As of the date of these Consolidated Financial Statements, there are no provisions for doubtful debts.

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The related party due, unpaid and unimpaired accounts receivable and accounts payable are detailed as follows:

	Accounts R	eceivable	Accounts Payable		
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	
No past due payments	19,960	15,771	5,858	14,386	
1 to 180 days of delay	182	50	15,773	1,909	
181 to 250 days of delay	5,269	194	_	_	
Total	25,411	16,015	21,631	16,295	

AES Andes and Subsidiaries - December 2023 (amounts are expressed in thousands of United States dollars, unless stated otherwise)



## 13.2.- Key Management Personnel

Key Staff includes people with the authority and responsibility to plan, manage and control the activities of the Company, either directly or indirectly. AES Andes is managed by the members of the Senior Management and by a Board of Directors made up of seven regular directors and an alternate director for each of them, who are elected for a three-year period at the Annual General Shareholders' Meeting.

Pursuant to the provisions of Article 50 bis of Corporations Law No. 18,046, AES Andes has a Committee of Directors made up of 3 members, who have the powers referred to in that section.

#### a. Balances and Transactions with Key Staff

There are no pending receivables or payables between the Company and its Directors and members of the Senior Management.

In the years covered by these financial statements no transactions were made between the Company and its Directors and members of the Senior Management other than payment of remuneration or between the Company and its related parties other than those disclosed in Note 13.2 c).

There are no guarantees in favor of the Directors or guarantees granted by the Company to the Senior Management.

There are no compensation plans pegged to the price of shares.

### b. Board Compensation

The by-laws of AES Andes S.A. set forth that the Directors receive no compensation for the performance of their duties.

During the years covered by these financial statements, the directors of the Company, who are employees of AES Corporation or any subsidiary or associate, have not collected any kind of remuneration, for their duties as directors, or entertainment expenses, per diem, royalties, or any other fee. The above, without prejudice of the remuneration collected by the directors who are members of the Committee of Directors and whose amount is detailed in the following paragraph.

At the Ordinary General Shareholders' Meeting held on August 24, 2022, the total renewal of the Company's Directors was approved and the number of board members was increased from 7 to 9.

On November 2, 2023, the Company's Board of Directors received the resignation of Mr. Bernerd da Santos from the position of regular director of the Company. The Board of Directors agreed to appoint Mr. Francisco Morandi as his replacement, who will serve as director until the next ordinary meeting of shareholders to be held by the Company, in which the entire board of directors must be completely renewed.

AES Andes and Subsidiaries - December 2023 (amounts are expressed in thousands of United States dollars, unless stated otherwise)



The composition of the Board of Directors as of December 31, 2023 is detailed below:

# Directors

Juan Ignacio Rubiolo (President)

Arminio Borjas

Francisco Morandi (from 11/2/2023)

Ricardo Falú

Giselle Leger

Madelka McCalla

Radovan Razmilic Tomicic

Gonzalo Parot Palma

Daniel Fernández Koprich

At the Annual General Shareholders' Meeting dated April 21, 2023, it was resolved to set the amount of 300 *Unidades de Fomento* as remuneration of the members of the Committee of Directors of AES Andes for the financial year 2023. The remunerations paid to the members of the Committee of Directors and the Directors of subsidiaries during the years covered by these financial statements are listed in the next tables.

Name	Position	December 31, 2023	December 31, 2022
Gonzalo Parot Palma	Director	153	142
Radovan Roque Razmilic Tomicic	Director	153	142
Daniel Mauricio Fernandez Koprich	Director	153	142
	TOTAL	459	426

#### c. Global Remuneration of Senior Managers who are not Directors

The global remuneration of the Senior Management of the Company includes a fixed monthly remuneration, variable performance-based bonuses, corporate results over the previous fiscal year, long-term compensation plans and indemnification. The Senior Management of the Company serves in the following positions: Chief Executive Officer, Chief Operations Officer, Chief Corporate Affairs Officer, General Counsel, Chief Engineering and Construction Officer, Chief Development Officer, and Chief Financial Officer.

AES Andes has agreed for its executive officers an annual bonus plan based on attainment of goals and level of individual contribution to the results of the Company. These incentives are structured in a minimum and maximum of gross remuneration and are paid once a year.

The remunerations of the Senior Management of the Company during the years ended December 31, 2023 and 2022, amounted to ThUS\$\$4,106 and ThUS\$\$5,272, respectively.

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## **NOTE 14 - INVENTORY**

Inventories have been valued according to the provisions of Note 4.11 and are detailed as follows:

	December 31, 2023	December 31, 2022
Coal	94,938	245,434
Oil	3,368	4,520
Materials	32,221	32,402
Coal in transit	53,169	239,620
Imported materials in transit	965	512
Other inventories	4,591	7,548
Total	189,252	530,036

Inventory costs recognized as expenses in the years ended December 31, 2023 and 2022 are detailed as follows:

	December 31, 2023	December 31, 2022
Coal	788,231	829,842
Oil	7,482	8,271
Others (1)	26,486	24,720
Total	822,199	862,833

<sup>(1)</sup> The other inventory costs are mainly consumption of materials, lime and biomass.

During the years covered by these financial statements, there are no adjustments that may have significantly affected the carrying amount of inventories.

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## NOTE 15 - TAXES

#### **Current Taxes**

#### Current tax assets, net

Current tax receivables as of December 31, 2023 and 2022, which include group companies with an asset position at the net current tax level, are detailed as follows:

	Curr	ent	Non-Current			
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022		
Monthly provisional payments	6,171	2,029	_	_		
Argentine standard credit	3,223	76	_	_		
Overpaid PPM	1,375	10,794	_	_		
Provisional payments for absorbed Profits (1)	15,669	_	19,033	66,284		
Other	995	976	_	_		
Total	27,433	13,875	19,033	66,284		

(1) During 2022, AES Andes determined a tax loss generated mainly by resolving the liability reorganization process under the rules established in Chapter 11 of Title 11 of the United States Code ("Chapter 11"). All accounts payable Alto Maipo had with its related companies were written off at the time.

Considering that during 2022 AES Andes received dividends with investment credit and Article 27 transitory of Act 21,210 from 2020 states that 70% of the income or amounts received as withdrawals or dividends from other companies or 70% of the loss, whichever is lower, may be allocated, previously increased by the credit associated with such income, which credit will be considered a provisional payment, that has been requested for Absorbed Profits for the tax return of the fiscal year 2023.

On August 17, 2023, the Tax Authority ("Servicio de Impuestos Internos") began an audit to review the credit determined by AES Andes for US\$66 million. As of December, US\$49 million were collected and the remaining 25% is estimated to be received at the date of completion of the review.

Law No. 21,210 of 2021 eliminates article No. 3 of Decree Law No. 824 related to the request for refund for Provisional Payments for Absorbed Profits (PPUA). In its article N°27, considers partial imputations of tax losses from the business years 2020 to 2023 (with 90%, 80%, 70% and 50% imputation percentages, respectively). In this sense, as of January 1, In 2024, more PPUA will no longer be able to be requested in favor of the company that receives dividends with credits with the right to return.

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### Current tax liabilities, net

On the other hand, accounts payable for current taxes, which are considered by group companies with a liability position at the level of net current taxes, are detailed as follows:

	December 31, 2023	December 31, 2022
Provision for disallowed tax expenditure	_	56
Provision First Category Tax	106,049	64,780
Argentine Standard Tax	972	12,040
Minus:		
Monthly provisional payments	17,749	22,375
Advance payment and self withholding of Colombian income	28,616	13,586
Credit of foreign source	10,626	<u> </u>
Total	50,030	40,915

#### **Income Taxes**

Income tax charged to income for years ended December 31, 2023 and 2022, is detailed as follows:

Current and Deferred Income Tax Expense (Benefit)	2023	2022
Current tax expense	94,314	30,051
Current tax expense, net	94,314	30,051
Deferred expense (benefit) due to:		
Taxes relating to the creation and reversal of temporary differences	(76,346)	115,464
Deferred tax expense (benefit), net	(76,346)	115,464
Income tax expense (benefit)	17,968	145,515
Foreign and local income tax expense (benefit)	2023	2022
Current tax expense, net:		
Foreign	84,440	70,334
Local	9,874	(40,283)
Current tax expense, net	94,314	30,051
Deferred tax expense, net:		
Foreign	24,579	8,589
Local	(100,925)	106,875
Deferred tax expense, net	(76,346)	115,464
Income tax expense (benefit)	17,968	145,515

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The reconciliation between the income tax that would result from applying the effective rate in the years ended December 31, 2023 and 2022 is detailed as follows:

	December 31, 2023	December 31, 2022
Financial result before tax	(118,401)	457,865
Current tax rate	27%	27%
Expense for taxes at the statutory rate	(31,968)	123,624
Tax effect for:		
Rates in other jurisdictions (1)	22,636	19,991
Non-taxable ordinary income	31,710	21,787
Non-Deductible Tax Expenses	(4,555)	(3,224)
Tax effect resulting from the tax benefit not previously recognized in the income statement	43	1,130
Change in tax rates (2)	(5,985)	(1,043)
Tax effect of taxes excessively provided for in previous periods	(7)	489
Exchange differences	(14,362)	(15,887)
Other increase (decrease) in charges for legal taxes	20,456	(1,352)
Adjustment to expense for taxes at the statutory rate, total	49,936	21,891
Expense (benefit) for taxes at the effective rate	17,968	145,515

<sup>(1)</sup> It includes the differences originating between the current rate in Chile (27%) and in other jurisdictions where the foreign subsidiaries are domiciled (Argentina 35% and Colombia 38% (before 35%)).

The balances relating to taxes recognized in other comprehensive income are detailed as follows:

	2023	2022
Added deferred taxation concerning items charged to Shareholder's Equity	(2,971)	8,381
Taxes recognized in Other Comprehensive Income, Total	(2,971)	8,381

Deferred taxes paid (charged to Shareholders' Equity) are those related to other comprehensive income due to cash flow hedging derivatives and defined benefit plans to employees.

<sup>(2)</sup> It refers to the increase in the tax legal rate in Colombia.

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#### **Deferred Taxes**

The balances of assets and liabilities for deferred taxes as of December 31, 2023 and 2022, are detailed as follows:

	December 31, 2023		December	ecember 31, 2022	
	Assets	Liabilities	Assets	Liabilities	
Depreciation	42,192	(323,447)	47,987	(345,870)	
Amortization	_	1,260	_	71	
Provisions	29,875	(8,696)	39,495	(13,955)	
Foreign currency contract	_	(14,051)	_	(6,428)	
Obligations for post-employment benefits	6,148	(204)	9,563	(178)	
Revaluation of Financial Instruments	518	(5,853)	_	(5,995)	
Tax losses	314,001	_	259,192	_	
Deferred income	15,745	_	6,442	11,215	
Debts (difference between effective and cover rate)	153	_	107	_	
Financial leasing obligations	10,227	(533)	10,091	(108)	
Financing costs	5,673	(15,777)	7,589	(16,041)	
Others	47,399	(7,160)	35,273	(3,166)	
Subtotal	471,931	(374,461)	415,739	(380,455)	
Netting at the level of financial statements	(165,517)	165,517	(225,229)	225,229	
Balances according to the financial statement	306,414	(208,944)	190,510	(155,226)	

The most significant deferred asset is related to tax losses, which mainly correspond to the parent company AES Andes. They are mainly explained by the losses associated with the deconsolidation of the subsidiary Alto Maipo.

There is positive evidence that these losses will be reversed in the near future.

As of December 31, 2023, the item "Others" includes mainly the difference related to the fixed asset retirement obligation.

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Changes in deferred tax assets and liabilities for the years ended December 31, 2023 and 2022, are detailed as follows:

	Balances as of January 1st, 2023	Increase (decrease) in profit (loss)	Increase (decrease) in comprehensive income	Foreign currency translation differences	Other increases (decreases)	Balances as of December 31, 2023
Depreciation	(297,883)	34,297	_	(3,170)	(14,499)	(281,255)
Amortization	71	1,038	_	151	_	1,260
Provisions	25,540	(5,132)	_	(385)	1,156	21,179
Foreign currency contracts	(6,428)	(5,287)	_	(2,336)	_	(14,051)
Obligations for post- employment benefits Revaluation of Financial	9,385	(3,429)	26	(38)	_	5,944
Instruments	(5,995)	(2,150)	2,945	(135)	_	(5,335)
Tax losses	259,192	54,809	_	_	_	314,001
Deferred Income	17,657	(1,912)	_	_	_	15,745
Debts (difference between effective and cover rate)	107	46	_	_	_	153
Financial leasing obligations	9,983	(2,524)	_	2,235	_	9,694
Financing costs	(8,452)	(1,652)	_	_	_	(10,104)
Others	32,107	8,242	_	1,804	(1,914)	40,239
Subtotal	35,284	76,346	2,971	(1,874)	(15,257)	97,470

	Balances as of January 1st, 2022	Increase (decrease) in profit (loss)	Increase (decrease) in comprehensiv e income	Foreign currency translation differences	Other increases (decreases)	Balances as of December 31, 2022
Depreciation	(296,980)	(7,365)	_	18,635	(12,173)	(297,883)
Amortization	(160)	231	_		_	71
Accruals	333,937	(333,937)	_	_	_	_
Provisions	(40,165)	66,162	_	(1,148)	691	25,540
Foreign currency contracts	_	(7,309)	_	881	_	(6,428)
Obligations for post- employment benefits Revaluation of Financial	7,265	2,124	433	(437)	_	9,385
Instruments	(14,678)	17,294	(8,814)	203	_	(5,995)
Tax losses	95,596	163,596	_	_	_	259,192
Deferred Income	6,296	11,361	_		_	17,657
Debts (difference between effective and cover rate)	718	(611)	_	_	_	107
Financial leasing obligations	12,078	(92)	_	(2,003)	_	9,983
Financing costs	(11,393)	2,942	_	(1)	_	(8,452)
Others	62,743	(29,860)	_	(2,455)	1,679	32,107
Subtotal	155,257	(115,464)	(8,381)	13,675	(9,803)	35,284



## NOTE 16 - INTANGIBLE ASSETS

## 16.1.- Detail of intangible assets

The changes in the main classes of intangible assets, as valued according to the provisions of Notes 4.5 and 4.6., are detailed as follows:

	December 31, 2023			
	Gross Value	Accumulated Depreciation	Net Value	
Finite lived intangible assets	122,417	(46,216)	76,201	
Indefinite lived intangible assets	5,616	_	5,616	
Intangible assets	128,033	(46,216)	81,817	
Computer programs	49,465	(41,895)	7,570	
Easements	29,360	(1,819)	27,541	
Water rights	46	_	46	
Other identifiable intangible assets	49,162	(2,502)	46,660	
Identifiable intangible assets	128,033	(46,216)	81,817	

	December 31, 2022			
	Gross Value	Accumulated Depreciation	Net Value	
Finite lived intangible assets	123,630	(52,242)	71,388	
Indefinite lived intangible assets	8,000	_	8,000	
Intangible assets	131,630	(52,242)	79,388	
Computer programs	48,770	(37,489)	11,281	
Easements	29,055	(1,204)	27,851	
Water rights	46	_	46	
Other identifiable intangible assets	53,759	(13,549)	40,210	
Identifiable intangible assets	131,630	(52,242)	79,388	

Balances of and changes in Intangible Assets as of December 31, 2023 and 2022 are detailed as follows:

	Computer programs	Easements	Water Rights	Other identifiable intangible assets	Intangible assets, net
Balances as of January 1, 2023	11,281	27,851	46	40,210	79,388
Additions	382	903	_	3,931	5,216
Withdrawals	(5)	(92)	_	_	(97)
Amortization	(4,488)	(824)	_	(479)	(5,791)
Impairment losses	_	(297)	_	_	(297)
Increase (decrease) due to exchange differences	400	_	_	2,998	3,398
Balances as of December 31, 2023	7,570	27,541	46	46,660	81,817

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	Computer programs	Easements	Water Rights	Other identifiable intangible assets	Intangible assets, net
Balances as of January 1, 2022	14,256	26,463	46	42,467	83,232
Additions	3,249	1,901	_	3,468	8,618
Withdrawals	_	(25)	_	(2,989)	(3,014)
Amortization	(5,303)	(488)	_	(322)	(6,113)
Impairment losses	(754)	_	_	_	(754)
Increase (decrease) due to exchange differences	(167)	_	_	(2,414)	(2,581)
Balances as of December 31, 2022	11,281	27,851	46	40,210	79,388

Useful lives or amortization rates used for the most relevant assets of the Company are detailed as follows:

	Explanation of rate	Maximum life or rate	Minimum Life or rate
Computer programs	Years	10	_
Easements	Years	Indefinite	27
Water rights	Years	Indefinite	29
Life or rate for other identifiable intangible assets	Years	Indefinite	5

The most significant individually identifiable intangible assets of the Company are detailed as follows:

	Carrying amount	Remaining amortization period
Easements - Los Olmos	3,647	32 years
Software - Allegro ETRM Software	2,732	5 years

#### 16.2.- Impairment of intangible assets

During the year ended December 31, 2023, the Company recorded an impairment of ThUS\$297 of intangibles related to the impairment of the coal-fired generation units Norgener I and Norgener II (see Note 17.2 and Note 28).

In assessing the recoverable value of the assets, as described in Note 17.2, the Company has not recorded any impairment losses as of December 31, 2022.



# NOTE 17 - PROPERTY, PLANT AND EQUIPMENT

## 17.1.- Property, Plant and Equipment

The balances of the various categories of fixed assets during the years ended December 31, 2023 and 2022, are detailed as follows:

	December 31, 2023				
	Gross Value	Accumulated Depreciation	Net Value		
Constructions in Progress (1)	711,622	_	711,622		
Plots of lands	25,854	_	25,854		
Buildings	30,678	(11,572)	19,106		
Plant and equipment	4,222,287	(1,409,162)	2,813,125		
IT equipment	30,550	(22,431)	8,119		
Fixed facilities and accessories	13,485	(11,470)	2,015		
Motor vehicles	5,783	(3,510)	2,273		
Other property, plant and equipment (2)	13,295	(1,675)	11,620		
Total	5,053,554	(1,459,820)	3,593,734		

	December 31, 2022				
	Gross Value	Accumulated Depreciation	Net Value		
Constructions in Progress (1)	865,641	_	865,641		
Plots of lands	23,585	_	23,585		
Buildings	37,290	(11,980)	25,310		
Plant and equipment	4,065,145	(1,619,577)	2,445,568		
IT equipment	28,033	(20,639)	7,394		
Fixed facilities and accessories	14,147	(11,685)	2,462		
Motor vehicles	5,327	(3,645)	1,682		
Other property, plant and equipment (2)	29,414	(5,222)	24,192		
Total	5,068,582	(1,672,748)	3,395,834		

<sup>(1)</sup> The amount of construction in progress mainly corresponds to investments related to renewable projects currently under construction Campo Lindo, San Matías and Andes Solar.

<sup>(2)</sup> The asset made up of the cost of Dismantling Obligations is included within "Other property, plant and equipment".



The transactions of property, plant and equipment during the years ended December 31, 2023 and 2022, are detailed as follows:

	Construction work in progress	Land	Buildings	Plant and Equipment	IT equipment	Fixed facilities and accessories	Motor Vehicles	Other property, plant and equipment	Property Plant and Equipment, net
Balance as of January 1, 2023	865,641	23,585	25,310	2,445,568	7,394	2,462	1,682	24,192	3,395,834
Additions (3)	444,239	1,617	_	138,326	138	67	1,145	10,580	596,112
Withdrawals	(691)	_	(4)	(30,397)	(118)	(8)	(62)	(20,891)	(52,171)
Amortization	_	_	(1,359)	(164,825)	(2,171)	(753)	(524)	(1,704)	(171,336)
Foreign currency exchange (1)	683	652	371	93,275	841	90	7	170	96,089
Impairment losses	(2,844)	_	(1,920)	(260,974)	(61)	(174)	_	(97)	(266,070)
Finished works	(595,406)	_	442	592,153	2,096	331	25	359	<u> </u>
As of December 31, 2023	711,622	25,854	19,106	2,813,126	8,119	2,015	2,273	11,620	3,593,735

	Construction work in progress	Land	Buildings	Plant and Equipment	IT equipment	Fixed facilities and accessories	Motor Vehicles	Other property, plant and equipment	Property Plant and Equipment, net
Balance as of January 1, 2022	596,778	23,645	21,873	2,371,211	9,052	2,257	1,220	75,927	3,101,963
Additions (3)	595,618	146	_	14,945	617	350	887	1,012	613,575
Divestiture	_	(1)	_	_	_		_	_	(1)
Withdrawals	(240)	_	(84)	(37,210)	(286)	(40)	(2)	(48,212)	(86,074)
Amortization	_	_	(1,559)	(171,525)	(2,093)	(532)	(365)	(4,249)	(180,323)
Foreign currency exchange (1)	(7,280)	(600)	(1,335)	(146,200)	(836)	(89)	(120)	(286)	(156,746)
Hyperinflationary Economy (2)	1,802	211	1,554	102,334	182	45	149	_	106,277
Impairment losses	(545)	_	(100)	(2,024)	(41)	_	(127)	_	(2,837)
Finished works	(320,492)	184	4,961	314,037	799	471	40	_	<u> </u>
As of December 31, 2022	865,641	23,585	25,310	2,445,568	7,394	2,462	1,682	24,192	3,395,834

<sup>(1)</sup> It consists of the effects due to translation of the subsidiaries AES Colombia and Termoandes, that have the Colombian peso and Argentine Peso (in 2022 and until June 30, 2023) as functional currency, respectively.

<sup>(2)</sup> It consists of the effects due to the adjustment for inflation applied to the Argentine Subsidiaries

<sup>(3)</sup> Cash flows from additions of Property, plant and equipment as of December 31, 2023 and 2022, are ThUS\$439,452 and ThUS\$593,094, respectively.

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The useful lives of the most relevant assets of the Company are detailed as follows:

	Explanation of rate	Minimum Life	Maximum Life
Buildings	Years	20	40
Plant and equipment	Years	5	30
Plant and equipment (Colombia dam)	Years	80	80
IT equipment	Years	2	5
Fixed facilities and accessories	Years	2	20
Motor vehicles	Years	2	5
Other property, plants and equipment	Years	5	25

The costs for capitalized interest during the years and the capitalization rate for financial costs of the Company are detailed as follows:

	December 31, 2023	December 31, 2022		
Amount of costs for capitalized interest	66,947	37,117		
Capitalization rate of costs for capitalized interest	23.69 %	19.23 %		

The Company and subsidiaries have insurance contracts with respect to its generation plants, including business interruption all risks insurance policies, which cover, among other things, damages caused by fire, flood, and earthquake.

Additional Information to be Disclosed in Property, Plant and Equipment	December 31, 2023	December 31, 2022
Amount of Commitments for the Acquisition of Property, Plant and Equipment	468,725	395,209

### 17.2.- Decarbonization Agreement: Progressive Withdrawal of Generation Units in Chile.

On June 4, 2019, the Company reached a voluntary agreement, as well as other generation companies, to disconnect and cease the operation of a set of coal-fired power plants between the Government of Chile and generating companies in the sector. Subsequently, on December 26, 2020, Supreme Decree No. 42 was published, which, among other things, created a new operating status, "Strategic Reserve Operating Status" (ERE), that allows the withdrawal of the usual dispatch of energy to plants under this status, essentially being ready to resume their operation under conditions of extreme shortage in the System with a 60-day prior notice.

The National Electric Coordinator authorized Ventanas I to shut down, disconnect and cease operations as of June 30, 2022.

Meanwhile, Ventanas II was authorized to undergo ERE if it adjusts to the commissioning of the second 220/110 kV - 300 MVA transformer of Agua Santa substation. On August 24, 2023, AES Andes requested the National Energy Commission (CNE) the exemption of the 24-month term to report the early and definitive withdrawal, disconnection and cessation of operations from the National Electric System of the coal-fired generation unit Ventanas II, effective December 31, 2023. AES Andes also requested that the request to place this unit in the Strategic Reserve Status be annulled because, as to date, the unit has not been declared in this status, taking into consideration factors beyond AES Andes' control and related to the security of the electricity supply in the Valparaíso Region. On October 12, 2023, Exempt Resolution No. 482 of the CNE authorized the disconnection and definitive cessation of operations of the Ventanas II as of December 31, 2023.

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On July 6, 2021, AES Andes and the Ministry of Energy of the Republic of Chile agreed to amend the Decommission Agreement signed on June 4, 2019. By this amendment, the Company has made available Ventanas III and IV (both owned by the subsidiary Eléctrica Ventanas SpA) of the Ventanas Complex; and Angamos I and II (both owned by the subsidiary Eléctrica Angamos SpA) that make up the Angamos Power Plant, with installed capacities of 267 MW, 272 MW, 277 MW and 281 MW respectively and jointly, a total of 1. 097 MW, to cease coal-fired operation as of January 1, 2025, at the earliest date that the safety, sufficiency and economy of the system allow.

On May 25, 2023, per the provisions of Article 72°-18 of the General Electric Services Act, AES Andes informed the National Energy Commission, the Superintendence of Electricity and Fuels and the National Electric Coordinator, the definitive disconnection of the coal-fired generation units Norgener I and Norgener II from the National Electric System, as of December 31, 2025. These units comprise the Norgener Thermoelectric Power Plant, with an installed capacity of 276 MW, located Tocopilla, Antofagasta Region, Chile. As a result of the aforementioned events, AES Andes recorded an impairment loss on Property, Plant and Equipment and other assets, affecting net income by US\$ 218 million in 2023.

The Company continues to work with the authorities and its customers to establish future steps in its decarbonization schedule to achieve the strategic emission reduction objectives and the official targets of the energy pathway.

### NOTE 18 - RIGHT-OF-USE ASSETS

The information as of December 31, 2023 and 2022 regarding leases under which the group is lessee are detailed as follows:

	Buildings and Land	Plant and Equipment	Total
Balance as of January 1, 2023	42,671	14,635	57,306
Additions	2,805	_	2,805
Depreciation for the year	(2,473)	(3,398)	(5,871)
Derecognitions	(957)	_	(957)
Others	7,514	203	7,717
Balance as of December 31, 2023	49,560	11,440	61,000

	Buildings and Plant and Equipment		Total
Balance as of January 1, 2022	30,083	18,697	48,780
Additions	19,268	_	19,268
Depreciation for the year	(2,481)	(4,062)	(6,543)
Derecognitions	(3,981)	_	(3,981)
Others	(218)	_	(218)
Balance as of December 31, 2022	42,671	14,635	57,306

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As of December 31, 2023, the main assets and liabilities for right of use and lease liabilities are detailed as follows:

- Lease Agreement for the offices located in Torre Santa Maria II, Commune of Providencia, Santiago. This
  agreement was entered into with Bice Seguros de Vida S.A., accrues interest at a 2.82% annual rate and has
  a term of 25 years.
- Agreement entered into with Hidroeléctrica el Paso SpA consisting of the purchase of all the energy generated by its generation plant, which accrues interest at a 4.4% annual rate and has a term of 12 years.

## NOTE 19 - OTHER FINANCIAL LIABILITIES

As of December 31, 2023 and 2022, the other financial liabilities are detailed as follows:

	Curi	ent	Non-current			
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022		
Interest-bearing loans (Note 19.1)	477,873	233,802	2,289,944	2,648,300		
Hedging derivatives (Note 10.1)	3,860	8,220	2,149	1,038		
Non-hedging derivatives	4,527	31	231	15		
Total	486,260	242,053	2,292,324	2,649,353		

## 19.1.- Interest-bearing Loans

The interest-bearing loans are detailed as follows:

	Curr	ent	Non-current			
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022		
Bank loans	363,812	125,016	683,629	964,522		
Bonds payable	114,061	108,786	1,608,061	1,684,501		
Financing deferred expenses (1)	_	_	(1,746)	(723)		
Total	477,873	233,802	2,289,944	2,648,300		

<sup>&</sup>lt;sup>(1)</sup>They are deferred costs associated with unused lines of credit.

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a. Bank Loans The bank loans by debtor company, financial institution, currency, cover rate, and due dates as of December 31, 2023, are detailed as follows:

Tax Id. ("RUT") Number	Company	Country	Creditor	Currency	Amortization	Annual Effective Rate	Annual Nominal Rate	Year of Maturity	Current	Non-current
94.272.000-9	AES Andes S.A.	Chile	AES Andes Green Loan \$400mn 5Y 2026	US\$	Biannual	7.56%	7.16%	2026	58,686	290,038
94.272.000-9	AES Andes S.A.	Chile	AES Andes Scotia Green \$50mn 5Y 2027	US\$	At maturity	7.64%	7.34%	2027	1,297	49,456
94.272.000-9	AES Andes S.A.	Chile	AES Andes ST Loan	US\$	At maturity	6.97%	6.92%	2024	216,462	_
94.272.000-9	AES Andes S.A.	Chile	AES Andes SMBC-Mizuho Green 5Y 2027	US\$	At maturity	7.09%	6.86%	2027	2,436	148,276
94.272.000-9	AES Andes S.A.	Chile	AES Andes Citi US\$ 35 M 35Y due 2026	US\$	At maturity	8.15%	7.54%	2026	437	34,571
94.272.000-9	AES Andes S.A.	Chile	Overdraft lines	Ch\$	At maturity	13.42%	13.42%	2023	67	_
Foreign	AES Colombia	Colombia	AES Colombia LT due 2027 (COP)	Col\$	Quarterly	14.85%	14.79%	2027	42,658	90,521
Foreign	AES Colombia	Colombia	AES Colombia LT 3Y due 2025 (COP)	Col\$	Quarterly	15.23%	15.23%	2025	28,311	39,377
Foreign	AES Colombia	Colombia	AES Colombia LT 3Y due 2026 (COP)	Col\$	Quarterly	15.50%	15.50%	2026	9,379	13,082
Foreign	AES Colombia	Colombia	AES Colombia 12Y 2030 (COP)	Col\$	Quarterly	17.09%	17.09%	2030	4,079	18,308
								Total	363,812	683,629

Payments of principal and interest not discounted as of December 31, 2023, are detailed as follows:

			Current			Non-current Non-current					
Company	Creditor	Less than 90 days	More than 90 days	Total	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total	
AES Andes S.A.	AES Andes Green Loan \$400mn 5Y 2026	33,148	43,753	76,901	98,860	224,821	_	_	_	323,681	
AES Andes S.A.	AES Andes Scotia Green \$50mn 5Y 2027	1,856	1,876	3,732	3,722	3,722	53,724	_	_	61,168	
AES Andes S.A.	AES Andes ST Loan	168,114	53,433	221,547	_	_	_	_	_	_	
AES Andes S.A.	AES Andes SMBC-Mizuho Green 5Y 2027	_	10,380	10,380	10,437	10,437	160,236	_	_	181,110	
AES Andes S.A.	AES Andes Citi US\$ 35 M 35Y due 2026	_	2,677	2,677	2,677	36,328	_	_	_	39,005	
AES Andes S.A.	Overdraft lines	67	_	67	_	_	_	_	_	_	
AES Colombia	AES Colombia LT due 2027 (COP)	24,343	34,700	59,043	40,994	37,654	33,062	_	_	111,710	
AES Colombia	AES Colombia LT 3Y due 2025 (COP)	1,354	33,206	34,560	15,994	_	_	_	_	15,994	
AES Colombia	AES Colombia LT 3Y due 2026 (COP)	854	10,950	11,804	10,434	4,717	_	_	_	15,151	
AES Colombia	AES Colombia 12Y 2030 (COP)	1,726	4,973	6,699	6,150	5,602	5,053	4,504	5,271	26,580	
	Total	231,462	195,948	427,410	189,268	323,281	252,075	4,504	5,271	774,399	

The bank loans by debtor company, financial institution, currency, cover rate, and due dates as of December 31, 2022, are detailed as follows:

## AES Andes and Subsidiaries - December 2023

(amounts are expressed in thousands of United States dollars, unless stated otherwise)



Tax Id. ("RUT") Number	Company	Country	Creditor	Currency	Amortization	Annual Effective Rate	Annual Nominal Rate	Year of Maturity	Current	Non-current
94.272.000-9	AES Andes S.A	Chile	AES Andes ST Loan	US\$	At maturity	5.49%	5.33%	2023	26,166	49,640
94.272.000-9	AES Andes S.A	Chile	AES Andes Scotia \$50mn 5Y 2027	US\$	Biannual	5.35%	5.10%	2027	902	49,341
94.272.000-9	AES Andes S.A	Chile	AES Andes Green Loan 5Y 2026	US\$	Biannual	6.16%	5.79%	2026	44,550	342,205
94.272.000-9	AES Andes S.A	Chile	AES Andes 150mn SMBC-MIZ 2027	US\$	Biannual	4.71%	4.44%	2027	1,651	147,902
Foreign	AES Colombia	Colombia	AES Colombia 12Y 2030 (COP)	Col\$	Quarterly	15.70%	15.70%	2030	2,710	17,259
Foreign	AES Colombia	Colombia	AES Colombia LT due 2027 (COP)	Col\$	Quarterly	13.00%	13.00%	2027	26,997	95,889
Foreign	AES Colombia	Colombia	AES Colombia LT due 2025 (COP)	Col\$	Quarterly	14.35%	14.35%	2025	19,392	55,642
Foreign	AES Colombia	Colombia	AES Colombia 2022 due 2027 (COP)	Col\$	At maturity	18.02%	18.02%	2027	2,648	206,644
								Total	125,016	964,522

Payments of principal and interest not discounted as of December 31, 2022, are detailed as follows:

		Current		Non-current						
Company	Creditor	Less than 90 days	More than 90 days	Total	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total
AES Andes S.A	AES Andes ST Loan	766	27,856	28,622	53,562	_	_	_	_	53,562
AES Andes S.A	AES Andes Scotia \$50mn 5Y 2027	1,272 1,265 <b>2,537</b>		2,558	2,551	2,551	52,564	_	60,224	
AES Andes S.A	AES Andes Green Loan 5Y 2026	18,975	42,664	61,639	72,170	95,260	222,889	_	_	390,319
AES Andes S.A	AES Andes 150mn SMBC-MIZ 2027	_	6,753	6,753	6,771	6,753	6,753	156,622	_	176,899
AES Colombia	AES Colombia 12Y 2030 (COP)	1,150	3,353	4,503	4,248	3,991	3,734	3,478	7,215	22,666
AES Colombia	AES Colombia LT due 2027 (COP)	12,876	28,747	41,623	35,488	31,831	56,010	25,990	_	149,319
AES Colombia	AES Colombia LT due 2025 (COP)	1,732	25,202	26,934	24,412	41,003	14,936	_	_	80,351
AES Colombia	AES Colombia 2022 due 2027 (COP)	9,566	28,906	38,472	38,472	38,366	7,468	246,258	_	330,564
	Total	46,337	164,746	211,083	237,681	219,755	314,341	484,912	7,215	1,263,904



## b. Bonds payable

Bonds payable per debtor company, series, currency, cover rate, and due dates as of December 31, 2023, are detailed as follows:

Tax Id. ("RUT") Number	Company	Country	Instrument Registration and Identification	Series	Currency or Indexation Unit	Annual Effective Rate	Annual Nominal Rate	Final Deadline	Current	Non-current
94.272.000-9	AES Andes	Chile	US\$ 550 M Junior Notes due 2079	US\$ Bonds	US\$	7.27%	7.13%	3/26/2079	17,939	508,338
94.272.000-9	AES Andes	Chile	US\$ 450 M Junior Green Notes due 2079	US\$ Bonds	US\$	6.47%	6.35%	10/7/2079	4,885	323,768
94.272.000-9	AES Andes	Chile	US\$ 409 M Senior Notes due 2025	US\$ Bonds	US\$	5.22%	5.00%	7/14/2025	2,791	117,205
94.272.000-9	AES Andes	Chile	UF\$ 1.0 M Senior Notes due 2024	SERIES B	U.F.	8.04%	7.50%	10/15/2024	15,792	_
76.004.976-K	Angamos	Chile	US\$ 600 M Senior Secured Notes 2029	US\$ Bonds	US\$	5.14%	4.88%	5/25/2029	6,502	28,035
76.085.254-6	Cochrane	Chile	144A/Res S Bond	US\$ Bonds	US\$	6.80%	5.50%	5/14/2027	62,068	159,522
76.085.254-6	Cochrane	Chile	Local Bond Series "A" \$485 2034	US\$ Bonds	US\$	6.90%	6.25%	11/14/2034	4,084	471,193
								Total	114,061	1,608,061

Payments of principal and interest not discounted as of December 31, 2023, are detailed as follows:

			Current			Non-current				
Name	Instrument Registration and Identification	Less than 90 days	More than 90 days	Total	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total
AES Andes	US\$ 550 M Junior Notes due 2079	18,383	18,383	36,766	36,765	36,765	36,765	36,765	2,380,904	2,527,964
AES Andes	US\$ 450 M Junior Green Notes due 2079	_	20,854	20,854	20,854	20,854	20,854	20,854	1,391,952	1,475,368
AES Andes	US\$ 409 M Senior Notes due 2025	2,937	2,937	5,874	123,363	_	_	_	_	123,363
AES Andes	UF\$ 1.0 M Senior Notes due 2024	_	16,500	16,500	_	_		_	_	_
Angamos	US\$ 600 M Senior Secured Notes 2029	_	7,903	7,903	7,595	7,287	6,979	6,671	3,184	31,716
Cochrane	144A/Res S Bond	_	71,708	71,708	73,791	71,958	33,269	_	_	179,018
Cochrane	Local Bond Series "A" \$485 2034		29,853	29,853	29,853	29,853	41,801	95,521	486,503	683,531
	Total	21,320	168,138	189,458	292,221	166,717	139,668	159,811	4,262,543	5,020,960



Bonds payable per debtor company, series, currency, cover rate, and due dates as of December 31, 2022 are detailed as follows:

Tax Id. ("RUT") Number	Company	Country	Instrument Registration and Identification	Series	Currency or Indexation Unit	Annual Effective Rate	Annual Nominal Rate	Final Deadline	Current	Non- current
94.272.000-9	AES Andes	Chile	US\$ 550 M Junior Notes due 2079	US\$ Bonds	US\$	7.27%	7.13%	3/26/2079	17,939	508,199
94.272.000-9	AES Andes	Chile	US\$ 450 M Junior Green Notes due 2079	US\$ Bonds	US\$	6.47%	6.35%	10/7/2079	4,888	323,682
94.272.000-9	AES Andes	Chile	US\$ 409 M Senior Notes due 2025	US\$ Bonds	US\$	5.22%	5.00%	7/14/2025	2,791	117,063
94.272.000-9	AES Andes	Chile	UF\$ 1.0 M Senior Notes due 2024	SERIES B	U.F.	8.04%	7.50%	10/15/2024	10,213	15,089
76.004.976-K	Angamos	Chile	US\$ 600 M Senior Secured Notes 2029	US\$ Bonds	US\$	5.14%	4.88%	5/25/2029	6,526	34,235
76.085.254-6	Cochrane	Chile	144A/Res S Bond	US\$ Bonds	US\$	6.80%	5.50%	5/14/2027	62,357	216,401
76.085.254-6	Cochrane	Chile	Local Bond Series "A" \$485 2034	US\$ Bonds	US\$	6.90%	6.25%	11/14/2034	4,072	469,832
								Total	108,786	1,684,501

Payments of principal and interest not discounted as of December 31, 2022, are detailed as follows:

		Current			Non-current					
Name	Instrument Registration and Identification	Less than 90 days	More than 90 days	Total	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total
AES Andes	US\$ 550 M Junior Notes due 2079	18,383	18,383	36,766	36,765	36,765	36,765	36,765	2,417,669	2,564,729
AES Andes	US\$ 450 M Junior Green Notes due 2079	_	20,854	20,854	20,854	20,854	20,854	20,854	1,412,806	1,496,222
AES Andes	US\$ 409 M Senior Notes due 2025	2,937	2,937	5,874	5,874	123,363	_	_	_	129,237
AES Andes	UF\$ 1.0 M Senior Notes due 2024	_	11,481	11,481	16,134	_	_	_	_	16,134
Angamos	US\$ 600 M Senior Secured Notes 2029	_	8,412	8,412	7,904	7,596	7,288	6,980	9,856	39,624
Cochrane	144A/Res S Bond	_	74,851	74,851	71,708	73,792	71,958	33,270	_	250,728
Cochrane	Local Bond Series "A" \$485 2034	_	29,853	29,853	29,853	29,853	29,853	41,800	582,023	713,382
	Total	21,320	166,771	188,091	189,092	292,223	166,718	139,669	4,422,354	5,210,056

AES Andes and Subsidiaries - December 2023

(amounts are expressed in thousands of United States dollars, unless stated otherwise)



# c. Changes in liabilities from financing activities

The evolution of financial obligations of the Company, and the changes related to financing activities as of December 31, 2023 and 2022, are detailed as follows:

		Cha	Changes in Financing Activities				Other c	hanges		
Conciliation at December 31, 2023	Balance as of January 01, 2023	New Obligations	Payment of Obligations	Interest Payment	Deferred Expenses	Accrued Interest	Exchange Differences	Amortization of Deferred Costs	Change in Fair Value	Balance as of December 31, 2023
Bank Loans	1,089,539	419,318	(566,013)	(132,511)	(516)	141,100	92,686	3,832	6	1,047,441
AES Andes	662,356	400,150	(263,310)	(53,210)	(516)	55,858	(1,809)	2,207	_	801,726
AES Colombia	427,183	19,168	(302,703)	(79,301)	_	85,242	94,495	1,625	6	245,715
Bonds payable	1,793,287	_	(76,137)	(111,946)	_	116,047	398	473	_	1,722,122
AES Andes	999,864	_	(9,920)	(65,218)	_	65,119	398	473	_	990,716
Angamos	40,761	_	(6,318)	(1,924)	_	2,018	_	_	_	34,537
Cochrane	752,662	_	(59,899)	(44,804)	_	48,910	_	_	_	696,869
Deferred costs	(723)	_	_	_	(1,394)	_	-	371	_	(1,746)
AES Andes	(723)	_	_	_	(1,394)	_	_	371	_	(1,746)
Hedging derivative instruments (Note 10.1)	9,289	_	_	_	_	_	_	_	(3,280)	6,009
AES Andes	9,258	_	_	_	_	_	_	_	(3,249)	6,009
AES Colombia	31	_	_	_	_	_	_	_	(31)	_
Non-hedging derivative instruments	15	_	_	_	_	_	_	_	4,743	4,758
AES Andes	15	_	_	_	_	_	_	_	4,186	4,201
AES Colombia	_	_	_				_	_	557	557
Total	2,891,407	419,318	(642,150)	(244,457)	(1,910)	257,147	93,084	4,676	1,469	2,778,584

AES Andes and Subsidiaries - December 2023

(amounts are expressed in thousands of United States dollars, unless stated otherwise)



		Changes in Financing Activities				Other o	hanges			
Conciliation at December 31, 2022	Balance as of January 01, 2022	New Obligations	Payment of Obligations	Interest Payment	Deferred Expenses	Accrued Interest	Exchange Differences	Amortization of Deferred Costs	Change in Fair Value	Balance as of December 31, 2022
Bank Loans	339,151	1,065,031	(271,204)	(26,172)	(7,807)	46,272	(56,754)	1,018	4	1,089,539
AES Andes	223,547	641,202	(204,361)	(13,477)	(6,559)	22,061	(1,037)	980	_	662,356
AES Colombia	115,604	423,829	(66,843)	(12,695)	(1,248)	24,211	(55,717)	38	4	427,183
Bonds payable	2,024,175	_	(237,115)	(123,160)	_	125,268	2,263	1,856	_	1,793,287
AES Andes	1,156,647		(159,281)	(72,601)		70,111	2,263	2,725		999,864
Angamos	64,069		(22,450)	(2,686)		2,697	_	(869)		40,761
Cochrane	803,459	_	(55,384)	(47,873)	_	52,460	_	_	_	752,662
Deferred costs	(1,086)	_	_	_	_	_	_	363	_	(723)
AES Andes	(1,086)							363		(723)
Hedging derivative instruments (Note 10.1)	30,687	_	_	_	_	_	_	_	(21,398)	9,289
AES Andes	30,687	_	_	_	_	_	_	_	(21,429)	9,258
AES Colombia	_	_	_	_	_	_	_	_	31	31
Non-hedging derivative instruments	706	_	_	_	_	_	_	_	(691)	15
AES Andes	345	_	_	_	_	_	_	_	(330)	15
AES Colombia	361		_				_		(361)	
Total	2,393,633	1,065,031	(508,319)	(149,332)	(7,807)	171,540	(54,491)	3,237	(22,085)	2,891,407

As of December 31, 2023, cash flows from new obligations were ThUS\$419,318 (ThU\$1,065,031 in 2022) and cash flows used for paying obligations and interest amount to ThUS\$642,150 (ThU\$508,319 in 2022) and ThUS\$244,457 (ThU\$149,332 in 2022), respectively.



# NOTE 20 - LEASE LIABILITY

The analysis of the expiration of lease liabilities as of December 31, 2023 and 2022 is detailed as follows:

	De	cember 31, 202	23	December 31, 2022				
	Gross ThUS\$	Interest ThUS\$	Present Value ThUS\$	Gross ThUS\$	Interest ThUS\$	Present Value ThUS\$		
Less than a year	8,967	(2,218)	6,749	8,183	(2,325)	5,858		
Between one and five years	30,174	(11,857)	18,317	27,557	(8,331)	19,226		
More than 5 years	89,210	(29,822)	59,388	75,810	(18,173)	57,637		
Total	128,351	(43,897)	84,454	111,550	(28,829)	82,721		

During the years ended December 31, 2023 and 2022, the amount recognized as financial cost amounts to ThUS\$2,739 and ThUS\$2,601, respectively.

The liabilities by expiration date as of December 31, 2023 and 2022 are detailed as follows:

	Accounting	Balances	Payments of	Payments of Interest and Principal			Payment of Interest and Principal					
	Current	Non- current	Less than 90 days	More than 90 days	Total current	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total Non- current	
December 31, 2023	6,749	77,705	3,386	5,580	8,966	8,834	8,949	7,354	5,038	89,210	119,385	
December 31, 2022	5,858	76,863	2,866	5,317	8,183	7,319	7,256	7,361	5,762	75,669	103,367	

The cash flows from payments of lease liabilities as of December 31, 2023 and 2022, are ThUS\$7,266 and ThUS\$7,655, respectively.

AES Andes and Subsidiaries - December 2023

(amounts are expressed in thousands of United States dollars, unless stated otherwise)



The leases by debtor company, financial institution, currency, and expiration dates as of December 31, 2023, are detailed as follows:

			Accounting	Balances	Payments	of Interest and	d Principal
Creditor	Currency	Rate	Current	Non- current	Less than 90 days	More than 90 days	Total current
LEASE LIABILITIES							
Substation installation Edelnor Transmisión	UF	2.81 %	150	325	40	121	161
Santa María building BICE Seguros	UF	2.82 %	492	13,490	216	647	863
PPA Hidroeléctrica El Paso S.P.A.	USD	4.44 %	3,249	9,435	1,876	1,854	3,730
Andes Solar land	UF	3.66 %	59	2,336	_	138	138
Andes Solar II land	UF	2.82 %	169	3,476	_	191	191
Los Olmos land	UF/USD	3.02 %	274	4,450	167	269	436
Campo Lindo land	UF/USD	3.61 %	302	7,586	117	392	509
San Matias land	USD	2.39 %	302	9,402	_	615	615
Mesamávida land	USD	2.82 %	26	660	21	11	32
Bolero land	UF	6.15 %	107	2,286	_	152	152
Leasing ISA Intercolombia SA ESP	Col\$	9.52 %	314	6,711	237	731	968
Carlos Pellegrini - Berkley International Seguros	USD	11.73 %	47	_	14	36	50
USUFRUCT LIABILITIES							
Los Olmos land	UF		424	6,911	_	423	423
Mesamávida land	UF/USD		834	10,637	698		698
	Total		6,749	77,705	3,386	5,580	8,966

AES Andes and Subsidiaries - December 2023

(amounts are expressed in thousands of United States dollars, unless stated otherwise)



	Payment of Interest and Principal							
Creditor	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total Non- current		
LEASE LIABILITIES								
Substation installation Edelnor Transmisión	161	161	13	_	_	335		
Santa María building BICE Seguros	863	863	863	863	14,243	17,695		
PPA Hidroeléctrica El Paso S.P.A.	3,774	3,842	2,346	_	_	9,962		
Andes Solar land	138	138	138	138	3,951	4,503		
Andes Solar II land	191	191	191	191	3,819	4,583		
Los Olmos land	269	269	269	260	6,470	7,537		
Campo Lindo land	508	509	509	507	8,249	10,282		
San Matias land	615	615	615	615	14,938	17,398		
Mesamávida land	32	32	32	32	874	1,002		
Leasing ISA Intercolombia SA ESP	152	152	152	152	2,297	2,905		
Carlos Pellegrini - Berkley International Seguros	1,010	1,056	1,105	1,159	5,650	9,980		
USUFRUCT LIABILITIES						_		
Los Olmos land	423	423	423	423	10,570	12,262		
Mesamávida land	698	698	698	698	18,149	20,941		
	8,834	8,949	7,354	5,038	89,210	119,385		

AES Andes and Subsidiaries - December 2023

(amounts are expressed in thousands of United States dollars, unless stated otherwise)



The leases by debtor company, financial institution, currency, and expiration dates as of 2022, are detailed as follows:

			Accounting Balances		Payments	of Interest an	d Principal
Creditor	Currency	Rate	Current	Non- current	Less than 90 days	More than 90 days	Total current
LEASE LIABILITIES							
Matta building - Inmobiliaria Rentas Inmobiliarias	UF	6.50 %	821	140	212	635	847
Substation installation Edelnor Transmisión	UF	2.81 %	143	463	39	118	157
Santa María building BICE Seguros	UF	2.82 %	468	13,657	211	633	844
PPA Hidroeléctrica El Paso S.P.A.	USD	4.44 %	3,023	12,684	1,821	1,821	3,642
Andes Solar land	UF	3.66 %	54	2,201	1	128	129
Andes Solar II land	UF	2.82 %	146	3,147	_	178	178
Los Olmos land	UF/USD	4.63 %	330	4,171	234	252	486
Campo Lindo land	UF/USD	3.61 %	308	7,360	136	332	468
San Matias land	USD	5.61 %	299	9,559	_	615	615
Mesamávida land	USD	4.71 %	26	622	20	15	35
Leasing ISA Intercolombia SA ESP	Col\$	9.52 %	193	5,582	178	556	734
Carlos Pellegrini - Berkley International Seguros	USD	11.73 %	47	_	14	34	48
							_
USUFRUCT LIABILITIES							
Los Olmos land	UF		_	6,948	_	_	_
Mesamávida land	UF/USD	_	_	10,329		_	
	Total	=	5,858	76,863	2,866	5,317	8,183

(amounts are expressed in thousands of United States dollars, unless stated otherwise)



	Payment of Interest and Principal							
Creditor	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total Non- current		
LEASE LIABILITIES								
Matta building - Inmobiliaria Rentas Inmobiliarias	141	_	_	_	_	141		
Substation installation Edelnor Transmisión	157	157	157	13	_	484		
Santa María building BICE Seguros	844	844	844	844	14,630	18,006		
PPA Hidroeléctrica El Paso S.P.A.	3,729	3,774	3,842	2,348	_	13,693		
Andes Solar land	128	128	128	128	3,791	4,303		
Andes Solar II land	178	178	178	178	3,715	4,427		
Los Olmos land	252	252	252	252	6,224	7,232		
Campo Lindo land	476	476	476	476	8,235	10,139		
San Matias land	615	615	615	615	15,553	18,013		
Mesamávida land	30	30	30	30	834	954		
Leasing ISA Intercolombia SA ESP	769	802	839	878	5,410	8,698		
USUFRUCT LIABILITIES								
Los Olmos land	_	_	_	_	6,948	6,948		
Mesamávida land		_	_	_	10,329	10,329		
	7,319	7,256	7,361	5,762	75,669	103,367		



## NOTE 21 - TRADE PAYABLES AND OTHER ACCOUNTS PAYABLE

As of December 31, 2023 and 2022, trade payables and other accounts payable are detailed as follows:

	Curi	rent		
	December 31, 2023	December 31, 2022		
Trade payables	256,126	308,417		
Unbilled trade payables	208,113	294,509		
Other accounts payable (1)	64,930	55,687		
Total	529,169 65			

<sup>(1)</sup> As of December 31, 2023 and 2022, the current portion mostly includes income tax liabilities on emission of particulate pollutant emissions (green taxes), sales taxes, and an extra tax in addition to staff-related third party liabilities.

Trade payables are detailed as follows:

	Suppliers with no past due payments		Suppliers with past due payments	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Up to 30 days	195,437	141,537	47,442	90,937
31 to 60 days	_	_	6,577	46,334
61 to 90 days	_	_	1	23,254
91 to 120 days	_	_	29	32
121 to 365 days	_	_	222	158
From 365 days onwards	_	_	6,418	6,165
Total	195,437	141,537	60,689	166,880

Suppliers with no past due payments: As the average period for payment to suppliers is 30 days, their carrying amount is not significantly different from their fair value.

## **NOTE 22 - PROVISIONS**

As of December 31, 2023 and 2022, the balances for provisions are detailed as follows:

	Current		Non-current	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Provision for legal claims	33	95	_	_
Dismantling and restructuring costs	_	59	85,661	120,548
Other Provisions	15,635	5,161	7,890	17,391
Total	15,668	5,315	93,551	137,939

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### 1. Provision for legal claims

Current balances primarily consist of provisions for legal contingencies. A detail of the main contingencies is provided in Note 31.

Given the typical characteristics of this type of provisions, it is impossible to reliably establish a payment schedule, should such disbursement be appropriate in each case.

### 2. Provisions for Decommissioning, Restructuring and Rehabilitation costs

The non-current balance of these provisions is entirely consistent in the cost for removal of assets and rehabilitation of the land where the different plants of the Group are located. The expected term of disbursements fluctuates from 25 to 30 years, depending on the laws, regulations or contracts giving rise to the liability.

#### 3. Other Provisions

Mainly correspond to contingent liabilities for new projects in the development stage.

#### 4. Movements in provisions

	Legal claims	Dismantling and restructuring costs	Other provisions	Total
Opening Balance as of January 1, 2022	122	192,608	26,947	219,677
Changes in the present value of the obligation	_	7,078	_	7,078
Increase (decrease) in existing provisions	(27)	(79,079)	(4,395)	(83,501)
Balance as of December 31, 2022	95	120,607	22,552	143,254
Changes in the present value of the obligation		6,040		6,040
Increase (decrease) in existing provisions	(62)	(37,621)	973	(36,710)
Recovered provision		(3,365)	_	(3,365)
Balance as of December 31, 2023	33	85,661	23,525	109,219

## NOTE 23 - EMPLOYEE BENEFITS

AES Andes S.A. and some of its subsidiaries grant different post-employment benefit plans to part of their active or retired employees, which are assessed and recorded in the financial statements in accordance with the criteria described in Note 4.15

As of December 31, 2023 and 2022, the balance of post-employment obligations is detailed as follows:

	December 31, 2023	December 31, 2022
Current	5,135	4,242
Non-current	23,818	25,731
Total	28,953	29,973



## 23.1.- Present Value of Post-Employment Obligations

The changes in post-employment obligations for defined benefits in the years ended December 31, 2023 and 2022, are detailed as follows:

	December 31, 2023	December 31, 2022
Initial balance	29,973	30,132
Current service cost of obligation	1,794	1,602
Interest cost of obligation	1,864	1,799
Actuarial losses (gains) - demographic assumptions	(1,239)	(96)
Actuarial losses (gains) - financial assumptions	1,041	1,596
Increase (decrease) due to exchange differences	(970)	(822)
Contributions paid under obligations	(3,510)	(4,238)
Final Balance	28,953	29,973

## 23.2.- Costs Recognized as Profit or Loss

The amounts recognized in consolidated profit or loss within sales cost and administrative expenses in the statement of comprehensive income for the years ended December 31, 2023 and 2022, are detailed as follows:

	December 31, 2023	December 31, 2022
Current service cost of defined benefit plan	1,794	1,602
Interest cost of defined benefit plan	1,864	1,799
Loss (gain) for defined benefit plan reduction and settlement	3,207	906
Total impact in profit or loss	6,865	4,307

### 23.3.- Other Disclosures

## a. Actuarial Assumptions

The assumptions used in the actuarial calculation are detailed as follows:

Nominal discount rate used
Expected rate of salary increases

Ch	ile	Colo	mbia
December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
5.62 %	5.06 %	11.25 %	13.25 %
5.06 %	5.37 %	4.00 %	4.00 %

Tables issued according to joint standards of the Financial Market Commission and the Superintendency of Pension-fund Managers

Tables issued according to 1971 GAM from US agencies

Mortality table

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#### b. Awareness:

As of December 31, 2023, the sensitivity of the total value of post-employment obligations in the event of variations in medical cost, discount rate, salary increase rate and turnover rate, generates the following effects:

	Awareness Rate	Reduction	Increase
Discount rate sensitivity	0.25%	428	(414)
Salary increase sensitivity	0.25%	(299)	308
Turnover rate sensitivity	1.00%	(59)	50

## NOTE 24 - OTHER NON-FINANCIAL LIABILITIES

As of December 31, 2023 and 2022, the balances of other non-financial liabilities are detailed as follows:

	Current		Non-current	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Deferred income (Note 24.1)	5,348	5,428	30,763	38,082
Accrued liabilities (Note 24.2)	23,877	21,917	1,017	1,219
Total	29,225	27,345	31,780	39,301

### 24.1.- Deferred Income

As of December 31, 2023 and 2022, deferred income is detailed as follows:

	Current		Non-current	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Escondida anticipated income	48	48	96	144
Bolero anticipated income (1)	_	80	_	1,973
Grace anticipated income	26	26	271	297
Alto Maipo anticipated income	5,274	5,274	30,396	35,668
Total	5,348	5,428	30,763	38,082

<sup>(1)</sup> Bolero was acquired on June 9, 2023, so as of this date it became a subsidiary of AES Andes.

## 24.2.- Accumulated Liabilities

They primarily consist of provisions for vacation and other staff benefits of the Company, as accrued as of the year-end date of the financial statements.

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## NOTE 25 - SHAREHOLDERS'EQUITY

## 25.1.- Capital Management

The shareholders' equity includes issued capital, additional paid-in capital, other interests, other reserves, and retained earnings (losses).

The main purpose of the capital management of the Company is to maintain a robust risk rating and sound capital indicators in order to support the business and maximize the value to the shareholders.

The Company manages its capital structure and makes adjustments based on changes in economic conditions. To maintain or adjust its capital structure, the Company may adjust dividend payments or capital returns to shareholders, or issue new shares.

On December 17, 2019, the Company's Extraordinary Shareholders' Meeting approved the creation of a share buy-back program in accordance with Articles 27 A to 27 C and other relevant parts of the Corporations Law. According to the terms proposed in that program, the maximum percentage of shares to be acquired shall be 5% of the Company's subscribed and paid-in shares, with a duration of five years effective from the date of the Board meeting.

On December 24, 2021, the Company initiated the process to sell the issued shares acquired during the first quarter of 2020. As of December 31, 2021, a total of 16,290,000 of the 24,836,352 shares that were part of the program were sold, leaving a portfolio of 8,546,352 acquired issued shares. On January 5, 2022, the sale of all the 24,836,382 shares purchased under the mentioned program.

According to a resolution of the Company's Extraordinary Shareholders' Meeting held on August 10, 2023, they requested the voluntary cancellation of the registration of the Company's shares in the Securities Registry of the Financial Market Commission, as provided for in Article 2, paragraph six of the Corporations Act ("LSA"). The preceding gave dissenting and absent shareholders the right to withdraw from the Company upon payment by the Company of the value of their shares, all under the provisions of Articles No. 69 and following of the LSA and Articles No. 126 and following of its Regulations. As of September 30, 2023, 6,833,135 shares were transferred under the exercise of said right.

Except as set forth in the previous paragraph, during the years ended December 31, 2023 and 2022, no changes were made in the capital-related goals, policies or procedures of the Company.

#### 25.2.- Subscribed and Paid-in Capital

As of December 31, 2023, the capital stock of the Company is made up of 10,376,645,776 subscribed and paid in shares.

Although there are no changes in the number of shares during the year covered by these Consolidated Financial Statements, at the Special Shareholders' Meeting held on April 16, 2020, the Company's capital increase of ThUS\$500,000, as proposed by the Board of Directors, was approved. To that end, the issuance of up to 5,000,000,000 additional shares were resolved.

On December 28, 2020, the Board of Directors, in accordance with the powers conferred on it by the Extraordinary Shareholders' Meeting held on April 16, 2020, agreed to set the placement price of 1,980,000,000 shares at \$110 per share, which shall consist in the capital increase agreed at the Shareholders' Meeting, whose issue was registered by the Financial Market Commission on July 22, 2020.

Between December 28, 2020 and February 5, 2021, the date on which the capital increase process concluded. A total of 1,976 million shares, equivalent to 99.8% of the total securities placed as capital increase, were subscribed for a total amount of ThUS\$299,560. The cash flows from the issuance of shares, in the statement of cash flows for ThUS\$298,636, are presented net of expenses related to the capital increase.

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The Extraordinary Shareholders' Meeting held on April 28, 2022, decided to cancel the capital increase agreed at the Extraordinary Shareholders' Meeting from April 16, 2020, in the portion not subscribed and paid at such date. Thus, the capital stock was reduced to US\$ 2,351,635,325.82 upon cancellation of the 3,023,673,115 shares subscribed to date. This capital is divided into the 10,376,645,776 shares that as of this date are fully subscribed and paid.

Considering that the Company had cash available and duly and sufficiently capitalized to carry out its business and operations, the Extraordinary Shareholders' Meeting held on April 28, 2022, approved a capital decrease of US\$132,000,273. So, the Company's capital decreased to US\$2,219,635,052.82 divided into 10,376,645,776 shares of one and the same series, with no par value, all fully subscribed and paid as of this date. The decrease materialized on June 10, 2022.

The Extraordinary Shareholders' Meeting held on October 14, 2022, agreed to reduce the capital stock by US\$124,000,917, distributing such amount to the shareholders in two installments and at pro-rata to their respective participation in the capital stock, according to the number of shares they hold as registered in the Shareholders' Registry at midnight of the fifth business day before the respective distribution dates. These installments were paid in the following amounts and installments: a) the amount of US\$ 40,000,932, paid on November 21, 2022, and b) the amount of US\$ 83,999,985, paid on December 20, 2022.

The Extraordinary Shareholders' Meeting held on April 21, 2023, agreed to decrease the capital stock of AES Andes from US\$2,095,634,136 to US\$1,975,633,416, which is fully subscribed and paid. They agreed that the decrease of US\$120,000,720 would be paid on September 26, 2023. As a result of this decrease, the capital stock is as follows: US\$1,975,633,416, divided into 10,376,645,776 shares of the same series, without par value, fully subscribed and paid.

Also, on August 10, 2023, the Extraordinary Shareholders' Meeting agreed to reduce the capital stock of AES Andes from US\$1,975,633,416 to US\$1,843,633,143, which is fully subscribed and paid. The decrease of US\$132,000,273 will be paid on December 19, 2023. As a consequence of such a decrease, the capital stock was US\$1,843,633,143, divided into 10,376,645,776 shares of one and the same series, without par value, fully subscribed and paid.

### 25.3.- Dividend Policy

The Ordinary Shareholders' Meeting held on April 21, 2023, agreed that the Company intends to distribute as a dividend among its shareholders up to 100% of the recurring net profits generated during the year 2023, to the extent that there are retained earnings available. Compliance with this dividend policy will be conditioned to the profits obtained and the results of the projections periodically made by the Company in relation to its financial performance, the availability of cash and the efficiency of its operations during the subsequent period. It should also consider the need to contribute company resources to finance investment and construction projects, the compliance with the obligations and restrictions on dividends contained in the Company's bylaws and the Corporations Law, as well as the credit and bond issuance agreements, which consist of being up to date in complying with the non-performance obligations defined in the respective credit agreements, to the payment of interest on the payment dates and to compliance with the cash and investment policy.

The Assembly also agreed to authorize the Board of Directors, under the responsibility of the directors attending the resolution, to distribute dividends during the 2023 fiscal year against the profits, provided that there are no accumulated losses. Regarding dividends for the following years, it was considered appropriate to maintain a policy like the one described above in the medium term.



## 25.4.- Retained Earnings (Accumulated Losses)

Earnings (Losses) for each year are detailed as follows:

	December 31, 2023	December 31, 2022
Initial balance	(813,842)	(1,090,505)
Result for the year	(174,866)	276,663
Final balance	(988,708)	(813,842)

## 25.5.- Other Interest in the Shareholders' Equity

Other interest in the shareholders' equity is detailed as follows:

	Stock Option Plans (1)	Total
Balance as of January 01, 2022	10,673	10,673
Stock Option Plan	356	356
Balance as of December 31, 2022	11,029	11,029
Stock Option Plan	203	203
Balance as of December 31, 2023	11,232	11,232

(1) See Note 4,15



## 25.6.- Other Reserves

Other reserves as of December 31, 2023 and 2022, are detailed as follows:

	Reserve for Exchange Differences due to Translation	Reserve for Cash Flow Hedges	Reserve for Defined Benefit Plans	Translation Reserve within Equity(1)	Other reserves	Total
Balance as of January 01, 2022	(195,977)	(166,213)	(16,063)	(133,206)	158,832	(352,627)
Movement of derivatives recognized in profit or loss	_	32,065	_	_	_	32,065
Movement of derivatives recognized in other reserves	_	23,487	_	_	_	23,487
Deferred tax	_	(8,709)	328	_	_	(8,381)
Non-controlling interests (net of taxes)	_	(1,407)	_	_	_	(1,407)
Exchange difference of subsidiary	(15,497)	_	_	_	_	(15,497)
Other variations		_	(1,142)	_	19,205	18,063
Balance as of December 31, 2022	(211,474)	(120,777)	(16,877)	(133,206)	178,037	(304,297)
Movement of derivatives recognized in profit or loss	_	(18,817)	_	_	_	(18,817)
Movement of derivatives recognized in other reserves	_	9,949	_	_	_	9,949
Deferred tax	_	3,152	(181)	_	_	2,971
Non-controlling interests (net of taxes)	_	(1,739)	_	_	_	(1,739)
Exchange difference of subsidiary	75,741	_	_	_	_	75,741
Other variations	_	_	225	_	2,860	3,085
Balance as of December 31, 2023	(135,733)	(128,232)	(16,833)	(133,206)	180,897	(233,107)

(1) It consists of the adjustment for the difference between principal paid at the closing foreign exchange rate of December 31, 2008, and its historical value, as stated in Circular Official Letter 456 dated June 20, 2008, issued by the Financial Market Commission.

# 25.7.- Restrictions on disposition of funds from subsidiaries

The subsidiaries of AES Andes may distribute dividends so long as they comply with the restrictions, ratios and limitations established in their respective credit agreements. See Note 31.2 for more details of compliance with the ratios associated with the financial commitments.



## NOTE 26 - REVENUE

Operating revenues for the years ended December 31, 2023 and 2022 are detailed as follows:

	December 31, 2023	December 31, 2022
Contract Energy and Capacity Sales(1)	1,748,372	1,938,934
Spot Market Energy and Capacity Sales	881,432	500,740
Transmission income	92,882	81,222
Other Operating Revenue (2)	18,964	58,066
Total	2,741,650	2,578,962

<sup>(1)</sup> The sales of energy and power under contracts include pass-through costs, as set forth in supply contracts with non-regulated customers, which mainly include fuel costs, transmission system costs, rerouting of energy, and tax on emissions, among others.

## NOTE 27 - COMPOSITION OF RELEVANT RESULT

## 27.1.- Expense by nature

The main operating and administration costs and expenses for the years ended December 31, 2023 and 2022, within sales cost and administrative expenses in the statement of comprehensive income are detailed as follows:

	December 31, 2023	December 31, 2022
Fuel consumption	797,942	807,232
Fuel sales cost	674	33,771
Energy and Capacity Purchases	665,506	457,142
Other fuel costs	77,833	79,790
Transmission Tolls	99,714	94,917
Production and other sales costs	34,651	18,302
Production staff costs	73,667	61,963
Insurance recovery	_	(35,922)
Other fixed costs	199,986	167,119
Depreciation	178,925	189,925
Amortization	5,662	6,113
Sales Cost	2,134,560	1,880,352
Administrative staff costs	29,210	31,402
Other administrative costs	65,115	59,027
Administrative expenses	94,325	90,429

<sup>(2)</sup> Other operating revenue mainly includes income from coal sales.



#### 27.2.- Staff Cost

Staff costs for the years ended December 31, 2023 and 2022, are detailed as follows:

	December 31, 2023	December 31, 2022
Wages and salaries	57,691	52,158
Short-term employee benefits	31,720	27,713
Employment termination benefits	6,865	4,307
Stock-based compensation transactions	897	1,580
Other staff costs	5,704	7,607
Total	102,877	93,365

# NOTE 28 - OTHER INCOME / (LOSSES)

Other income (losses) for the years ended December 31, 2023 and 2022, is detailed as follows:

	Decemb er 31, 2023	Decemb er 31, 2022
Impairment property plant and	61 01, 2020	61 01, 2022
Impairment property, plant and equipment and intangible (1)	(298,099)	(4,835)
Restructuring costs	(6,269)	_
Result for sale/withdrawal of fixed and intangible assets	(2,368)	(653)
Recoverable tax write-offs	(2,273)	(6,011)
Compensation for breach of	_	10,000
Costs for debt termination and	(1,477)	3,124
Fair value adjustment for sale of accounts receivable	(234)	(6,967)
Gasandes dividend	5,727	2,911
Laja plant sale agreement	4,582	_
Arbitration recovery	1,786	2,274
Subsidiary sale result	1,062	_
Insurance recovery	447	15,781
Other sundry revenues	583	(4,915)
Total	(296,533)	10,709

(1) As per its transformational strategy Greentegra, on May 25, AES Andes informed the National Energy Commission, the Superintendence of Electricity and Fuels and the National Electricity Coordinator the decommissioning of the coal-fired generation units Norgener I and Norgener II by 2025. These units comprise the Norgener Thermoelectric Power Plant with an installed capacity of 276 MW located in the Tocopilla, Antofagasta Region, Chile district. On December 7, 2023, AES Andes requested the CNE to anticipate the definitive disconnection of Norgener 1 and 2 with effect on March 31, 2024, a request that was approved by the CNE on February 8, 2024 through the issuance of the Resolution Exempt No. 45.

As a result of the events above, AES Andes recorded an impairment loss under Property, Plant and Equipment and other assets, which affected the the result by the year 2023 by ThUS\$298,099.



## NOTE 29 - FINANCIAL RESULTS

Financial results for the years ended December 31, 2023 and 2022, are detailed as follows:

	December 31, 2023	December 31, 2022
Income from financial assets	81,810	22,217
Other financial income	244	215
Total financial income	82,054	22,432
Interest on bank loans	(141,100)	(45,268)
Interest on notes	(116,047)	(124,740)
Income/(loss) for assessment of financial derivatives, net	(2,694)	(3,029)
Leasing interest	(2,739)	(2,601)
Other expenses	(20,075)	(17,426)
Capitalized financial expenses	66,947	37,117
Total financial expenses	(215,708)	(155,947)
Foreign Currency Exchange Differences, net	(155,695)	17,149
Total financial profit (loss)	(289,349)	(116,366)

## NOTE 30 - EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit attributable to the Company's shareholders by the weighted average number of outstanding ordinary shares during the year, excluding, if any, any ordinary shares acquired by the Company and held as treasury stock.

There are no transactions or items generating dilutive effects. The shares have no par value.

	December 31, 2023	December 31, 2022
Profit or loss attributable to the equity holders of the parent entity	(174,866)	276,663
Available profit or loss for ordinary shareholders, basic	(174,866)	276,663
Weighted average number of shares, basic	10,376,646	10,376,646
Basic earnings (loss) per share	(0.017)	0.027

There are no transactions or items generating dilutive effects. The shares have no par value

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## NOTE 31 - CONTINGENCIES AND COMMITMENTS

## 31.1.- Litigation and/or Administrative Procedures

The Company reviews the status of litigations and administrative proceedings quarterly and considers that the provisions recorded as of December 31, 2023, adequately cover litigation risks (see Note 4.16).

AES Andes and subsidiaries has lawsuits or administrative proceedings of various types for which it is impossible to determine precisely the possible economic effects they could have on the consolidated financial statements in the event of adverse rulings. In some of these cases, although no provision has been recorded, the Administration has decided to disclose the details of each proceeding as they have become public knowledge.

Given these contingencies' characteristics, it is impossible to determine a reasonable payment schedule, if any, or any reimbursement that may be obtained from them.

## a) Legal processes related to AES Andes ("Andes")

i) Lawsuit for Environmental Damages against AES Andes

In July 2016, two fishing, diving, and other unions related to the extraction of sea products, along with 18 individuals from the districts of Horcón and Ventanas, filed a lawsuit before the Second Environmental Court of Santiago against AES Andes S.A., the Ministry of Environment, and another 10 companies located in the area (CODELCO, Puerto Ventanas, Empresa Nacional de Electricidad, GNL Quintero, COPEC, Gasmar, Oxiquim, Petróleos Asfaltos y Combustibles S.A., Melón Cementos and ENAP) for alleged environmental damage caused by the companies, which were authorized by the State. The discussion stage is completed and the voluntary conciliation process guided by the Court is in development.

The lawsuit seeks to repair the environmental damage of Quintero and Ventanas bays, which is allegedly derived from the industrial activity developed by the defendants, and it proposes for such purpose to create a fund with contributions to be made by the latter and intended to finance the studies that will allow to assess the current condition of the environment components, and the redress measures that need to be adopted.

The Court informed different public organizations as a measure to better resolve, having been received by this date. In the coming months the Court must issue sentence.

ii) Summary Administrative Investigations by Gobernación Marítima de Valparaíso (Valparaíso Maritime Authority)

AES Andes has been investigated twice by the Maritime Prosecutor's Office of Valparaíso. The first one was ordered through Fiscal Opinion dated October 24, 2017, for alleged unauthorized discharges of combusted and noncombusted coal particles by AES Andes, among others, between November 8, 2012, and November 8, 2013. After the procedure was concluded by resolution of the Maritime Administration, who imposed a fine of 35,000 gold pesos (ThUS\$374) on both AES Andes and Puerto Ventanas. On January 17, 2023, AES Andes filed a motion to vacate the Maritime Governor's decision, which was rejected on March 23, 2023. AES Andes dissent with the conclusions of the resolution is reviewing different alternatives to challenge the decision before different agencies.

The second investigation was initiated on January 23, 2019, reffered to the periods between January 2018 and January 2019. The tax ruling issued on January 16, 2024 proposes a fine of 35,000 gold pesos (ThUS\$374) for both AES Andes and Puerto Ventanas. On February 1, 2024, AES Andes presented its defenses, and must now wait for the resolution of the Maritime Governor.

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### iii) Accusations of SMA against AES Andes S.A., Ventanas Complex.

On October 1, 2019, the Superintendency of the Environment (SMA) gave notice to AES Andes, Ventanas Complex, about a procedure for the imposition of a sanction based on 4 possible violations arising from the failure to comply with its Environmental Qualification Resolutions, LIW emission standards (Supreme Decree 90), and noise emission standards (Supreme Decree 38). AES Andes submitted "Compliance Program" proposals to the SMA. The last version was submitted on July 22, 2022; it included compensation measures and was approved on January 17, 2023. This Compliance Program is under execution, and the SMA is expected to declare satisfactory compliance after completion.

On April 21, 2023, AES Andes was notified of the Exempt Resolution No. 1/Docket F-017-2023, which formulates charges based on the infraction "Failure to reduce 11% of SO2 emissions at Alert level, according to the Operational Plan 2022". The fact or omission described would constitute an infraction to paragraph c) of Article 35 of the Organic Act of the SMA, classified as a severe infraction (with a fine between 100 and 5,000 UTM). On May 24, 2023, AES Andes presented its defense exhibits and is waiting for the resolution.

As of the date of publication of these Consolidated Financial Statements, there are no other developments in this process.

### iv) Arbitration with Compañía General de Electricidad S.A.

On October 8, 2019, AES Andes filed before the Arbitration and Mediation Center of the Santiago Chamber of Commerce (from now on, "CAM Santiago") a claim for specific performance so that Compañía General de Electricidad S.A. ("CGE") complies with four electricity supply agreements signed in 2007. CGE has assigned less power to these contracts until December 30, 2019, concerning other agreements signed by CGE in the same bidding process.

To date, both the discussion period and the trial period have ended, pending the summoning of the parties to hear the ruling.

v) Arbitration of IKA Servicios Industriales v. AES Andes, Empresa Eléctrica Angamos and Empresa Eléctrica Cochrane

On February 25, 2022, and before CAM Santiago, IKA Servicios Industriales SpA filed a lawsuit for contract termination and damages for a total of ThCh\$3,134,619 (ThUS\$3,574) against AES Andes, Empresa Eléctrica Angamos and Empresa Eléctrica Cochrane. The defendants rejected the claims and filed a counterclaim against the plaintiff for ThCLP\$243,261 (ThUS\$277).

As of the date of issuance of the Consolidated Financial Statements, a summons has been made to hear the ruling, pending issuance of the final ruling.

### vi) AES Andes S.A. v. Compañía Minera Zaldívar SpA

In December 2022, AES Andes requested the appointment of an arbitrator concerning the dispute with Compañía Minera Zaldívar SpA ("CMZ") related to the pro-rata distribution of certain payments under the Second Transmission Line Lease Agreement dated December 31, 1998, between AES Andes and CMZ. AES requests compliance with Zaldívar's obligations under the contract, to pay AES Andes the corresponding regulated rate (obligation already established by arbitration resolution of 2019). CMZ answered the lawsuit on July 18, 2023, presenting a counterclaim against AES Andes, which was answered by AES Andes, together with the rejoinder to the main lawsuit, dated August 31, 2023. As of the date of issuance of the Consolidated Financial Statements, the discussion stage has been closed and a summons to hear a ruling is awaited.

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#### vii) Civil Claim for Compensation for Damages against GasAtacama Chile S.A.

In May 2017, AES Gener S.A. (today AES Andes) and Empresa Eléctrica Angamos SpA filed a civil lawsuit for damages against GasAtacama Chile, for an amount of ThUS\$37,400 and ThUS\$26,300 respectively, for the damages caused during the period between 2011 and 2015 as a consequence of the delivery of unreliable information to the Economic Load Dispatch Center (CDEC, today the National Electrical Coordinator), which forced the plaintiffs to assume higher costs that had to be assumed by the actors in the electrical system. On May 15, 2018, the court joined the case with that initiated by Engie Energía Chile S.A. and its subsidiaries, acting since then with a common representative.

On October 17, 2023, the 24th Civil Court of Santiago issued a favorable ruling in favor of the plaintiffs, forcing GasAtacama to compensate damages for a value that has not been determined to date but that is preliminarily estimated at a sum close to ThUS\$24,000.

As of the date of issuance of the Consolidated Financial Statements, appeals were filed in the form and appeal against the sentence.

### b) Legal processes related to Empresa Eléctrica Cochrane SpA ("Cochrane")

i) Cochrane arbitrations with SQM S.A.

On September 15, 2021, Cochrane filed before the CAM Santiago a declaratory claim against SQM to declare that the supply tariff under the contract should be adjusted due to the modification of the economic cost resulting from the entry into force of an internal procedure of the National Electric Coordinator. The discussion stage has been completed, and the evidentiary period is in progress.

On January 21, 2022, SQM filed, before the same Court and, in connection with the same discussion of the first arbitration, a claim for early termination of the electricity supply contracts between the parties, as well as damage compensation valued by SQM in the amount of ThUS\$5,900. The discussion stage has ended. At the end of the evidentiary period, the Court summoned the parties to a new conciliation process, which is currently underway. As of the date of publication of the financial statements, there are no other significant developments with respect to the arbitration.

#### c) Legal processes related to AES Colombia

(i) Simple Nullity Action against the administrative acts through which the sale of the Chivor Hydroelectric Power Plant was approved

On May 25, 2021, Wilson Alexander Calderón Roa filed a motion to quash the resolution of the Ministry of Finance and Public Credit of Colombia. The claims aim at:

- i. declaring null Decree 1740 of 1996, which approves the divestiture program of Chivor Hydroelectric Power Plant,
- ii. declaring null Resolution 3121 of December 20, 1996, by which the shares of Chivor S.A. E.S.P., (second issuance); and
- iii. to judicially order to take the situation back to how it was prior to the sale of Chivor.

The motion was admitted on September 16, 2022. AES Colombia participates as a third party with interest in the process.

By order from May 30, 2023, the proceeding must focus exclusively on the legality trial regarding Decree 1740 of 1996. It will not consider the plaintiff's claims against Resolution 3121 of December 20, 1996, issued by the Ministry of Finance, nor, consequently, against Deeds 5000 and 5100 from 1996.

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With the lawsuit partially admitted, AES Colombia answered the nullity action defending the legal act sued, establishing all the arguments to demonstrate that the legal requirements were complied with, and therefore highlighting the lack of merit of the action.

(ii) Motion to quash certain environmental administrative resolutions related to Chivor Hydroelectrical Power Plant

In 2019, Wilson Alexander Calderón Roa filed a motion to quash resolutions of (i) Corporación Autónoma Regional de Chivor (Corpochivor); and (ii) the National authority of environmental licenses (ANLA).

The motion seeks to declare null the following resolutions: n°282 from 1969 (INDERENA), n°294 from 1984 (INDERENA), n°001128 from 1996 (CORPOCHIVOR), n°00013 from 1997 (CORPOCHIVOR), n°00014 from 1997 (CORPOCHIVOR), n°00014 from 1997 (CORPOCHIVOR), n°00014 from 1997 (CORPOCHIVOR), n°00014 from 1997 (CORPOCHIVOR), n°704 from 2014 (CORPOCHIVOR) and n°01463 from 2017 (ANLA). Such resolutions granted water concessions and modified an Environmental Management Plan of Chivor.

Additionally, the plaintiff requested a precautionary measure to temporarily suspend Resolution N°01463 from 2017 (ANLA) and the activities executed under the administrative resolution.

The lawsuit was admitted on October 19, 2021. AES Colombia participates as a third party with interest in the process.

AES Colombia answered the lawsuit, defending that the legal acts sued complied with the requirements of the law, and highlighting the lack of merit of the action. The opposition to the precautionary measure presented is still pending definition by the Council of State.

#### 31.2.- Financial Commitments

#### 31.2.1 Commitments related to AES Andes

Both the credit agreements executed by AES Andes with various financial institutions and the indentures governing the notes, impose certain financial restrictions and obligations during their effective term, which are usual for this type of operations. As of December 31, 2023, AES Andes was compliant with all the debt commitments and financial restrictions as per the terms and conditions of each of these agreements and contracts.

- a) In July 2015, AES Andes completed a liability refinance transaction and issued a new Senior note under Rule 144A and Regulation S of the United States with a 5.00% interest rate and due in 2025 for a total of ThUS\$425,000. Through this process, the current project finance debt of Empresa Eléctrica Ventanas was prepaid and the partial purchase of the local note in dollars of AES Andes, due in 2019, was made. This note has no financial restrictions. In 2016 and 2017, AES Andes repurchased the note for a total of ThUS\$252,637, which was funded with available funds. The redeemed notes were settled. On October 7, 2019, AES Andes repurchased the note for a total of ThUS\$54,875, and an amount of ThUS\$117,488 remained, which was funded with the issuance of a 6.35% subordinated note due 2079 issued in October 2019. The redeemed notes were settled.
- b) In March 2019, AES Andes completed the issuance of a 7.125% Subordinated Bond due 2079 for a total of ThUS\$550,000. The proceeds from this issuance will be used for the prepayment of subordinated note due 2073. This Subordinated Junior Note has no financial restrictions.

During 2022, AES Andes has made repurchases of this bond for a total of ThUS\$34.000 financed with available funds. The bonds redeemed were liquidated.

The remaining capital at the issuance of these Financial Statements was ThUS\$516,000.

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c) In October 2019, AES Andes completed the issuance of a 6.35% Subordinated Note due 2079 for a total of ThUS\$450,000. The proceeds from this issuance were allocated to pay in full the 2021 Note and to make a partial payment of 2025 Note. This Subordinated Junior Bond has no financial restrictions.

During 2022, AES Andes has made repurchases of this bond for a total of ThUS\$121,593. The bonds redeemed were liquidated.

The remaining capital at the issuance of these Financial Statements was ThUS\$328,407.

d) Sociedad Eléctrica Santiago ("ESSA") was obligated, as issuer, under a bond issuance contract (initial notional of UF 1,086,000 (ThUS\$45,550), registered in the Securities Registry of the Financial Market Commission, under No. 214.

As a result of the signing of the ESSA share purchase and sale contract to Generadora Metropolitana SpA., in December 2017, the ESSA bond issuance contract was assumed by AES Andes S.A.

On December 28, 2021, the current lenders and AES Andes modified the existing covenants. Every quarter, AES Andes must comply with the following financial indicators calculated based on its consolidated financial statements:

- "Total Net Debt to EBITDA ratio not exceeding 4.0 times, understood as the ratio of financial debt (adjusted for cash and cash equivalents, and "capital credit" under the treatment of risk rating agencies) over EBITDA, excluding those subsidiaries with special-purpose (project finance)". The value calculated for this indicator as of December 31, 2023, was 3.04 times.
- Hedging of financial expenses not less than 2.50 times, understood as the ratio of EBITDA over the net financial result (financial costs (-) financial income), excluding those subsidiaries with special-purpose (project finance)". As of December 31, 2023 this indicator amounted to 9.66 times.

At the date of issuance of these financial statements, the remaining capital is UF 371,955 (ThUS\$15,601).

e) On January 20, 2021, AES Andes reached an agreement with Goldman Sachs & Co. LLC, Goldman Sachs Lending Partners LLC pursuant to which, subject to certain conditions, the Company will sell to Chile Electricity PEC SpA ("Chile PEC"), which undertakes to purchase accounts receivable against various electric power distribution companies, in accordance with the provisions of Law No. 21,185, which "Creates a Transitional Mechanism for the Stabilization of Electric Energy Prices for Customers Subject to Tariff Regulation", and Exempt Resolution No. 72 of the National Energy Commission (together with the "Stabilization Mechanism"), for a committed amount of up to ThUS\$90,101.

Likewise, on January 27, 2021, AES Andes reached an agreement with Inter-American Investment Corporation ("IDB Invest") for a committed amount of up to ThUS\$44,083.

On February 8 and March 31, 2021, AES Andes SA received the funds for the sale of groups 1 and 2 of accounts receivable from the application of the Electricity Tariff Stabilization Law for the nominal amounts of ThUS\$34,438 and ThUS\$43,186, respectively.

On June 21, 2021, AES Andes reached an agreement with "AllianzGI Noteholder", which, subject to certain conditions, is obliged to finance the purchase of accounts receivable for a committed amount of up to ThUS\$32,439, of which ThUS\$22,945 corresponds to additional financing.

As of December 31, 2023, AES Andes has sold the total amount committed under these agreements for a total nominal value of ThUS\$159,000.

f) On November 23, 2021, AES Andes closed a green credit agreement with three international banks for a total amount of ThUS\$150,000.

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On March 10 and April 22, 2022, the Company signed amendments to the contract entered into on November 23, 2021, including five new international banks for a total of ThUS\$250,000.

AES Andes must comply with the following financial indicators calculated based on its consolidated financial statements:

- "Total Net Debt to EBITDA ratio not exceeding 4.0 times, understood as the ratio of financial debt (adjusted for cash and cash equivalents, and "capital credit" under the treatment of risk rating agencies) over EBITDA, excluding those subsidiaries with special-purpose (project finance)". The value calculated for this indicator as of December 31, 2023, was 3.04 times.
- Hedging of financial expenses not less than 2.50 times, understood as the ratio of EBITDA over the net financial result (financial costs (-) financial income), excluding those subsidiaries with special-purpose (project finance)". As of December 31, 2023, this indicator amounted to 9.66 times.

As of the date of issuance of these financial statements, the current capital of the green credit amounts to Th\$320,000.

The proceeds from this loan will be used entirely to finance the renewable projects of AES Andes, in line with its Greentegra strategy.

g) On August 30, 2022, AES Andes closed a green loan agreement with one local bank amounting to ThUS\$50,000, which was repaid on the same day the agreement was signed.

AES Andes must comply with the following financial indicators calculated based on its consolidated financial statements:

- "Total Net Debt to EBITDA ratio not exceeding 4.0 times, understood as the ratio of financial debt (adjusted for cash and cash equivalents, and "capital credit" under the treatment of risk rating agencies) over EBITDA, excluding those subsidiaries with special-purpose (project finance)". The value calculated for this indicator as of December 31, 2023, was 3.04 times.
- Hedging of financial expenses not less than 2.50 times, understood as the ratio of EBITDA over the net financial result (financial costs (-) financial income), excluding those subsidiaries with special-purpose (project finance)". As of December 31, 2023, this indicator amounted to 9.66 times.

At the date of issuance of these financial statements, the outstanding capital of the green loan amounts to ThUS\$50,000.

The proceeds from this loan will be used entirely to finance the renewable projects of AES Andes, in line with its Greentegra strategy.

h) As of September 30, 2022, AES Andes closed a green loan agreement with two international banks for ThUS\$150,000. On October 7, 2022, the loan was fully repaid.

AES Andes must comply with the following financial indicators calculated based on its consolidated financial statements:

- "Total Net Debt to EBITDA ratio not exceeding 4.0 times, understood as the ratio of financial debt (adjusted for cash and cash equivalents, and "capital credit" under the treatment of risk rating agencies) over EBITDA, excluding those subsidiaries with special-purpose (project finance)". The value calculated for this indicator as of December 31, 2023, was 3.04 times.
- Hedging of financial expenses not less than 2.50 times, understood as the ratio of EBITDA over the net financial result (financial costs (-) financial income), excluding those subsidiaries with special-purpose (project finance)". As of December 31, 2023, this indicator amounted to 9.66 times.

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At the date of issuance of these financial statements, the outstanding principal of the green loan amounts to ThUS\$150,000.

The proceeds from this loan will be used entirely to finance the renewable projects of AES Andes, in line with its Greentegra strategy.

i) As of May 03, 2023, AES Andes closed a green loan agreement with a international bank for ThUS\$35,000. The proceeds from this loan will be used entirely to finance the renewable projects of AES Andes, in line with its Greentegra strategy.

AES Andes must comply with the following financial indicators calculated based on its consolidated financial statements:

- "Total Net Debt to EBITDA ratio not exceeding 4.0 times, understood as the ratio of financial debt (adjusted for cash and cash equivalents, and "capital credit" under the treatment of risk rating agencies) over EBITDA, excluding those subsidiaries with special-purpose (project finance)". The value calculated for this indicator as of December 31, 2023, was 3.04 times.
- Hedging of financial expenses not less than 2.50 times, understood as the ratio of EBITDA over the net financial result (financial costs (-) financial income), excluding those subsidiaries with special-purpose (project finance)". As of December 31, 2023, this indicator amounted to 9.66 times.

As of the date of these Financial Statements, the current capital of the green credit amounts to ThU\$35,000.

j) On August 14, 2023, AES Andes signed with IDB Invest an agreement called "Purchase Facility" pursuant to which, subject to certain conditions, IDB Invest undertakes to purchase and AES Andes undertakes to sell certain eligible payment documents issued in favor of the Company under Law 21,472 that "Creates an Electricity Rate Stabilization Fund and establishes a Temporary Customer Protection Mechanism (MPC)", and Exempt Resolution No. 334, of the National Energy Commission (together the "Stabilization Mechanism"), for an amount of up to ThUS\$1,800.000.

On August 30, 2023, AES Andes, under the agreement reached with ICC, received the funds for the first sale of DDP resulting from applying the price stabilization mechanism according to Law No. 21,472 in the amount of USD\$120,989. On the same date, AES Andes received from the General Treasury of the Republic ("TGR") the payment of interest corresponding to the mentioned PDD in the amount of ThUS\$ 5,109.

On October 30, 2023 and December 28, 2023, AES Andes received the funds for the second sale of PDD from applying the price stabilization mechanism according to Law No. 21,472 in the amount of ThUS\$ 5,090 and ThUS\$4,693, respectively.

As of the date of issuance of these Financial Statements, a total nominal value of ThUS\$135,118 (including interest) has been sold. As of December 31, 2023, current commercial debtors of AES Andes include accounts receivable for ThUS\$197,084 related to this new stabilization fund.

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k) On December 12, 2023, the terms of the AES Andes committed financing line credit contract signed with a syndicate of banks were modified, increasing its amount to ThUS\$305,000 and extending its validity for 4 years.

AES Andes must comply with the following financial indicators calculated based on its consolidated financial statements:

- "Total Net Debt to EBITDA ratio not exceeding 4.0 times, understood as the ratio of financial debt (adjusted for cash and cash equivalents, and "capital credit" under the treatment of risk rating agencies) over EBITDA, excluding those subsidiaries with special-purpose (project finance)". The value calculated for this indicator as of December 31, 2023, was 3.04 times.
- Hedging of financial expenses not less than 2.50 times, understood as the ratio of EBITDA over the net financial result (financial costs (-) financial income), excluding those subsidiaries with special-purpose (project finance)". As of December 31, 2023, this indicator amounted to 9.66 times.

In conjunction with the aforementioned modification, conditions were incorporated to be able to grant the designation of "green credit" to this line of financing, replicating the methodology used in other green financing subscribed by the company.

As of December 31, 2023, the committed balance of the line is ThUS\$255,000.

### 31.2.2 Commitments related to AES Colombia

As of December 31, 2023, AES Andes was compliant with all the debt commitments and financial restrictions as per the terms and conditions of each of these agreements and contracts.

a) On January 22, 2018, the credit granted by Bancolombia for Tunjita Plant for a total value of ThCOP\$157,925,927 (ThUS\$41,320) in 48 quarterly installments for a principal of ThCOP\$3,257,222 (ThUS\$852), at an IPC+5.5% interest rate and a 1% purchase option for ThCOP\$1,579,259 (ThUS\$413) upon the end of the credit due January 22, 2030 was capitalized. As of December 31, 2023, a debt in the amount of ThCOP\$79,752,593 (ThUS\$20,866) is still outstanding.

On December 17, 2020, a credit agreement of up to ThCOP\$350,000,000 (ThUS\$91,574) was entered into with Scotiabank Colpatria and Bancolombia for a term of 7 years to (i) develop the construction of the San Fernando solar plant, (ii) refinance the financial obligations outstanding as of that date, and (iii) meet their general purpose needs within the ordinary course of business. Every six months, AES Colombia must comply with the following financial indicators calculated based on its individual financial statements:

• "Net Financial Debt/Adjusted EBITDA Ratio" less than or equal to 3.5 times. The value calculated for this indicator as of December 31, 2023 was 0.73 times.

The total amount disbursed at the date of issuance of these Financial Statements is ThCOP\$80,000,000 (ThUS\$20,931).

- b) On April 21, 2022, a loan agreement for up to ThCOP\$227,500,000 (ThUS\$59,523) was closed, with Scotiabank Colpatria and Bancolombia for 5 years to: (i) build the Brisas solar farm and (ii) fund the operating needs typical of its business. AES Colombia must comply, on a semi-annual basis, with the following financial indicators calculated based on its individual financial statements:
  - "Net Financial Debt/Adjusted EBITDA Ratio" less than or equal to 3.5 times. The value calculated for this indicator as of December 31, 2023 was 0.73 times.

The total amount disbursed at the date of issuance of these Financial Statements is ThCOP\$182,000,000 (ThUS\$47,618).

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c) During 2002 the Company signed three promissory notes for a total of ThCOP\$351,500,000 (ThUS\$91,966) with Bancolombia, Banco de Bogotá and Banco Occidente. The debt matures in 2025 and 2026 and has no financial restrictions.

The total amount disbursed at the date of issuance of these Financial Statements is ThCOP\$334,833,333 (ThUS\$87,606).

d) On December 5, 2022, AES Colombia entered into a loan agreement for ThCOP\$1,000,000,000 (ThUS\$261,640) with Bancolombia and BBVA Colombia. The loan has a term of five years and is intended to cover AES Colombia's operating needs within the ordinary course of business and the general company objectives. These funds were used to finance the prepayment of the MMUS\$450 Junior Notes in December 2022 and partially prepay short-term debt at the AES Andes level.

On June 30, 2023, AES Colombia carried out a novation of this credit, improving the financial conditions. The novation resulted in two new loans, one with Bancolombia and the other with BBVA Colombia.

During December 2023, AES Colombia prepaid all of the indicated loans with Bancolombia and BBVA Colombia.

#### 31.2.3 Commitments related to Angamos

On November 25, 2014, Angamos completed the issuance and placement of a 4.875% Secured Bond due 2029 for a total of ThUS\$800,000. The issuance was carried out in order to refinance the liabilities of the Company. The transaction was carried out under Rule 144-A and Regulation S of the United States security standards. This Bond has no financial maintenance restrictions.

In March 2016, Angamos conducted a repurchase of 144-A/RegS Bonds for ThUS\$200,000, which was funded with credit contracts for the same value. These credits have the same maturity profile as the bonds and have no financial maintenance restrictions.

On July 13, 2018, Angamos repurchased the bond for a total of ThUS\$100,061, which was funded with available funds. The redeemed bonds were settled.

On September 21, 2020, Angamos conducted a bond repurchase for a total of ThUS\$255,457, which was funded out of the advance payment for the termination of the agreement with Minera Escondida and Minera Spence (Subsidiaries of BHP). The redeemed bonds were settled. Subsequently, on October 5, 2020, Angamos made a repurchase of the bond for a total of ThUS\$53,607. The redeemed bonds were settled.

Between December 2021 and December 2022, Angamos has made repurchases of this bond for a total of ThUS\$16,407 financed with available funds. The bonds redeemed were liquidated. The remaining capital at the issuance of these Financial Statements was ThUS\$34,715.

Regarding the loan of ThUS\$200,000, Angamos made the full advance payment, thus extinguishing the debt completely. This was carried out as follows: on June 17, 2019, a partial prepayment was made for ThUS\$23,281, which was financed with available funds, on September 3, 2020, a prepayment was made for ThUS\$50,980, leaving a balance current amount of ThU\$83,808, which was prepaid in full on October 7 and 9, 2020, using the funds from the advance payment for the term of the contract with Minera Escondida and Minera Spence (BHP subsidiaries).

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#### 31.2.4 Other Commitments related to Cochrane

On March 27, 2013, Cochrane closed the original financing for the construction of Cochrane Power Plant for ThUS\$1,000,000 plus letters of credit for up to ThUS\$55,000 to secure several obligations for 18 years, which was secured with the assets, shares and flows of the project. This Credit Facility was repaid on November 15, 2019, for the total ThUS\$863,000 corresponding to the principal due as of the same date. The prepayment was financed as described in the following paragraphs.

First, it partially financed the prepayment of the original construction loan. On October 24, 2019, Cochrane executed a secured credit facility with a syndicate of financial institutions led by Banco Consorcio for ThUS\$445,000, which matures in November 2034. Subsequently, this loan was fully repaid on July 14, 2020, with funds from the issuance of bonds under the facility registered in the Securities Registry maintained by the Financial Market Commission on June 16, 2020. The placement was for ThUS\$485,000. This bond has no financial maintenance restrictions. On December 31, 2023, the outstanding notional amount of the local bond was ThUS\$485,000.

Second, it partially financed the prepayment of the original Construction Loan Facility with the issuance and placement, dated November 5, 2019, of a 5.50% senior secured bond maturing in 2027 for a total of ThUS\$430,000. The transaction followed Rule 144-A and Regulation S of the U.S. securities regulations. This bond has no financial maintenance restrictions. As of December 31, 2023, the debt is outstanding in the amount of ThUS\$225,449.

Both the international bond and the local bonds share guarantees on assets and land.

### 31.2.5 Other Commitments related to AES Chile Inversiones Renovables SpA (before AES Chile)

On May 26, 2022, AES Chile Inversiones Renovables SpA amended the non-possessory pledge agreement over shares initially subscribed in 2013, whereby it constituted a non-possessory pledge over (i) 306,009 shares it owned in Alto Maipo SpA; and (ii) all shares to be issued by Alto Maipo SpA and that AES Chile Inversiones Renovables SpA subscribes or acquires for any reason in the future.

Also, on May 26, 2022, AES Andes S.A. created a non-possessory pledge over (i) 305,702,991 of its shares in Alto Maipo SpA; and (ii) all the shares to be issued by Alto Maipo SpA and subscribed or bought by AES Andes S.A. for any reason in the future.

## **NOTE 32 - GUARANTEES**

## **Guarantees granted**

Below there is a detail of the guarantees granted to AES Andes as of December 31, 2023.

On August 30, 2019, a power supply agreement was executed between AES Andes S.A. and Inversiones y Servicios Dataluna Limitada (a subsidiary of LLC Google). AES Andes issued a guarantee of ThUS\$5,200 to ensure full compliance with the power supply agreement.

#### **Other Guarantees**

On October 22, 2018, as parent of AES Colombia, AES Andes granted as guarantor in favor of Ecopetrol S.A. and/or its Business Group, as beneficiaries, a joint and several parent company guarantee under which AES Andes secured the appropriate and full performance of the obligations assumed up to that time and in the future by AES Colombia with respect to the beneficiary under the Castilla Project contracts.

On October 17, 2019, AES Andes S.A. granted an "Owner Parent Guarantee" to secure compliance with the payment obligations of its subsidiary Energía Eólica Los Olmos SpA, in favor of the companies Nordex Energy Chile

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S.A. and Nordex Energy GmbH, under the terms of the "Lump sum, Turnkey, Engineering, Procurement and Construction Contract for a total amount of Th\$105.147.

On October 17, 2019, AES Andes S.A. granted an "Owner Parent Guarantee" to secure compliance with the payment obligations of its subsidiary Energía Eólica Los Olmos SpA, in favor of the companies Nordex Energy Chile S.A. and Nordex Energy GmbH, under the terms of the "Lump sum, Turnkey, Engineering, Procurement and Construction Contract for a total amount of Th\$68.846.

On July 10, 2020, as parent company of AES Colombia, AES Andes SA granted as guarantor in favor of Cenit Transporte y Logística de Hidrocarburos SAS and/or its assignees of Grupo Empresarial Ecopetrol, as beneficiaries, a joint and several parent company guarantee under which AES Andes secures the appropriate and full performance of the obligations assumed up to that time and in the future by AES Colombia with respect to the beneficiary under the San Fernando Project contract.

On September 29, 2020, AES Andes S.A. granted an Owner Parent Company Guarantee to secure compliance with the payment obligations of its subsidiary Parque Eólico Campo Lindo SpA, in favor of the company Vestas Chile Turbinas Eólicas Limitada, under the terms of the Turbine Supply and Installation Agreement for a total amount of Th\$68,141.

On September 10, 2021, AES Andes S.A. granted a bond and joint and several co-payment with respect to the monetary obligations that its subsidiary Energía Eólica Paposo SpA acquired in the following contracts:

- (a) sublease contract with MC Energía SpA for the development of the Project Terra Solar II;
- (b) sublease contract with MC Energía SpA for the development of the Project Terra Solar III;
- (c) sublease contract with MC Energía SpA for the development of the Project Terra Eólico II; and
- (d) sublease contract with MC Energía SpA for the development of the Project Hidrógeno.

On August 9, 2022, AES Andes S.A. granted a guarantee in favor of Global Energy Services Siemsa S.A. Chile Limitada to secure the payment obligations of the subsidiary Energía Eólica San Matías SpA in accordance with the Balance of Plant agreement signed between them.

On August 11, 2022, AES Andes S.A. extended the guarantee of defects of the equipment supplied by this company for Virtual Reservoir I for a period of nine months, starting in October 2021, for a maximum of US\$112,500, with Fluence Energy, LLC.

On August 9, 2022, AES Andes S.A. granted a guarantee in favor of Vestas Chile Turbinas Eólicas Limitada to secure the payment obligations of the subsidiary Energía Eólica San Matías SpA, in accordance with the Turbine Supply & Installation Agreement.

During the year 2022, AES Andes S.A. increased the amount of the corporate guarantee, which grants guarantees consisting of surety bonds, and joint and several co-debts, or other similar guarantees, for up to ThUS\$150,000million to secure compliance with the payment obligations of the subsidiaries that are developing the Group's renewable portfolio. As of December 31, 2023, guaranteed operations amounted to ThUS\$61,000.

### Other Guarantees granted by AES Chile Inversiones Renovables SpA (formerly AES Chile)

On December 11, 2019, AES Chile Inversiones Renovables SpA, a wholly-owned subsidiary of AES Andes S.A. granted a joint and several counter guarantee with respect to the obligations assumed by its subsidiary Energía Eólica Paposo SpA under a sublease agreement with MC Energía SpA for the development of Paposo Solar Project.

On January 30, 2020, AES Chile Inversiones Renovables SpA, a wholly-owned subsidiary of AES Andes S.A. granted a joint and several counter guarantee in the amount of ThUS\$8,161 to secure the payment obligations of the subsidiary Energía Eólica San Matías SpA to Central de Generación Eólica San Matías SpA in relation to the asset purchase agreement of San Matías Project.

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On July 2, 2020, AES Chile Inversiones Renovables SpA, a wholly-owned subsidiary of AES Andes S.A. granted a commercial pledge on 100% of the shares of its subsidiary Energía Eólica Rinconada SpA in favor of Inversiones Bosquemar Limitada in order to secure the obligations acquired under the stock purchase agreement of the company Energía Eólica Rinconada SpA.

On July 10, 2020, AES Chile Inversiones Renovables SpA, a wholly-owned subsidiary of AES Andes S.A. granted a joint and several counter guarantee in the amount of ThUS\$26,250 to secure the price payment obligations of subsidiary Energía Eólica Rinconada SpA to Inversiones Bosquemar Limitada in connection with the asset purchase agreement of Rinconada Project.

#### **Guarantees Received**

On November 8, 2017, Teck amended the corporate guarantee (Parent Company Guarantee) increasing the guaranteed value up to the total value of the power contract between Empresa Eléctrica Cochrane SpA and Compañía Minera Quebrada Blanca S.A.

On May 8, 2018, Strabag SE issued a Parent Company Guarantee to secure up to the total value of the construction contract between Alto Maipo SpA and Strabag SpA.

On October 23, 2019, Nordex S.E. granted a corporate bond under the instrument called "Contractor Parent Company Guarantee", to guarantee compliance with the obligations of its subsidiaries Nordex Energy Chile S.A. and Nordex Energy GmbH, in favor of the company Energía Eólica Mesamávida SpA, under the terms of the construction contract called "Lump Sum, Turnkey, Engineering, Procurement and Construction Contract", dated October 17, 2019.

On October 23, 2019, Nordex S.E. granted a "Contractor Parent Company Guarantee to secure compliance with the obligations of its subsidiaries Nordex Energy Chile S.A. and Nordex Energy GmbH in favor of Energía Eólica Mesamávida SpA under the terms of the "Lump Sum, Turnkey, Engineering, Procurement and Construction Contract" dated October 17, 2019.

On November 21, 2019, Prodiel Proyectos de Instalaciones Eléctricas S.L. granted a corporate bond under the instrument called "Contractor Parent Company Guarantee", to guarantee compliance with the obligations of its subsidiary Prodiel Agencia in Chile, in favor of the company Andes Solar SpA, under the terms of the construction contract called "Lump Sum, Turnkey, Engineering, Procurement and Construction Contract", dated November 15, 2019.

On October 06, 2020, Vestas Wind Systems A/S granted a corporate bond under the instrument called "Contractor Parent Company Guarantee" to secure compliance with the obligations of its subsidiary Vestas Chile Turbinas Eólicas Limitada, in favor of Parque Eólico Campo Lindo SpA, under the terms of the "Lump Sum, Turnkey, Engineering, Procurement and Construction Contract dated September 18, 2020.

On March 29, 2021, Sumitomo Metal Mining ("SMM") and Sumitomo Corporation ("SC") were added as Additional Guarantors to the Power Contracts with Compañía Minera Quebrada Blanca S.A. for a total of 33.3% of the Maximum Guaranteed Amount. In turn, Teck reduced the Corporate Guarantees to 66.7% of the Maximum Guaranteed Amount.

On May 14, 2021, Global Energy Services Siemsa S.A granted a corporate guarantee under the instrument called "Owner Parent Company Guarantee", to guarantee compliance with the obligations, in favor of the company Campo Lindo SpA, the latter as signatory of the construction contract called "EPC Contract: Lump Sum, Turnkey, Engineering and Construction", dated May 11, 2021.

AES Andes and Subsidiaries - December 2023 (amounts are expressed in thousands of United States dollars, unless stated otherwise)



On July 7, 2021, AES Andes S.A. signed a supply agreement with Humboldt Renewable Power SpA ("Humboldt"). Humboldt issued a guarantee of ThUS\$10,000 in favor of AES Andes to secure the construction of the projects that will provide the energy under the contract. The guarantee was executed on October 27, 2022.

On December 28, 2021, Siemens Corporation granted a corporate bond under the instrument called "Parent Company Guarantee", to secure compliance with the obligations of its subsidiary Fluence Energy, LLC, in favor of Andes Solar SpA under the terms of the equipment supply agreement called "Equipment Supply Agreement", dated September 16, 2021.

On December 29, 2021, The AES Corporation granted a corporate bond under the instrument called "Parent Company Guarantee" to secure compliance with the obligations of its subsidiary Fluence Energy, LLC, in favor of Andes Solar SpA under the terms of the equipment supply agreement called "Equipment Supply Agreement", dated September 16, 2021.

On April 27, 2022, by public deed granted at the Santiago Notary Office of Eduardo Diez Morello, repertory No. 6,634-2022, Empresas Proyersa S.A. granted a non-possessory pledge on the shares of Quebrada Seca SpA to guarantee AES Chile Inversiones Renovables SpA the payment of the price adjustment obligation of the purchase and sale agreement of shares of Quebrada Seca SpA, for a total of ThUS\$950 and also the obligation to replace a certificate of deposit for UF2,100.

On July 8, 2022, Vestas Wind Systems A/S granted a corporate bond under the instrument called "Contractor Parent Company Guarantee", to secure compliance with the obligations of its subsidiary Vestas Chile Turbinas Eólicas Limitada, in favor of Parque Eólico San Matías SpA, under the terms of the construction contract called "Turbine Supply and Installation Agreement", dated July 7, 2022.

On August 9, 2022, Global Energy Services Siemsa S.A. granted a corporate bond under the instrument called "Owner Parent Company Guarantee" to secure compliance with the obligations in favor of the Company AES Andes and Parque Eólico San Matías SpA, the latter as a signatory of the construction contract called "EPC Contract: Lump Sum, Turnkey, Engineering and Construction", dated June 7, 2022.

On March 31, 2023, Fluence Energy Inc. granted a corporate bond under the instrument called "Guarantee" to secure compliance with the obligations in favor of Andes Solar II SpA under the terms of the construction contract called "Equipment Supply Agreement", dated March 31, 2023.

On August 11, 2023, Fluence Energy Inc. granted a corporate bond under the instrument called "Guarantee", to guarantee compliance with the obligations, in favor of the company Andes Solar SpA under the terms of the construction contract called "Equipment Supply Agreement", dated September 16, 2021.

AES Andes and Subsidiaries - December 2023

(amounts are expressed in thousands of United States dollars, unless stated otherwise)



# **Delivered guarantees**

		Date		
Beneficiary	Guarantee description	Start Date	Due Date	ThUS\$
Coordinador Independiente del Sistema Eléctrico Nacional	Secure payment compliance between coordinated companies	11/28/2023	01/02/2025	13,848
Microsoft Datacenter Chile Limitada	Secure compliance with the contract.	01/14/2022	07/31/2024	9,688
Corporación Nacional del Cobre de Chile	Secure compliance with the contract.	10/06/2023	03/04/2024	8,389
Terminal Graneles del Norte S.A.	Secure compliance with the contract.	12/21/2021	12/20/2024	6,000
Ministerio de Bienes Nacionales	It guarantees faithful and complete compliance with the obligations included in the concession contract.	09/04/2023	09/29/2025	5,483
Ministerio de Bienes Nacionales	It guarantees faithful and complete compliance with the obligations included in the concession contract.	09/01/2023	09/29/2025	4,093
Ministerio de Bienes Nacionales	It guarantees faithful and complete compliance with the obligations included in the concession contract.	08/31/2023	09/29/2025	3,391
Terminal Graneles del Norte S.A.	Secure compliance with the contract.	12/21/2023	12/21/2024	2,400
Ministerio de Bienes Nacionales	It guarantees faithful and complete compliance with the obligations included in the concession contract.	09/04/2023	09/29/2025	1,660
Ministerio de Bienes Nacionales	Guarantee the seriousness and faithful compliance with the offer and obligations of the bidding rules	03/07/2023	02/18/2025	1,519
Ministerio de Bienes Nacionales	It guarantees faithful and complete compliance with the obligations included in the concession contract.	11/22/2021	12/18/2025	1,443
Aguas Andinas S.A.	Secure compliance with the contract.	12/30/2019	02/01/2027	1,426
Ministerio de Bienes Nacionales	Guarantee the seriousness and faithful compliance with the offer and obligations of the bidding rules	03/07/2023	08/12/2024	1,383
Ministerio de Bienes Nacionales	Guarantee the seriousness and faithful compliance with the offer and obligations of the bidding rules	03/07/2023	08/19/2024	900
Ministerio de Bienes Nacionales	Secure compliance with the contract.	05/02/2023	05/02/2025	752
Ministerio de Bienes Nacionales	Guarantee the seriousness and faithful compliance with the offer and obligations of the bidding rules	03/10/2022	04/11/2024	724
CGE Transmisión	Secure compliance with the contract.	12/27/2023	12/09/2026	670
Coordinador Independiente del Sistema Eléctrico Nacional	Secure payment compliance between coordinated companies	01/11/2024	08/29/2025	650
Ministerio de Bienes Nacionales	Secure compliance with the contract.	05/02/2023	05/02/2025	634
Ministerio de Bienes Nacionales	It guarantees faithful and complete compliance with the obligations included in the concession contract.	09/04/2023	09/29/2025	577
Ministerio de Bienes Nacionales	Guarantee the seriousness and faithful compliance with the offer and obligations of the bidding rules	03/07/2023	08/19/2024	462
Ministerio de Bienes Nacionales	Guarantee the seriousness and faithful compliance with the offer and obligations of the bidding rules	03/07/2023	08/19/2024	394
Ministerio de Bienes Nacionales	It guarantees faithful and complete compliance with the obligations included in the concession contract.	03/30/2021	04/10/2025	380
Ministerio de Bienes Nacionales	It guarantees faithful and complete compliance with the obligations included in the concession contract.	03/30/2021	04/10/2025	376
	Other minor warranties			1,587
	Total			68,829

AES Andes and Subsidiaries - December 2023

(amounts are expressed in thousands of United States dollars, unless stated otherwise)



# **Guarantees Received**

			ate		
Grantor	Guarantee description	Start Date	Due Date	ThUS\$	
Teck Pcg (1)	Payment of Single Compensation - LC Guaranteed Amount and other payments (122mw PPA)	11/08/2017	11/08/2025	327,368	
Sumitomo Metal Mining Co. Ltd. (1)	Payment of Single Compensation - LC Guaranteed Amount and other payments (122mw PPA)	03/29/2021	03/29/2025	136,358	
Teck Pcg (1)	Payment of Single Compensation - LC Guaranteed Amount and other payments (80mw PPA)	12/07/2012	12/07/2025	111,117	
Vestas Wind System	Secure compliance with the contract.	07/07/2022	07/08/2032	90,300	
Teck Pcg (1)	Payment of Single Compensation-LC Guaranteed Amount and other payments (38mw PPA 80mw	01/16/2021	01/16/2025	52,780	
Sumitomo Metal Mining Co. Ltd. (1)	Payment of Single Compensation - LC Guaranteed Amount and other payments (80mw PPA)	03/29/2021	03/29/2025	46,283	
Olivare Eljarrat López Notaría	Secure compliance with the contract.	06/07/2022	12/31/2030	33,663	
Sumitomo Corporation (1)	Payment of Single Compensation - LC Guaranteed Amount and other payments (122mw PPA)	03/29/2021	03/29/2025	27,301	
Sumitomo Metal Mining Co. Ltd. (1)	Payment of Single Compensation-LC Guaranteed Amount and other payments (38mw PPA 80mw	03/29/2021	03/29/2025	21,985	
Parque Eólico Antofagasta Spa	Secure compliance with the contract.	05/23/2023	10/12/2026	17,250	
Vestas Chile Turbinas Eólicas Ltda.	Secure compliance with the contract.	08/09/2022	03/09/2024	13,340	
Teck Pcg (1)	Payment of Single Compensation - LC Guaranteed Amount and other payments (21mw PPA)	10/29/2013	10/29/2024	11,283	
Sumitomo Corporation (1)	Payment of Single Compensation - LC Guaranteed Amount and other payments (80mw PPA)	03/29/2021	03/29/2025	9,267	
Fluence	Secure compliance with the contract.	03/31/2023	09/30/2024	8,556	
Nordex Energy Chile S.A.	Secure compliance with the contract.	12/18/2019	02/29/2024	8,098	
Terminal Graneles Del Norte S.A.	Secure compliance with the contract.	04/21/2023	04/22/2024	6,000	
Prodiel	Secure compliance with the contract.	04/29/2022	04/22/2025	5,520	
Global Energy Services Siemsa S.A.	Secure compliance with the contract.	09/23/2022	04/30/2024	5,077	
Sumitomo Metal Mining Co. Ltd. (1)	Payment of Single Compensation - LC Guaranteed Amount and other payments (21mw PPA)	03/29/2021	03/29/2025	4,700	
Sumitomo Corporation (1)	Payment of Single Compensation-LC Guaranteed Amount and other payments (38mw PPA 80mw	03/29/2021	03/29/2025	4,402	
Nordex Energy Chile S.A.	Secure compliance with the contract.	12/03/2019	06/30/2024	4,047	
Ingeniería Agrosonda Spa	Secure compliance with the contract.	11/03/2022	08/29/2024	2,740	
Soltec Chile spa	Secure compliance with the contract.	10/02/2023	08/31/2024	2,472	
Ingeniería Agrosonda Spa	Secure compliance with the contract.	05/25/2022	08/29/2024	2,740	
Global Energy Services Siemsa S.A.	Secure compliance with the contract.	09/23/2022	04/30/2024	1,692	
Parque Eólico Atacama	Secure compliance with the contract.	05/04/2022	06/30/2028	1,667	
Parque Eólico Atacama	Secure compliance with the contract.	05/04/2022	06/30/2028	1,667	
Parque Eólico Atacama	Secure compliance with the contract.	05/04/2022	06/30/2028	1,667	
Sonnedix Chile Holding Spa	Secure compliance with the contract.	08/31/2023	09/30/2024	1,600	
Andritz Hydro Srl	Secure compliance with the contract.	09/22/2021	12/31/2026	1,397	
Global Energy Services Siemsa Chile S.A	Secure compliance with the contract.	09/15/2023	05/23/2025	1,281	
	Other minor warranties			10,457	
	Total	al		974,075	

(1) Guarantee with automatic annual renewal.

AES Andes and Subsidiaries - December 2023 (amounts are expressed in thousands of United States dollars, unless stated otherwise)



# NOTE 33 - PROFIT OR LOSS BY INDEXATION UNIT

The economy of Argentina is considered as a hyperinflationary economy, according to the criteria established in International Accounting Standard No. 29 - Financial Information in Hyperinflationary Economies. This assessment was made on the basis of a number of qualitative and quantitative criteria, including the presence of a cumulative inflation rate of over 100% over three years.

As mentioned in Note 3.4., as of July 1,2023 the subsidiaries in Argentina modified its functional currency from Argentine peso to dollars of the United States of America.

The general price indexes used at the end of the reported year are:

	December 31, 2023	December 31, 2022
General Price Index (1)	50.70 %	94.80 %

(1) The General Price Index as of December 31, 2023 corresponds to that accumulated until June 30, 2023, since, as mentioned in Note 3.4, as of July 1, 2023, the Argentine subsidiaries modified their functional currency to the US dollar.

The effects on the consolidated income statement are detailed as follows:

Profit or loss by indexation units	December 31, 2023	December 31, 2022
Inventory	638	1,063
Property, plant and equipment	79,549	128,031
Deferred taxes	(15,782)	(26,249)
Shareholders' Equity (not including profit/loss for the year)	(81,223)	(118,488)
Effect of restatement of equity items	(16,818)	(15,643)
Operating income	(14,078)	(30,817)
Variable costs	3,252	6,836
Fixed costs - Administration and sales expenses	3,564	7,547
Depreciation - amortization	3,417	8,707
Other profit/loss items	(5,376)	(8,120)
Effect from restatement of the income statement	(9,221)	(15,847)
Total of profit or loss by readjustment units	(26,039)	(31,490)

AES Andes and Subsidiaries - December 2023 (amounts are expressed in thousands of United States dollars, unless stated otherwise)



# NOTE 34 - ENVIRONMENTAL EXPENDITURES

The long-term policy of the Group is the sustainable development of its activities, in harmony with the environment. In this context, investments made in facilities, equipment and industrial plants consider state-of-the-art technology, in line with the latest progresses made in these areas.

The main environmental expenses during the years ended December 31, 2023 and 2022 are detailed as follows:

	December 31, 2023	December 31, 2022
Air quality monitoring station	490	_
Ash deposit and handling	2,864	6,152
Environmental monitoring	1,554	551
Miscellaneous expenses, Law 99 Environmental Commission - Colombia	10,511	6,759
Waste management and other related services	1,982	194
Reforestation, irrigation and maintenance	839	1,111
Audits and reports	466	2,589
Environmental protection costs	1,154	_
Others	333	177
Total	20,193	17,533

Within its environmental investment plan, the Group develops projects to optimize plant performance in order to ensure compliance with applicable environmental standards.

In AES Andes, there are also other projects associated with the development of new technologies intended to mitigate the impact on the environment.



# NOTE 35 - ASSETS AND LIABILITIES IN FOREIGN CURRENCY

		December	r 31, 2023	Decembe	December 31, 2022	
Current Assets	Currency	Until 90 days	From 91 days to 1 year	Until 90 days	From 91 days to 1 year	
Cash and cash equivalents	Chilean peso	33,973	_	19,481	_	
	Other Currencies	75,820	_	76,834	_	
Other financial assets	Chilean peso	_	_	112	_	
	Other Currencies	_	2,864	_	1,594	
Other non-financial assets	Chilean peso	_	15	16	712	
	UF	2,654	7,843	59	11,909	
	Other Currencies	137	1,594	2,356	6	
Trade receivables and other accounts						
receivable	Chilean peso	114,902	71,967	157,688	7,998	
	UF	82,455	28,604	1,743	93,353	
	Euro	89				
	Other Currencies	100,992	_	72,701	37	
Inventory	Other Currencies	_	2,129	_	3,090	
Assets for current taxes	Chilean peso	_	_	_	48	
	Other Currencies		3,224		84	
<b>Total Current Assets</b>		411,022	118,240	330,990	118,831	

	Foreign	December 31, 2023			December 31, 2022		
Non Current Assets	Currency	More than 1 year	More than 3 years	More than 5 years	More than 1 year	More than 3 years	More than 5 years
Other financial assets	Other Currencies	903	_	_	1,237	_	_
Other non-financial assets	Chilean peso	_	_	_	403	_	_
	UF	_	_	_	12,844	_	_
	Other Currencies	1,127	_	_	_	_	_
Trade and Other Receivables	Chilean peso	744	24	_	3,009	_	_
	Other Currencies	3,480	5,013	33,098	7,404	7,396	3,852
Intangible assets other than goodwill	Other Currencies		_	16,083	7	_	13,150
Property, plant and equipment	Other Currencies	_	_	475,283	_	_	578,829
Right-of-use assets	UF	_	_	_	_	_	30,467
	Other Currencies	379	252	547	46	_	1,036
<b>Total Non-Current Assets</b>		6,633	5,289	525,011	24,950	7,396	627,334

Other currencies contain balances in Ar\$ and Col\$.

AES Andes and Subsidiaries - December 2023 (amounts are expressed in thousands of United States dollars, unless stated otherwise)



	Foreign	December	· 31, 2023	Decembe	r 31, 2022
Current Liabilities	Currency	Until 90 days	From 91 days to 1 year	Until 90 days	From 91 days to 1 year
Other financial liabilities	Chilean peso	67	_	_	_
	UF	_	15,792	_	10,237
	Other currencies	24,060	60,693	14,282	37,498
Current lease liabilities	UF	407	1,922	663	1,592
	Other currencies	70	244	41	152
Trade payables and other accounts payable	Chilean peso	131,097	3,531	158,092	549
	UF	12,481	75	11,240	1,406
	Euro	5,832	1	_	_
	Other currencies	65,159	75	42,734	2,196
Other current provisions	Other currencies	_	33	_	95
Taxes Payable	Other currencies	_	33,371	_	30,273
Current provisions for employee benefits	Chilean peso	3,331	_	2,919	_
	Other currencies	354	1,213	263	1,060
Other non-financial liabilities	Chilean peso	14,540	5,090	11,928	6,432
	Other currencies	2,904	470	1,911	342
<b>Total Current Liabilities</b>		260,302	122,510	244,073	91,832

Foreign		December 31, 2023			December 31, 2022		
Non Current Liabilities Foreign Currency	More than 1 year	More than 3 years	More than 5 years	More than 1 year	More than 3 years	More than 5 years	
Other financial liabilities	UF	_	_	_	15,089	_	_
	Other currencies	120,341	36,505	4,673	108,644	260,367	6,423
Non-current lease liabilities	UF	2,389	2,251	42,467	2,248	2,087	26,244
	Other currencies	865	1,260	4,586	559	834	4,189
Other non-current provisions	Other currencies	_	_	940	_	_	1,485
Deferred tax liabilities	Other currencies	_	_	80,908	_	_	91,163
Non-current provisions for employee benefits	Chilean peso	2,930	2,930	15,375	_	_	_
	Other currencies	2,580	_	_	2,258		_
Other non-financial liabilities	Chilean peso	_	_	_	_		82
	UF		_	_	_	_	13,671
<b>Total Non-Current Liabilities</b>		129,105	42,946	148,949	128,798	263,288	143,257

AES Andes and Subsidiaries - December 2023 (amounts are expressed in thousands of United States dollars, unless stated otherwise)



#### NOTE 36 - SUBSEQUENT EVENTS

There are no subsequent events that occurred between January 1, 2024 and the date of issuance of these Consolidated Financial Statements, considering the references included in the preceding notes, that could significantly affect the financial situation of the Company and the results presented.

# 6.2 First-Line Subsidiaries





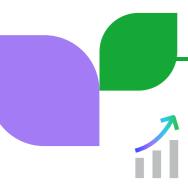
The first line subsidiaries of AES Andes as of December 31, 2023 are:

Gener Argentina S.A.	AES Chile Inversiones Renovables SpA
Empresa Eléctrica Angamos SpA	Energía Eólica Mesamávida SpA
Andes Solar SpA	Energía Eólica San Matías SpA
Andes Solar IV SpA	San Carlos SpA
Solar Oriente SpA	Inversiones Cochrane SpA
Cerro Los Dorados SpA	Chile Renovables SpA
El Trébol SpA	Andes Solar II SpA
Konavle SpA	Cía. Transmisora del Sur SpA
Llanos del Sol SpA	Chile Renovables II SpA
La Baluma SpA	Norgener Foreign Investment SpA
Empresa Eléctrica Lagunas SpA	Empresa Eléctrica Ventanas SpA



Queltehues Plant, Chile





The Financial
Statements of AES
Andes' First-Line
Subsidiaries can be
found at the following
linkcan be found at the
following link ...

The first-line subsidiaries that as of December 31, 2023 had generation assets in commercial operation are:

- Andes Solar SpA
- Andes Solar II SpA
- Chile Renovables SpA
- Empresa Eléctrica Angamos SpA
- Empresa Eléctrica Ventanas SpA
- Energía Eólica Mesamávida SpA
- Gener Argentina S.A.
- Inversiones Cochrane SpA
- Norgener Foreign Investment SpA



Los Cururos, Chile



Our Management Approach: Accelerating a Sustainable Future

Our Performance 2023

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