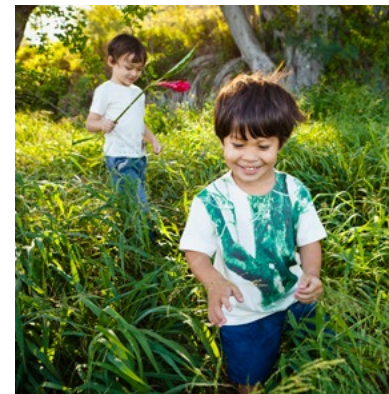




Integrated Annual Report **2021**



aes Andes



► [GRI 102-1, 102-3, 102-5, 102-53]

AES Andes S.A.
94272000-9

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

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Santiago Stock Exchange Mnemonic Code: AES Andes
For queries or comments about this Annual Report,
contact the Communications Management
AES Andes, at the e-mail address: comunicaciones.andes@aes.com

REFERENCIAS

United States Dollars	US\$	Development Unit (<i>Unidad de Fomento</i>)	UF
Thousands of United States Dollars	thUS\$	Giga watt	GW
Chilean Pesos	CLP\$	Giga Watt per hour	GWh
Thousands of Chilean pesos	thCLP\$	Tera Watt	TW
Colombian Pesos	Col\$	Tera Watt per hour	TWh
Thousands of Colombian pesos	thCol\$	Mega Watt	MW
Argentine Peso	Ar\$	Mega Watt per hour	MWh
Thousands of Argentine pesos	thAr\$		

Integrated Annual Report 2021



Table of Contents



► AES Andes

Company Profile	6
Our Purpose	8
Our Values	10
AES Andes at a Glance	12
Our History	15
Letter from the Chairman of the Board and the Chief Executive Officer	18

► 1. Our Management Approach: Accelerating a Sustainable Future

1.1 Our Purpose: accelerate the future of energy, together	23
1.2 Sustainability Strategy and Management	26
1.3 Business Model	27
1.4 Safety and Health of our Employees	28
1.5 Transformation and Innovation to Improve Lives	30
1.6 Moving Forward with our Employees	35
1.7 Our Environmental Policy	37
1.8 Commitment to Local Development	39
1.9 Risk Management	41
1.10 Transparency and Availability of Financial Information	45
1.11 Customer Relationship: Excellence and Quality	46
1.12 Relations with Stakeholders	46

► 2. Our Performance 2021

2.1 Our Main Assets and its performance	53
2.2 Operational Performance and maintenance	56
2.3 Financial Management	60
2.4 Our Projects under Construction and Development	65
2.5 Community Relations	73
2.6 Environmental Performance	86
2.7 Occupational Safety and Health of our Employees and Contractors	104
2.8 Development, Growth and Well-being of our Employees	111
2.9 Innovation Projects	120
2.10 Customer Relationship: Excellence and Quality	122
2.11 Sustainability in the Supply Chain	124
2.12 Acknowledgments and Memberships	128

► 3. Corporate Governance: Ethics, Transparency and Excellence

3.1 Ethical Framework	133
3.2 Policies that Govern our Actions	134
3.3 Human Rights Policy	136
3.4 Grievance mechanism	136
3.5 Corporate Governance Structure	138
3.6 Main Macroeconomic Aspects and Regulatory Changes of Energy Relevance in the Region	146

► 4. Moving Together towards Energy Transformation 2025

4.1 Our Goals for 2025	153
4.2 Increasing Renewable Energy Capacity	154
4.3 Committed to our Employees	155
4.4 Safety First	156
4.5 Greentegra Agreements	157

► 5. About this integrated annual report

5.1 Scope	161
5.2 Definition of Materiality	161
5.3 Verification	165

► 6. Additional information

6.1 Charter Documents	168
6.2 Group of Companies	169
6.3 Strategic and Emerging Risks	170
6.4 Regulatory Framework	177
6.5 Overall Asset Performance	187
6.6 ESG Indicators (Environmental, Social and Governance)	194
6.7 Committee of Directors	239
6.8 Background Information about Subsidiaries and Affiliates	247
6.9 Essential Facts and Communications	264
6.10 GRI Index	270
6.11 General Rule 461, CMF of Chile	284
6.12 SASB Indicator Table	290
6.13 Affidavit of Liability	295

► 7. Financial Statements

7.1 Auditors' Report	302
Consolidated Classified Statements of Financial Position	303
Consolidated Statements of Comprehensive Income Classified by Cost Function	305
Consolidated Statements of Changes in Shareholders' Equity	307
Consolidated Direct Statement of Cash Flows	308
Notes to the Consolidated Financial Statements	310
7.2 Summary Financial Statements of Subsidiaries	441



Company Profile ▶ [GRI 102-1, 102-2, 102-3, 102-5, 102-6 NCG 461 6.2]

We provide electric power in three independent markets:

- SEN (National Electrical System) in [Chile](#).
- SIN (National Interconnected System) in [Colombia](#).
- SADI (Argentine Interconnection System) in [Argentina](#).

• Installed capacity **4,543 MW**



Chile: **2,798 MW**

We are Chile's second largest company in terms of generation and installed capacity. The combination of different generation sources and technologies gives us competitive advantages, for not being exclusively dependent on a certain resource to produce electricity.



Colombia: **1,102 MW**

We are one of the main operators of the SIN, with the third largest impoundment facility 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.



* For more details on the location and technology of our plants, go to Chapter 2, "2.1 Our main assets".

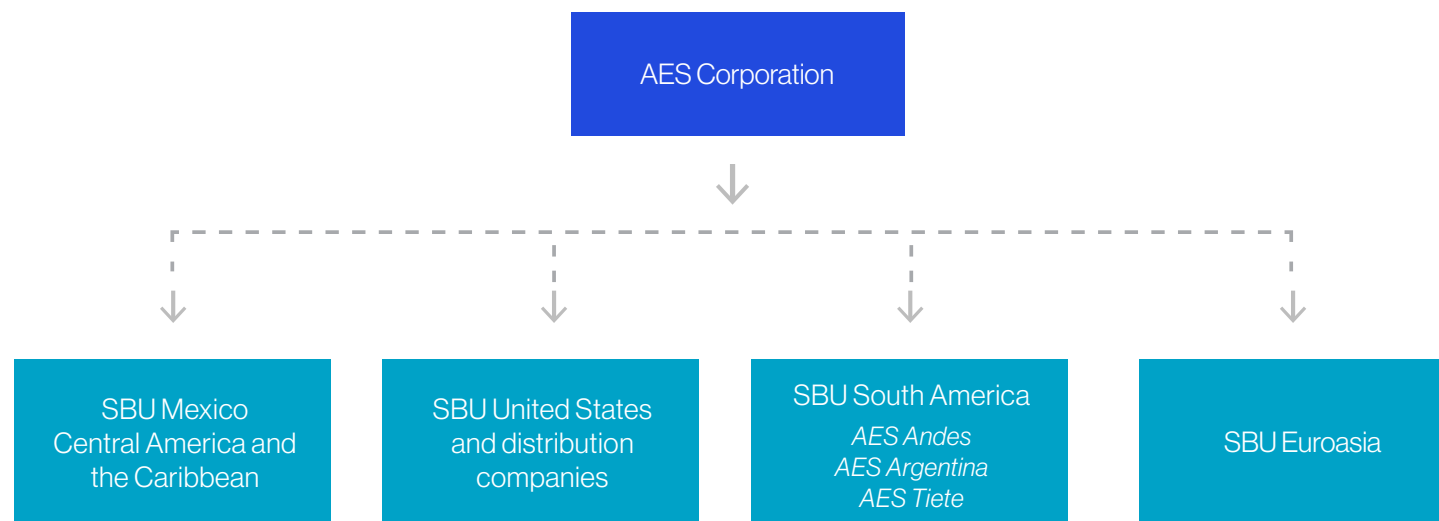
We are an open corporation listed in two Chilean stock exchanges: the Santiago Stock Exchange and the Electronic Stock Exchange of Chile, and we have been included in the DJSI (Dow Jones Sustainability Index Sustainability Index) Chile and Latin American Integrated Market (MILA, for its acronym in Spanish).

The US company, AES Corporation, is the indirect controller of AES Andes, through its 67% shareholding interest as of December 31, 2021

SBU South America covered the businesses of Brazil, Chile, Argentina and Colombia of AES Corporation until December 31, 2021.

This structure was modified in January 2022, when 3 operational units were created:

- US Businesses
- International Businesses and Global Operations
- Transformation



SBU stands for Strategic Business Unit.
* Structure as of December 31, 2021.





Our purpose is to accelerate
the future of energy together.

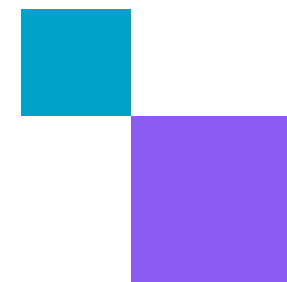
► [GRI 102-16]



At AES Andes, we know that every client, community and country where we operate is taking the path they have defined to meet their sustainability goals.

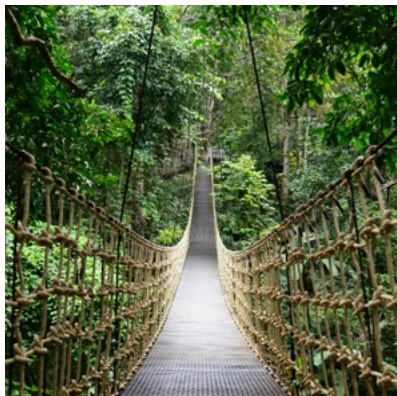
We are working with each of them to support them in their transition by providing them with sustainable and innovative energy solutions.

We combine our experience in energy generation with our ongoing innovations and technological solutions to transform and create value for the society as a whole.



Working together, we
improve lives by delivering
 the most **sustainable and**
intelligent energy solutions the
 world needs





Corporate Values ► [GRI 102-16, NCG 461 2.1]

Our values define how we work with each other and with our stakeholders. They are the essence of our culture and our momentum. We strive every day to act in accordance with them to meet our purpose of accelerating a more sustainable energy future, together.

Safety first

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



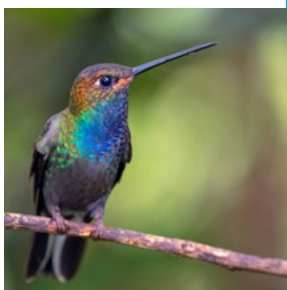
Highest standards

We act with utmost integrity towards our people, customers and partners. The solutions we offer together meet global standards of excellence.



All together

We work as a team with our customers and partners. We meet changing customer needs with agility and enjoy celebrating everyone's success, solving significant challenges as a team.



Change of name and corporate image ▶ [NCG 4616.2]



aes Andes





The energy the world requires is changing profoundly. Not only do people and businesses need more energy, but now they are also calling for new and innovative ways to generate it.

At AES Andes we have anticipated many of these changes, looking for new paths, being flexible, agile and opening the door wide to innovation. We continue to change as the energy needs of our customers, the communities and countries where we operate continue to evolve.

This is why, aligned with the Greentegra transformational strategy and to reflect more clearly the change that the company is undergoing and the remarkable progress we have been achieving towards our purpose, the energy of AES Gener from April 2021 became AES Andes, to continue accelerating the future of energy with our operations in Chile, Colombia and Ternoandes.

Colors

The colors of our brand are the bridge between our past and our future. We use the colors of the former AES brand to maintain the blue-green metaphor for communicating renewable energies. To express a real change, new technologies and new ways of working, we use another two colors.

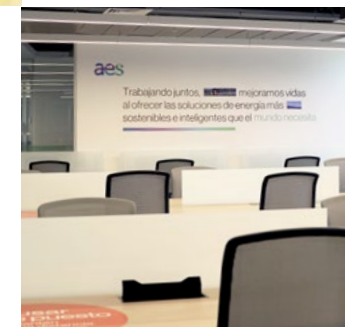
	Opportunities		People
	Technology		Impact

Strategic Brand Pillars

These are the great characteristics of AES that the new brand reflects and on which it is based:



Chile Head Office →



Sustainable growth:
Leading the renewable transition



Focus on customers.
Working together



New business models:
Driving transformation



Cutting-edge technologies:
Applying innovation



Talent development:
Developing our talent



Digital strategy:
Integrating digitization

AES Andes at a Glance ▶ [GRI 102-7]

CAPITAL STRUCTURE

▶ Shareholders' Equity



US\$ 1,158
Million

▶ Financial indebtedness



US\$ 2,365
Million

▶ Cash balance



US\$ 112
Million

▶ Dividends paid in 2021



US\$ 48
Million

▶ Stock exchange Information



US\$ 1.6
Billion
Share Price:
\$132.82/share

▶ Number of shares



10,376,645,776
(1,767 shareholders*)

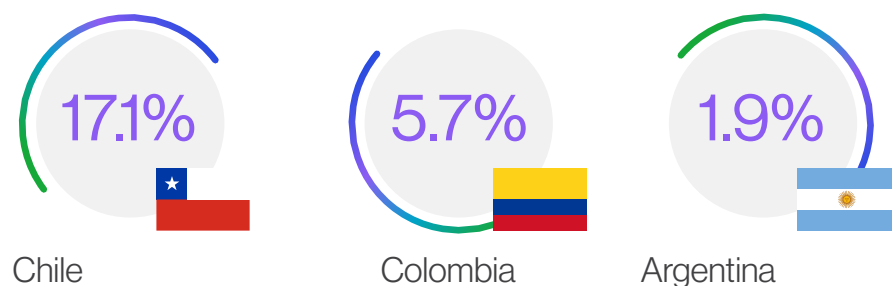
(as of December 31, 2021)

* Individual shareholders at brokers and other custodians are not included.

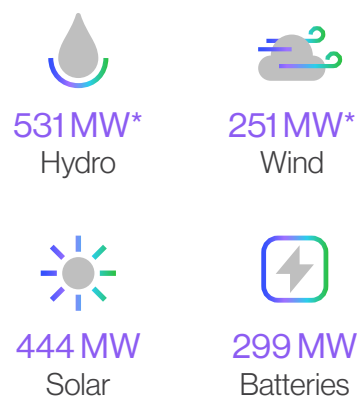
Value Creation Capitals in 2021

Operational Capital

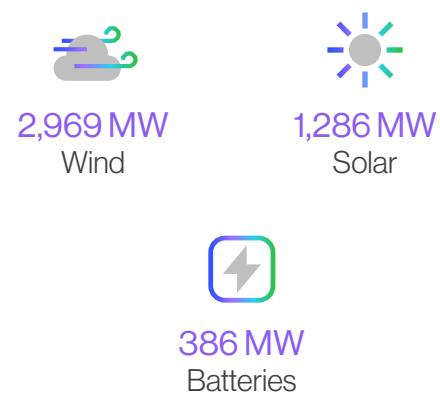
Generation-based Market Share



1,525 MW under construction



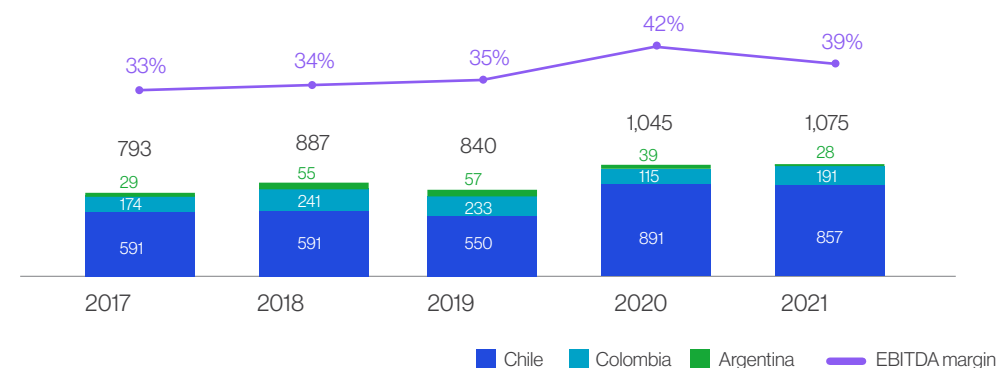
4,641 MW under development



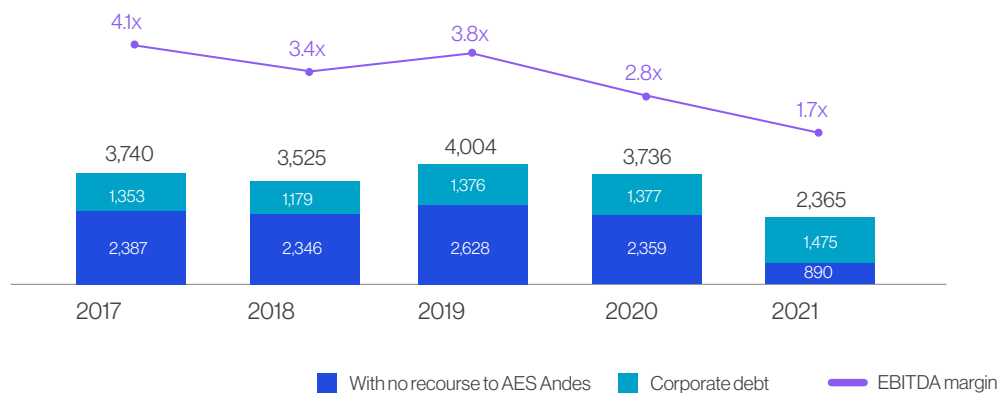
(967 MW contract / 3,674 MW non-contract)

Financial Capital

EBITDA & EBITDA MARGIN



















Total Debt and Net Debt/EBITDA (includes treatment of equity credit for hybrid debt)



(as of December 31, 2021)

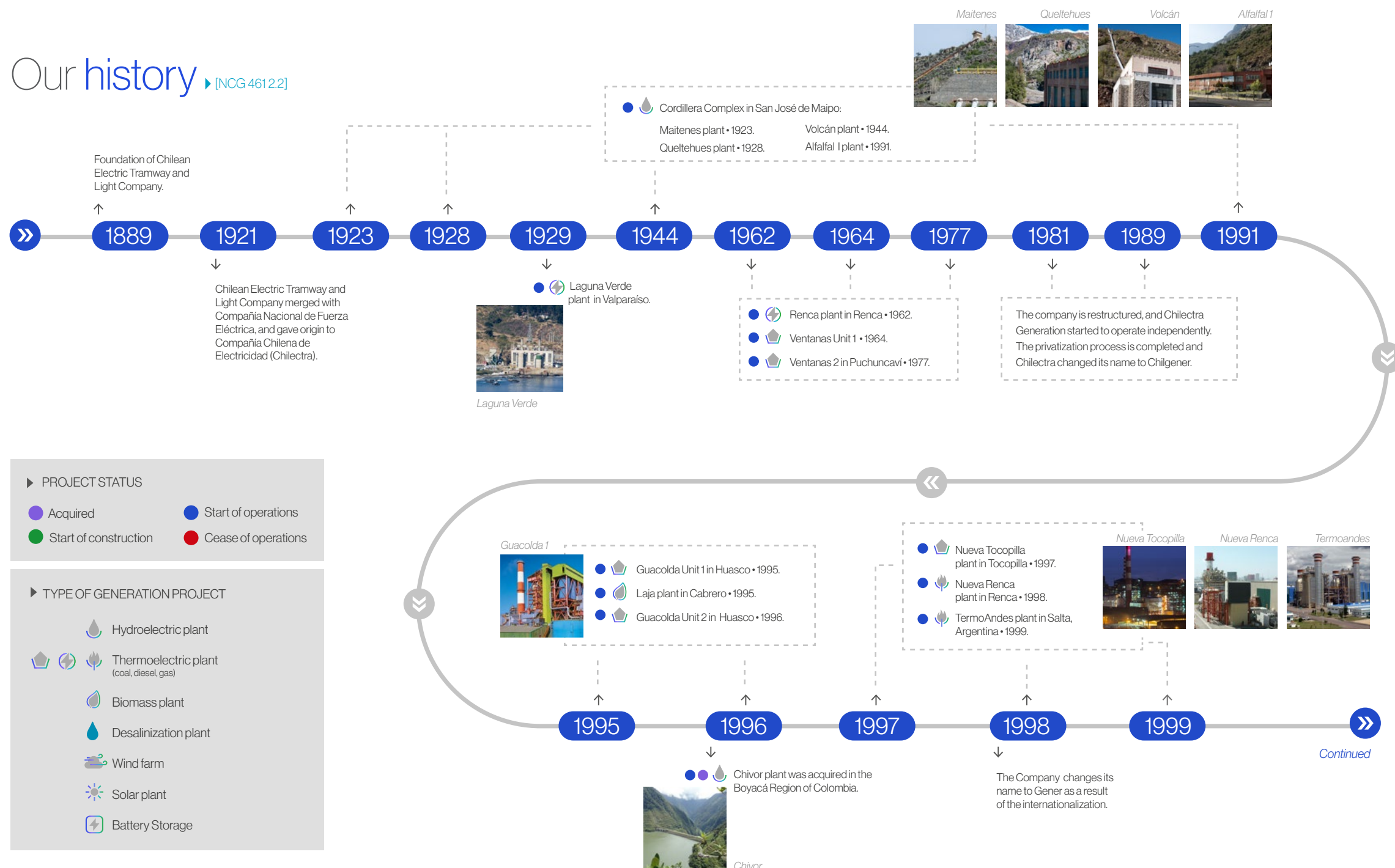
* 531 MW of hydropower and 110 MW of wind power currently in operation.
Rounding differences may arise in the graphs.

► Value Creation Capitals in 2021

Human Capital	Capital Stock and Relational Capital	Environmental Capital
 <ul style="list-style-type: none"> • Recognized as A Great Place to Work in Chile, Colombia and Argentina 	 <ul style="list-style-type: none"> • CLP \$1,234 million of social investment in Chile. 	 <ul style="list-style-type: none"> • Accelerating decarbonization 1,097 MW of coal-fired installed capacity committed for closure as from 2025 (added to the withdrawal of 322 MW requested in 2020).
 <ul style="list-style-type: none"> • 1,141 employees 16% women 84% men 	 <ul style="list-style-type: none"> • CLP \$600 million of investment in local development and employability in Chile. 	 <ul style="list-style-type: none"> • Renewable installed capacity completed during 2021 171 MW of wind and solar generation, in addition to Alto Maipo: 531 MW of hydropower.
 <ul style="list-style-type: none"> • 74.23% unionized employees. 	 <ul style="list-style-type: none"> • 17% of AES Andes suppliers are local, i.e., they come from communities neighboring projects or operations. 	 <ul style="list-style-type: none"> • Investment in energy projects Non-Conventional Renewable Energy More than US\$400 million.
 <ul style="list-style-type: none"> • 0 fatalities in our employees and contractors in 2021. 	 <ul style="list-style-type: none"> • Alto Maipo project hired more than 1900 people from San José de Maipo during its construction. 	 <ul style="list-style-type: none"> • Environmental expenditures US\$ 17 million.
 <ul style="list-style-type: none"> • US\$2,113,864 invested in training and education. 	 <ul style="list-style-type: none"> • 38% of the labor hired in the construction of San Fernando solar project in Colombia were women. 	 <ul style="list-style-type: none"> • Material fines. 5 years without fines or significant sanctions related to the environment. (equal to or greater than US\$10,000)
 <ul style="list-style-type: none"> • Total payment to suppliers US\$ 2,026 million • 2,346 number of providers 1,692 Chile 242 Colombia 412 Argentina 		

(as of December 31, 2021)

Our history [NCG 461 2.2]







By 2025 we will have increased by **202% our renewable capacity** since the beginning of Greentegra in 2018, which, added to a gradual and responsible decarbonization process, **will allow us to reduce the carbon intensity** of our portfolio by 58%.

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

► [GRI 102-14 NCG 4614.2]

2021 was an extremely successful year in the implementation of our Greentegra strategy, in which, guided by our values, putting safety first, working with the highest standards and close to the communities, customers, partners and investors, we are fulfilling our purpose to accelerate the future of energy, together.

We achieved important milestones and breakthroughs in a very challenging context for all of us as a society. The global health crisis generated by COVID-19 continued to radically transform our lives and led us to continue adapting to act with even more agility, flexibility and innovation. At the same time, it gave us a great opportunity to continue to contribute specific actions to fulfill the command of society to combat climate change, the greatest challenge that our generation must deal with.

The energy sector plays a very important role in providing solutions to the need to decarbonize electricity sources and effect a transition to carbon-free sources. There is a strong need for more renewable energy, as well as an opportunity for innovation to develop new products and solutions that help our customers attain their sustainability goals.

At AES Andes we have set out to lead this process with a focus on three strategic pillars.

First, through the decarbonization of our energy matrix covering both sides of the equation: incorporating renewable energy and battery projects into our portfolio and accelerating the withdrawal or conversion of our coal-fired plants. We do not intend for any of our coal-fired plants to operate even one day longer than the power system needs them to. That is our commitment.

Second, by making our customers' electricity supply more sustainable: developing together with them, smart, competitive and sustainable energy solutions, driven by our team's capacity for innovation.

Finally, to leverage our financial strength and reinforce the investment grade to allow us to continue the growth of the company in a sustainable manner.





These three fundamental pillars of our Greentegra strategy are reflected in concrete actions for progress taken during 2021.

We continue with the addition of more than 2.7 gigawatts of renewable capacity and batteries to our portfolio by 2025. Highlights include the commissioning of San Fernando, our second solar park in Colombia, and part of the expansion of Andes Solar in northern Chile; completion of the construction of our second wind project in Chile, Los Olmos and the Alto Maipo hydroelectric project.

With 531MW of renewable capacity, Alto Maipo stands as one of the most important infrastructure works towards the decarbonization of Chile. The successful commissioning of its units, together with the forthcoming completion of the restructuring process, will enable the operation of this renewable project in the long term.

As we move forward with the electrification of all sectors of the economy to reduce carbon emissions, the Green Hydrogen project we are developing will play a critical role and will undoubtedly translate into exponential growth for our company and development opportunities for our people.

Strengthening partnerships with our customers and supporting them in achieving their sustainability goals, we were awarded a new solar project for Ecopetrol in Colombia and executed agreements for the sale of fully renewable energy with Microsoft in Chile.

As part of the decarbonization process, we accelerated the reduction of the share of coal-fired power plants in our portfolio, making available 1,097 MW to cease their operation as of January 1, 2025, at the earliest date that the safety, sufficiency and economy

of the system allow. This is added to the sale of the stake in the generator Guacolda Energía S.A.

On this path, by 2025 we will have increased our renewable capacity by 202%, which, added to a gradual and responsible decarbonization process, will allow us to reduce the carbon intensity of our portfolio by 58%.

Continuing with another of our strategic focuses, we move forward in improving our debt position and access to financing to accelerate our portfolio's growth and transformation plan.

We incorporated new partners into our renewable projects and successfully completed a capital increase of US\$306 million. Also, in another show of confidence in Greentegra, The AES Corporation - the controlling shareholder of the company - announced a Takeover Bid to increase its stake in AES Andes. During 2022 AES controlled from 67% to 99% of the shares of the company.

Reflecting the progress we are making as a company, during 2021, AES Gener became AES Andes. We started to have a new identity that represents the evolution of our mission and the transformation that we started three years ago with our Greentegra strategy, through which we seek to become the main provider of renewable energy solutions in South America.

We also celebrate 40 years as a company, a journey in which we have accompanied all our customers, partners and communities, delivering sustainable, innovative and competitive solutions and the energy society needs to grow, develop and progress. We know that in these four decades we have not been immune to impacts and



various challenges; however, we are proud of the resilience of AES Andes, and the evolution and leadership of our business model, operations and, above all, of our employees.

The progress reported in the figures of this Integrated Annual Report fills us with satisfaction, even more so when our performance and sustainable management was recognized for the sixth consecutive year with our inclusion in the Dow Jones Sustainability Index Chile. Moreover, for the second year, we were included in the Latin American Integrated Market Index (MILA) which measures the performance of corporate markets in the Pacific Alliance countries. We were also recognized as a great place to work in Chile, Argentina and Colombia by Great Place to Work Institute. It is worth stating here that in Chile we were also recognized as one of the best companies to work for women.

All of our achievements have been possible thanks to the trust of our partners and the dedication of our employees, who continue to deliver valuable ideas, work, and the commitment necessary to fulfill our purpose and provide reliable energy to contribute to a sustainable reactivation in the countries where we are present.

Keeping the focus on their safety, we continue to take every precaution to keep them safe and protected, and we continue to work to be a place where our employees can develop their full potential, both at work and in their personal lives.

We continue our efforts to promote diversity and inclusion and we have become the first generating company to be certified under the Chilean Gender Equality Standard 3262 and that promotes a balance of work, family and personal life.

We want to create a place that not only attracts and retains the best people, but where people feel valued, committed to the work they do and united by the common goal of creating innovative energy solutions.

We invite you to read this AES Andes Integrated Annual Report 2021, whose content gives an account of our management in economic, governance, social and environmental matters. The initiatives presented here not only show the path we have taken, but also put into perspective the challenges we must focus on in order to continue successfully developing the responsible energy transition we have set out to make, while being a real contribution to the sustainable development of the region.

Thank you all for your trust and for working together to further accelerate the future of energy and improve the lives of people in the countries where we operate.

Note: Director Julián Nebreda ceased to be chairman on February 24, 2022 was replaced by the Director Juan Ignacio Rubiolo on the same date.



Julián Nebreda

Chairman of the Board
AES Andes



Ricardo Manuel Falú

Chief Executive Officer
AES Andes



Our Management Approach: Accelerating a Sustainable Future

1.1	Our Purpose: to Accelerate the Future of Energy Together	23	1.11	Customer Relationship: Excellence and Quality	46
1.2	Sustainability Strategy and Management	26	1.12	Relations with Stakeholders	46
1.3	Business Model	27			
1.4	Safety and Health of our Employees	28			
1.5	Transformation and Innovation to Improve Lives	30			
1.6	Moving Forward with our Employees	35			
1.7	Our Environmental Policy	37			
1.8	Commitment to Local Development	39			
1.9	Risk Management	41			
1.10	Transparency and Availability of Financial Information	45			

In this chapter, we will address the following material topics:

- Commercial excellence and customer management
- Human rights practices and assessment.
- New businesses and innovation
- Regulatory compliance
- Employee-company relationship
- Training and development
- Local communities
- Diversity and equal opportunities





1.1 Our Purpose: to Accelerate the Future of Energy Together. ▶ [NCG 461 2.1, 4.2]

GREENTEGRA 2018-2025

Climate change is advancing at an accelerated pace around the world, generating transformations, not without opportunities and new challenges for the energy industry. Aware of our environment and guided by a sustainable and innovative vision, since 2018 we have taken firm steps towards the implementation of a transformational strategy that we define as Greentegra.

With sustainability as a transversal basis, we seek to efficiently manage the risks and opportunities of our present and future, generating value for all our stakeholders.

Guided by our mission to improve lives and with our clear and well-defined values, we have set our sights on becoming the leading renewable company in South America.

Transforming AES Andes into the leading renewable company of South America.

Strategic Goals



Decarbonize the electricity supply of our customers



Reduce CO₂ intensity in our portfolio



Strengthen our investment grade

With the implementation of Greentegra, we are changing to become the company of the future in the present, in line with the expectations of society in terms of sustainable energy and climate change. During the year we continued to make progress toward achieving our objectives.

- We accelerated the commitment to close our coal-fired plants:
 - Angamos, Ventanas 3 and 4 as soon as 2025 - 1,097MW.
- We sold Guacolda coal-fired plant - 764 MW.
- We increased our capital - US\$306 million.
- We started the construction of Virtual Reservoir II
 - 40 MW x 5 hours.
- We completed the construction of Los Olmos and Alto Maipo
 - 641 MW.
- We started the operation of Andes Solar IIa and San Fernando
 - 142 MW.
- We were awarded the Brisas solar project in Colombia
 - 26 MW.
- We executed a renewable energy supply agreement with Microsoft .
- We incorporated a strategic partner in renewable projects – GIP.
- We launched a new brand and name identity – AES Andes.
- We were included in the DowJones Sustainability Index for Chile and MILA.
- We were recognized as a Great Place to Work in Colombia, Chile and Argentina.

Moving forward in our decarbonization process, to make our customers' supply more sustainable and reduce the carbon intensity of our portfolio, we brought forward the date of discontinuation of operations in our coal-fired plants under the Decarbonization Agreement executed in 2019 with the Chilean government.

In this sense, we committed 4 additional units: Ventanas Units 3 and 4 located in Puchuncaví and Angamos 1 and 2 located in Mejillones, which as from January 1, 2025 will be available for withdrawal as soon as the security, sufficiency and economy of the system allow it. Once these 4 units cease operating, approximately 6 million tons of CO₂ will be reduced, equivalent to removing more than 2.4 million private vehicles from the streets of Chile.

This is added to the fact that in July 2021, we completed the sale of our stake in the Guacolda coal-fired power plant, equivalent to 764 MW. In addition, we permanently ceased operations at Laguna Verde diesel power plant, which was withdrawn and disconnected from the National Electrical System.

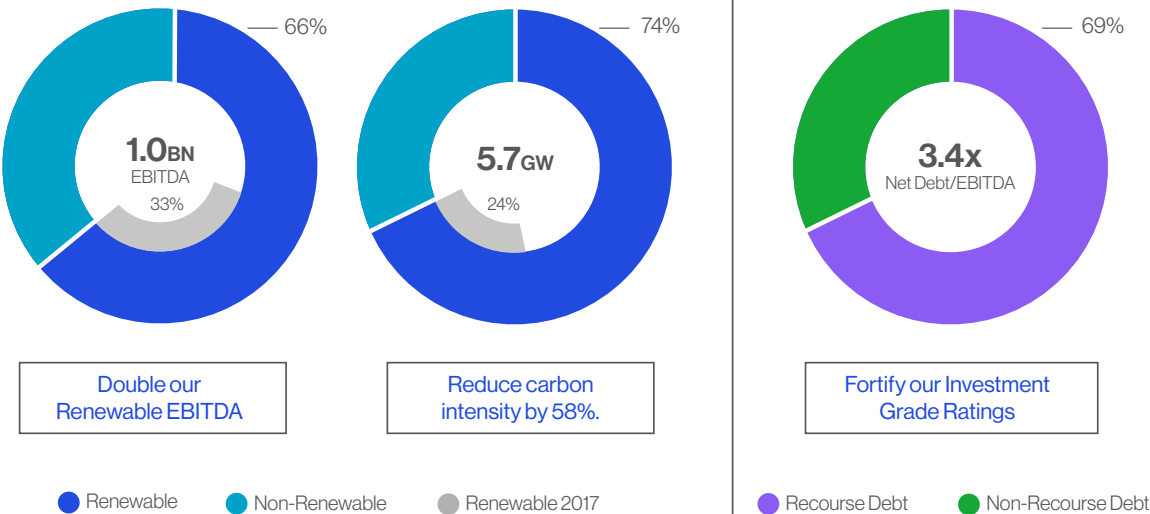
Accelerating the sustainable energy transition in Chile, Colombia and Argentina, we continue to develop and build

smart, competitive and sustainable energy projects and solutions. This will allow us to add 2.8 GW of renewable and battery capacity to our portfolio by 2025.

During the year, Andes Solar IIa began commercial operation, with 81 MW in northern Chile and in Colombia. Moreover, San Fernando, the largest and most modern self-generation solar plant of 61 MW, started to operate. Strengthening our strategic relationship with Ecopetrol, we were awarded with a new self-generation park in the department of Huila. This is Brisas, a solar photovoltaic project with a capacity of 26 MWp.

Accelerating the renewable transformation of the electricity system in Chile, we completed the construction of Alto Maipo (531 MW) and its operation is now a reality. We also completed the construction of the 110 MW Los Olmos wind plant, and we continue to make progress in the construction of Mesamávida, Campo Lindo and Andes Solar IIb projects

► Proforma 2025 based on what we have achieved so far



- the solar plant with the largest battery storage system in Latin America. This is added to the construction of the second phase of the 40 MW Virtual Reservoir, in addition to the 10 MW already in commercial operation at the Alfalfal 1 hydroelectric plant.

As part of the company's participation in the United Nations Climate Change Conference in 2021, known as COP26, we announced a plan to expand this energy storage technology to more than 300 MW by 2023, facilitating the incorporation of renewable energy into the system. With this, the country will be able to store and deliver up to 1,558 MWh of energy per day to the system, which means avoiding more than 200,000 tons of CO₂ emissions per year, the equivalent of removing more than 80,000 private vehicles from the streets of Chile.

To support our customers in their sustainability goals, we executed important energy sales agreements. Accordingly, we executed long-term renewable energy contracts in Chile for more than 580 GWh/year with several customers, thus enabling the construction of more wind and solar projects and storage systems, further accelerating the transformation of the company's matrix. At the same time, in Colombia, we signed an agreement to supply 438 GWh/year with Gecelca for 15 years starting in 2025 and we were awarded the 26 MW Brisas solar project for the construction and supply of energy for 15 years with a subsidiary of Ecopetrol.

Lastly, thanks to a solid financial strategy for our transformation and an efficient debt management, by 2025, we will have strengthened our Investment Grade by optimizing our Net Debt to EBITDA ratio to less than 3.4 times, ensuring the financing of the projects that will soon begin construction.

Our commitment[GRI 305-5]

With the implementation of Greentegra, by 2025 more than 70% of our capacity and two-thirds of our EBITDA will come from renewable energy sources. Furthermore, thanks to the integration of renewable projects into our portfolio and a gradual and responsible decarbonization process, our CO₂ intensity will be reduced by 58%.

We will continue to be committed to ensure that our coal-fired plants will not remaining in operation a single day longer than our contractual obligations require and the system permits.

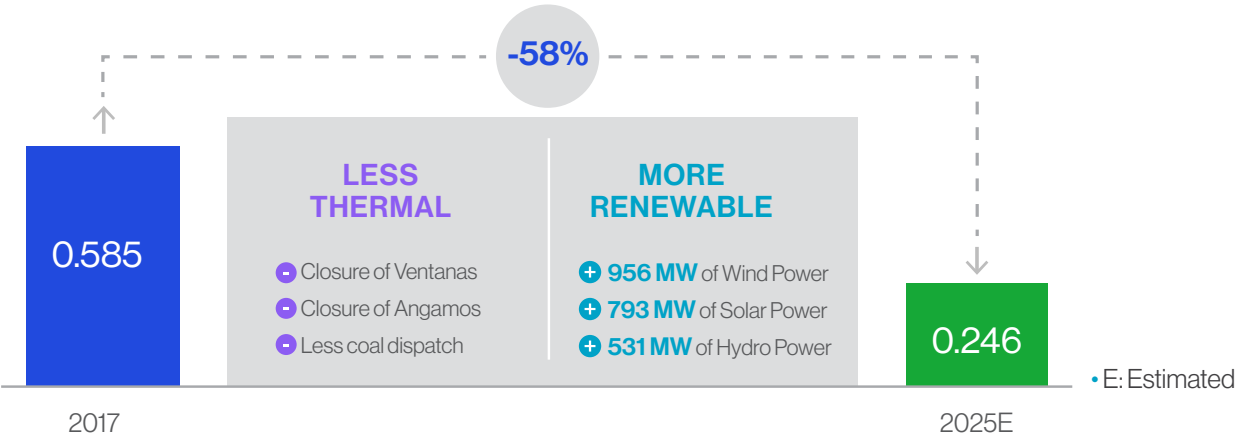
By 2025, considering the achievements we have had since 2018, we will have increased our renewable capacity by 202% and reduced our coal-based installed capacity by 73%. We know that the path to carbon neutrality will not be free of challenges, however, in AES Andes we foresee a 100% renewable future.

In financial terms, we are strengthening our investment grade ratings, achieving sustained leverage below 3.4x,

with the solid financial strategy we are implementing to fund this transformation. Most of the investment needs of the projects built to date have been met with capital from AES Andes and in the future, they will be financed through partnerships with third parties for the development of renewable projects.

Our majority shareholder, AES Corporation has shown full confidence in our strategy. At the end of December, it launched a Takeover Bid for the purchase of all the shares it did not already own, i.e. 33% as of December 31, 2021. This operation, which took place in January 2022, was considered by the directors of AES Andes as very convenient and positive, and allowed The AES Corporation to purchase a 31% stake in the company, increasing its share to 98% at the closing of the Takeover Bid in January 2022. This operation meant a disbursement of approximately US\$530 million for The AES Corporation. Currently, as of March 2022, through additional purchases on the stock exchange, the stake of The AES Corporation in AES Andes exceeds 99%.

Carbon Intensity Reduction (tCO₂e/MWh)



1.2 Sustainability Strategy and Management ▶ [NCG 461 2.1, 4.2]

Working with our communities, partners and customers, we are committed to reducing emissions to curb climate change and thus join efforts keep global temperature below 2°C, with respect to pre-industrial levels, as set out in the 2016 Paris Agreement.

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

Goals of Greentegra:

1. Decarbonize the electricity supply of our customers and therefore of the country.
2. Reduce the CO₂ intensity of our portfolio.
3. Strengthen our investment grade in a renewable electricity generation matrix.

From this perspective, sustainability is an integral part of this process, which manages risks and opportunities and generates material impact through Greentegra's three goals: to decarbonize the electricity supply of our customers and therefore of the country, to reduce the CO₂ intensity of our portfolio and to strengthen our investment grade in a renewable electricity generation matrix.

We have worked on gathering the requirements contained in The AES Corporation standards, national regulations, and international standards (ISO 14001 and ISO 45000) to develop our own integrated management system, called CONECTADOS, which manages the issues of Occupational Health and Safety, Environment, Quality and Asset Management, covering all the operations of the company and its affiliates in Chile, Argentina and Colombia. One of the tools of our parent company, which we replicate locally to sustainably manage the business, is our Management System Policy, which incorporates, together with the commitments and guidelines for Occupational Safety and Health, Environment, Quality, Asset Management, our commitment to Cybersecurity in each process.

In terms of business and human rights, AES Andes has a [Human Rights Policy](#), which formalizes its commitment and support to the Universal Declaration of Human Rights of 1948, in line with the United Nations Guiding Principles on Business and Human Rights.

Our Human Rights Policy gives shape to the tools that the AES Andes already uses to conduct business, such as

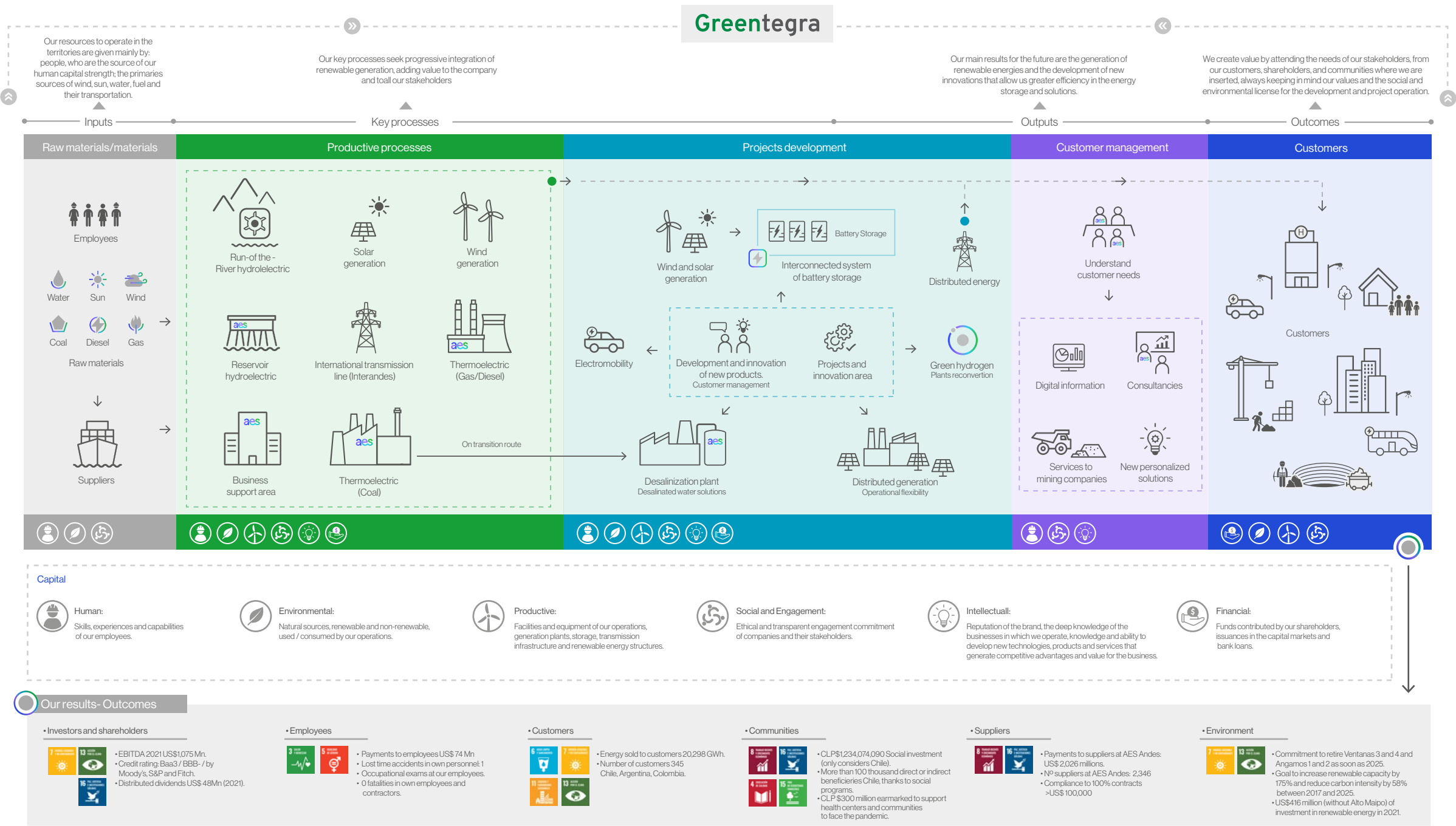
promoting the performance of risk assessments, ensuring safe and healthy working environments, maintaining constant interaction with commercial suppliers and working together with the communities.

The commitment established through this Policy considers eight principles that are the purpose of the day-to-day business management of AES Andes and our subsidiaries throughout all its value chain, especially its employees and contractors.

In line with the guidelines of the United Nations Guiding Principles on Business and Human Rights, AES Andes conducted a due diligence on Human Rights in Chile and Colombia in 2019 and 2021, respectively, in order to identify potential risks within the scope of their operations. A new due diligence process will be implemented in Chile in 2022.

1.3 Business Model [NCG 4616.2]

Working together, we improve lives by delivering the smart and sustainable energy solutions the world needs.



1.4 Safety and Health of our Employees ▶ [GRI 103-1, 103-2, 103-3, 403-2, 403-9]

We have high safety and security standards. To this end, our leaders play a fundamental role in communicating, establishing and clearly defining the safety guidelines, which is our first value and priority in everything we do. Together we share the goal of ensuring that every one of our workers and employees return to our homes safe and sound. For this reason we are motivated to create and maintain a robust safety culture and an incident-free workplace.

Our organization has an Integrated Policy, which is transversal in all our business units, focusing on ensuring that our actions and decisions are in line with our values, beliefs, cardinal rules and safety principles.

To help us put safety first, our annual goals are:

1. Zero fatalities.
2. A reported significant non-injury producing event rate of 0.950
3. 95% attendance at monthly safety meetings.
4. Conduct of safety walks (numbers assigned to their location are variable).

1.4.1 Preventive Management [GRI 403-3, 403-4, 403-5, 403-6]

We are an organization highly committed to safety; therefore, our actions and efforts are focused on maintaining and permanently fostering a sustainable safety culture over time, for our employees, our contractors and neighboring communities.

In relation to the above, we have implemented a robust and active work plan to ensure that we are all aligned with and committed to putting safety first. For this we have different proactive activities and tools, such as:

Monthly Safety Message:

A specific safety activity called "Monthly Safety Message" is carried out on a monthly basis in all business units by the leaders of each business unit with the participation of all our own workers and employees. During the development of this activity, we focus on raising awareness and reflecting on our incidents and disseminating a monthly topic related to our indicators (trends) or relevant contingencies such as COVID-19. Finally, during 2021, the pandemic was not an impediment to continue carrying out these activities in a telematic way, with a high participation rate of more than 95%.

Authorization to stop the works:

The empowerment provided by our top leader to each worker at AES Andes, including employees and visits, which authorizes us to stop a work upon identification of a risk situation to people. This tool is considered as the ultimate preventive barrier to avoid incidents.

Safety Day:

This is a day where all of our facilities stop their activities and focus on celebrating a Safety Day. During this activity, leaders deliver a compelling message to strengthen our safety culture, supporting the commitment to our first value. This year the activities were carried out telematically and the main topic discussed focused on COVID-19.

Safety Walks:

It is one of the most effective preventive tools that we have in the company and is mainly based on interventions by our leaders in the different workplaces. This is an on-site interaction between the leader and employees while carrying out their usual activities or tasks that allow them to identify unsafe conditions and behaviors in order to eliminate any possible incidents in the site. Visible and close leadership has strengthened our strong Occupational Health and Safety culture.

Personalized Activity Program (observations and inspections):

These preventive activities are carried out every month with a focus on the works in progress, equipment and facilities. To achieve this, the commitment of supervisors in detecting deviations, opportunities for improvement, and existing strengths in the field is essential.

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

It is a tool based on psychology, which is applicable to the area of occupational safety and whose purpose is to study human behavior. This method can be used in operation areas, transmission areas, and construction projects. The main focus of the PCS is to modify and identify the behavioral factors that may bring about possible incidents and to reduce any associated events. The Program promotes continuous improvement, mainly to the traditional security management system, and can be regarded as a preventive measure that broadens the perspective on behavior (behavior + attitude).

This vision is the added value of PCS whereby attitude is considered to be fully contained in the behavior.

Safety and Security Monitors:

Their role in supporting safety management varied during the pandemic, focusing on promoting good mental health practices.

During 2021, safety monitors have played a fundamental role in terms of industrial safety and COVID-19 prevention. The support provided by the teams was focused on promoting good mental health practices, and they were trained in the provision of psychological first aid. Therefore, their observations and feedback were aimed at raising awareness of self-care in safety and mental health, identifying possible cases or emotional variables that may affect the management or concentration of people in order to intervene against and prevent possible unwanted events. In addition to the management and support they provide to security, their observations and interventions were aimed at identifying people who, as a result of the health emergency, needed containment or support, providing psychological first aid and making interventions on the positive approach.

Leadership Training:

In the COVID-19 context, we worked with the senior management and their direct reports, training them in communication, group management and conflict resolution, among other effective leadership tools.

1.4.2AES Management System, Audits (Internal, External and SMS Scorecard)

[GRI 403-1, 403-2]

As a company, we have in each of our subsidiaries, an occupational health and safety management system structure based on the international standard ISO 45001:2018, which system is integrated with the international environmental standard ISO 14001:2015. During 2021, the first stage of the project to have an EHS multisite certification for the businesses that make up the SBU South America was completed. We were very proud to achieve this certification objective because of the standardization and cross-cutting implementation work.

During 2021, the certification considered the following AES Andes Businesses in Chile: Norgener, Angamos, Cochrane, Andes Solar, TSING, Los Cururos, Ventanas, TSIC, Cordillera and Laja, as well as other AES Corporation businesses globally. The certification extension will take place in 2022 and will consider incorporating the business units of Argentina and Colombia.

The Integrated Policy of our management system is reviewed on a yearly basis, and the Senior Management also defines commitments to the management system and the protection of the health and safety of its employees.

The main commitments concerning occupational safety and health are:

- Incorporate Occupational Safety and Health, Environment, Quality, Asset Management and Cybersecurity in each process and in every task promoting the organizational culture in these requirements.
- Ensure compliance with the applicable requirements, including the regulatory framework applicable to the business, the AES benchmark regulations, programs, policies, standards, principles, and beliefs, and the commitments voluntarily taken on toward our customers and stakeholders.
- Identify hazards and assess their risks, define and implement measures in accordance with the control hierarchy to eliminate hazards and minimize risks, providing safe and healthy conditions to prevent injuries, occupational diseases, and property damage related to our activities.

- Promote continuous improvement in the Management Systems, and provide the necessary resources to ensure compliance with the commitments of this policy.
- Promote the participation and consultation of all the people who work and their representatives, including contractors, to collaborate in the development of its activities.

On a yearly basis, we set goals to manage improvements in occupational health and safety performance. For this purpose,

certain goals are established with their respective periodic action and follow-up plans, ensuring compliance in the different business units.

Internal and external audits are performed to assess compliance with regulatory requirements and occupational safety and health standards. These activities are carried out based on the annual SBU program. Audits are carried out by personnel with the appropriate skills. Based on the results obtained, specific action plans are established to cover existing gaps.

In addition to the review of the system through audits, the Safety Culture in AES Andes' businesses is measured annually through the Safety Management System Scorecard (SMS Scorecard) tool. This makes it possible to obtain a real perception of workers (our own staff and employees) by means of on-site interviews to obtain first source feedback on occupational safety and health issues, and thus generate action plans according to the results obtained.

1.5 Transformation and Innovation to Improve Lives ▶ [GRI 103-1, 103-2, 103-3; NCG 461 31, 4.3]

We understand innovation as the creation and capture of value both for our business and our environment, through the development of new solutions for our customers and the markets where we operate, making it possible to improve processes and introduce more efficient technologies to our operations.

Our mission of "Accelerating the future of energy together", allows us to lead as a company in each of our subsidiaries the transformation of the energy industry, being innovation the engine that has allowed us to make knowledge available to our customers, communities and respective authorities, thus becoming highly competitive in the region.

High Impact Innovations for Energy Transformation

We introduce large-scale technologies in the markets where we operate, favoring the integration of renewable sources into

the energy matrix and supporting the sustainable growth of new customers in the region, being at the forefront of changes in the electricity market to deliver comprehensive, reliable and clean solutions to our customers.

Self-generation Projects

We are building self-generation projects both in Chile and Colombia. These projects provide energy to customers independently from or in combination with the public grid. In Colombia, for example, we have built two solar plants for Ecopetrol: Castilla and San Fernando, for a total of 82 MW, and we are building a third project, Brisas, for an additional 26 MW. San Fernando Solar Plant was completed in 2021 and has entered into a contract with Genit, a subsidiary of Ecopetrol Group, under which it will supply renewable energy for a period of 15 years. This will mean for our customer a reduction of 508 thousand tons in CO₂ emission and a saving of more than 40%


in grid energy costs. The 61 MW San Fernando Solar Plant became Colombia's largest self-generation solar park.

In Chile, we have also built similar projects of smaller capacity that deliver energy to specific customers under long-term contracts.

Storage

We are pioneers in the implementation of battery storage technologies in Chile (Battery Energy Storage System, BESS). As a complement to our thermal power plants, we installed the first batteries at the service of the National Electricity Coordinator in 2009 to provide the primary frequency control service.

One of the biggest challenges today is related to addressing climate change. To this end, the energy transition towards a

renewable energy based matrix is fundamental and in AES Andes, in addition to the development and construction of new projects, we have dealt with it through the development of new energy storage technologies, in order to achieve a more reliable electrical system. We continue to invest in batteries to store electricity, which will allow us as a company to add 547 MW of batteries by 2025 and thereby store up to 2,488 MWh of energy per day, in addition to contributing to the commitment established in the [National Energy Policy](#) , making the electrical system more flexible, delivering storage innovation to integrate renewable sources and ensuring that clean energy is available at any time and in any household in Chile.

This figure is equivalent to avoiding more than 200 thousand tons of CO₂ emissions per year or withdrawing more than 80 thousand private vehicles from the streets of Chile.

In 2021, we consolidated this technology as an important enabler of our growth strategy by completing the construction of stage 1 of the Virtual Reservoir, adjacent to the Alfalfa hydroelectric plant, in the Metropolitan Region. In addition, we started the construction of the second stage of the Virtual Reservoir and the Andes Solar IIb and Andes Solar IV projects, which include batteries and are located in the Antofagasta Region, in Chile (For more details of the projects under construction, see Chapter 2 of this Report).

We see energy storage along with renewables playing a vital role in Chile's green energy future, allowing renewable energy to be stored for peak demand and helping to accelerate the phase-out of thermal generation.

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, replacing the need for a water reservoir. With a potential of up to 250 MW of storage, this type of projects will allow us to contribute to the stability of the electrical system with add-on services such as back-up and formation of islands for contingencies. The stored energy will allow the system to replace conventional fossil-fuel power plants during peak hours to reduce greenhouse gas emissions and operating costs. Stage 1 of 10 MW * 5 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 (For more information on this project, review Chapter 2 of this Report).

Storage Batteries adjacent to 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 and Andes Solar IV consider storage batteries adjacent to these parks. In the case of Andes IIb, with a capacity of 560 MWh, it will become the largest battery-based project in Latin America. Thanks to its high storage capacity, it will not only inject renewable energy into the Chilean electrical 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. (For more details on the progress of Andes Solar IIb and Andes Solar IV projects, see Chapter 2 of this Report).

Reconversion of Power Plants

In line with the technological transition of our coal-fired thermoelectric plants to projects with low environmental impact and high competitiveness, we are working on the reconversion of plants to take advantage of high-value facilities with existing infrastructure, by using technologies that do not emit greenhouse gases.

One of the alternatives we are evaluating is based on a technology that uses molten salts for electricity storage.

The technology considers the use of electricity from renewable sources during the day, which increases the temperature of molten salts from 260 °C to 570 °C, which are stored in ponds at high temperatures. Then, at night, they are circulated from the pond by a heat exchanger to generate steam and convert it into energy when required.

One of the advantages of this technology is that it can be retrofitted in parallel to the plant's current operation.

Electromobility



We are moving forward in the transformation of our internal personnel transport fleet by installing the first electric bus chargers for the Ventanas Complex (Chile), which we expect to use from 2022 onwards, as a starting point for the transformation of the rest of the complexes.

We are also working with our customers to provide solutions for making progress in their electromobility strategies.

Extension of Chivor plant's useful life

Our Chivor Hydroelectric Power Plant in the Department of Boyacá, Colombia, has more than forty years of operation and the natural sediments of the reservoir were already reaching the level of the current intakes. For this reason, it was necessary to build additional intakes at a higher level than the original ones and to excavate 1.4 km of galleries to connect them to the existing infrastructure and thus extend the useful life of the reservoir by at least 50 additional years. The project was implemented after several years of studies and research related to the sedimentation process in the reservoir. This is the first time that a modification of this nature is made in a hydroelectric power plant with the characteristics of Chivor (1,000 MW of installed capacity with a reservoir capacity of 600 million cubic meters) and without affecting the normal operation of the plant.

Digital Transformation in our Operations

In Chile, during the last two years, innovation was part of our digital transformation strategy under which we capitalized the benefits of implementing our Smart Center (Smart Operations Center), which is the seat of the convergence of processes, people and technological tools to, among other things, centralize the remote operation of our operations using the ROCC (Remote Operation Control Center).

This tool allows us to carry out remote and centralized maneuvers in our existing plants, optimizing costs, improving performance and streamlining dispatch decisions in order to ensure a reliable and safe operation in accordance with the system requirements. We constitute a milestone in innovation in terms of remote operation of generation units that were operated locally for more than 20 years. Additionally, as part of the Smart Center, we operate the

Performance Monitoring & Analytic Center (PMAC), a technological tool that allows us to conduct a continuous and online asset performance monitoring, i.e., the early detection of failures, efficiency losses and improvement opportunities for our power plants.

During 2021, we incorporated Advanced Analytics and Artificial Intelligence tools to make our decision-making capabilities more agile and reliable.

Digitalization and the Environment

In the area of Environment we have worked since 2015 in digital tools to support the management of environmental compliance and its reportability to the authority, seeking to improve the tracking of goals and objectives and to centralize access to evidence of compliance with rapid delivery of timely and reliable information.

In 2021 we continued to work to refine the Integrated Chemical Management Service modules and the Compliance Management Module for AES Andes' businesses and projects. New businesses such as wind farms were included in the platform, after systematizing the commitments of the Environmental Qualification Resolutions (RCA) and legal requirements.

During 2021, the pilot phase of the online Monitoring, Reporting and Verification (MRV) was completed in line with the CO₂ reductions obtained from the generation of renewable energy plants, such as wind and solar plants, as well as other clean technologies that will be implemented in the future. This will strengthen and facilitate the follow-up and MRV process to make tangible and capitalize on these environmental assets or carbon credit. One of the main innovations of this platform is that the reduction

records will be stored in databases distributed and secured in blockchain with a high standard of traceability to make their use in carbon market transactions feasible in the near future. This implementation made it possible to connect to the physical injection and withdrawal measures of NCRE (Non-Conventional Renewable Energy) projects, such as Andes Solar Stage II and Los Cururos Wind Farm, as well solar projects under the category of Small Distributed Generation Media (PMGD, for its acronym in Spanish) and to calculate the equivalent CO₂ reduction on an aggregate or individual basis.

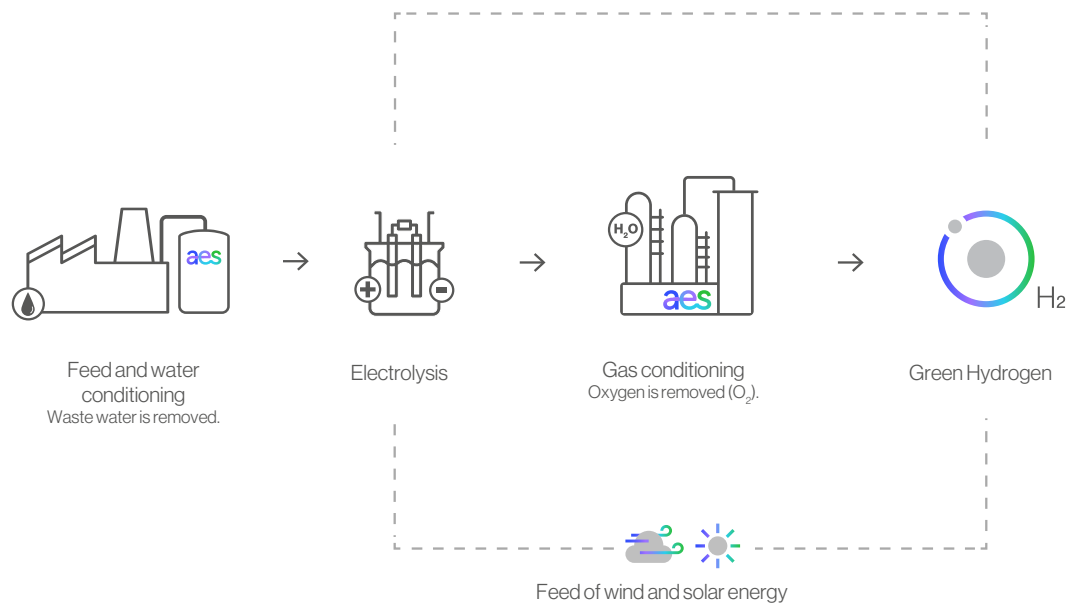


Green Hydrogen

During 2021, a strategic plan for the development of this new business area was implemented. We are confident that the exploration and innovation in this energy sector will diversify our portfolio of renewable energy projects. For this reason, we have worked in corporate partnerships with higher education entities and technology partners, and offered retraining to our employees, among others. We expect to start small-scale green hydrogen production for self-consumption in the short term, making it possible to accumulate knowledge, disclose minor industrial operations, and reduce CO₂ emissions from operating assets.

(For more details see Chapter 2, Section 2.4 Our Projects under Construction and Development 2021.)

► Production of green hydrogen



Innovation in the Corporate DNA

Innovation is stimulated throughout the company and we live it through three pillars to focus processes and governance. We are dealing with Core, New and Exponential Innovation Systems that work with independent focal points, but sharing synergies and methodologies.

Thus, all employees within AES can find a space to generate value through the creation of new ideas or participate in the various trainings in agile methodologies that are offered during the year.

► AES Andes Innovation System



Core	New	Exponential
Transforms how we operate by improving our processes and generating value.	Creates solutions to meet the needs of our customers.	Develop new business models in line with our strategic vision.

The **Core System** seeks to develop initiatives that improve internal processes by transforming the way we operate. Under the AES Performance Excellence (APEX) Program and the strategy defined by The AES Corporation, we optimize our internal management to foster greater innovation, efficiency and process improvement in our daily operations.

Open competitions are held annually within the company in which any AES member at a global level can submit an APEX project. Winning projects are implemented.

The **New System** seeks to develop solutions or products to meet the needs of our customers by accompanying them in the path of energy efficiency. Led by the Transformational Solutions area, it has an Innovation Committee, headed by the President of the South American region for AES and the participation of leaders from each country, which meets every month to provide support and strategic guidelines for projects in this line.

The **Exponential System** is under the umbrella of AES Next, an AES Corporation company created to develop new businesses focused on technologies. Some areas of interest are the digitalization and application of clean energies in the industries. AES Next has an Incubation Committee that defines innovation focuses and investment amounts, where AES Andes is represented by the Chairman of the Board.

1.5.1 Relationship with our customers

Our customers are always at the center of our decisions and we focus on their needs to deliver innovative energy solutions that add value, increase their competitiveness, reduce their risk, and allow them to meet their sustainability goals. 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.

Greentegra

COAL to GREEN

Decarbonizing our customers' supplies

BLEXTEND

Extending our business relationships

GenerFlex

New customers, new energy solutions

WPA

Water desalination

TRANSFLEX

Integration of batteries into transmission Lines

Energy solutions for our customers

Coal to Green

Coal to Green: Based on existing Tolling Agreement type PPAs (Power Purchase Agreements), i.e., where there is a fixed charge covering the return on the capital invested to build the plant, and a variable charge for the sale of energy that is invoiced at the cost of supply to the customer, the variable charge is replaced by a renewable energy contract while maintaining a fixed charge 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 charge of the original PPA, but replaces the variable charge based on the cost of coal energy with renewable energy at a fixed price.

Blextend

Blextend: Based on existing conventional rate 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 change in the source of energy supply to renewables. In this way, the profitability of the contract is maintained, the relationship with the customer is preserved, without losing value, and the customer benefits from a renewable supply and a lower cost of energy in the short term, without having to wait for the expiration of the conventional contract.

GenerFlex

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

1.6 Moving Forward with our Employees ▶ [GRI 401-2, NCG 46154, 5.5]

People represent our main asset, being our employees the ones who make it possible to pursue our organizational strategy. Our operations, transversal and corporate areas, people management and the development of our talent are the basis of our objectives. For this reason, we constantly seek to enhance skills, foster a spirit of innovation and promote a pleasant work environment. In addition to providing a space for the balance between work and personal or family life of our employees.

At AES Andes and its affiliates, the workforce is made up of people from diverse backgrounds and cultures. Diversity is not viewed simply as a responsibility to be fulfilled, but as part of the company's DNA, as well as a permanent commitment to respect all employee rights, in full compliance with the current labor regulations, as a basis.

We have made significant progress in the incorporation and promotion of women with a clear aspiration to achieve gender equity before the end of this decade. We are also committed to incorporating more people of indigenous origin and people with disabilities.

Our Human Rights Policy, issued in 2019, allowed us to adopt standards to review our internal protocols, as well as those of our partners. We identified the need to focus on gender diversity and inclusion as a permanent guideline of our management. Therefore, during 2021, we managed to implement a Gender Policy and to introduce an Integrated

Management System around Gender Equality and Reconciliation of Family and Professional Life. This turned us into the first company in the sector to obtain certification in Chile. All of the above, according to the Chilean Standard NCh3262:2012: Management of Gender Equality and Reconciliation of Professional, Family and Personal life.

This process consisted of an audit by the certifying company on the communication and training action plan, the implementation and adaptation of our policies with a gender focus, and the commitment of the front line and General Management to the gender mission.

To learn more about our Human Rights Policy and the management of our Corporate Governance, see Chapter 3 of this Integrated Report, [Human Rights Policy](#).

In terms of probity and excellence, AES Andes has a Code of Conduct and an Ethics and Compliance Program, which was approved by the Board of Directors, intended to conduct our business according to the highest standards of integrity.

The Code of Conduct regulates the actions of all those persons who work in our Company, including our subsidiaries; while our Ethics and Compliance Program includes all legal and regulatory compliance requirements from Chile, Colombia and Argentina, such as those stipulated in Corporate Criminal Liability Law 20,393 (for Chile), the US Foreign Corrupt Practices Act and other applicable laws.



During 2021, we offered training on the Code of Conduct to our employees with a participation of 99.3%; and we implemented the Values and Organizational Integrity Barometer (BVIO 2021) for our Ethics Champions Program.

To learn more about this, please see Chapter 3. Corporate Governance: Ethics, Transparency and Excellence, under Ethical Framework.

In 2021, we also reinforced a diversity and inclusion policy and a policy to prevent discrimination, and labor and sexual harassment, created in 2019 to ratify our commitment to ensure working environments and relationships based on respect and good treatment. This was carried out through practical workshops in different groups where they worked on conscious and unconscious biases, as well as good treatment and respect for physical differences and different opinions, among others.

Moreover, we adhered again to the Gender Parity Initiative (IPG, for its acronym in Spanish), a public-private body promoted by the World Economic Forum and the Inter-American Development Bank with the purpose of implementing best practices to help close gender gaps. Likewise, we continue to be part of the public-private *Energía más Mujer* plan, promoted by the Chilean Ministry of Energy, which shares the goal of closing gaps and incorporating more women into a highly male-dominated electricity sector.



Regarding our goal of developing the female talent of our company, we carried out the internal communication campaign "Women with Energy" which encourages and inspires women through real stories about achieving professional goals and being leaders of an organization.



We continue to work on the design of training plans intended for women addressing essential topics to ensure growth with equity.



We also continue to pay the day nursery and kindergarten allowance to all eligible women to support them with the care of their children during the pandemic so that they can continue their professional roles.





1.7 Our Environmental Policy

Care for the environment and preservation of biodiversity are key factors in our management and corporate policy. For this reason, our Management System Policy, which defines the commitments and guidelines for Occupational Safety and Health, Environment, Quality, Asset Management and Cybersecurity, is reviewed from time to time; its latest version being that of May 2021, since we are constantly committed to updating the needs of the environments in which we operate.

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

- Incorporate environmental variables in each process and in each task by promoting culture in these requirements; ensure compliance with applicable requirements, including the regulatory framework applicable to the activity, reference standards, programs, policies, principles, and beliefs of AES.
- Ensure the commitments voluntarily made to our customers and stakeholders.
- Analyze, monitor and manage the environmental impacts, preventing and mitigating their potential effects, and promoting the commitment to care for the environment.
- Efficient use of natural resources, biodiversity conservation, and relationship with the communities where we operate.

- Add climate change mitigation and adaptation in the analysis and development of the business, in line with the regulations and commitments adopted by each country in this regard.

All our business units are responsible for implementing such policy during their daily operations in the selection or evaluation of suppliers; the development of new services or projects; logistics planning; biodiversity, water, effluent, emission and waste management; engineering or maintenance operations; and the due diligence for mergers and acquisitions.

[More information in the Management System Policy Integrated Safety, Hygiene and Environment Management](#)

1.7.1 Corporate Environmental Standards

[GRI 103-1 103-2 103-3]

We have corporate guidelines such as AES Andes that respond to those of AES Corporation, and are mainly embodied in lines of action defined by EHS (Environmental, Health and Safety) Standards. These guidelines are updated from time to time and establish the performance requirements

complementary to the local regulations applicable to the management of each business in Chile, Colombia and Argentina, and are adapted to the local requirements through its own procedures and instructions.

► AES Corporation Environmental Standards

The AES Corporation's reference framework for an environmental management system.	Environmental Emergency Planning and Response
Spill Prevention and Containment, Corporate Standard.	Requirements for Dams and Hydroelectric Plants
Hazardous Waste Requirement, Corporate Standard.	Financial Reporting Obligations concerning Environmental Issues
Handling of Chemicals and Raw Materials, Corporate Standard.	Management of Contractor's Potential Environmental Impacts
Quality Assurance for Data and Reporting on Compliance of The AES Corporation Environmental Standards.	General Environmental Requirements and Prohibitions.
Environmental Incidents (Environmental Non-conformance Events (ENEs) and Environmental Near Misses) and Management of Environmental Operating Events (EOE.)	Biodiversity Assessment and Protection.

ISO 14001 Certified Management System

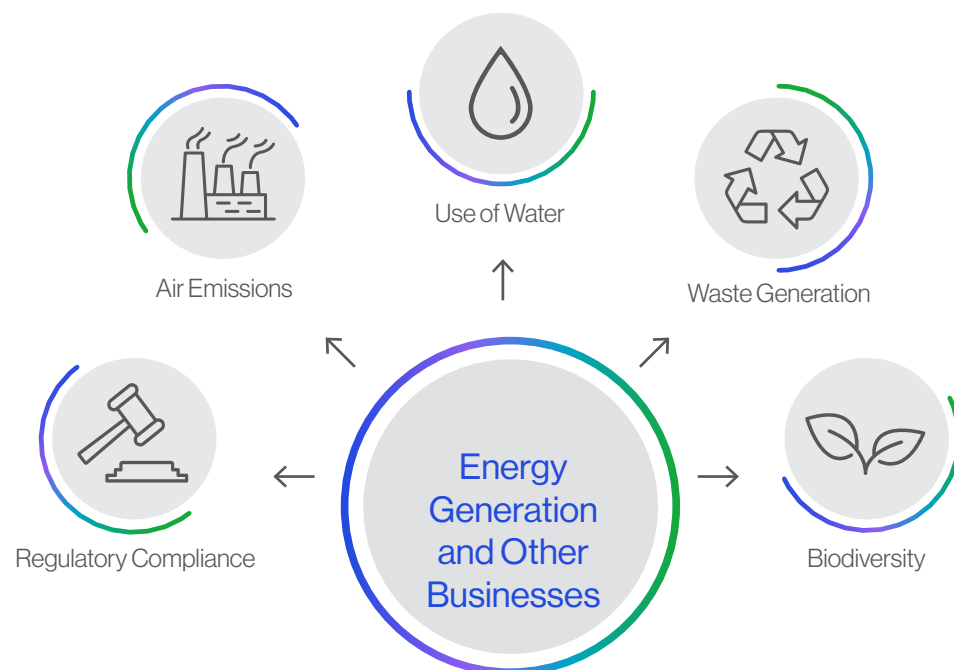
To develop our integrated management systems and manage environmental, safety and occupational health issues in all our operations, we collect the requirements of the AES Corporation standards, local regulations and international standards. During 2021, we began the process to unify the management system in Chile, Colombia and Argentina, which allowed us to obtain a unified certification according to the international standard ISO 14001, in order to have the validation from only one certification body. The first stage considered 13 operating businesses in Chile and Argentina. The rest of the operations will continue with their current certifications, and will be added to this unified certification in 2022. As a result, 100% of our operating businesses maintain their certification.

During the year 2022, we will work on the implementation of the management systems of the businesses that started commercial operation during 2021, in order to obtain the certification during 2023.

AES Andes and Affiliates Environmental Management Approach

As part of the management of each business, we set environmental goals and key indicators with respect to the main environmental aspects of the electric generation processes, as shown below. Chapter 2, "Key environmental performance indicators" shows the annual results of these indicators together with the definition and scope of each indicator.

► Main Environmental Aspects Managed by AES Andes



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

This way, based on our environmental management, we answer to our material topics and work to contribute to the satisfaction of the following Sustainable Development Goals (SDG).



1.8 Commitment to local development

► [GRI 103-1, 103-2, 103-3, EU19; NCG 461 4.2]

Our community engagement strategy has common elements for the operations in Colombia, Chile and Argentina. However, our actions are adjusted to local realities, recognizing that our neighbors, civil organizations, social leaders, local government, among others, are the key actors in one of the driving forces behind our long-term strategy management.

Therefore, our social investment actions are framed within Greentegra and at the same time they are articulated in accordance with the 2030 Agenda for Sustainable Development set by the United Nations, within the framework of the Sustainable Development Goals (SDGs). This will guide us, as a general framework, in social management strategies and on how to contribute to the social, economic and environmental balance in the areas where we operate.

As part of our commitment to continued improvement, and based on internal and external, national and regional experiences and lessons learned, we are working on completing, improving and implementing social impact measurement systems to contribute to a local and sustainable development.

Greentegra

Greentegra as a strategy is applied to our businesses in Chile, Colombia and Argentina. Its success is measured by **four pillars**. One of them is the **creation of value for our stakeholders**, including communities.

Social Investment Strategy

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

Local Development

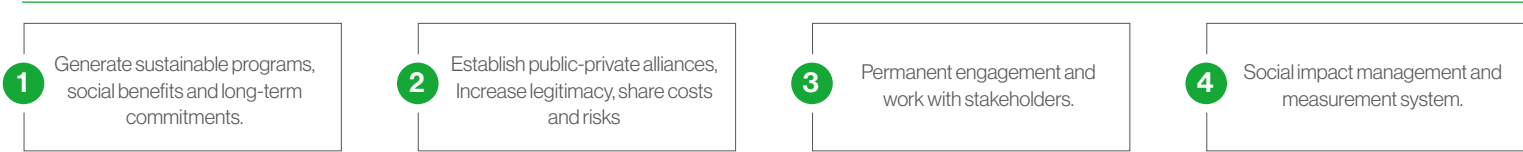
We work in **three areas of action**



Our areas are guided by the Sustainable Development Goals established in the **United Nations 2030 Agenda for Sustainable Development**



This is how we attain our goals



1.9 Risk Management ▶ [GRI 102-11, 102-15, 102-29, 102-30, 103-1, 103-2, 103-3, 201-2; NCG 461 3.6]

The energy industry is exposed to a large number of external factors, including weather conditions, international prices and macroeconomic variables, among others. Modern risk management based on best market practices is essential to safeguard the capital and assets of AES Andes in the face of uncertain future scenarios.

For AES Andes, risk management is part of the company's DNA, as it allows us to plan our strategy and its long-term execution in each of our operations. This makes it possible to anticipate situations in which there is a chance to change with respect to an expected outcome and which we have identified as a strategic process, and to manage it with responsibility, effectiveness and efficacy towards profitable growth and the addition of value with a focus on our stakeholders, both in normal and exceptional circumstances.

For this reason, we have a Risk Unit that performs qualitative and quantitative scenario analysis through its Xstrategy and Multiple Views of the Future business risk management processes, considering contexts that relate to the impact of geopolitical and economic alliances, and the regulation in the electricity sector, which includes Environmental, Social and Governance (ESG) issues that could affect the implementation of the strategy and its outcomes.

1.9.1 Risk Governance

We have an organization chart for governance, with the Risk Management Committee overseeing the compliance

and implementation of standards that allow us to identify, analyze, measure, manage and report all the inherent and residual risks of the businesses and markets where we operate, make the necessary decisions to mitigate any impact, promote a risk culture and manage the company's risk management program (Enterprise Risk Management).

The AES Andes Chief Executive Officer and the Chief Risk Officer, who is responsible for identifying, analyzing, evaluating and monitoring the risks and reporting the results to the Board of Directors for the strategic risk analysis, have an active participation in this instance.

1.9.2 Enterprise Risk Management Program

In our third year with the Enterprise Risk Management Program, we continue to make progress in analyzing the state of the risk culture in the company and identifying the strategic and tactical risks that divert us from executing our strategy.

We entrust people with risk management responsibilities, create action plans and implement a systematic follow-up of the risks reported in the Risk Management Committee. Once a year, we review the status of our plans, thanks to the risk measurements we constantly carry out. We have developed methods to measure the effectiveness and efficiency both prospectively and retrospectively.

We use and document various qualitative and quantitative

measurement methodologies to adjust risk mitigation strategies and assess impacts.

Risk Model

Our guidelines and systems are intended to handle, mitigate, and transfer the potential risks to which our business is exposed, with a model that consists of the following three lines of action:

1. Risk Area: establishes the policies and procedures and advises the areas on the creation of a risk culture.
2. Internal Auditing: an independent area that evaluates the design and effectiveness of the action plans to mitigate risks by making recommendations to improve processes.
3. Management Control of each Area: with their respective monitoring and follow-up resources, manages the risks during the regular course of business of the Company.

Considering the transition to a new business model within our Company, aimed at increasing renewable capacity in our portfolio, the sustainability risk is also part of our comprehensive risk analysis.

Sensitivity Analysis and Stress Tests

We continuously monitor, for all of our businesses, the topics related to exposure to water stress, solar radiation, wind



speed, and other possible impacts on both energy prices and financial results.

To inform stakeholders about the strengths and resilience of the global business portfolio, The AES Corporation published its second climate scenario analysis report in accordance with the recommendations of the Task Force on Climate Financial Disclosures (TCFD), which includes guidelines on managing uncertainties and opportunities related to climate change.

This report focuses on the main risks associated with climate change: transition risk and physical risk, and how these would impact the AES portfolio. The transition risk consists, among others, of a regulatory risk with economic impact that would materialize if the portfolio is not decarbonized in a timely manner, while the physical risk refers to the potential damage to generation plants due to extreme weather effects, such as hurricanes, floods or fires.

The modeling indicated that the portfolio's resilience to the transition risk is significantly high given that the portion of the margin exposed to coal is immaterial (3% in 2020, <1% in 2030 and 0% in 2040). The strategy of coal-fired plants is to provide the grids with sufficient capacity payments, free of the regulation associated with decarbonization.

As for physical risk, the resilience of the portfolio is also very high, mainly because already today the portion of assets in locations considered risky is very low (10%) and is expected to be further reduced in the coming decades as we change

our underlying business from a relatively moderate number of large conventional energy sources to an accelerated development of a large number of smaller renewable assets located in a low-risk area. It is also expected to increase the supply of AES Andes' service-based rather than asset-based businesses.

Full report at this [link](#).

Climate Risk Committee

Risk management is part of the central strategic guidelines of our Greentegra roadmap, which considers the joint work of the various professional teams of AES Andes to ensure safe growth and the generation of value as a competitive advantage.

Given the dizzying effects of climate change, during 2021 we continued with the Climate Risk Committee, which aims to identify and mitigate the risks associated with hydrology, wind and solar radiation, and their impact on the assets of AES Andes. Additionally, in the case of Chile, we are working on the MVF ("*Multiple Views of the Future*") exercise that allows us to visualize potential future scenarios for the country and estimate a value range for our portfolio.

During the same period, we have worked to update and expand the scope of our market risk metrics, so that they also incorporate operational risk.

Cybersecurity.

Cybersecurity is aligned with our first corporate value "safety first" and that is why at AES Andes we work to protect the confidentiality, integrity and availability of our digital assets and all the information we store, process and transmit in them.

In general, the number of cyber-attacks has increased worldwide in recent years because it is a more efficient and less exposed way to make illegal profits. Every day we are exposed to IT risks and that is why our main task, actually the main task of everyone in the Company under the leadership of the Cybersecurity team, is to be prepared to contain these attacks and avoid impacts that could negatively affect the image of our business, the results of our operations and our financial situation.

Our cybersecurity infrastructure is based on an "in-depth defense" model, which means that there are several controls that support each other in case of failure of any of them.

Regular cybersecurity trainings are provided to all AES Andes members so that we can be better protected both at home and in the office, and to help them to identify potential risks. We place great emphasis on ensuring that all the staff understand and know how to react to *phishing* –computer fraud via email– as it is one of the most common methods used by cybercriminals to attack large organizations. For more details about participants in cybersecurity trainings, see Chapter 6, 6.6.1 Performance with our Stakeholders.

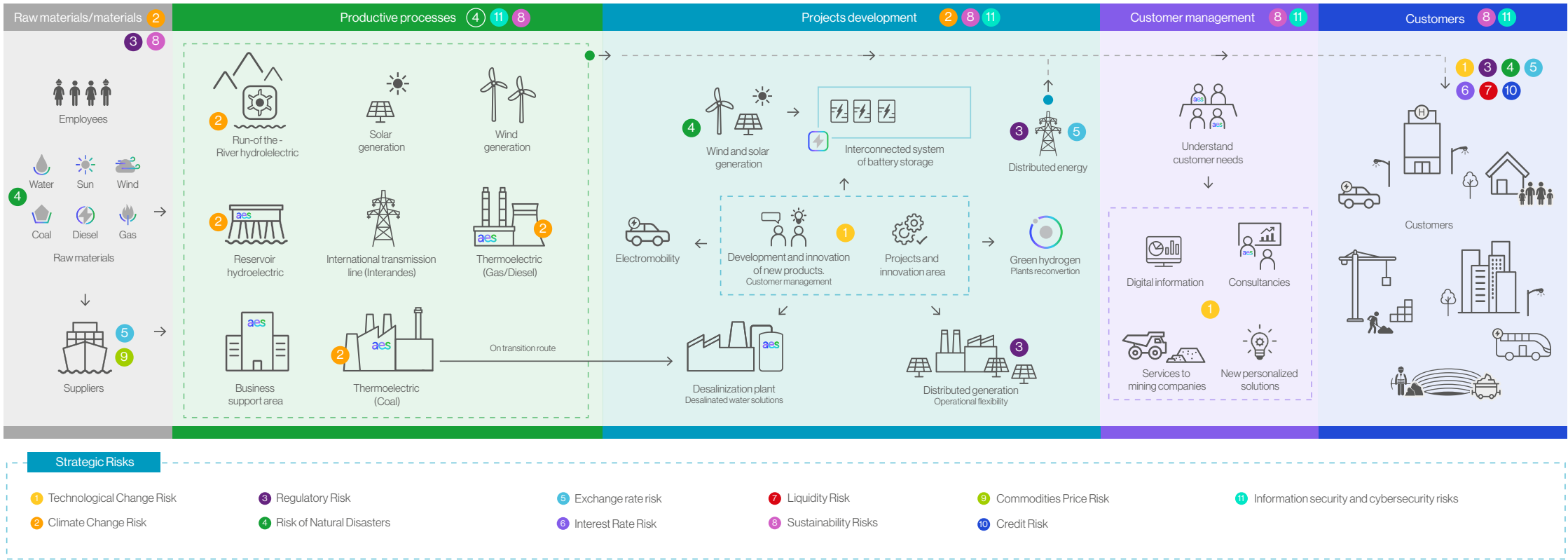
In terms of organizational structure for data security, we have an IT Security and Cybersecurity Department, with staff dedicated to this matter. The Chief Information Security Officer (CISO), who reports to the VP and Chief Operations Officer, is responsible for the implementation and execution of corporate programs in the region and for maintaining the cybersecurity standards of the regulators of each country.

Cybersecurity Risks

Security controls are measures intended to prevent, counteract or minimize risks related to the company's digital assets, such as information and computer equipment. In chapter 2 of this Report, Digital Transformation in our Operations, you will find the improvements implemented by cybersecurity in 2021 through which cybersecurity-risks are mitigated.



► Strategic Risk Analysis in our Value Chain



1.10 Transparency and availability of financial information ▶ [NCG 461.3.7]

Our Investor Relations area is the main link between the Company and the financial market. It is used to transmit information on financial and operational issues and the progress of the Company's strategy, as well as to receive various comments from the market on the perception of the Company by the financial community.

We respond to inquiries from investors and analysts and requests for information about AES Andes and its affiliates through meetings, telephone conferences, road shows, quarterly results presentations, events and conferences in Chile and abroad.

Our efforts in favor of communication and transparency in the area help to establish and strengthen trust and long-term relationships with our investors.

As a team we have focused on improving the quality, transparency and availability of materials for the market. For this reason, we publish several notices, presentations and reports through a [new AES Andes web portal](#), Investors, launched in 2021 and available both in Spanish and English.

Main Activities with Investors and Investment Analysts

During 2021, as a result of the pandemic, we did not participate in face-to-face activities. However, we had the opportunity to participate in 11 virtual conferences and extended meetings

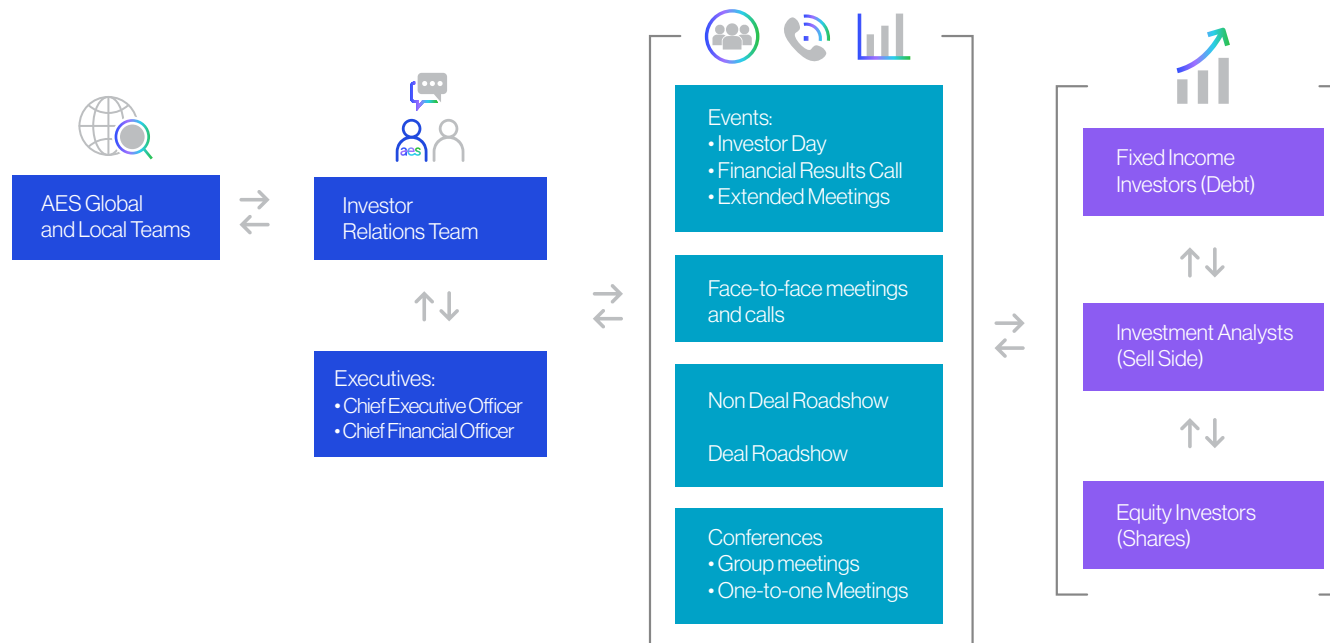
throughout the year organized by different investment banks in which the Investor Relations team and the Company's VP and Chief Financial Officer and Chief Executive Officer participated in group and one-on-one meetings with equity and fixed income investors.

Additionally, we organized several meetings in the framework of the different progress of our Greentegra

strategy, such as the sale of Guacolda in July 2021.

We also coordinated, together with the Vice Presidency of Legal Affairs, the Ordinary and Special Shareholders' Meetings on April 23 and subsequently a Special Shareholders' Meeting on December 17.

▶ Permanent flow of information with investors and analysts



1.11 Customer engagement: excellence and quality

Our business partners are always at the center of our decisions and we focus on their needs to deliver innovative energy solutions that add value, increase their competitiveness, and enable them to meet their sustainability

goals. 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.

In 2021, the efforts of our team and the Investor Relations area were recognized in different categories by the Institutional Investor magazine in its ranking of Latin American companies in the sector. We were also recognized in the categories of *Best ESG*, *Best Investor Event*, *Crisis Management amid COVID-19*, *Best Investor Relations Program*, *Best Investor Relations Team* and *Best Investor Relations Professional*.

Our Investor Relations Team welcomes any questions or concerns about the company at investor@aes.com

The Investor Relations team is led by the Investor Relations Manager, who reports to the Chief Financial Officer.

AES Andes Investor Relations Team:

John Wills
Constanza López
María Constanza Villalón

1.12 Relations with stakeholders ▶ [GRI 102-21, 102-43, NCG 461 6.1, 6.3]

Our stakeholder are defined as any society players that can become affected by our corporate decisions and the goals that we set as a Company. Since 2018, we have been using two corporate management tools that provide us with the main guidelines to establish the manner and type of relationship with stakeholders in each of the territories where we develop operations and projects.

These are The AES Corporation guidelines for stakeholder relations and guidelines for the development of sustainable social programs. In addition to the above, we have our [Política de Vinculación y Relacionamento con Comunidades Locales](#) (Local Community Relations and Engagement Policy) [↗](#).

The Stakeholder Engagement Plan specifies a series of definitions aimed at forging meaningful relationships over the long term. The objective and scope of this engagement are defined with the creation of roles and responsibilities. Relevant actors are identified and forms of provision of information and external communication are established. Together with them, as from the earliest stages of the projects, consultation and complaint mechanisms are also implemented.

The stakeholder identification and selection process is carried out by both the corporate team and the local team through internal work meetings that are intended to make a constant evaluation and follow-up of the practices of AES Andes in terms of sustainability.

In the operations and projects we develop in AES Andes, we establish a transparent and continuous dialogue process for our corporate management through the following stages:

- Identification of stakeholders and determination of the nature of their demands.
- Identification of areas and players of the Company that are related to these groups.
- Development of their responses at an organizational level.
- Development, execution, monitoring and control of social investment programs.
- Follow up initiatives by assessing their respective impact.

For that purpose, we resort to engagement mechanisms, including, without limitation: one-on-one meetings; dialogue and participation forums; working groups; public hearings; publications in national, regional and local mass media; consultation and complaints procedures; guided tours in our plants; publications on our website; letters, e-mails and telephone calls; studies, surveys and measurements.

Moreover, we assume that the basic requirement is to comply with all the regulations in force, both legal and ethical, that are applicable to the Company.

Stakeholders [GRI EU19, 102-40; 102-42]



Stakeholder Engagement

We have a permanent relationship with our stakeholders based on knowing and discussing relevant issues of mutual interest concerning our social, environmental, and economic impact and performance.

Undoubtedly, the COVID-19 health emergency altered and modified many of our permanent instances during the last few years, in which most face-to-face meetings were suspended, giving priority to the use of technological tools for remote communication, such as videoconferences, telephone calls, social networks, among others. In the

meantime, during personal contacts, we respected all the necessary safety protocols.

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

Stakeholders	Involvement and Frequency	Context of COVID 19
<p>Customers</p> <p>It 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 non-regulated sector or who will call for invitations to tender and the intermediaries that may exist (demand aggregators, marketers). It also considers other generating companies as potential customers.</p>	<p>Permanent interaction with our customers, from periodic meetings to regular communications, such as delivery of newsletters, invitations to Sustenta 2021 -exclusive event for our customers who wanted to promote tools to achieve sustainability goals-, invitations to Introductory Courses of the electricity market, through which we help them continue to acquire relevant knowledge that will help them make better decisions, deliver monthly behavior reports, among others.</p>	<p>Face-to-face meetings were suspended and virtual meetings were held. In addition, new virtual instances were created with the aim of informing our customers of the relevant topics and strengthening the connection with the stakeholders in a new social context.</p>
<p>Government and Regulating Agencies</p> <p>This group includes the central, regional and local government, and their representatives; the Congress; the electricity and environmental sector authorities; and the electricity and environmental regulating agencies.</p>	<p>Monthly and bimonthly meetings concerning regulatory issues. Audits (with no specific frequency). Meetings to update information on projects or operations. All meetings requested by AES Andes are held under the current Chilean Lobby Law.</p>	<p>Face-to-face meetings were suspended and replaced by meetings held through telematic means. Emergency meetings and a crisis committee were organized to ensure power supply during the pandemic. Closer contact was made with the local authorities to arrange anything needed to maintain the operation of the plants on a permanent basis during the pandemic.</p>
<p>Investors</p> <p>This group is made up of our shareholders, our partners with equity interest in AES Andes subsidiaries, note holders, and the financial market, including financial analysts, banks, asset managers, and risk rating agencies.</p>	<p>Permanent meetings, calls and communications, quarterly reports and calls to cover the progress made in the Company strategy, relevant news and actions, financial results, ESG issues, among others.</p>	<p>Face-to-face meetings were suspended and replaced by meetings held through telematic means. Regular reports included information on continuity of operations and safeguards against the Covid-19 pandemic.</p>

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Stakeholders	Involvement and Frequency	Context of COVID 19
<p>Opinion leaders</p> <p>We consider that sector leaders, academic leaders, mass media, and social network leaders are the spokespersons of the public opinion.</p>	<p>Permanent informative communications</p>	<p>Face-to-face meetings were suspended and replaced by meetings held through telematic means with a focus on sharing the safeguards put in place as a result of the pandemic.</p>
<p>Industry - electrical sector</p> <p>This group includes the electric sector companies, as well as sector unions and associations.</p>	<p>Permanent engagement through trade associations, including the Chilean Association of Generating Companies and the Chilean Association of Renewable Energy (ACERA, for its acronym in Spanish)</p> <p>Each month we participate in various committees of these associations, in order to promote and share good practices in the sector</p>	<p>Face-to-face meetings were suspended and replaced by meetings held through telematic means. Coordination meetings were held with the Government to ensure the power supply in the country during the pandemic.</p> <p>In the last part of the year, the union agenda was resumed and a legislative and regulatory follow-up work of interest to the sector was carried out. Moreover training courses, award ceremonies, and work sessions were conducted via online platforms.</p>
<p>Communities</p> <p>It is made up of our neighbors, the local communities and social leaders, as well as other local companies with which we have a relationship. We also include civil organizations of the territory.</p>	<p>Regular meetings with neighbors and social leaders Social Investment Programs. Participation in community events throughout the year Monthly visits to plants.</p> <p>Radio programs where necessary. Annual public accounts. Permanent working tables. Permanent communication via social networks.</p>	<p>Physical activities with neighbors and social leaders were suspended. Face-to-face care in community offices, monthly visits to the plants, and joint field activities were suspended. As established by the health authorities, face-to-face meetings have been resumed.</p> <p>Training was carried out to develop working sessions and meetings with communities through telematic means. Internet equipment and devices were provided to ensure community engagement. Permanent communication through social networks and the use of non-traditional methods, such as customer care channels via WhatsApp.</p>

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Stakeholders	Involvement and Frequency	Context of COVID 19
<p>Academy and civil organizations</p> <p>Includes universities and NGOs, both national and international, as well as other innovation-oriented reflection and research organizations.</p>	<p>Participation in seminars and direct dialog where necessary. Participation in advisory councils. Systematic delivery of information</p>	<p>Face-to-face meetings were suspended and replaced by meetings held through telematic means. The delivery of periodic information regarding the safeguards was triggered during the emergency. Our leaders participated in technical and working sessions with different audiences.</p>
<p>Employees</p> <p>AES Andes workers, trade union organizations and leaders.</p>	<p>Permanent communications through various channels and activities.</p>	<p>Physical activities in offices and plants were suspended. Only employees that are essential for the operation and critical activities performed tasks on a physical basis. Crisis Committees were created. HR and Occupational Health and Safety support groups were responsible for ensuring that all employees had the connectivity, space, furniture, and ergonomic conditions to perform their duties from their homes. Distance activities were developed to promote quality of life at work, mental health during the crisis, sports and recreational activities to develop with families. Work disconnection schedules were established. Feedback surveys were conducted on new working conditions.</p> <p>In Chile, the new corporate offices were opened in the fourth quarter of 2021 and, according to the protocols established by the Company, any employees who were considering the possibility of returning to the office could return to work at the new facilities two or three times a week. These measures were subject to the number of infections, where attendance at the corporate offices was limited.</p>
<p>Suppliers</p> <p>Suppliers of raw materials, technology, and products or services. In addition, this group includes external employees from outsourced services that work in our premises.</p>	<p>Periodic communications in invitations to tenders, permanent communications between users and contractors</p>	<p>Face-to-face meetings were suspended and replaced by meetings held through telematic means. Emergency meetings were locally organized to ensure the supply of inputs and services during the pandemic. Closer contact was established with local providers to help the neediest communities.</p>



Our performance 2021

2.1	Our Main Assets and their Performance	53	2.8	Development, Growth and Well-being of our Employees	111
2.2	Operational Performance and Maintenance	56	2.9	Innovation Projects	120
2.3	Financial Management	60	2.10	Customer Relationship: Excellence and Quality	122
2.4	Our Projects under Construction and Development	65	2.11	Sustainability in the Supply Chain	124
2.5	Community Relations	73	2.12	Acknowledgments and Memberships	128
2.6	Environmental Performance	86			
2.7	Occupational Safety and Health of our Employees and Contractors	104			

In this chapter, we will address the following material topics:

- Commercial excellence and customer management
- Occupational health and safety
- New businesses and innovation
- Quality of employment
- Environmental impact of suppliers
- Biodiversity
- Environmental regulatory compliance
- Employee-company relationship
- Spill of liquid or solid waste
- Training and development
- Local communities
- Economic performance
- Emissions
- Energy
- Efficient management and use of water

2.1 Our Main Assets and their Performance

► [GRI 102-7, EU1; NCG 4.1, 6.2, 6.5.2]

2.1.1 Main assets AES Andes

[GRI 102-7, GRI EU1, NCG 6.5.1, 6.5.2]

We have a portfolio of generation assets from various sources and technologies, with an operating capacity of 4,543 MW as of December 31, 2021, including Unit 1 of the Ventanas Plant,

currently in the Strategic Reserve State (ERE, for its acronym in Spanish). We have an operational presence in three countries: Chile, through the National Electrical System (SEN, for its acronym in Spanish), Colombia, through the National

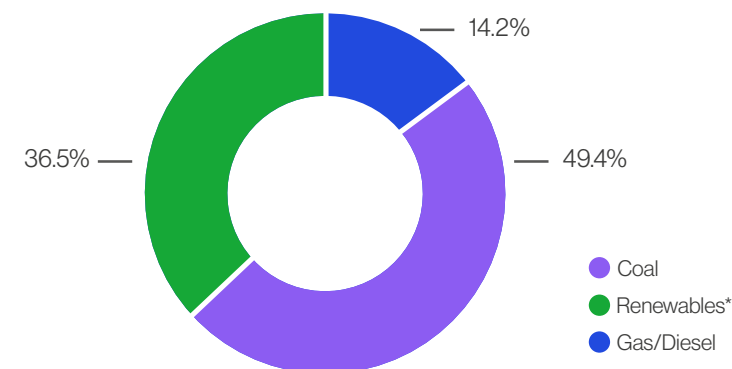
Interconnected System (SIN, for its acronym in Spanish) and Argentina, through the Argentine Interconnection System (SADI, for its acronym in Spanish).

► Installed Capacity (in MW)

Technology (MW)	Chile	Colombia	Argentina	Total
Hydro	267	1,020	-	1,287
Solar	104	82	-	186
Wind	109		-	109
Biomass	13		-	13
Gas	-		643	643
Coal	2,243		-	2,243
Total	2,736	1,102	643	4,481
Storage Batteries	62	-	-	62
Total	2,798	1,102	643	4,543

In July 2021, the sale of Guacolda Energía SpA plant became effective, and therefore its capacity is not included in this table.

► Consolidated Operating Capacity in AES Andes








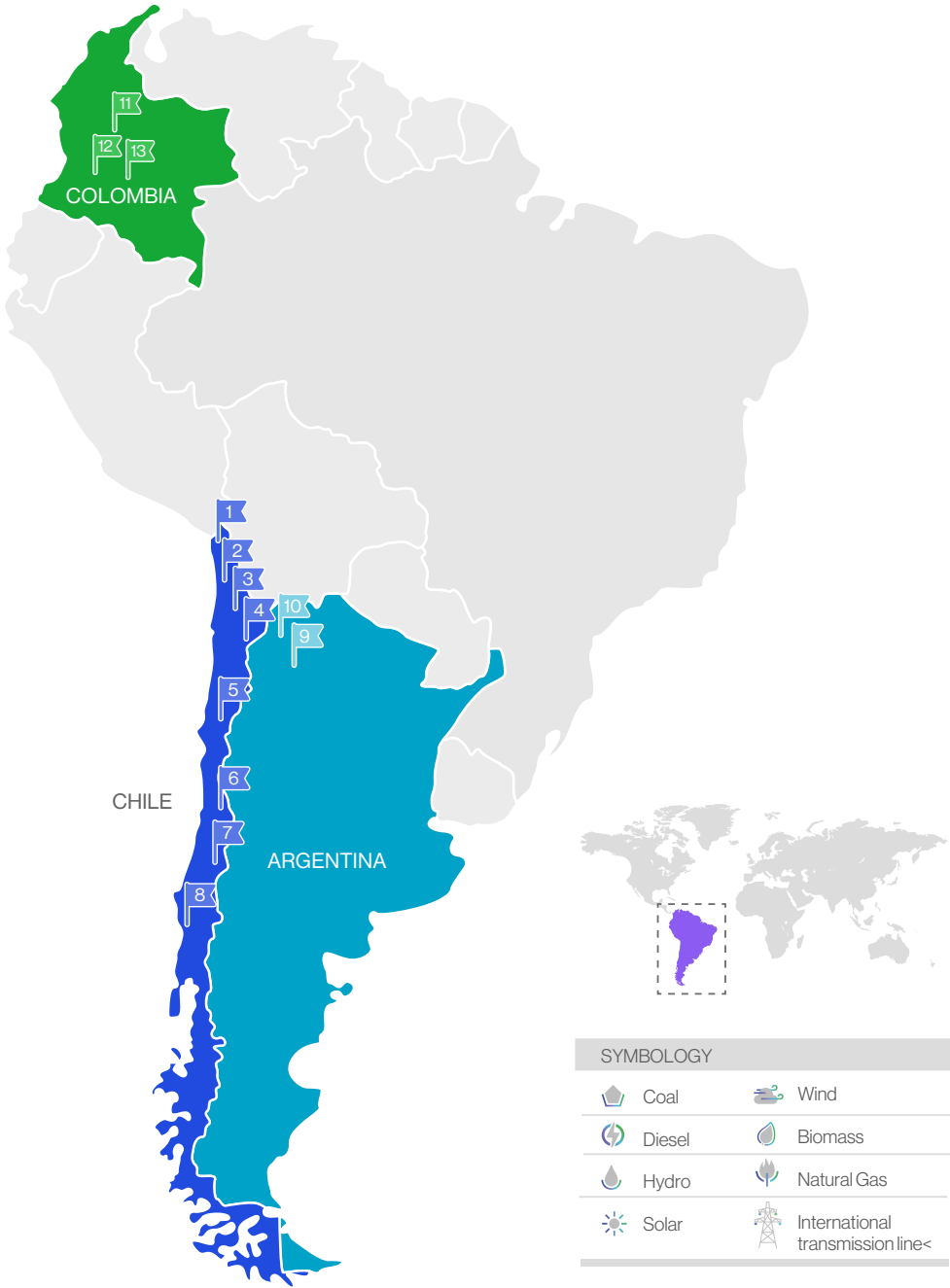
* Renewables include: Hydro, Solar, Wind, Biomass and Storage Batteries.

2.1.2 Our generation assets [GRI 102-4, 102-6, 102-7 NCG 461 6.1, 6.4, 6.5.1, 6.2]

Below, we present a summary of our main subsidiaries and affiliates, together with their respective electric generation assets.

CHILE	
TYPE OF ENERGY	CENTRAL / MW
	<div>1</div> <div>AES Andes S.A. Norgener plant</div> <div>Antofagasta Region - 276MW</div> <div>12 MW battery storage</div>
	<div>2</div> <div>Empresa Eléctrica Cochrane SpA</div> <div>Antofagasta Region - 550 MW</div> <div>20 MW battery storage</div>
	<div>3</div> <div>Empresa Eléctrica Angamos SpA</div> <div>Antofagasta Region - 558 MW</div> <div>20 MW battery storage</div>
	<div>4</div> <div>Andes Solar Spa - 22 MW</div> <div>Andes Solar II SpA - 81 MW</div> <div>Antofagasta Region - 103 MW</div>
	<div>5</div> <div>Parque Eólico Los Cururos SpA.</div> <div>Coquimbo Region - 109 MW</div>
	<div>6</div> <div>AES Andes S.A. - Ventanas*</div> <div>Valparaíso Region - 322 MW</div> <div>Empresa Eléctrica Ventanas SpA.</div> <div>Valparaíso Region - 537 MW</div>
	<div>7</div> <div>AES Andes S.A. - Hydroelectric plants</div> <div>Metropolitan Region - 267 MW</div> <div>(Alfalfal, Queltehues, Maitenes, Volcán)</div> <div>10 MW Almacenamiento de energía</div>
	<div>8</div> <div>AES Andes S.A. - Laja</div> <div>Bío Bío Region - 13 MW</div>

ARGENTINA	
TYPE OF ENERGY	CENTRAL / MW
	<div>9</div> <div>TermoAndes S.A.</div> <div>Salta - 643 MW</div>
	<div>10</div> <div>InterAndes S.A.</div> <div>410 KM (Chile-Argentina)</div>
COLOMBIA	
	<div>11</div> <div>AES Chivor & Cia S.C.A. E.S.P.</div> <div>Boyacá - Chivor: 1.000 MW</div> <div>Tunjita: 20 MW</div>
	<div>12</div> <div>AES Chivor & Cia S.C.A. E.S.P.</div> <div>Parque Solar Castilla</div> <div>Huila - 21MW</div>
	<div>13</div> <div>AES Chivor & Cia S.C.A. E.S.P.</div> <div>Parque Solar San Fernando</div> <div>Huila - 61 MW</div>



* Unit 1 of Ventanas Plant currently in ERE.

2.1.3 Storage assets

We have 62 MW of energy storage capacity in four units:

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.

2.1.4 Transmission assets

The total number of transmission lines and substations in Chile is 1,083 km: 885 km of transmission lines directly owned by the Company (including 138 km that join the InterAndes line to connect the SEN to the SADI), 228 km through leasing and 22 substations. The transmission losses of our SEN lines in 2021 were 0.48%.

In Argentina, we have the Salta 345 kV Substations (owned by TermoAndes S.A.) and the Altiplano Sectioning 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 SAIDI, see Chapter 6, Additional Information, 6.5 Overall Asset Performance.

2.1.5 Gas Transport Assets

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

2.1.6 Water Desalination Assets

We have a reverse osmosis desalination unit of 56 L/s (in Angamos Thermal Plant), four TVC desalination units of 30 L/s each (two in Angamos Plant and two in Cochrane Thermal Plant) and four EDI demineralization units of 7 L/s each (two in Angamos Plant and two in Cochrane Plant).

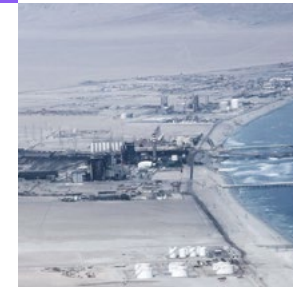
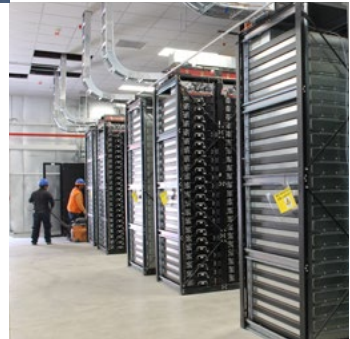
Throughout 2021, we can highlight that a total of 292,368 m³ of desalinated water and 28,025 m³ of demineralized water were sold to 8 customers. The volume of sales increased by 97% compared to 2020, doubling the volume sold.

In addition, during the same period, the Water Supply System started to operate, which allows for the simultaneous loading of trucks –with several water dispensers– and the reduction of their filling time.

Angamos Desalination Plant

Angamos Desalination Plant came into operation in 2015, with a production capacity of 56 L/s, used for electricity generation and surpluses are sold to industrialists from Mejillones and Antofagasta. In addition, the production of desalinated water was expanded in the business strategy stage –within the framework of decarbonization– and has meant the valorization of assets as part of the technological reconversion and the water needs of the northern part of

Chile. It is located within Angamos Complex, Commune of Mejillones, Region of Antofagasta.



2.2 Operational Performance and Maintenance

Throughout 2021 we can highlight the following milestones related to our operations:

CHILE

- (a) At the end of 2021, we completed the construction of the Alto Maipo hydroelectric project and began the process of commissioning its units. The first unit was successfully synchronized to the SEN on December 30, 2021.
- (b) We continue to make progress in the increase of operational flexibility in our conventional plants, which helped us to facilitate the penetration of new technologies for intermittent renewable energy generation into the SEN.
- (c) We have recertified the management systems to ISO 14001:2015 and ISO 45001:2018 standards by means of a Multisite Certificate that includes the units of: Norgener Plant, Angamos Plant, Cochrane Plant, Andes Solar Plant, SING Transmission (TSING), Los Cururos Wind Plant, Ventanas Plant, SIC Transmission (TSIC), Cordillera Complex, Laja Plant and Head Office (Corporate Building).
- (d) Major maintenance of the turbines of Angamos Plant and Ventanas Plant (Units 3 and 4) was carried out.
- (e) Three solar plants have been interconnected to the AES Andes transmission grid: Sol de Lila, Fotovoltaica del Norte Grande 1 SpA and Chile Solar JV SpA.
- (f) During 2020, in Chile, we announced that our coal-fired plants, Ventanas 1 and Ventanas 2, for a total of 322MW, will cease operations. We worked together with the authorities and our employees to achieve together the acceleration of this milestone planned for 2022 and 2024, in the voluntary decarbonization agreement entered into in 2019, reinforcing our commitment to the sustainability of the markets where we operate.
- (g) Likewise, in 2021, the National Energy Commission authorized the disconnection and cessation of operations of Laguna Verde Plant, including transformers and associated bay equipment. With this milestone, as of May 31, 2021, the operation of this plant, which served the Chilean electrical system for more than 80 years, was discontinued.
- (h) Regarding new projects, the year ended with 1,525MW under construction, which are progressing according to the plan to deliver emission-free energy during 2022.

ARGENTINA

- (a) We started up the Puna Transformer Station, on the InterAndes high voltage line.
- (b) Minor Inspections were carried out of Units TG11 (7 days), TG12 (7 days) and TV10 (14 days). As a result, there were no relevant news and the units continued to be in service thereafter.
- (c) In August 2021, a failure occurred in Termoandes plant. From that moment, we began major repair to both units. Termoandes restarted the generation of the plant from February 2022.

Termoandes



COLOMBIA

(a) Extension of Chivor plant's useful life

During 2021, we continued with the construction of additional intakes to extend the useful life of the plant by at least another 50 years, a project that was completed in early 2022.

This project represents the implementation phase of the results obtained after sediment characterization and management research in "La Esmeralda" reservoir, which showed the need to implement a strategy to mitigate sediment accumulation near the current intakes of the hydroelectric power plant.

The continuous operation of Chivor Plant provides an average net generation of 4,178 GWh per year, representing approximately 6% of the total energy demanded in Colombia. The implementation of the project secures the delivery of reliable energy, which provides energy stability for the development of the goals set in the National Development Plan 2023 – 2027.

For more details of this project, review Chapter 1 of this Annual Report, Transformation and Innovation to Improve Lives.

Smart Center and ROCC

During 2021, we managed to integrate new generation units to our Smart Center that remotely centralizes our operations through the ROCC (Remote Operation Control Center).

- After carrying out remote integration tests during March and April 2021, on May 11, the Angamos Plant started to be operated from the ROCC Smart Center.
- On September 1, remote access to the operation and commissioning of Los Olmos Wind Farm was obtained, thus enabling the monitoring of parameters and recording of generation on demand of the Electrical System.
- Subsequently, on October 27, 2021, the remote operation of unit 4 of Ventanas Plant began. During 2022, we will continue to advance in the integration of other units to the ROCC Smart Center, such as the integration of unit 3 of Ventanas Plant.

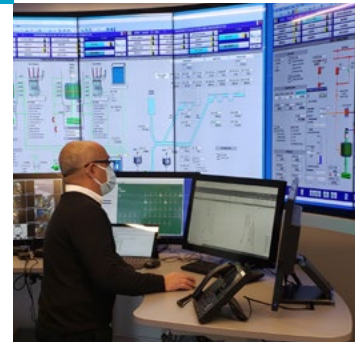
The Operations work team has achieved synergies with the ROCC for the economic dispatch of the generating units. An important achievement was the optimization of the operation of the Virtual Reservoir, where we carried out the battery charging and discharging process with a marginalist criterion. Our staff was trained in wind power generation and their previous learning served as the basis for operating and monitoring the new Los Olmos wind plant.



Chivor Plant



Smart Center



2.2.1 Overall Asset Performance

We continuously monitor the performance of our units through key performance indicators (KPI). The indicators that we use are the same as those used by The AES Corporation for the follow-up of all of its plants all over the world which are based on the IEEE Standard 762.

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 (annual costs, excluding fuels) We also included the performance indicator of thermal plants, which is the ratio between the input thermal energy expressed in British Thermal Units (BTU) and the output electrical energy expressed in MWh.

To calculate the first of them, we establish the fuel mass entering the process (kg) and multiply the result by the calorific value (BTU/Kg) of the incoming fuel. The second variable is measured directly in the net energy meters of each plant.

ENPHR

Fuel
Consumption *1000

Net Generation

(BTU/KWh)



Through the net power weighting of each unit we can obtain a single indicator for the entire fleet of the company, being the units with the highest power those contributing most to each indicator, as stated in the following table for 2021:

► Consolidated AES Andes kpi

	EA %	NCF %	ESOF %	EFOF %	ENPHR BTU/MWh	CA %	NFOM US\$/MWh
Norte Complex	91.43	73.18	4.35	4.22	9.893	-	-
Centro Ventanas Complex	89.85	53.87	4.47	4.22	9.919	-	-
Centro Cordillera Complex	91.95	39.81	1.20	6.86	-	-	-
Centro Laja Complex	96.87	31.51	3.00	0.12	19.179	-	-
AES Andes Chile	90.94	62.58	4.03	4.50	9949	94.94	75.69
Termo Andes (Argentina)	60.19	48.13	2.85	36.96	6.963	66.63	21.80
AES Colombia	76.94	52.24	22.99	0.07	-	99.49	19.27
Consolidated AES Andes	82.53	57.67	8.67	8.50	9406	94.49	52.83

Note: AES Andes Chile and Consolidated AES Andes do not consider renewable units
Note 2: Guacolda, a subsidiary that was sold in July 2021, is not included in this table and is presented in Chapter 6, Additional Information considering the operation until June 2021.

► Consolidated AES Andes kpi solar + wind

	EA %	NCF %	ESOF %	EFOF %	ENPHR BTU/MWh	CA %	NFOM US\$/MWh
Andes Solar	99.60	32.89	0.07	0.34	-	99.56	-
Los Cururos	98.72	23.28	0.46	0.82	-	98.70	-
Castilla	96.32	16.21	1.12	2.57	-	96.46	-

For more information on the KPIs of each AES Andes Group plant in Chile, Argentina and Colombia, see Chapter 6. Additional Information, 6.5 Overall Asset Performance

2.3 Financial management ▶ [GRI 201-1]

2.3.1 Results of the Year [NCG 461 11]

As of December 31, 2021, we recorded an EBITDA of US\$1075 million, US\$30 million higher than the US\$1.045 million recorded during the same period in 2020. During the fiscal year 2021, we recorded a loss of US\$1090 million, US\$820 million less than the earnings of US\$271 million recorded during the same period of the previous year.

At the operational level, the cumulative Gross Profit as of December 31, 2021 was US\$977 million, which represents a 9% positive variation or US\$85 million, as compared with the previous year.

For more information, review the [Reasoned Analysis](#) and [Financial Statements as of December 31, 2021](#), also available on the [Financial Market Commission \(CMF, for its acronym in Spanish\) website](#).

Direct economic value generated and distributed

As stated in the GRI Standard, the generated and distributed economic value refers to how the organization makes a distribution to its stakeholders through its income.

▶ Distributed value (thousands of CLP\$)

Items	2021	2020
Operating income	2,710,201	3,151,229
Financial income	267,192	831,039
Other Income/other profits	52,553	51,596
Direct economic value generated and distributed (EVG&D)	3,029,946	4,033,864
Payments to suppliers for goods and services	-2,025,732	-1,692,225
Payments to suppliers of financing	-389,430	-1,347,966
Dividends and distributions to shareholders	-89,177	-372,803
Payments to the State (income tax paid)	-287,823	-114,921
Salaries and allowances/employee benefits	-74,272	-71,551
Investments in fixed assets	-675,584	-569,617
Other expenses/other losses	373,569	108,335
Other operational payments	-11,275	-32,255
Total economic value distributed (EVD)	-3,179,724	-4,093,003
Economic value withheld (EVW)	-47,737	201,543
FX	-9,692	-10,520
Final cash balance	111,733	271,202

2.3.2 Our Investment Grade [NCG 4614.3]

In order to incorporate the 2.8GW new renewable energy capacity into our portfolio, we are investing more than US\$3 billion in Chile and Colombia between 2019 and 2025.

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

Level of Indebtedness

With this goal in mind, our Chief Financial Officer permanently takes steps towards optimizing our debt position and implements the most efficient hedging strategy to mitigate the risk of currency devaluation in Chile, Colombia, and Argentina.

As of December 31, 2021, the financial debt was US\$2,365 million, while cash, cash equivalents and other financial assets reached US\$112 million, thus recording a net financial debt of US\$2,253 million.

Our total consolidated debt has an average life of 27.8 years and a manageable repayment schedule, with no relevant maturities until 2025. Out of the total outstanding debt as of the end of 2021, 38% (US\$890 million) accounts for the debt of our subsidiaries with no recourse to the parent AES

Andes; and the remaining 62% (US\$1,475 million) is made up of corporate debt at AES Andes level. Moreover, out of the total debt, 94% is at a fixed rate or subject to mechanisms allowing rate fixing (rate swap), and the remaining 6% is at a variable rate.

Main Financial Activities

Our main financial commitment is to maintain a balanced capital structure through an investment grade rating, as established by the major international rating agencies.

Through different initiatives, the Company has raised funds to carry out its transformation process. These funds have been entirely allocated to strengthen its capital structure, prepay debt and accelerate its ongoing renewable growth plan. During 2021, we carried out important actions to meet this objective, among which the following are highlighted:

The largest capital increase in the history of AES Andes

At the Special Shareholders' Meeting of April 16, 2020, it was agreed to increase the Company's capital stock by up to US\$500 million divided into up to 5 billion shares. In December 2020, 1,980 million shares were issued and registered with the Chilean Commission for the Financial Market (CMF) in July 2020.

The Company's board of directors agreed to set the placement price of the 1,980 million shares, issued as Capital

Increase at CLP\$110 per share. On February 05, 2021, 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\$306 million, including the compensations for exchange rate hedging. The remaining 4 million shares have not been subscribed.

The funds shall be used to finance the construction of solar and wind energy and battery projects to meet the demand of new supply agreements executed according to our Greentegra strategy.

AES Chivor Credit Agreement

On 17 December, 2020, AES Chivor & Cis S.C.A. E.S.P. entered into a credit agreement for up to ThCOP\$350,000,000 (US\$87.9 million) with Bancolombia and Scotiabank Colpatría. The credit agreement has a 7-year term and its purpose is to (i) develop the construction of San Fernando solar plant, and (ii) refinance the financial obligations outstanding as of that date.

On December 21, 2020, the first disbursement of this loan was made for ThCOP\$230,000,000 (US\$57.8 million), which was used for the novation of all the debts outstanding as of that date with Scotiabank Colpatría and Citibank.

The total amount disbursed as of December 31, 2021, is ThCOP\$350,000,000 (US\$87.9 million).

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

The Stabilization Fund is a financing solution to achieve financial liquidity, transfer collections and risks associated with the change of law in relation to the Regulated Tariff Stabilization Mechanism pursuant to Chile's Tariff Stabilization Law No. 21,185 passed on October 30, 2019, as a result of the social crisis existing at that time. This mechanism freezes regulated energy and power tariffs from July 2019 to December 2020 and is subsequently adjusted by Chile CPI (Consumer Price Index).

The differences between the actual contracts of the regulated customers and these frozen prices are calculated by the National Energy Commission (CNE) and accounted for in the half-yearly decrees of the CNE. The maximum amount to be accrued is US\$1.35 billion for all generating companies. The maximum date to accrue the differences is July 2023.

The difference generated by the tariff freeze is reimbursed to the generating companies as the average price of the system contracts decreases, while the lowest price contracts begin to be supplied between 2021 and 2024 (auctions 2015-01 and 2017-1). All differences must be paid no later than the end of December 2027 and any amount outstanding between January 2026 and December 2027 will accrue interest at a rate equivalent to 6-month Libor plus the risk premium of Chile.

The differences accounted for by the CNE will be recorded as accounts receivable in favor of the generating companies and accounts payable for the distributing companies and may be transferred to third parties by the generating companies.

On January 20 and 27, 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, respectively. Accordingly, and subject to certain conditions, AES Andes will sell to Chile Electricity PEC SpA ("Chile PEC") certain accounts receivable from various electricity distribution companies, in accordance with the provisions of Law 21,185, which "Creates a Transitional Electricity Price Stabilization Mechanism for Customers Subject to Tariff Regulation", and Exempt Resolution number 72, of the CNE (collectively, the "Stabilization Mechanism Law").

In the first quarter of 2021, we sold the first and second group of accounts receivable for a nominal amount of US\$77.6 million.

On June 21, 2021, we reached an agreement with the Bond Holder AllianzGI, pursuant to which, under certain conditions, the Bond Holder AllianzGI undertakes to finance the purchase of accounts receivable for a committed amount of up to US\$32.4 million.

On June 30, 2021, we sold the third group of accounts receivable for a nominal value of US\$16.1 million. As of

December 31, 2021, AES Andes carried accounts receivable for a total amount of US\$44 million related to the Stabilization Mechanism Law.

In March 2022, we sold the fourth group of accounts receivable for a nominal amount of US\$10.4 million.



San Fernando Solar Plant

Guacolda Thermal Power Plant Sales Agreement

On February 23, 2021, we entered into an agreement to sell our 50% interest in Guacolda for US\$34 million, subject to normal adjustments for this type of transactions. On May 14, 2021, El Águila II SpA exercised its right of first refusal and entered into a stock purchase agreement with AES Andes. On July 14, 2021, the sale was approved by the National Economic Prosecutor (FNE, for its acronym in Spanish) and on July 29, 2021, the shares were transferred to the new owner. Capital Advisors (controller of El Águila II SpA), through El Águila, now owns and controls 100% of Guacolda. Capital Advisors is a Chile-based investment firm -established in 1999- with more than US\$7 billion of assets under its management that provides financial services, corporate finance consulting and asset management services, and is also an active real estate investor and private equity manager.

In this way, and in line with our commitment and following the Greentegra Roadmap at the core of our business, we continue to move closer to our goal of decarbonizing our generation matrix and advancing together towards energy transformation.

Incorporation of GIP as Strategic Partner

On July 15, 2021, Global Infrastructure Management LLC ("GIP") was incorporated as a strategic partner in our renewable growth efforts. GIP acquired 49% and AES Andes 51% of the shares of Chile Renovables SpA, the controlling entity of Parque Eólico Los Cururos SpA, owner of Los

Cururos Wind Plant, which is currently in operation. Chile Renovables, acquired Andes Solar IIa in early 2022, and will acquire Andes Solar IIb, Los Olmos, Mesamávida and Campo Lindo wind plants, for a total of 733 MW. The foregoing will be materialized when the date of commercial operation is reached and the conditions agreed between the parties are met. As a result of this transaction and including all the listed projects, we expect to receive funds totaling US\$441 million between 2021 and 2023, US\$53.5 million of which were received in July 2021, in connection with GIP's acquisition of its 49% interest in Los Cururos.

Early Redemption of AES Andes Series N Note

On July 2, 2021, we announced to Series N bondholders the prepayment of all outstanding debt under the local UF bond for a total of UF3.3 million. This operation was executed on August 2, 2021. To finance this prepayment and the payments related to the associated derivative instruments of US\$11.7 million, we issued US\$126 million in short-term debt and used its own operating cash.

Alto Maipo Reorganization and DIP Financing

On November 17, 2021, our subsidiary Alto Maipo, after reaching a financial restructuring draft agreement with its creditors, started reorganization proceedings in the United States under the 11 US Code Chapter 11 (the "Chapter 11 Proceedings"). Alto Maipo started the Chapter 11 Proceedings in order to achieve a capital structure that is sustainable in the long term. Alto Maipo does not materially contribute to the

consolidated earnings of AES Andes. In addition, we do not expect to receive material dividends from Alto Maipo in the short or long term.

Alto Maipo's financial information was disclosed in the consolidated financial statements of AES Andes until September 30, 2021. However, Alto Maipo's entry into Chapter 11 meant that this subsidiary was deconsolidated from the financial statements of the Company from the financial statements as of December 31, 2021. Following the deconsolidation, the capital of AES Andes was significantly reduced by approximately US\$1.1 billion. There was a similar impact on the income statement after the deconsolidation, which materially and negatively affected the net income of AES Andes for the fiscal year ended December 31, 2021.

On November 16, 2021, the Board of Directors of AES Andes, approved the granting of debtor-in-possession financing ("DIP Financing") by AES Andes in favor of Alto Maipo Delaware LLC ("AMD"), a US subsidiary of Alto Maipo, as approved by the relevant court on November 22, 2021. On November 23, 2021, AES Andes, as creditor, AMD, as debtor and Alto Maipo as guarantor, executed the DIP Financing documentation under which, subject to certain conditions, AES Andes would make available to AMD a credit facility for an amount of up to US\$50 million. Pursuant to an interim order issued by the bankruptcy court on November 23, 2021, the DIP Financing had an initial availability of up to US\$20 million. On December 17, 2021, the bankruptcy court issued a final order approving the full DIP Financing and the effectiveness of certain other conditions agreed upon in the DIP Financing documents.

Disbursements under the DIP Financing will accrue interest at 4.0% per annum, will be subject to standard covenants and will have first administrative payment priority in accordance with the Chapter 11 Proceedings. In addition, it will be used to provide liquidity to Alto Maipo in order to complete the construction of its hydroelectric project and to cover the costs of the Chapter 11 Proceedings.

Under Chapter 11, shareholders cannot receive any distribution in a reorganization case unless, among other things, the creditors' claims are first paid in full or the shareholders contribute a "new value." The holders of more than 78% of Alto Maipo's senior secured debt are part of a restructuring support agreement that considers a plan in which AES Andes will have all of Alto Maipo's reorganized shares. Pending creditor approval and vote, there can be no assurance that AES Andes' DIP Financing contribution will actually deliver a new value or that, if it does, such contribution will be accepted and that it will eventually result in a 100% ownership of Alto Maipo.

AES Andes Credit Agreement for US\$150 million 2026

On November 23, 2021, we closed our first green credit agreement with a spread over the SOFR rate with 3 international banks for a total amount of US\$150 million.

On November 26, 2021, the first disbursement of US\$75 million under this credit was made. The proceeds from this

credit will be used to finance our renewable projects, in line with our Greentegra strategy.

Amendment to the Series B Notes Indenture (formerly ESSA)

On December 28, 2021, the holders of the Series B Note of AES Andes (formerly ESSA) due 2024 and outstanding principal of UF708,615 (US\$25.9 million) unanimously approved the replacement of the Minimum Equity and Net Debt/ Equity covenants with a Net Debt/ EBITDA covenant.

These notes were initially issued by Sociedad Eléctrica Santiago SpA (ESSA), a former subsidiary of AES Andes.

Amendment to Revolving Facility Agreement for US\$250 million 2024

On December 28, 2021, we amended the equity-linked covenants of our US\$250 million committed credit facility with international banks.





Therefore, as a company, we have no debt obligations that require specific equity levels or ratios.

Alto Maipo



2.4 Our Projects under Construction and Development

► Greentegra Project Portfolio

		282 MW (*) started commercial operation	1525 MW under construction	967 MW with contract under development	3674 MW without contract under development
	Hydro	0	531	0	0
	Wind	109	251	595	2,374
	Solar	163	444	186	1,100
	BESS	10	299	186	200

* From the launch of Greentegra Strategy until December 31, 2021.

By the end of 2021, we had more than 6,100 MW in our portfolio of energy projects under development in different phases and 1,525 MW under construction (including Los Olmos and Alto Maipo, which have already started generating in 2021 and have reached commercial operation). The total number of renewable projects is divided as follows:

2.4.1. Projects under Construction

Projects under Construction in Chile

• Andes Solar

Andes Solar is located in the Atacama desert, region of Antofagasta, 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 using bifacial technology (generation from both sides of the panel) in Chile.

According to studies conducted by the Solar Energy Research Institute of Singapore, these bifacial solar panels produce 35% more energy when combined with single-axis trackers and 40% when combined with dual-axis trackers.

In this area, we already have two plants in operation: one of 22 MW that started operating in 2016 and Andes Solar IIa of 81 MW that started commercial operation in September 2021.

Andes IIb, a 180 MW phase currently under construction, will include Latin America's largest storage system of 112 MW for 5 hours (560 MWh of energy). In addition, it will include 10 MW of a new and innovative technology called Maverick, which

consists of a prefabricated, prewired solar solution that allows a 3 times faster deployment than traditional photovoltaic systems, while using only half the amount of land per MW than current projects. In 2020, AES acquired an interest in 5B, the Australian company that developed the Maverick technology, thus giving us an additional competitive advantage to meet the needs of our customers in the future and allowing us to capture greater solar potential in Chile.

The construction of Solar Andes IIb reached 76% progress by the end of 2021.

Additionally, in December 2021, we started the construction of Andes Solar IV with a capacity of 238 MW, which will INCLUDE 147 MW for 5 hours of storage batteries.

Andes Solar



- Los Olmos

Taking advantage of the excellent wind conditions of southern Chile, in the Region of Biobío, we currently have 3 wind projects, among which we can find Los Olmos of 110 MW. At the end of December 2021, the project completed its construction and, in January 2022, the National Electricity Coordinator authorized the entry into commercial operation of the wind plant.



- Mesamávida

The Mesamávida wind project of 68 MW, also located in the Region of Biobío and close to Los Olmos project, completed the installation and energization of 5 wind turbines by the end of 2021. As of December 31, 2021 the project achieved an 83% progress and has already started commissioning tests.



- Campo Lindo

The Campo Lindo project is part of a wind plant complex under development in the Region of Biobío with a potential installed capacity of 525 MW. In the fourth quarter of 2020, we started the construction of Campo Lindo wind plant, which will have a capacity of 73 MW.

By the end of 2021, it had 10 of 17 concrete wind turbine foundations, 13 foundations of 60 towers, civil works and assembly at the Santa Clara Switching Substation. The construction of Campo Lindo reached 56% progress as of December 31, 2021.



• Virtual Reservoir II

In the fourth quarter of 2021, we gave orders to proceed to start the construction of the Virtual Reservoir, Stage II. This new phase will include 40MW of batteries with a 5-hour storage capacity, enough to power more than 100,000 Chilean homes during that period of time. Like Stage I, this storage system will be adjacent to the Alfalfal I plant in San José de Maipo, Metropolitan Region. As of December 31, 2021, the project was 1% complete and it is expected to start operations during the first half of 2023.

We have observed significant intraday price volatility over the past few months, so the Virtual Reservoir helps to mitigate this while reducing the need for thermal plants at times of peak demand.

These batteries store up to five hours of renewable energy produced during times of abundant supply or lower demand. Then, at times of high consumption and low production of renewable solar energy, such as at night, they inject electricity back into the system, thus reducing the need to use thermal plants.

These battery systems not only generate revenues from price arbitrage between times of low and peak demand, but also increase payments for the capacity of the plant where they are installed. There is also future revenue potential from the wide range of ancillary services that batteries can provide to the grid.

• Alto Maipo

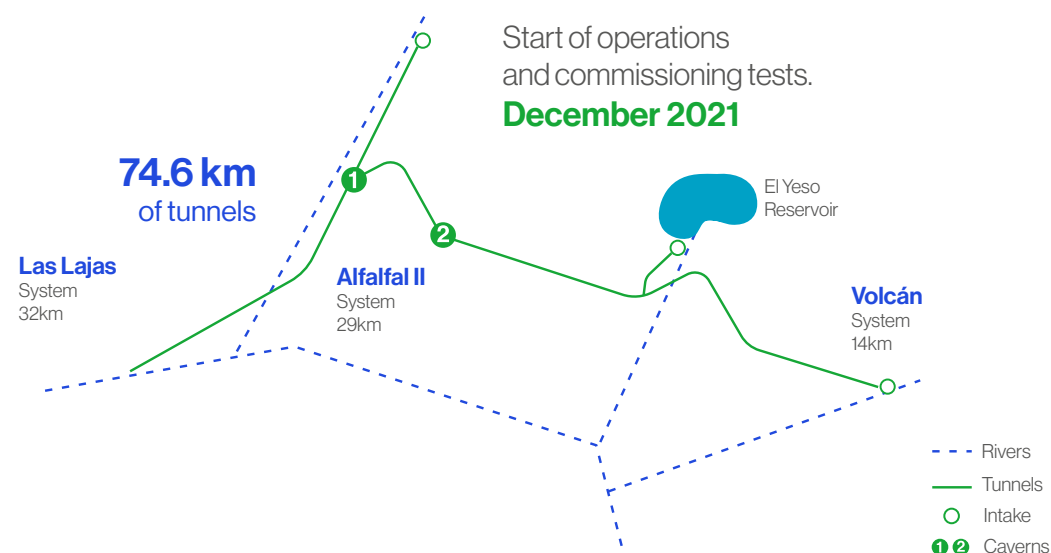
Alto Maipo is a 531 MW run-of-the-river hydroelectric project that will make an important energy contribution to Chile through the provision of clean, efficient and economic energy.

In addition, the project involves 90% of underground works and no reservoir, and brings relevant advantages to the SEN concerning the security of supply resulting from its proximity to the city of Santiago and the consequent savings in electric power transmission, which involves only

17 kilometers of new transmission lines.

The Alto Maipo Hydroelectric Project (PHAM, for its acronym in Spanish) consists of the construction of two run-of-the-river plants in hydraulic series in the basin of Maipo river called Alfalfal II (264 MW) and Las Lajas (267 MW). The environmental approval was granted in 2009, the transmission system was approved in 2010 and the electric concession was obtained in December 2012.

► Alto Maipo Project Scheme



Alto Maipo



The project is located in the commune of San José de Maipo, Metropolitan Region, and its construction was completed at the end of 2021.

The construction of the main civil works and tunnels was carried out by an Austrian firm Strabag AG, with its Chilean subsidiary Strabag Spa (Strabag). Moreover, the subsidiaries of the German company Voith Hydro (Voith) were entrusted with the supply and assembly of the electromechanical equipment of the plants.

At the end of March 2022, Alto Maipo started commercial operation in 3 of its 4 units.



Projects under Construction in Colombia

• Brisas Solar Plant

Deepening our partnership with Ecopetrol, in 2021 we were awarded the construction and operation of a new 26 MW Brisas Solar Plant in the Region of Huila, to supply renewable energy under a 15-year contract to the Ecopetrol group. The project is expected to start operations in the second half of 2022.

2.4.2 Projects under Development



• San Matías

San Matías, is a wind project that considers the construction of 73 MW in the Region of Biobío. Construction is expected to begin in 2022 so that operations can be started in 2024.



• Andes Solar III

Andes Solar III is the third phase of Andes Solar (which already has 103 MW in operation and 2 phases under construction, including batteries, as described in the previous section) in

the Region of Antofagasta. It will have 186 MW of capacity and it is expected to have 186 MW x 5 hours of battery storage. Construction is expected to be completed during the second half of 2025.



• Rinconada

This wind plant will have 258 MW of capacity and will be located in the Region of Biobío. Construction is expected to begin during 2023 so that operations can be started in the second half of 2025.



Andes Solar



Jemeiwaa Kai (Colombia)

Grupo of wind plants of around 1,100 MW consisting of five projects in the Municipality of Uribia, Department of Guajira: Irraipa, Carrizal, Casa Eléctrica, Apotolorru and Jotomana. Its location in one of the areas with the greatest wind resources in the world according to wind measurements recorded since 2012 will make it possible to provide additional generation to complement the Chivor Plant.

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

The Jemeiwaa Kai portfolio of projects is in the development and environmental licensing phase. It is important to mention that it has guaranteed transmission capacity for 549 MW.

Two projects in the portfolio, Casa Eléctrica and Apotolorru, already have supply agreements for 187 MW and 77 MW, respectively, which were awarded in the renewable energy and reliability charge auctions.

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



Water Desalination Projects (Chile)

Desalination is presented as a solid alternative for reusing the infrastructure of a coal-fired power plant that will eventually be closed and decommissioned, but which will also take advantage of the infrastructure while the plant continues to operate. The technological risk of developing a desalination plant by sharing infrastructure with a coal-fired plant is low because desalination technology has reached a mature level of development throughout the world. In addition, there is a growing need for desalinated water in the central part of Chile, both for industrial, sanitary and agricultural uses.



Green Hydrogen

At the end of 2020, we created the Board of Green Hydrogen New Businesses, which leads the different opportunities of the business and its derivatives.

Hydrogen is an element that has been used in the industry for a long time, such as in the chemical, fertilizer production, plastics, and other industries.

There are different names associated with hydrogen, depending on the processes used to separate oxygen from hydrogen. These are shown in the following figure:

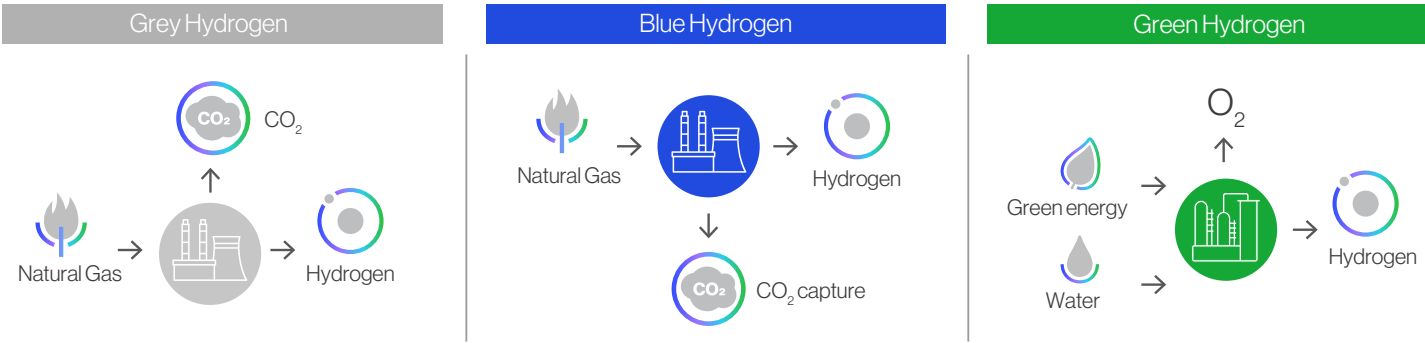
Green hydrogen is produced through water and renewable energy, which are processed in an electrolyzer to obtain the final product. The factors that have the greatest impact on the Levelized Cost of Hydrogen (LCOH) are mainly the electrolyzer and the energy, since a large amount of energy is consumed for each molecule of hydrogen produced.

Dividing the LCOH into the three components described above, it is composed of:

- 65% electricity

- 5% water
- 30% electrolyzer

These numbers determine the investment and operating costs, and vary from case to case, since in projects in northern Chile where, for example, there is solar energy only during the day, a certain amount of installed MW of electrolyzer will be needed to produce a certain amount of hydrogen. In southern Chile, where wind energy can be produced during most of the day, to produce the same amount of hydrogen, a lower amount of electrolyzers will be needed, since, in this case, they would work for a greater number of hours than electrolyzers associated only with solar energy to produce the same amount of hydrogen.



In AES Andes we have great potential, as we have experience in two of the three most important parts of hydrogen production: desalinated water production and electricity generation (equivalent to approximately 70% of the price of hydrogen).

In March 2021, we executed a Memorandum of Understanding (MOU) with an international hydrogen producer to carry out a feasibility study focused on the first major green hydrogen project in Chile.

It is essential to understand that both the production and use of H₂V (Green Hydrogen) do not generate CO₂ emissions, so they have a positive impact from that aspect, in addition to the generation of new jobs within the entire chain.

It is expected that about 6,000 jobs will be generated in construction stages of Giga-Scale H₂V projects and about 7,500 in operation stages (including the entire industrial and labor chain for the development of hydrogen in Chile). Additionally, jobs would be generated in the hydrogen use stage (such as fuel, chemical use, electric generation, etc.)

2.4.3 Citizen Participation Processes 2021

[GRI EU19]

As part of our Sustainability strategy, the development of the projects is conceived based on an early relationship with the communities near their area of influence, generally located in rural areas. Therefore, in Chile, during 2021, we initiated early citizen participation processes (PACA, for its acronym in Spanish) for Don Álvaro and Rinconada wind projects, both located in the Region of Biobío.

In the field of citizen participation (PAC, for its acronym in Spanish), led by the environmental authority, five participatory processes were developed within the framework of the projects submitted for evaluation to the Environmental Assessment Service (SEA, for its acronym in Spanish). For these processes, we considered the following actions: Open Houses, Door to Door and virtual meetings as a result of the pandemic, involving a total of 398 people belonging to the communities in the area of influence of our projects.

It should be noted that for the Rinconada Wind Plant project, in the Region of Biobío, during the month of November 2021, the authority established the Indigenous Consultation process, whose actions will be executed during 2022.

Meanwhile, in the framework of the environmental consideration process of "Terra Energía Renovable" Wind and Solar Plant project, we developed a process of community relations and characterization of 4 Chango organizations, grouped as "Living Chango People", in the town of Paposo, Region of Antofagasta. In October 2020, this ethnic group was recognized by the State of Chile as the tenth native people of the country and, as a result, we incorporated these groups in our analysis. In addition, we started a Study of the Chango People Macrozone with the purpose of deepening a more detailed understanding of the cultural aspects and the ancestral and current ways of life of this community.

Living Chango People



Activities with the community within the framework of the Environmental Processing of projects in Chile

► Projects submitted to the SEIA under processing with citizen participation (PAC)

Name of the project	Type of project	Region	Early citizen participation PACA 2021		PAC Activities 2021		Activities for indigenous consultation procedure PCI 2021
			Activities	Number of participants	Activities	Number of participants	Activities
Cerro Piedra	Wind	Valparaíso	PACA activities were concentrated during 2020 in the towns of Laguna Verde, Quintay and El Batro. New information activities are planned for 2022.	Not Applicable	2 virtual meetings with urban sectors of Valparaíso and Casablanca.	57	Not Applicable
Quebrada Seca	Wind	Coquimbo	PACA activities were concentrated during 2020 in the areas of Caleta Totoral, Fundo Otárola, district of Pachingo and Caleta Talcaruca.	Not Applicable	3 Open Houses 1 Door-to-door Telephone approach for inhabitants closest to project works.	45	Not Applicable
San Matías	Wind	Biobío	Due to the pandemic, phone conferences were held with the community in April 2021.	7	Formal PAC activities were developed between November 2020 and February 2021. During 2021, the following were developed: 1 Door-to-door 2 virtual activities	32	Not Applicable
Don Álvaro	Wind	Biobío	Two virtual PACA workshops were conducted in January 2021 with organizations from the area of influence and neighbors of the sector.	24	5 informative, 4 face-to-face and 1 virtual activity of Formal Citizen Participation.	138	Not Applicable
Rinconada	Wind	Biobío	9 Open Houses with the different organizations belonging to the area of influence, between June and August 2021. In addition, leaflets were delivered door-to-door during 2021.	120	6 Open Houses and 2 face-to-face meetings. 2 virtual meetings held between September and October 2021.	126	Starting Resolution PCPI No. 29/11/2021 The activities have been scheduled for the beginning of the year 2022
Total				151		398	

2.5 Community Relations

In Colombia, participation places were created for the Community of Vereda San Antonio and the Mayor's Office of the Municipality of Miraflores, during the processing of the **amendment to the environmental license for Chivor Plant**, as required in the construction of a ZODME (zone for the disposal of sterile material) to be used for the management of sediments that accumulate in the small reservoir resulting from Tunjita River diversion and that contributes to the Emerald Reservoir for the generation of energy in Tunjita, providing sufficient information to clarify the concerns of the community with the oversight of the Environmental Authority. In this way, the environmental permit was obtained to guarantee sustainability in the generation process.

Moreover, during the construction of San Fernando Solar Plant, discussions were permanently held with the local authorities and the inhabitants of the Municipality of Castilla about each of the construction stages and the activities that could have a positive impact on the community, such as, for example, the hiring of local labor, goods and services, as well as the possible impacts associated with the project and the corresponding mitigation measures. The project was successfully completed on schedule.

One of the milestones in 2021 to be reached in Chile was that, given the large scale of the projects under development, as well as those under construction, we strengthened the Community Relations team in each of the territories where projects are being designed and built. This allows us to be closer to the communities and build relationships of trust. We have also implemented feedback, consultations and complaints channels for our neighbors.

2.5.1 Mechanisms for Communication with the Communities

CHILE

During 2021 and, in line with the new form of relationship that was implemented due to the COVID-19 pandemic since 2020, regular communication was maintained with the communities (Neighborhood Associations, committees and social groups) mainly virtually (emails or video calls) and by means of telephone calls. If permitted by the sanitary conditions, face-to-face meetings were held.

In the case of San José de Maipo, for example, under the development of the **Participatory Monitoring Program**, a meeting was held between neighbors to monitor issues

relevant to them concerning the execution of Alto Maipo project and its interaction with the environment, water, local employment and provision of local services, social commitments, road safety and private security. We continued making visits to the local suppliers and "arrieros" of the area, two very important stakeholders within the Cajon community, always observing social distancing and safety measures.

In the case of AES Andes in Chile, we also have communication instances through the complaints mechanism, which can be reviewed in Chapter 3.

COLOMBIA

For the communication of petitions, complaints, claims and requests, the communities in the area of influence of the AES Andes projects in Colombia have at their disposal virtual tools such as: an application for petitions, complaints and claims (PQRS) available at the website, section "Active Transparency" [🔗](#), email aescolombia@aes.com and atencioncomunidades@aes.com, for the offices in Santa María, Tunjita, Castilla and San Fernando.

In person, the communities can visit our offices in Bogotá D.C., Santa María in Boyacá, Uribí and Riohacha in La Guajira.

2.5.2 Contribution and Commitment to Local Development

[GRI 203-1, 203-2, NCG 461 4.2]

CHILE

Our Social Investment Strategy

The AES Chile Foundation is the institution in charge of implementing our social investment strategy in Chile, and its mission is to articulate and implement programs in the communes of the area of influence of our operations or construction projects based on local development. During 2021, it had three offices open to the community in Puchuncaví, San José de Maipo and Huasco, to the extent permitted by the pandemic circulation restrictions.

The areas in which our programs are developed relate to local development and, through them, we contribute to the growth and sustainability of communities in three scopes:

education and technical training, development of community-use infrastructure projects and local development and entrepreneurship.

In addition, we develop other programs to support sports, health and culture. Our priorities are consistent with the UN sustainable development goals (SDG):

Contribute to Local Development:	Education and Training	Development of Community Infrastructure Projects
<div> <div>8</div> <div>TRABAJO DECENTE Y CRECIMIENTO ECONÓMICO</div> <div></div> </div> <p>We believe in entrepreneurship as an opportunity for the personal and local development of neighbors living near our operations and projects.</p> <p>Goals</p> <p>RELATION WITH THE SUSTAINABLE DEVELOPMENT GOALS (SDG)</p> <p>Development of productive activities, creation of decent jobs, entrepreneurship, creativity and innovation. Encourage the formalization and growth of micro and small businesses.</p>	<div> <div>4</div> <div>EDUCACIÓN DE CALIDAD</div> <div></div> </div> <p>We strongly believe that investing in people is the best way to improve the living conditions of our society and the communities where we operate.</p> <p>Goals</p> <p>RELATION WITH THE SUSTAINABLE DEVELOPMENT GOALS (SDG)</p> <p>Ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university. Increase the number of youth and adults who have the required skills, particularly technical and professional skills, for employment, decent work and entrepreneurship.</p>	<div> <div>11</div> <div>CIUDADES Y COMUNIDADES SOSTENIBLES</div> <div></div> </div> <p>Through these projects, we provide access to safe, resilient, inclusive, and sustainable areas that contribute to improving people's quality of life.</p> <p>Goals</p> <p>RELATION WITH THE SUSTAINABLE DEVELOPMENT GOALS (SDG)</p> <p>Develop projects for inclusive and sustainable urbanization. To provide universal access to safe, inclusive and accessible green areas and public spaces, particularly for women and children, the elderly, and persons with disabilities.</p>

Social Investment 2021

Scope	SDG	Investments in CLP	Beneficiaries
Education and Training	4	\$ 184,864,000	5,897
Community-use Infrastructure Projects	11	\$152,787,767	3,528
Local Development and Employment	8	\$600,891,302	35,966
COVID19	3	\$297,384,241	67,923
Total		\$1,235,927,310	113,314

* Social investment of AES Andes in Chile.

Our neighbors [GRI 413-1, 413-2]

Tocopilla- Mejillones



During 2021, in line with our commitment to support the Tocopilla community in the field of education, we joined the Business Advisory Committee (CAE), where we held the position of vice president, with the aim of providing support in the relevance of the graduate profiles, curricula and equipment of the different specialties taught by “Diego Portales Palazuelos” Polytechnic School of the commune, in order to train professional technicians that meet the expectations of the working world of the province, region and country. This contribution will have a direct impact on improving the likelihood of access to job offers for students, with direct effects on improving the quality of life of the students and their families.

Huasco

Guacolda Thermoelectric Plant was a subsidiary of AES Andes until July 2021 and the social and environmental

commitments were maintained and fulfilled until the end of the period. In this regard, the Competitive Fund, which was executed for three years ended in December with the following outcomes:

Huasco Competitive Funds



In the third version conducted during 2021, the Huasco Competitive Fund awarded a total of 43 projects: 16 to social organizations and 27 to entrepreneurs. The areas to which the social organizations applied were:

- Training
- Social development through culture and tourism
- Community-use infrastructure
- Support to sports in its various disciplines

Meanwhile, the economic industries that were benefited by this version were: gastronomy, commerce, services, agriculture, olive oil production, among others. The total amount delivered for the financing and execution of projects was CLP \$89,370,179. The fund contributed the amount of CLP \$87,267,300, while the Municipality contributed the amount of CLP \$2,102,879 to award and finance the 43 initiatives.

Since its origin, this Competitive Fund entered into a partnership with the Municipality of Huasco and the Business Development Center of Vallenar. This allowed us to make progress in the delivery of appropriate tools for the economic and social growth of the inhabitants of the Commune.

The third version of the Huasco Competitive Fund for Low-Income Social Organizations and Entrepreneurs was declared and approved by the Social Donations Council.

Support scholarship for higher education in Guacolda



It is a contribution in money to benefit those students residing in the commune of Huasco, who completed their studies of Secondary Education in subsidized municipal or private educational establishments and/or who are enrolled in a Higher Education degree that is taught in universities, Professional Institutes or Technical Training Centers. All these institutions must be recognized by the Ministry of Education and certified by the National Certification Commission (CNA).

In 2021, 20 scholarships of CLP \$1,000,000 were given to young people from the commune.

Health Access to Small Farmers in Valle del Huasco



This initiative seeks, through the development of new techniques, to improve the terms of the economic activity of farmers in the area and consolidate as well the social fabric of the local economy, generating training opportunities in new pruning techniques, business administration and talks to update knowledge of producers and thus improve the quality of life of the community of small farmers. The program, which was financed by the Company, was executed by a local agricultural services company of Huasco, and managed and supervised by the Local Development Program (PRODESAL, for its acronym in Spanish).

We financed the cleaning and maintenance of drains, tilling of soil within the property, pruning of olive trees and grooming of tree species.

The social investment in this area was CLP \$70,000,000.

• Quintero Puchuncaví

Since 2015, we have implemented a program of workshops with social leaders of the commune of Puchuncaví, called **Gestores Sociales**. This program is part of the is part of the community relations and engagement work that we perform in the commune, which has the purpose of having direct spaces for the permanent and face-to-face interaction between representatives of the company and social actors. In these spaces and through dialogue, information is provided to local leaders who participate in these workshops on various topics of mutual interest: for example, the way in which the Ventanas Thermoelectric Plant operates, the environmental

measures that are adopted and the environmental and social commitments that must be fulfilled. Moreover, they are informed about the actions that Ventanas Plant carries out with regard to Social Responsibility, including the procedures to access and participate in them.

Thus, through this program, the leaders have a permanent channel of direct communication with a company representative where they can obtain information, ask questions and request clarifications. During these days, theoretical and practical training workshops are also given to social leaders, in which they are given tools to support the development of leadership and social tasks through advice and training, enhancing their own skills and personal tools and taking into account the local reality. The topics covered include workshops on project development, regulations governing social leaders and organizations, and networking, among others.

In 2021, due to health restrictions, this program was implemented between September and November, in a weekly session of approximately 4 hours with a group of 15 social leaders.

Education: Pre-university Program for the University Transition Test and Scholarships for Higher Education Students.



The Pre-University Program has been implemented for ten years and consists of funding the university studies of 30 students who are in the fourth year in one of the two high schools in the commune of Puchuncaví. These students must have a good school performance and must be in socially vulnerable

conditions. The purpose of this program is to support their preparation to obtain better grades in the University Selection Test (today University Transition Test) and to improve their opportunities to access higher education. The investment for this program in 2021 was CLP \$11 million.

Since 2012, with the purpose of helping young people from Puchuncaví to broaden their professional horizons and have access to better quality jobs in the future, together with other public and private companies, we have awarded 200 scholarships annually to local young people pursuing higher education. In 2021, a grant of CLP \$250 thousand was awarded to partially alleviate the additional expenses incurred by young people and their families to have daily Internet service, since many have had to continue their studies *online* due to the COVID-19 pandemic. The investment made for this program in 2021 was CLP \$ 20 million.

During the 10 years we have been implementing the Pre-university Program and Scholarship for Higher Education Students, we have helped more than 2,500 young students from the commune of Puchuncaví, with a total investment of more than CLP \$350 million.

Training Courses for the Community



In 2021, an in-class course about "Design and manufacture of decorative items using the mosaic technique" was given to 20 women through the labor scholarships granted by the Chilean Training and Employment Service (SENCE, for its acronym in Spanish). The course included 110 hours of training, a daily allowance of CLP\$ 3,000 per day of attendance for each participant, and a subsidy of CLP\$ 200 thousand for the acquisition of tools. The target audience were women, mainly heads of household, who are engaged in the manufacture of handicrafts and belong to social organizations of entrepreneurs and mothers' centers.

The course was passed by 100% of the participants.

By 2022, in the commune of Puchuncaví, digital literacy courses are planned to be given to a target audience mainly of women. During the pandemic, there arose the need and interest of adults and seniors to be trained so that they could take advantage of the benefits of mastering Internet and digital equipment in order to have access, for example, to online proceedings for social and other benefits.

Sustainable Coasting Vessel Program Fishers of Bahía de Quintero



We have been developing the Sustainable Coasting Vessel Program since 2019. The purpose of the joint work agreement between fishermen's unions working in coasting vessels of Bahía de Quintero and AES Andes in Chile is to identify and implement initiatives that will contribute to the sustainable development of the extractive work and complementary activities carried out by the members of fishermen's, divers' and shellfishers' unions. Through this program, we have laid the foundations of a transparent, permanent, mutually beneficial and long-term relationship, based on the joint work to implement initiatives to support artisanal fishing and its coasting vessels, with the fishermen's unions with whom we share the use of the bay.

During 2021 we managed to sign new agreements with two fishermen's unions, in addition to the four unions with which we started working in 2019. In 2001, despite the health restrictions that have been applied in the country, at the beginning of the second half of the year, we were able to resume the joint work with the leaders and also with their partners, with whom we meet every week to advance in the development of the projects, and we took the necessary steps to achieve their execution. Among the actions carried out, we highlight the advice provided in the preparation of business plans, the involvement and participation of public and private entities, which have committed themselves from their respective jurisdictions to carry out the necessary

steps to implement the different initiatives that have been set within the framework of the Sustainable Coasting Vessel Program, with the aim of benefiting the fishermen's unions and the development of their coasting vessels.

This program includes an investment of more CLP \$300 million, supports 6 of 11 unions present in Bahía de Quintero - Puchuncaví and benefits more than 300 fishermen, divers and shellfishers.

Puchuncaví Competitive Fund



The Puchuncaví Competitive Fund is the result of the joint work between the municipality of the Commune and the Company. The standards that govern the program were drafted in 2014 and shall be valid for ten years. The amount of this Fund is 4711 UF a year and is granted to social and territorial organizations of the commune in the following sectors:

- Community-use infrastructure
- Social Development and initiatives to promote culture at the commune
- Promotion or development of productive activities or services that generate local employment and tourism and

that enhance the commune of Puchuncaví in the areas for which it has particular strength

- Support for initiatives to promote a healthy lifestyles and sports in different disciplines

At the end of 2020, the seventh version of the Puchuncaví Competitive Fund was carried out, where 26 projects were awarded, with an investment of more than CLP \$130,000,000 that will benefit -directly and indirectly- approximately 3,370 neighbors.

The projects were executed during 2021 and, in November of the same year, the bases and schedule for the eighth edition of the Puchuncaví Competitive Fund were submitted, whose application period was extended until January 21, 2022.



• San José de Maipo

Contribution to Local Development: Business Strengthening Program



In San José de Maipo, since 2016, we have been carrying out the Business Strengthening Program with local entrepreneurs and/or businessmen who provide services to the Alto Maipo Hydroelectric Project. During 2021, within the framework of this program, we carried out the "Conversion & Future" program, with 29 entrepreneurs and/or businessmen with the purpose of achieving the restructuring to the tourism sector, through a cycle of workshops for the development of differentiated and attractive value offers, with liaison and association activities with relevant actors inside and outside the commune. All this, with the main objective of achieving the sustainability of their businesses, after the Alto Maipo project completes its construction stage. To achieve this, various training activities, association and liaison activities have been carried out with the relevant actors inside and outside the commune through a Business Roundtable and a Fam Tour.

We also continue to carry out the **Employability Training Program** with certified courses in various trades in order to improve the employment opportunities for the neighbors.

Education: Alto Maipo Scholarship Contribution

During 2021, we launched the ninth version of the "Alto Maipo Scholarship Program". Under this program, we provide an annual economic incentive to higher education students from San José de Maipo, who have good academic performance and come from households of lower income or greater socioeconomic vulnerability, according to the Social Register of Households of the Ministry of Social Development.

At the time, 66 students received this benefit, 50 of which are renewing the benefit and 16 received it for the first time. Each of them received CLP \$800,000 to cover expenses related to studies such as payment of fees, Internet connection, enrollment, materials and implements.

In 2017, the recognition "Outstanding Sportsmen and Sportswomen" was incorporated, which was aimed at those who have an artistic-cultural talent in the commune. During 2021, 8 athletes and 2 artistic talents received the recognition.





As of 2021, the following scholarships were granted: **469 higher education scholarships, 45 outstanding athletes scholarships, 10 artistic talent scholarships.**

The social investment is equivalent to: **CLP \$368,800,000** higher education scholarship; **CLP \$46,400,000** scholarship for outstanding athletes; **CLP \$8,000,000** scholarship for artistic talents.

Employability training



The Social Agreement executed between the Municipality of the Commune, the Community Council of Neighborhood Associations and AES Andes in San José de Maipo, commune where Alto Maipo hydroelectricity project was built until the end of December 2021, establishes that the contractor

will hire local labor.

Until 2021, the number of employees who have been on the project exceeds 1900, and is distributed among unskilled jobs such as foremen, assistants, drivers, helpers, among others, including technicians, professionals, and operators.

Employability in Alto Maipo

Year	Total employees	Total local employees	Percentage of Accumulated Employability (%)
2015	3,415	682	19.4
2016	4,411	687	17.8
2017	3,879	577	16.5
2018	5,563	714	15.4
2019	5,072	693	14.9
2020	4,376	472	14.7
2021	3,583	500	14.6

Training Courses for the Community



During 2021, as in previous years, we carried out the employability training program, which includes courses in Tourist Passenger Transportation and Gastronomic Establishment Management, both given virtually during the first half of the year, and courses in Queen Bee Breeding and Photovoltaic Solar System Assembly, both given in person during the second half of the year.

A total of 57 residents of the commune participated in the four courses mentioned above, with a 100% approval rate. The training courses were chosen according to the needs reported by the community and were mainly focused on the area of tourism.

The target audience of these courses were the residents of San José de Maipo over 18 years of age who belonged to the most vulnerable 80% of households, according to the Social Register of Households.



San José de Maipo Competitive Fund



In 2009, Alto Maipo, AES Andes (at that time, AES Gener), the Municipality of San José de Maipo and the Community Council of Neighborhood Associations started a process of dialog that resulted in the execution of a social agreement that established the basis for two programs: **Promotion of Local Employment and Social Program.**

This Social Program is made up of the San José de Maipo Competitive Fund, which, since 2012 and for 30 years, has been financing and will fund scholarships and projects of social organizations and entrepreneurs with a social investment of 5807 UF per year.

The areas financed by the Competitive Fund are as follows:

- Education and Training
- Social, Tourism and Cultural Development and Community-Use Infrastructure
- Support to sports in its various disciplines
- Promotion and development of productive activities or services that enhance the commune in the areas for which it has particular strengths



In the 9th version, we awarded the following 54 projects: 14 to social organizations and 40 to entrepreneurs related to the main economic areas characteristic of the commune, including tourism, gastronomy, crafts, and beekeeping, among others.

Throughout its nine versions, the total investment of the Competitive Fund amounts to CLP \$971,872,080, which has been used to finance projects of social organizations and entrepreneurship since 2012.

Until 2021, this fund was awarded to 434 projects. More than 60% of them are entrepreneurship projects, divided into those who started to put a business idea into practice, and those who worked in already established businesses.

Participatory Monitoring Program [GRI 303-1]

Since 2014, Alto Maipo has been developing in the commune the Participatory Monitoring Program (PMP), under which the neighbors are part of panels in the areas of road safety, social commitments, local employment and suppliers, water, and environment. At the beginning of 2021, the panels were merged into one.

Through this instance, the participants monitor the work performed in these areas, through field visits, with regular submissions to update the project, and taking part in extended meetings. During 2021 and as a result of the effects of the pandemic, the PMP continued to develop on a virtual basis. In addition, the panel members started to get ready, through workshops and panel sessions, to create an independent social organization that will continue monitoring during the Alto Maipo's operation phase, which will begin in 2022. Since its inception, we have held 180 meetings with a total attendance of 1,898 people.

AES Andes Support Programs in the Context of COVID-19

"Illumina Biobío" Educational Program



The "Illumina Biobío" educational program was developed with the aim of improving the quality of education and overcoming the digital divide in the rural sectors of the commune of Mulchén. The Program facilitated school continuity and virtual connection for 38 children from the area of influence of Los Olmos Wind Plant project. Three municipal schools of Rapelco, Aurora de Enero and San Luis Malven benefited from the Program and

were able to make progress with new study methods as a result of the pandemic.

In coordination with the local municipality, we addressed the problem of internet access in these areas. As a result, we delivered tablets with Internet connection and, together with the educational establishments, we encouraged the participation of the students so that they would not fall behind in the contents.

With an investment of CLP \$114,842,000, the Program was implemented in partnership with Fundación Desafío Levantemos Chile, which has also developed two support programs for students and teachers.

"Illumina El Cajón" Educational Program



In 2021, we continued with the development of "Illumina el Cajón" program, implemented in 2020 to deliver digital tools and technological training to the municipal schools of the commune, in order to keep their students connected due to the confinements resulting from the pandemic. The service of 1,533 WIFI lines was extended until December 2021 due to the fact that many schools continued with virtual classes until that date.

Health and Energy Program in Mejillones and Tocopilla



(a) Support for the sanitization of public places in Mejillones and Tocopilla, including a sanitizing cannon, sanitizing liquid, tank trucks, fuels for sanitary customs operations, food for sanitary customs officials.

- (b) Delivery of Personal Protective Equipment to hospital employees in Tocopilla and Mejillones. The total contribution was equivalent to CLP \$12,669,616.
- (c) Delivery of a video laryngoscope equipment to the Hospital of Tocopilla, in order to carry out emergency ventilation maneuvers for patients with COVID-19.



Illumina Biobío

Delivery of personal protection supplies to health centers in Puchuncaví



In 2021, we provided the Family Health Centers (Cesfam) of Las Ventanas and Puchuncaví, with personal protection equipment for the 200 employees who provide health care, such as masks, wet chlorine wipes, quaternary ammonium and disinfectants, for a value of CLP \$3,669,841.

Economic Support

- Provision of cistern trucks and water distribution for consumption in rural and/or isolated sectors.
- Food boxes to vulnerable populations.

Economic Undertaking and Reactivation

- Hire local entrepreneurs to make masks that were donated
- Working inputs and tools for fishermen.

Support to La Cebada-Ovalle Agricultural Community

Los Cururos Wind Plant is located within La Cebada Agricultural Community, some 80 km southwest of the urban center of the commune of Ovalle in the Region of Coquimbo.

Despite the restrictions of the COVID-19 pandemic, in 2021 we were able to make field visits to talk with the leaders of the social organizations of the sector and the community members of La Cebada. During 2021, 100 families from different sectors were provided with food and basic necessities, given the difficult economic situation that affected them due to the pandemic. The deliveries amounted to CLP \$3,476,347.

COLOMBIA [GRI 203-1, 203-2]

During 2021, we continued to promote the articulation of tourism actors in Valle de Tenza, area of influence of Chivor Plant, to work on a Strategic Plan for the Organization of Tourism Activities developed in the Reservoir as part of its Nature Tourism social responsibility project. Thus, we promoted 4 working groups with the attendance of 34 actors, including service providers and delegates of authorities, such as the Mayor's Office of Macanal, the Municipal Office, the Departmental Secretary of Tourism, the Regional Autonomous Corporation – Corpochivor (local environmental authority), the Chamber of Commerce of the Department of Boyaca, also representing the Regional Competitiveness Commission, the River Transport Inspection Board and the River Transport Operating Company, where the key elements to be developed within the Action Plan were agreed upon to contribute to development in a planned, organized and sustainable manner.

The key components to be strengthened include:

- Zoning of the reservoir according to its dynamics of electric power generation, also providing for traditional river transport routes and environmental protection areas, and the awareness of tourism service providers to be formalized in accordance with the current laws;
- Definition of a signaling plan for tourism activities; and
- Risk mitigation plans associated with the activities to be developed or being developed.

After more than 15 virtual and face-to-face work sessions, the Redtur La Esmeralda Biodiversa was created to promote nature tourism in the area.



Regarding strengthening of local institutions, we continued to work in Colombia with five municipalities neighboring the Chivor Hydroelectric Power Plant to formulate public policies on Science, Technology and Innovation. As a result, in this period we managed to publish two policies projected for 2036 and we consolidated three other policies that have



Valle de Tenza



Another participation instance during 2021, specifically addressed to Community Action Agencies was the *“Juntos Aceleramos el Desarrollo” Competitive Fund* that seeks to empower the Local Boards of the area of direct influence of the Chivor Hydroelectric Power Plant to manage projects aimed at their own development. The strategy strengthened the formulation of road improvement projects and community engagement in the identification, formulation and co-financing –resource management and execution of works. Twenty-four community organizations (47% of the total number of communities of direct influence) participated in this initiative, of which 18 were selected through a qualification process.

This initiative, which provides resources for the execution of road improvement projects, will benefit more than 3,249 people directly and at least 4,790 indirect beneficiaries according to the reports of the social organizations in the projects formulated. The territorial coverage includes 6 of the 10 municipalities in the area of influence of Chivor Plant and municipal administrations managed to participate in most of the projects with a contribution of 25% of the total cost.

been already formulated. Our support in Colombia also included training in the methodology for the formulation of science and technology projects to help 49 people (including officials from municipal administrations and local leaders of research groups) to participate in calls for proposals made by the Ministry of Science and Technology. Consequently, five municipalities of Valle de Tenza will be able to compete on equal terms for departamental and national science and technology resources that are currently concentrated in the research groups of only 9 cities.

During the same period, we contributed to the creation of a **productive enterprise with a gender focus** which, by decision of its members, adopted the form of an association. The Association of Multiservice Entrepreneurs of Castilla –ASODEC– was created after a business training of more than 6 months with 12 women and 4 men, meeting all legal requirements. Subsequently, we supported the Association to participate competitively in a private bidding process in an AES Andes contract in Colombia for the spraying and fumigation of Castilla solar plant. After 3 months of work,

ASODEC was selected and continues to operate similar purchase orders.

Finally, during 2021, progress was made with several training sessions for 27 Wayúu indigenous communities in the area of influence of the Jemeiwaa Ka'l Wind Plant with the purpose of promoting the association through the AATIs (associations of councils and/or traditional indigenous authorities) to enable the development of their life plans based on the compensation that the company will provide for the use of their territory. It is expected that during the first half of 2022 at least 6 AATIs will have been created.

The contribution of AES Andes in Colombia to local development can be described by regions or areas of influence, as follows:

Valle de Tenza

(10 Municipalities in the area of influence of Chivor Plant)

Road Infrastructure Projects



These Projects began in 2006 with an annual average investment and have benefited on average 6,500 people, reaching more than 8,000 people, both directly and indirectly, by 2021. During 2021, 100% of the municipalities of influence were covered with the execution of 18 donation agreements through the Competitive Fund and 12 additional agreements with community organizations, municipalities and NGOs for the

development of works such as footpaths, bridges, pontoons, box culverts, and rural roads. In total, resources were donated for the construction of 2,187 meters of footpaths, 6 water management works and the maintenance of 3 pedestrian or vehicular bridges, among other contributions in solidarity with the local municipalities for the maintenance of roads.

Productive Projects



Tescafé is a program that since 2018 provides technical assistance, support for the installation of differentiated commercial channels, strengthening of associations and resources for the planting and production of coffee that benefits the producer associations in the municipalities of Garagoa, Somondoco, Macanal, Guayatá and Sutatenza. In the 2020-2021 harvest, 69,825 kilos of coffee were collected under the TESCaFé strategy (which seeks to save water in the post-harvest process and environmental sustainability in production), which were processed at the Cannor Oriente regional plant and marketed independently with different marketers looking for the best market price. Throughout the year, strengthening workshops were conducted with ASOCAFIGAR, UNSOM and ACAMAC on topics associated with strategic planning, coffee quality and legal compliance to develop activities specific to their corporate purpose, such as commercialization of coffee from their associates. The Garagoa coffee laboratory was also strengthened to improve the purchasing processes for bean quality and the

Company participated in supporting the regional coffee quality contest. The socioeconomic characterization of 104 producers in six municipalities was carried out and support was given to the nurseries for the production of seedlings in Somondoco, Sutatenza and Garagoa, producing a total of 56,000 coffee plants to improve production in these municipalities. Throughout the three years, it has been possible to avoid contamination of more than 2.2 million liters of water during the processing of coffee.



CACAO + was born in 2011 to provide training, technical assistance, inputs and support to 44 cocoa-growing families, simultaneously seeking to protect 2 species of migratory birds. In 2021, the 2 producers' associations were strengthened in strategic planning and legal formalization. The COCOA+ Experience Center in Campohermoso was implemented, where the entire production chain, processing and testing processes are located. This Experience Center is complemented by the pilot farm, the nursery and the clonal garden managed by the Association, where technological transfer processes can be carried out to the beneficiaries in the region. During the year, efforts were focused on crop renewal through pruning, lateral grafting, replanting and crop improvements, intervening more than 11,000 cocoa plants already established in order to increase productivity per unit of cultivated land and transfer technical knowledge to producers.

Nature Tourism Project: "RedTur Esmeralda Biodiversa". This project was born in 2020 with the aim of promoting productive enterprises based on nature tourism in order to

protect the natural capital of the region. In addition to the articulation and formation of a regional tourism network made up of 45 social actors from 5 municipalities, work is underway on phase 2 of the project, which includes the implementation of the regional strategic plan and 27 tailor-made plans for the provision of tourism services. The representative progresses include the positioning of the "RedTur Esmeralda Biodiversa", which manages training processes and represents the region in national tourism events. As regards the technical component, training workshops were conducted for the management of ecological trails in the municipalities of Guateque, Macanal and Santa María, providing training to service providers and operators in the ROVAP and Carrying Capacity methodologies. As part of this initiative, the Strategy for the Organization of Tourism, Environmental, Cultural and Community Transport Activities in the communities at Embalse la Esmeralda is being promoted to avoid undesired impacts due to unplanned growth.

Environmental Projects [GRI 303-1]



Protection of Waste Lands and Wetlands: Since 2006, we have protected more than 1,780 hectares of tropical rainforest adjacent to the generation infrastructure in Colombia and since 2016 we have purchased and sold more than 644 hectares of high Andean forest for the restoration and conservation of the Integrated Management Risk Districts of Cristales, Castillejo and Mamapacha of the Department of Boyacá. In 2021, environmental monitoring and follow-up activities were resumed with the allocation of resources for the implementation of landscape management tools for the

natural restoration of the land located in the moorlands of the Garagoa river basin.

Environmental Research Project: During 2021 we began a hydrological characterization in the watersheds associated with the Chivor Power Plant downstream of the energy generation process with the C-Star Organization.

Social Assistance Projects

Sonrisas de Navidad ("Christmas Smiles"): Since 2010, together with our employees, we have been supporting children in the rural areas of Valle de Tenza in Colombia. Last year, we managed to distribute 580 gifts among the neighbors of Chivor Plant.



School kits: In order to make the community aware of the new AES Andes brand in Colombia and to contribute to education as a strategy to support the reactivation of school return after the pandemic, 4,350 school kits were distributed in 90 educational institutions in 7 municipalities of Boyacá.

Municipality of Castilla La Nueva and neighborhoods of Betania, Cacayal and Chichimene in the Department of Meta

Community Infrastructure Projects



In this period and on the occasion of the construction of San Fernando Solar Plant, it was agreed with the Community Action Board of

Betania neighborhood to illuminate a public road with 13 poles and photovoltaic lights, which were strategically located to improve pedestrian traffic and safety at night or at dawn for the local population, .

Projects for Gender Equity

Female Employment: 38% of the labor force hired in the construction of San Fernando solar project were women.

Women's Entrepreneurship Productive Project: Support in the creation of a cleaning and maintenance services company for solar plants with a gender focus made up of 14 women.

Support to Productive Projects of Women's Associations: Through technical assistance for the formulation, implementation, support and monitoring of 6 associative projects for 6 women's groups in the area of influence.

Training: We provided training in peaceful conflict resolution for 200 people and gender-based violence for more than 260 women.

Institutional Strengthening

We provided training and assistance for the legalization of 9 Community Action Boards.

Social Assistance Projects:



School kits: Delivery of 150 school kits to students of 3 educational institutions.



COVID Aid: Support with the vaccination of more than 207 inhabitants of the Municipality of Castilla La Nueva, employees of San Fernando Solar project under the business plan authorized by the National Government.

Municipality of Uribia, Department of La Guajira in the area of influence of the Jemeiwaa Ka'l wind projects

Social Assistance Projects



Water Route: This project began in 2017 and seeks to benefit 60 settlements with the periodic supply of water.



Other Social Assistance: Since 2017, Jemeiwaa Ka'l has been supporting approximately 6,000 indigenous people in the Wayuu community with aid for their funeral rites and basic improvement of their community infrastructure.

ARGENTINA

Argentina makes donations of clothing, food and books to schools located in the Puna of Salta.

2.6 Environmental Performance

We are aware of the impacts of our activities on the environment and we pay particular attention to environmental protection and the efficient use of natural resources to meet the energy demand.

2.6.1 Climate Change [NCG 461.4.2]

In 2018, The AES Corporation published the first report in line with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and third-party scenarios. The 2018 report described the resilience of our strategy under a range of scenarios, including simulating the impact of carbon policies that align to the Paris Climate Agreement in order to limit global temperature rise to 1.5 - 2 °C.

During 2021 the report was updated leveraging refreshed scenarios published by the International Energy Agency (IEA) and the United Nations Intergovernmental Panel on Climate Change (IPCC). In addition, the physical climate risk analysis was enhanced by including a detailed assessment of the potential risk from extreme weather events on our portfolio of generation, transmission, and distribution asset. More details in Chapter 1, Risk Management, Sensitivity Analysis and Stress Tests.

With our Greentegra Strategy, we are committed to concrete efforts to combat climate change as outlined in Chapter 1, Our Purpose, Accelerate the Future of Energy Together.



Since 2020 we have supported a Blue Carbon (ocean carbon sequestration) research project intended to assess the potential of brown macroalgae as carbon (CO₂) sinks with a view to the conservation of marine forests associated with fishing coasting vessels with areas of management and exploitation of benthic resources, which is carried out by the Center for Applied Ecology of Universidad Católica.

During 2021, the systematization of information and interviews with experts in three key groups began: researchers, NGOs and public services related to algae. The ordering of the results is based on the Roadmap for blue carbon in Chile, a document delivered in 2020 by the World Bank to the government of Chile by the UNFCCC COP25 presidency. The results of the research fit well with the first step proposed by the World Bank, which proposes to resolve information gaps in priority ecosystems (e.g. macroalgal forests) on topics such as biomass, carbon cycles, vulnerabilities and threats, benefits for the resilience of coastal communities and the society, and management options.

► Projects currently under environmental assessment and approved in 2021

Project	Environmental Assessment	Procurement of Environmental License
Wind projects	5	1
Solar + wind project	1	
High Tension Lines	1	2

Carbon Credits [GRI 305-5]

We include the Carbon Credits Market, an international mechanism that seeks to promote the reduction of greenhouse gas emissions into the atmosphere, in our renewable generation projects. Currently, we have recorded a total of 2,214,835 tons of CO₂ estimated annually and report through the criterion of early consideration an additional 675,654,600 tons of CO₂ annually. The details are presented in the table of registered Carbon Credits.

During 2021, the process of verification and certification of carbon credits for the period from 2016 to 2021 of Los Cururos Wind Plant began, thus completing the certification of the first credit period of the wind plant. During the period, the renewal of the credit period for the years 2021 to 2028 at Gold Standard began.

Los Cururos Wind Plant



Registered Carbon Credits

Registered Carbon Credits			
Project	Phase	Estimated Reduction (t CO ₂ year)	Standard
Los Cururos Wind Plant	Operation	197,424	Gold standard
Andes Solar Photovoltaic Plant	Operation / Construction	297,247	CDM
Alto Maipo	Construction	1,688,164	VCS / VERRA
Tunjita Plant	Operation	32,000	CDM
Reported Carbon Credits			
Project	Phase	Estimated Reduction (t CO ₂ year)	Standard
Los Olmos Wind Plant	Construction	147,219	CDM
Mesamávida Wind Plant	Construction	101,602	CDM
Campo Lindo Wind Plant	Construction	91,234	CDM
Andes Solar IIB and IV	Construction	335,599	CDM

2.6.2 Environmental Key Performance Indicators

The key performance indicators defined in the businesses allow the monitoring and evaluation of the Company's environmental objectives. The information is entered on a quarterly basis into the AES Online system, which is The AES Corporation's monitoring platform.

The information used for the creation of the indicators was checked locally for AES Andes and its affiliates by the audit firm Deloitte-Chile. In addition, The AES Corporation audits the data reported in AES Online with the auditing company Lloyd's Register LRQA, Inc.

The scope of each key indicator is presented in Chapter 6, Additional Information: 6.6.2. Environmental Key Performance Indicators

Power generation and consumption [GRI 302-1, 302-3]

The gross electric power generation (Mwh), which is the total of energy generated by each unit, is the parameter used to express emission intensity in most of our environmental indicators.

During 2021, at a corporate level, we used a total of 1,347,952 Mwh. For more information, see Chapter 6, Additional Information: Environmental Performance Tables.

2.6.2.1 Air emissions [GRI 305-7]

Air emissions are the most relevant environmental variables for the businesses of our thermoelectric generation in Chile and Argentina, since they are directly linked to combustion processes.

In Chile, the regulatory framework for local air emissions management in general includes:

- (a) national regulations, particularly Supreme Decree No. 13/2011 issued by the Ministry for Environment that regulates concentration limits in the stack for the emission of certain pollutants from thermoelectric power plants;
- (b) obligations stipulated in the Environmental Qualification Resolutions of each business and those stipulated in the Environmental Decontamination or Prevention Plans, as appropriate, which broadly define total emission limits (daily and/or annual); and,
- (c) national regulations governing air quality at receiving sites.

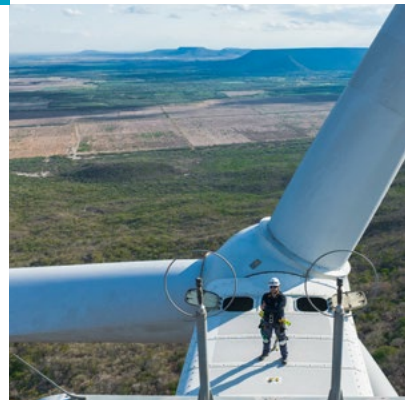
This set of regulations is intended mainly to regulate the emissions of Particulate Material (PM), Sulfur Dioxide (SO₂), Nitrous Oxide (NO_x), and Mercury (Hg).

Starting in 2021, we began a new stage of online connection of the continuous emissions monitoring systems (CEMS, for its acronym in Spanish) of all coal units with the Superintendency of the Environment, being able to visualize in real time the gross variables measured in the stack (concentrations and flow in the stack), which consists of increasing the number

of variables delivered in real time. Until the end of 2021, we worked on the implementation of the updates, which meant an investment of more than US\$120 thousand dollars.

In Argentina, the regulatory framework for air emissions management in Argentina is issued under Resolution No. 13-2012 of the National Electricity Regulatory Body (ENRE), which establishes:

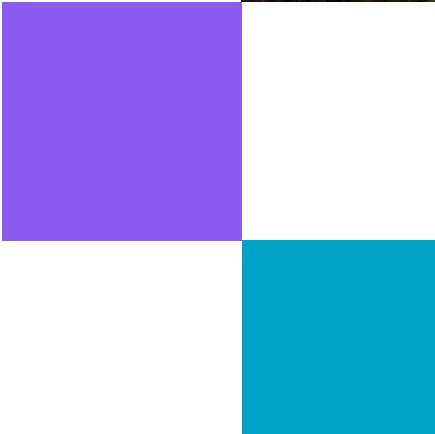
- (a) procedures for the air emission measurement and records,
- (b) assessment of compliance with the emission standards; and
- (c) minimum frequency of monitoring, among other subjects.



Local Air Emissions

	2018	2019	2020	2021	2021 Goal*
Gross Generation (MWh)	30,040,902	29,153,843	26,348,216	23,791,248	
Annual Emissions	2018	2019	2020	2020	2021 Goal*
CO ₂ (t)	16,812,539	16,701,598	16,155,465	13,351,166	15,402,743
PM (t)	1,043	818	932	639	796
NO _x (t)	19,664	19,296	17,993	14,176	17,155
SO ₂ (t)	16,817	17,336	15,562	13,169	15,356
HG (kg)	67.07	53.15	62	44	53
Indicators	2018	2019	2020	2020	2021 Goal*
PM (kg/MWh)	0.035	0.028	0.035	0.027	
NO _x (kg/MWh)	0.65	0.66	0.68	0.60	
SO ₂ (kg/MWh)	0.56	0.59	0.59	0.55	
CO ₂ (t/MWh)	0.559	0.57	0.61	0.56	

Based on information from Guacolda Plant (1st half of 2021).
Data verified by Deloitte.
* Goals are only indicated according to the parameters where one has been set.



2.6.2.2 Greenhouse Gases (GHGs) [GRI 305-1, 305-2, 305-3, 305-4, 305-5]

Every quarter, we monitor 100% of the CO₂ emissions coming from our direct emissions (Scope 1) related to the combustion of fossil fuels for electric power generation, sulfur hexafluoride (SF6) releases, emissions from the motor vehicle fleet, either owned or leased, used by our staff, and emissions from the machinery used in our facilities.

Moreover, we monitor indirect AES emissions related to energy bought from third parties for our own consumption, and to losses in the transmission of energy transported through our grids (Scope 2) and emissions associated with the transportation of the company's main input, coal, and emissions associated with domestic and international

flights of AES Andes' own personnel in Chile (Scope 3).

This information is registered as an environmental indicator in absolute (t CO₂e) and unit (t CO₂e/MWh) amounts.

► Global Air Emissions

	2018	2019	2020	2021	2021 Goal*
Gross Generation (MWh)	30,040,902	29,153,843	26,348,216	23,791,248	
Annual Scope 1 and Scope 2 Emission (tCO ₂ e)	17,874,373	17,757,414	16,989,605	13,627,666	17,540,464
Annual Scope 1 Emission (tCO ₂ e)	17,873,353	17,755,518	16,962,310	13,597,714	17,530,394
Annual Scope 2 Emission (tCO ₂ e)	1,020	1,896	27,295	29,952	10,070
Scope 1 and 2 Intensity (tCO ₂ e/MWh)	0.60	0.61	0.64	0.57	
SF6 Emission (ton)	0.00215	0.0013	0.0008	0	0
Emission Point	2018	2019	2020	2021	
Trips of staff in airplane (tCO ₂ e)	370	512	276	191	
Coal transport (tCO ₂ e)	1,465,048	1,317,943	1,716,480	1,372,536	
Total Scope 3 Emissions (tCO ₂ e)	1,465,048	1,318,455	1,716,756	1,372,727	
Scope 3 Intensity (tCO ₂ e/MWh)	0.048	0.045	0.065	0.058	

Based on information from Guacolda Plant (1st half of 2021).
Emissions data from previous years modified due to the updated emission factors used in the calculation.
Data verified by Deloitte.
* Goals are only indicated according to the parameters where one has been set.

2.6.2.3 Water sources and uses

[GRI 303-1, 303-3, 303-4, 303-5]

Water Consumption

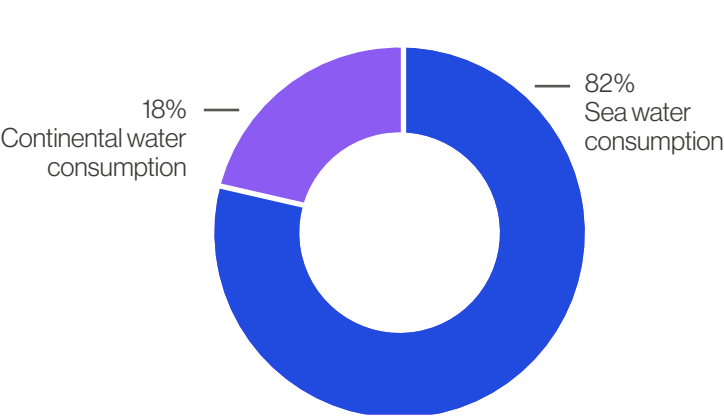
In order to carry out our production process, we need to use water resources, which are provided from various sources. It is important to highlight the majority participation of seawater as a source of water, which is related to the coastal location of many of our power plants.

As affiliate of The AES Corporation, since 2016 we have participated in the “Carbon Disclosure Project” (CDP) assessments (www.cdproject.net), which poses huge challenges in terms of monitoring, control, risk management, and awareness regarding water resources.

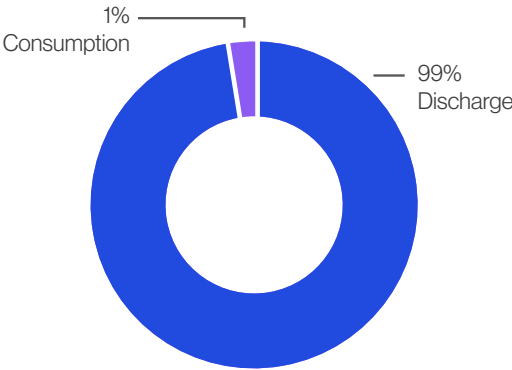
The water that we use in the electric generation processes can be segmented by source of origin. Among them, we can find: seawater, continental water (surface and underground) and water purchased from third parties such as drinking water.

In the data of extracted water, the flow used in our hydraulic power plants is not considered, since 100% of the water used for generation is returned to its original source, without altering its quality and quantity.

Water Consumption by Source



Allocation of adduction water



The organization has not been subject to water-related incidents in the last 4 years that have generated operating interruptions or plant closures with significant impacts, i.e. greater or equal to or greater than US\$10,000.



► Water consumption by type of source

	2018	2019	2020	2021	2021 Goal*
Gross Generation (MWh)	30.0409.02	29,153,843	26,348,216	23,791,248	
Seawater (m³)					
Conveyance	1,754,473,246	1,637,408,892	1,765,902,013	1,194,669,848	
Discharge	1,727,703,557	1,624,184,614	1,751,768,367	1,180,136,098	
Consumption	26,769,689	13,224,278	14,133,646	14,533,750	
Continental Waters (m³)					
Surface Water	63,120	243,481	230,006	174,601	
Groundwater	5,674,390	5,264,096	5,072,737	3,380,179	
Sanitary Drinking Water	676,903	330,084	243,498	257,427	
Discharge	995,712	1,141,273	1,033,751	617,273	
Consumption	5,418,701	4,696,388	4,512,491	3,194,934	4,875,902
Total (m³)					
Conveyance	1,760,887,659	1,643,246,553	1,771,448,254	1,198,482,055	
Discharge	1,728,699,269	1,625,325,887	1,752,802,117	1,180,753,371	
Consumption	32,188,390	17,920,666	18,646,137	17,728,684	
Indicator m³/MWh					
Conveyance	59	56	67	50	
Discharge	58	56	67	50	
Consumption	1	1	1	1	

Data verified by Deloitte Chile.
Information of Guacolda
Plant (1st half of 2021) is considered
* Goals are only indicated according to
the parameters where one has been set.

Water Stress Analysis

We use as a reference the “WRI's Aqueduct Global Water Tool”, international sustainability indicator, to identify plants in areas of water scarcity or stress according to the definition of areas of the United Nations, which states:

- 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*year)

During 2021, we observed that 13 of our 16 business units are located in water stress areas and were responsible for

the production of 80% of the generated energy. Now, if we consider only the business units which, in addition to being located in water stress areas, extract continental fresh water, these are reduced to only 5 business units (i.e., 31% of our businesses), and have contributed 33% of the energy generated during 2021.

► Plants in Water Stress Areas with Continental Water Consumption

		2019		2020		2021	
Plant	Location	Use of Water (M ³)	Use of Water (M ³ /MWh)	Use of Water (M ³)	Use of Water (M ³ /MWh)	Use of Water (M ³)	Use of Water (M ³ /MWh)
Termoandes	Province of Salta, Argentina.	3,713,485	0.86	3,833,670	0.92	2,372,144	0.89
Ventanas	Coastal Area. Ventanas, Puchuncaví, Region of Valparaíso, Chile.	666	0.15	473,156	0.12	541,211	0.14
Cordillera	Cordillera Area, San José de Maipo, M.Region; Chile.	50,810	0.05	36,811	0.04	25,729	0.03
Laja	Commune of Cabrero, Region of BioBio, Chile.	200,868	6.49	106,422	8.54	201,273	5.68
Los Cururos	Commune of Ovalle, Region of Coquimbo, Chile.	9.6	0.0001	28.8	0.0001	29	0.0001

Data verified by Deloitte Chile.

AES Andes owns the Norgener, Cochrane and Angamos plants located in water stress areas. However, these plants use (appropriately treated) seawater for their cooling processes, boiler feed, and consumption; therefore, they are not considered in the previous table, but they still make permanent efforts to reduce seawater consumption.

Recirculation and reuse of water

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

► Volume and percentage of turbinated water in Colombia

	Unit	2019	2020	2021
Turbinated water	Thousands of m³	2,480,440	1,349,414	2,411,666
Volume of serial “re”-turbinated water	Thousands of m³	144,294	147,463	152,377
Reused water	%	5.82	10.93	6

Data verified by Deloitte Chile.
The increase in turbinated water in 2021 is due to the favorable weather condition of the year, which allowed for a greater flow for electricity generation.

Angamos Plant



Tunjita Plant, Colombia.

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

100% of our LIW is processed prior to unloading. We plan and perform sampling and analysis in each of the businesses, and prepare the reports that allow compliance with the regulatory requirements.

In Chile, each business carries out the monitoring of its discharges as required by the environmental authority through its Monitoring Program Resolutions.

Monitoring in all units is carried out by third parties which are Technical Environmental Monitoring Entities (ETFA, for its acronym in Spanish) authorized by the Superintendency of the Environment. This monitoring consists in verifying compliance with the limits established pursuant to the applicable regulations according to the body of water where the discharge is made (emission standards for sea and surface water or emission standards for groundwater).

In Argentina, the regulation governing dumping into a watercourse in the province of Salta, where Termoandes Plant is located, is Resolution No. 011/01. In Colombia, we monitor compliance with Resolution 0631/2015, which regulates article 28 of Decree 3930 of 2010 and controls pollutants reaching the water bodies.

The sampling effort of the discharges is reported in Chapter 6, Additional Information, 6.6.2 Key Environmental Performance Indicators

In addition to the Monitoring Programs, we conduct Environmental Monitoring Plans (EMP) or sea ecosystem monitoring, which are periodical studies both of physical and chemical variables of seawater (water quality) and biotic variables of the marine environment (hydro-biological resources). The monitoring is reported periodically to the environmental authority. The detail of the current EMPs is contained in Chapter 6, Additional Information, 6.6.2 Key Environmental Performance Indicators

Moreover, regarding hydroelectric power plants, the area of San José de Maipo is monitored at fourteen sampling points to test quality of superficial course water. In the case of Alto Maipo Hydroelectric Project, water is monitored at sixteen points, which are distributed in eight water courses located at various points in the basin of Maipo River. There is no trend in the results of the measurements carried out during 2021 in upstream water and water present at the PHAM waterway intervention works location showing a modification or alteration in the quality of water in the waterways under study as a result of the execution of these works; rather, a similarity is observed between upstream water and the water present at the project works location.

Queltehues Plant



Significant spills

During 2021 there was a significant spill in our facilities in Central Queltehues, located in the Metropolitan Region, Chile, specifically in the machine house, between the immediate perimeter of the plant and the discharge channel, as a result of the release of lubrication oil. Once the spill was identified, the required control measures were established and no related social or environmental impacts were observed. Details of the spill are provided in Chapter 6, Additional Information, 6.6.2 Key Environmental Performance Indicators.

When spills occur, they are reported in the AES Online system where information as to whether spill is significant or not, including characteristics and action plans, is provided.

2.6.2.4 Industrial waste generation

[GRI 306-1, 306-2, 306-3, 306-4, 306-5]

We monitor Hazardous and Non-Hazardous Waste in accordance with our Management System Policy, internal procedures and current regulations of Chile, Argentina and Colombia.

Given that Coal Combustion Products (CCPs), mainly fly ash and bottom ash, represent almost all the non-hazardous waste that we generate, we channel our efforts into tracking the quantity produced, increasing alternatives for recovery,

and ensuring a proper final disposal in one of our three ash dumps specially fitted out for the management of this waste.

► Annual Generation of Waste Classified according to Type

Type of Waste	2018	2019	2020	2021	2021* Goal
Gross Generation (MWh)	30,040,902	29,153,843	26,348,216	23,791,248	
Waste Generation					
Fly ash and gypsum (t)	1,300,571	1,279,107	1,223,703	1,030,661	
Bottom ash (t)	217,154	225,038	210,678	165,528	
Coal Combustion Products (t)	1,517,725	1,504,144	1,434,380	1,196,189	1,485,416
Coal Combustion Products (t/GWh)	51	52	54	50	
Hazardous Waste (including used oil) (t)	692	520	454	1,848	555
Hazardous Waste (including used oil) (t/GWh)	0.023	0.018	0.017	0.078	
Non-Hazardous Waste (t)		2,987	4,055	2,775	3,521
Non-Hazardous Waste (t/GWh)		0.100	0.117	0.117	

Data verified by Deloitte Chile.

Based on information from Guacolda Plant (1st half of 2021).

* Goals are only indicated according to the parameters where one has been set.

The increase in the generation of hazardous waste during 2021 is associated with the pond emptying and cleaning processes at Tocopilla and Ventanas Plants.

During 2021, 3% of the Coal Combustion Products (ashes and slag) were reused, continuing with the reuse of combustion products from two of our units (Ventanas Unit II and

Angamos Plant), producing an income of around US\$94,000 between both units.

► Valuation of Coal Combustion Products

Type of Waste	2018	2019	2020	2021	2021 Goal
Coal Combustion Products (t)	1,517,725	1,504,144	1,434,380	1,196,190	
Reuse of Coal Combustion Products (CCPs) (t)	32,963	28,984	33,284	35,786	
Reuse of CCPs with respect to total CCPs (%)	2.2%	1.9%	2.3%	3%	2.1%

Data verified by Deloitte Chile.

Based on information from Guacolda Plant (1st half of 2021).

During 2021, we continued with our participation in the project "Valuation of Fly Ash from Thermoelectric Plants as Artificial Aggregates for Construction: Validation of a Pellet Manufacturing Process with Minimum Energy Consumption as a Raw Material for the Concrete Industry", from the *Pontificia Universidad Católica de Chile*, convened by Fundación COPEC UC, with the ashes from our Ventanas units. Throughout this project, several articles have been published, as well as the development of standards for the use of these wastes as raw material for other processes. The use of this type of waste as a raw material for other processes, allows to reduce the pressure on final disposal sites (ash dumps) as well as the pressure on raw materials of natural origin (aggregates) in other industrial processes.

This project is part of the process of transition to a circular economy, which the Company has been promoting in recent years.

In the same sense, during 2021 we participated in the project "Sectoral Diagnosis, Clean Production Agreement: Transition to a circular economy" led by Acción Empresa, with the aim of developing a Clean Production Agreement to guide the creation of strategies and actions for companies to begin a transition to a circular economy, identifying critical steps for the development of a roadmap with a focus on production processes and the incorporation of new business models based on collaboration between actors.

This diagnosis resulted in the proposal of goals for the Clean

Production Agreement (APL, for its acronym in Spanish), in which productive and service companies from various industries that can implement actions to advance towards a circular economy, with facilities in Chile, were invited to participate. The term of the APL is 2 years and its objective is "to increase the degree of circularity of the companies, through the use of metrics that allow the development of a circularity baseline and the implementation of concrete actions to move businesses towards a circular economy".



We committed our participation in the Clean Production Agreement “**Transition to a Circular Economy**” with three facilities:

Los Cururos Wind Plant
Region of Coquimbo

Andes Solar Photovoltaic Plant
Region of Antofagasta

Angamos Thermoelectric Plant
Region of Antofagasta

We aim to build capacity within the Company to identify and develop opportunities and action plans to include circular economy principles in our processes.

During 2021, at our Mejillones facilities, we began the project to reduce organic waste in casinos through industrial composting, which considers the transformation of food waste and its recovery through the generation of compost.

During 2021 we obtained 1,153 kilos of compost, with a reduction of 6,278 kilograms of organic waste from the plant canteens.

► **Annual Waste Recycling by Type** [GRI 306-4]

Type of Waste	2019	2020	2021
Recycled Hazardous Waste (t)	107	33	838
Recycled Hazardous Waste (%)	20%	7%	42%
Recycled Non-Hazardous Waste (t)	385	229	359
Recycled Non-Hazardous Waste (%)	13%	6%	13%

► **Waste for Disposal by Type** [GRI 306-5]

Type of Waste	2019	2020	2021
Hazardous Waste (t)	413	420	1,158
Hazardous Waste (%)	79%	93%	58%
Non-Hazardous Waste (t)	2,602	3,825	2,416
Non-Hazardous Waste (%)	87%	94%	87%
Coal Combustion Products (t)	1,475,160	1,401,096	1,305,766
Coal Combustion Products (%)	98.1%	97.7%	97%

In Chile, the generation and disposal of hazardous and non-hazardous solid waste is 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)). The Law establishes the “Framework for Waste Management, Extended Producer Responsibility and Recycling Promotion” to reduce waste generation and encourage reuse, recycling, and other kind of recovery, through the implementation of the Extended Product Responsibility (REP, for its acronym in Spanish) and other waste management instruments. During 2021, we began internal coordination to define the Management System to which we adhere as a company to start meeting the valorization goals during 2023.

In Argentina, solid waste generation is reported semi-annually to the National Electricity Regulatory Body (ENRE, for its acronym in Spanish). Additionally, in the case of hazardous waste, it is reported to the Secretary of Environment of the Province of Salta during the renewal of the registration in the list of generators that is carried out every two years.

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

2.6.2.5 Our Commitment to Biodiversity

[GRI 103-1, 103-2, 103-3, 304-1, 304-3, 304-4]

Our commitment to biodiversity is based on the Management System policy and compliance with our AES Corporation Biodiversity Evaluation and Protection Standard.

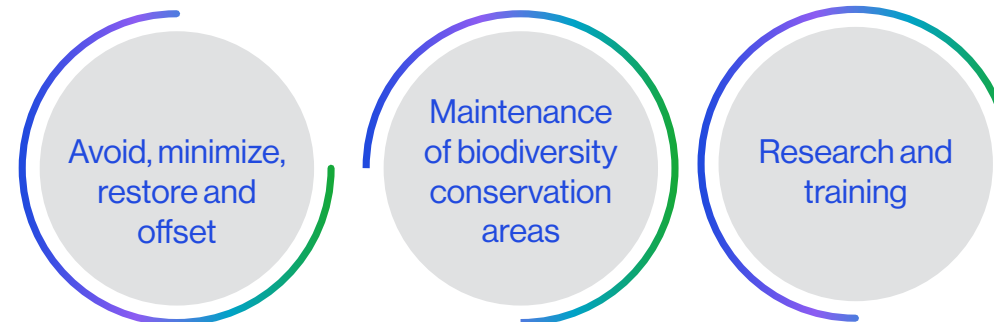
This Standard establishes that our businesses should avoid carrying out new actions that may cause negative impacts on areas recognized for having a high biodiversity value. We also avoid new actions that contribute to or lead to the extinction of IUCN-listed endangered species and IUCN Category I-IV protected areas.

The commitment translates into promoting the conservation of areas of high biodiversity value and ecosystems located within our operations by protecting and promoting the knowledge of species in conservation category with the ultimate goal of achieving a zero net loss.

The scope of our commitment applies to all AES Andes businesses, in line with the mitigation hierarchy (avoid, minimize, restore and offset) in our biodiversity management. Together with our local teams, we work with external partners to meet this commitment.

Protected or high-value areas located next to or near our facilities are presented in Chapter 6, Environmental Performance, see Additional Information, paragraph 6.6.2. Environmental Key Performance Indicators

► Lines of action



To ensure a proper execution of our commitment to biodiversity, we have assessed and performed a biodiversity impact assessment of our operating sites to establish the importance of biodiversity in the countries where we operate. As part of the management plans for all sites, we have included the development of plans for those sites in close proximity to critical biodiversity, as shown in the following table:

► Biodiversity Management Plans

Country	Number of businesses	Surface (ha)	Management Plans
Chile	12	2,757	7
Argentina	1	105	0
Colombia	3	4,383	1

The businesses with Management Plan are: Angamos Power Plant, Cochrane Power Plant, Ventanas Power Plant, Chivor Power Plant, Cordillera Power Plant, Los Cururos Wind Plant, Mesamávida Wind Plant and Los Olmos Wind Plant. For more information on biodiversity management plans, see Chapter 6, Additional Information, 6.6.2 Key Environmental Performance Indicators.

Rescue and Compensation Plans

As of 2021, 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 the central area of Chile.

Regarding flora and vegetation, we make offsets based on the cut surface and the number of individuals removed. As of 2021, we have reforested more than 136 hectares and more than 200 thousand specimens, which corresponds to 90% of our goal to reforest by 2037.

To rescue the genetic material and reproduce native flora species of the central northern area of Chile, and to implement revegetation 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 order to comply with our line of action of maintaining biodiversity conservation areas, we are working on the development of protection zones in areas of high biodiversity value. The list of sites is detailed in Chapter 6, Additional Information, Section 6.9.2. Environmental Key Performance Indicators

The “*Fundación para la Sustentabilidad del Gaviotín Chico*”, of which the companies Angamos and Cochrane are members, has two protected areas for the Conservation of the Gaviotín Chico (*sternula superciliaris*) called Pampa 1 and Pampa 2 in the commune of Mejillones in the north of Chile, with a total area of 2,027 ha. In 2020, the Foundation started with the creation of a Nature Sanctuary in the sector of Punta Itata and Punta Gualaguala with an area of approximately 2,800 ha. Moreover, during the year 2021, the Foundation continued with the steps required to make progress in the pronouncement by the authorities regarding the creation of the Sanctuary.

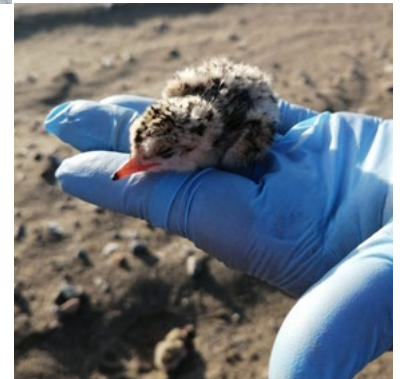


In Colombia, we maintain a nature reserve of 1,750 ha located in the life zone called “Very Tropical Rainforest”, which has been maintained in natural regeneration by Chivor Power Plant for more than 45 years. As part of the preservation and protection activities, between 1998 and 2020, we developed biodiversity inventories in collaboration with *Institute of Natural Sciences* from *National University of Colombia*. These works strengthen not only our scientific knowledge but also the vision of turning the protection of biodiversity into an opportunity for social development for the inhabitants of the municipality of Santa María.

During 2021, we continued developing the voluntary project called “El Pangue Eco-Corridor”. The purpose of this project is to foster individuals mobility through a biological corridor, and to protect genetic material of native fauna and flora in the different natural habitat fragments, as well as to offer a space where certain research and environmental education actions can be developed with activities including bird watching, and botanical research, among others, inside the Fundo El Pangue in central Chile. In October 2021, a pilot project was started to plant a high-density forest inside Fundo El Pangue using the Miyawaki technique in 200 m2, in order to cause a forest to grow on this surface with a high composition of native species planted at a high density, so as to allow growth and development in a short time. This composition will favor the protection of the seed bank in its natural habitat for the purpose of providing viable and good quality seeds that will allow propagation actions to continue with the program intended to grow native plants in nurseries.



Little Gaviotín Chick



Research and training

The “Fundación para la Sustentabilidad del Gaviotín Chico” <https://www.gaviotinchico.cl/w/>, works for the preservation of the *gaviotín* through the development of research capacities, generation of new knowledge with respect to the species, and the implementation of technical measures intended to protect them. As from 2019, the Foundation has a “Research, Education and Dissemination Center for the Conservation of the *Gaviotín Chico*” (located in the Playa Grande sector of Mejillones) with a training room and an educational path that generates spaces for education and dissemination of information about the species.

During 2021, on-site educational conferences were held, including guided tours and an educational workshop for Environmental Educators in Mejillones. Moreover, the Foundation entered into agreements with international organizations such as the Peruvian NGO GAP (Group of Peruvian Birds) and SERFOR (National Forestry and Wild Fauna Service), whose purpose is to promote cooperation and collaboration between institutions for the performance of activities related to the conservation of the *Gaviotín Chico*. During 2021, we published joint weeklies, cooperated in international censuses of species, and worked on the proposed study “Conservation of *Sternula lorata* or *Gaviotín Peruano* in the Paracas National Reserve”.

In order to raise awareness of the biodiversity near our operations, since 2016, in Colombia, we have participated

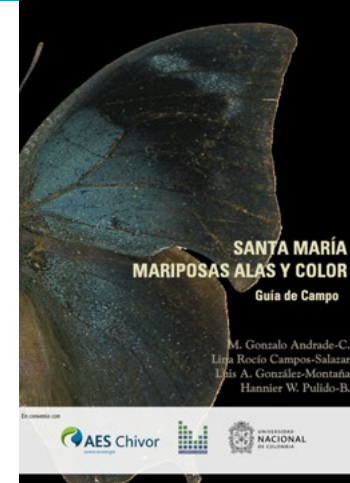


in a partnership with the National University of Colombia in biodiversity research in the Cuchilla Negra or Guanque Integrated Management District (DRMI) with the permanent development of research and the preparation of field guides open to the community and the specialist public.

This research has gathered, among other information, a great diversity of butterflies in the region that reaches 184 species, angiosperms that according to the data collected to date consists of 122 families, 719 genera and about 1042 cataloged species, 106 species of arthropods that are indicators of the natural wealth of tropical rainforests, 121 species and 64 genera of orchids, 143 species, grouped into 39 families of birds, an inventory of 52 species of timber trees that are representative for the population, their potential or ancestral uses and their general characteristics.

With the cooperation agreement between institutions, the Institute of Natural Sciences from the National University of Colombia and AES Colombia have published about 11 Field Guides from the Institute of Natural Sciences, which have highlighted the richness of the flora and fauna of Santa María. The area under investigation covers 1,750 hectares that are part of a protected area owned by AES and some additional neighboring properties.

The central area of Chile, influenced by a Mediterranean weather, is unified by wooded vegetation belonging to the sclerophyllous forest. In order to promote research and dissemination of the biodiversity present in this area, we have



Talk to the Community of Choraless



developed in recent years research of the flora and fauna existing in areas adjacent to its facilities, specifically in Fundo El Pangue.

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 dissemination among the community members. During 2021, we worked on the study "Identification of Species belonging to the Carnivore Order in Fundo El Pangue", with the installation of cameras in animal passage sites to detect the presence of carnivores.

In the field of paleontology, through our Alto Maipo project, a paleontology laboratory is being set up within the premises of the National Museum of Natural History, which aims to maintain the paleontological findings of the project and also to be a contribution to the scientific knowledge of the country, since this future laboratory will have high technical and safety standards.

During 2021, we worked on the design phase and the most complex equipment is in the assembly stage. Construction and assembly works are expected to begin in the first quarter of 2022, to be operational during the month of April of the same year.

Goals concerning Biodiversity

Our metrics are based on the actions set out in our biodiversity commitment to balance the impacts of our operations with the goal of achieving a zero net loss.

Progress as of 2021

Avoid, minimize, restore and offset:

- Rescue and relocation with a 100% progress rate by 2021.
- Reforestation with a 90% progress rate by 2021.
- Maintenance of conservation areas with a 61% progress rate by 2021.
- Overall progress is 84% obtained from the average of these three metrics: 100%, 90% and 61%, while our goal is to achieve a zero net loss by 2037.

During 2021, we received 6 reports of wildlife findings inside the facilities in our "*Todos somos brigada*" portal. Rescue measures were carried out as defined in the action plans.

2.6.2.6 Regulatory Compliance [GRI 307-1, NCG 461 8.1.3]

In the context of our management system, we regularly monitor compliance with the applicable environmental regulations through our internal legal compliance verification systems. Details of the main current environmental regulations together with the regulations under review applicable to our businesses is presented in Chapter 6, Additional Information, Section 6.6.2. Environmental Key Performance Indicators

During 2021, no sanctioning procedures were initiated at our facilities by the Superintendency of the Environment. With respect to the 5 procedures brought to date at Norgener,



Angamos, Alto Maipo, Ventanas and Guacolda plants, none of them ended up with significant monetary penalties since we have opted for the "Compliance Program" incentive mechanism. The status of these sanction procedures brought in the last 5 years is detailed in Chapter 6, Additional Information, Section 6.6.2. Environmental Key Performance Indicators

During 2021, as well as in the last 5 years, **none of the plants of the companies we operate paid significant fines or penalties equal to or greater than US\$10,000 related to the environment.**

For more information on ongoing administrative and court proceedings concerning environmental issues, see Chapter 6, Additional Information, Section 6.6.2 Key Environmental Performance Indicators.

2.7 Occupational Safety and Health of our Employees and Contractors

► [GRI 103-1, 103-2, 103-3, 403-5, 403-7, 403-8, 403-9, 403-10; NCG 461 5.6]



2.7.1 Safety and Health of our Employees and Contractors

Safety is our first value and priority in everything we do and involves taking time to be proactive, preventive and committed to making our workplaces increasingly safe and incident-free.

We are working on making security more intelligent by implementing new technologies that provide us with trends and indicators for timely decision making and help us become a leading company in these matters.

During 2021, we continued to fight against COVID-19 through the implementation of various measures to reinforce a safe and infection-free environment in our facilities. We have also used monitoring and follow-up tools during the vaccination process and raised awareness of and reinforced the sanitary and preventive measures in the workplace to minimize potential risks of infection.

Our goals as a company are to have zero fatal accidents and remain below the top quartile benchmark of the EEI electricity services industry.

► Incident rates according to osha

	Staff		
	Own	Operations Contractor	Construction Contractor
Number of Employees	1,361	2,354	4,154
Man-Hours Worked	3,073,039	4,351,263	10,417,111
Fatal accidents	0	0	0
LTI Cases	1	2	1
Recordable cases	4	11	11
Lost Time Incident Rate	0.065	0.092	0.019
Recordable Incident Rate	0.260	0.506	0.211

LTI: Lost Time Incident, according to the OSHA.

During **2021** we recorded **0 fatal accidents** among **our own staff and contractors**.

For our own staff and that of our operation and construction employees, the results obtained are within the sector industries and under the Edison Electric Institute (EEI) indicators in the three countries where we are present.

Preventive Safety Campaigns

[GRI 403-4]



Year 2021 was marked by campaigns aimed at the prevention and control of SARS-CoV-2. Moreover, these activities were mainly focused on strengthening the needs existing in workplaces to reverse and raise awareness of a current topic or trend, some of the main campaigns were:

Argentina

- ✓ Influenza vaccination campaign.
- ✓ COVID-19 campaign; sanitary measures.

Colombia

- ✓ Industrial safety campaign: “En casa te esperan” (They are waiting for you at home).
- ✓ Industrial safety campaign: “Cuidado de las manos” (Hand care).
- ✓ COVID-19 campaign to promote the use of face masks: “Semana del tapabocas” (Face Mask Week).

Chile

- ✓ COVID-19 campaign; launch of “Todos juntos contra el COVID-19” campaign (All together against COVID-19).
- ✓ Industrial safety campaign: “Tu seguridad está en tus manos” (Your safety is in your hands).

- ✓ Influenza vaccination campaigns.
- ✓ Preventive Campaign: “Verano Seguro” (Safe Summer).
- ✓ COVID-19 Preventive Campaign: Drawing contest for the family members of TSIC Employees and Contractors.
- ✓ Industrial safety campaign: “Tod@s debemos detener un trabajo si lo consideramos Inseguro” (We must all stop a work if we consider it unsafe).
- ✓ Industrial safety campaign: “Ojos con los Puntos Ciegos” (Eyes on the Blindspots).
- ✓ COVID-19 campaign: “Preocupémonos de nuestro lugar de Trabajo y cuidémonos” (Let’s worry about our workplace and take care of ourselves) During this campaign, a sanitization KIT was distributed.
- ✓ Preventive Campaign: “Nosotros Nos Cuidamos” (We Take Care), A Route to Safe Elections.
- ✓ Campaign of the Joint Health and Safety Committee (CPHS) “Nosotros nos Cuidamos: Clima Frío” (We Take Care of Ourselves: Cold Weather).
- ✓ COVID – 19 Preventive Campaigns: “Ventilación 2-3-30; No bajemos la guardia ante COVID-19” (Ventilation 2-3-30; Let’s not lower our guard against COVID-19).
- ✓ Campaign of the Joint Health and Safety Committee (CPHS) “Nosotros nos Cuidamos: “Pase Movilidad” (Mobility Pass).
- ✓ Preventive Campaign “Porque mano a mano, nos cuidamos” (Because hand to hand, we take care of ourselves).
- ✓ Preventive Campaign: “Por un 18 seguro, seguro que lo pasas bien” (For a safe 18, you sure have a good time) to all our own staff and contractors.
- ✓ Campaign: “La seguridad está en tus manos” (Safety is in your hands) together with Safety and Security Monitors and the Joint Health and Safety Committee (CPHS) .
- ✓ Safety Campaign, “Fiestas Seguras y en Familia” (Safe Christmas’s and New Year’s Eves with your Familia) for AES and collaborating companies.



2.7.2 Training Courses

[NCG 461 5.8]

As people are our main focus, we are concerned for providing our employees with maximum skills and technical qualifications, and to encourage their personal and professional growth. Thus, during 2021, 100% of our employees were trained.

The pandemic has opened the doors to new forms of training and the implementation of new technological tools to minimize the possible risks of infection by COVID-19. Therefore, there is a strategic training program that is tailored to the needs of each of the business units.

Our main safety goal is to create and maintain an incident-free workplace. In line with this, we have offered various training sessions Safety and Health in the Workplace:

► Training in occupational health and safety

	Training Hours	No. of attendants
Chile	165	12,799
Colombia	114	2,862
Argentina	19.3	830

* Total number of participants. Every time that an employee participates in a training is considered.

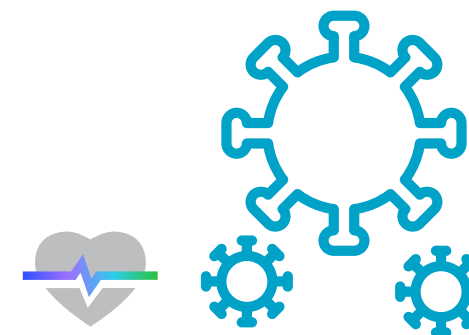
2.7.3 Occupational Health and Hygiene

Occupational Health and Hygiene is a fundamental part of the activities that we carry out in our different business units. During 2021, as we continued to focus on maintaining a COVID-19-free work environment, during the conduct of pre-occupational and occupational screenings, we kept in mind the maximum capacity limits, the guidelines of the authorities and above all the care of people.

In Chile, health assessments were carried out on applicants and employees who perform tasks involving an inherent risk to their health and safety, in accordance with the risk assessments carried out for the different job profiles. This is maintained throughout their working career on a regular basis and controlled in our management system procedure.

Taking into account the qualitative and quantitative evaluations, as well as the guidelines of the current laws, the following ministerial protocols were carried out, among others: Work-related Musculoskeletal Disorders (TMERT, for its acronym in Spanish), Work-related Psychosocial Risk Surveillance Protocol (ISTAS 21, for its acronym in Spanish), Occupational Noise Exposure Protocol (PREXOR, for its acronym in Spanish), and National Silicosis Eradication Plan (PLANESI, for its acronym in Spanish), Manual Load Management (MMC, for its acronym in Spanish), UVS Radiation, and, this year, the application of the teleworking self-assessment guide, due to the risks added by the pandemic, for those employees in which remote work is privileged.

Regarding the activities developed to maintain the health of the employees around the COVID-19 framework, weekly meetings were held to follow up on COVID-19 cases, the



trend of positive cases in the countries and the measures implemented to avoid infections in our premises. We have also conducted campaigns, provided newsletters, tips, informative videos, signaling and induction for Home Office, developed procedures associated with the protocols that must be followed to avoid infection and disinfection protocols, distributed the safe return plan for those employees who were required to be present in the facilities, and acquired and monitored the availability of protective equipment, such as masks and alcohol gel, among others. In addition, preventive testing was used prior to the entry of our staff to the facilities, using specific COVID-19 detection devices such as Rapid Tests (antigens) and ID Now (molecular amplification technique).

An important point to take into account under the framework of the pandemic is mental health; therefore, through human resources, an employee assistance program has been established, which includes psychosocial assistance. In addition to this, the area of occupational safety and health psychology is developing an emotional support program for all those people who have been affected in varying degrees to the COVID-19 pandemic.

Meanwhile, in Colombia we performed 110 industrial noise hygiene measurements, 12 noise dosimetries in the

powerhouse, 4 metallic fume samplings in the welding workshops and the welding works that are part of the activities developed by the mechanical maintenance team and the industrial workshop, and 60 lighting points for the offices in Bogotá. At the Chivor hydroelectric power plant, occupational medical examinations are performed annually for direct employees and emergency brigade staff.

In 2021, following all the preventive measures to avoid the spread and infection of COVID-19, 108 periodic occupational medical examinations with emphasis on musculoskeletal disease were performed on our employees and brigade members distributed according to their current place of work, mainly in Santa María camp (Boyacá), in the powerhouse and in the site assigned by the health service provider in Bogotá, Villavicencio and Guajira.

These examinations are aimed at detecting not only diseases of occupational origin, but also multiple diseases that can be related to the age of our population. For this reason, the screening involves several specialties (Occupational Medicine, Optometry, Psychology and Occupational Speech Therapy), as well as multiple blood laboratory tests that seek to report alterations that may affect the cardiovascular risk and other specialized tests for people whose jobs include driving vehicles, working at heights (chest X-ray with ILO technique, electrocardiogram, psychosensometric test, test for alcohol and psychoactive substances consumption, among others) and handling of food.

Any person who presents any sign of illness or associated symptoms is immediately entered in the so-called

“Epidemiological Surveillance Programs” (PVE, for its acronym in Spanish). A PVE is available for each health risk identified in the company:

- Hearing Conservation PVE
- Musculoskeletal PVE
- Psychosocial Risk PVE
- Biological PVE

In the Hearing Conservation PVE for the prevention of noise-induced sensorineural hearing loss at work, no cases of suspected occupational disease have been recorded to date and the focus in construction projects has been directed to the proper use of personal protective equipment and maintenance of machinery and equipment.

In the Musculoskeletal PVE for the prevention of musculoskeletal injuries, periodic annual examinations are carried out with an emphasis on musculoskeletal disorders in order to prevent early musculoskeletal disorders that may occur in employees. In addition, virtual workplace inspections are carried out for administrative staff and symptomatic staff are monitored.

We launched the cardiovascular risk prevention activity program called the “Individual Challenge”.

Seventy-one people participated in activities scheduled together with the area of recreation and sports and general services in relation to the food service (nutritional assessment) carried out by the food services of La Vianda. The current pandemic has made it difficult to carry out some scheduled team activities, but the performance of individual physical activity and healthy lifestyle habits have continued to be encouraged. In relation to the above, 41 face-to-face nutritional assessments were made to AES staff and external employees where individual nutritional sessions are delivered. **This activity is part of the cardiovascular risk prevention program “Perder es ganar” (Losing is winning).**



2.7.4 COVID-19 Management

Finally, in Argentina for Termoandes, in order to comply with the law and the provisions of the program of safety activities, a lighting study was carried out in the different sectors of the plant and, in accordance with the determinations and calculations made, it was observed that the vast majority of the sectors evaluated comply with the established provisions.

In relation to occupational noise measurements, the following steps were taken to eliminate, control and reduce noise levels in order to comply with hygiene and health conditions in the workplaces:

- Provision of hearing protection to exposed employees
- Signs for the use of hearing protection in areas where the levels are higher than 85 dba
- Use of hearing protectors by employees
- Hygienic evaluation of exposure
- Training and information to employees on the risk of exposure to noise, preventive measures and the use of personal protective equipment.

Due to the unprecedented COVID-19 pandemic, we have reinvented ourselves and discovered new ways of doing our job, both in our operations and at home, always putting mental health and safety first.

In 2021, we faced the COVID-19 pandemic again, so we had to focus mainly on stopping and preventing outbreaks of infection that put our own staff, employees and business continuity at risk. This led us to work hard on different preventive and corrective tools at home, on the road, and in the workplace, strengthening our safety culture in times of pandemic.

As part of the preventive tools implemented to combat and curb the spread of the pandemic, the following activities were mainly developed:

ARGENTINA

- Temperature control by means of thermal cameras at the entrance to the premises and operations.
- Daily contact statement: Janitorial/Industrial Security personnel provides the mobile phone number where, via WhatsApp, the employee requests a link to the COVID-19 workday declaration form.

- Contact Daily Sworn Declaration: this declaration is made on a daily basis at the end of the workday. The main purpose is to keep a record of all the people with whom close contact was made during the execution of the works.
- Personnel transportation: by selectively occupying places inside the vehicle, opening the windows to improve air circulation inside the unit and using the mask, we managed to minimize the risk of infection during the transfers to the plant.
- COVID-19 vaccination process: taking a simple life-saving action and make AES an even safer working environment. That action is to earn your medal of honor by rolling up your sleeve and receiving all the doses of the COVID-19 vaccine.
- Follow-up of cases and vaccination control through the Intelx platform, where updated information is maintained and trends are generated by country and business.

COLOMBIA

- Conducting tests for COVID-19 detection and updating the relevant procedures.
- Medical follow-up of positive cases of COVID-19.
- Analysis of information and coordination among areas of

finance, procurement and human resources at SBU level to purchase and give vaccines to the employees of AES Colombia and their families.

- Vaccination day and individual scheduling for AES employees, contractors and family members "*Empresas por la vacunación*" (Companies for vaccination), San Fernando, Santa María and Bogotá offices.
- Updating of the contingency plan for the prevention of severe acute respiratory infection (SARI), protocols for the prevention of COVID-19 at the end of 2021. 18 updates were made.
- Acquisition and permanent monitoring of masks and antigen and PCR tests, ensuring minimum necessary stocks.
- COVID-19 campaign to promote the use of face masks: "*Semana del tapabocas*" (Face Mask Week)
- Permanent updating of information related to progress in COVID-19 vaccination coverage in direct employees and contractors of operations and construction projects.
- Dissemination of the plan for the return to work of AES staff in the offices in Bogotá.
- Psychosocial Risk Training - Management of distressing emotions (tension, fear, anxiety, uncertainty and stress).
- Training on proper hand washing

- Socialization biosafety protocol.

CHILE

- Means of transportation as well as information and advice for employees on the COVID-19 vaccination campaign
- COVID-19 campaign, COVID-19-oriented safety walks, asking about control measures implemented and checking compliance with them.
- Installation of pedestal thermometer at the entrance to the facilities and other premises.
- Set up of more offices to better segregate personnel for capacity issues.
- Implementation of ID-Now equipment and Panbio antigen test for active case search.
- Implementation of the new survey system, which is directly associated to access restriction with turnstile system to prevent people who report symptoms from entering the facilities without first being checked and unlocked by Industrial Safety and Occupational Health personnel, if applicable
- Follow-up and monitoring of all personnel with any restrictive condition related to COVID-19, whether active

cases or personnel in mandatory quarantine.

- Follow-up and monitoring of vaccinated personnel, keeping statistics on all people who have either first, second or third doses or if they are behind with any of them.
- Temperature control for all personnel entering the plant.
- Preparation of a room for evaluation and isolation of personnel.
- Incorporation of a Senior Nursing Technician to support with the evaluation of staff
- Internal audits of contractors on compliance with COVID-19 measures
- Proceedings for the application of the green seal to the Institute of Occupation Safety in the business units.
- Workshops led by the Psychoprevention area: coping strategies in times of pandemic, positive coping in the management of intrinsic motivation, fundamental component for happiness in mental health, leadership in times of pandemic, stress management, "Cognitive restructuring", mental hygiene activities for mental health management, and application of psychological first aid in the work and family context.

2.7.5 Physical Safety

During 2021, physical safety played a fundamental role in supporting the application of COVID-19 protocols at the entrance of the businesses. In addition, the protection conditions of the facilities, assets and our employees were strengthened, mitigating the risks associated with current and future threats. Likewise, criteria were unified in the application of protocols and 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, both for the personnel who exercise the protection function, and for those who are indirectly involved and must participate or comply with the established protocols and procedures.

The following are the main projects developed and implemented:

- ✓ Preparation of a centralized safety room in Torre Nueva Santa María building to monitor the closed circuit television (CCTV) system, alarms and communications at national level, which allows preventive mitigation and correction actions for the proper local protection condition of the facility, as a timely reaction and escalation of communications in case of emergencies and/or natural disasters.
- ✓ Implementation of interior protection gates against access by civilian mobs in the main facilities for the adequate

protection of the people who make up the protection personnel, to delay malicious access so that the plant operations and administrative personnel can be evacuate and concentrated in a safe place.

- ✓ Implementation of remote access through video intercom and CCTV system in remote and critical areas.
- ✓ Monitoring and speed control at the different points where AES Andes is present, specifically during the development of projects under construction.

2.8.6 Community Management

Given the pandemic contingency during 2021, community management efforts were mainly focused on providing safety implements, personal protective equipment and technical support to our surrounding communities to implement and control associated measures to curb the spread of COVID-19, highlighting the following activities:

- ✓ Inspection and maintenance of fire extinguisher equipment at Escuela República de los EEUU in the city of Tocopilla
- ✓ Donation of fire extinguisher cabinet for Escuela República de los EEUU in the city of Tocopilla
- ✓ Support in the preparation of a community house in the town of Puchuncaví, implementing preventive measures

against COVID-19 for public assistance

- ✓ Emergency support during the bad weather front in the town of San José de Maipo
- ✓ Donation of first aid kits and stretchers to the educational institution of El EDEN ranch in Colombia.
- ✓ 38 occupational safety and health-related trainings with an hourly intensity of 20 minutes per training session for a total of 760 people from the Wayu community in Colombia.

2.7.7 Achievements and Acknowledgments

The main achievements and acknowledgments obtained during 2021 are the result of the commitment of all the people who make up this organization, demonstrating with concrete facts that safety is our first value.

- ✓ SBU successfully completed the certification audit of the ISO 45001:2018 standard, granted by Bureau Veritas.
- ✓ Our own employees and collaborating companies are permanently recognized for their commitment and contribution to occupational health and safety.
- ✓ SAC-54 certification (3rd stage) granted by the Institute of Occupational Safety to the Joint Health and Safety

2.8 Development, Growth and Well-being of our Employees

► [GRI 404-1, 405-1]

Committee (CPHS) of the North Complex - Chile

- ✓ Implementation of a step-by-step plan checklist with the Institute of Occupational Safety (IST), obtaining the COVID-19 seal for all businesses in Chile.
- ✓ Virtual Ceremony, delivery of an award to CPHS&F at Ventanas Plant by the Institute of Occupational Safety (IST)
- ✓ Recognition by the Institute of Occupational Safety (IST) to the Safe Behavior Program - Safety Monitors.
- ✓ IST Regional Distinction to the Joint Health and Safety Committee (CPHS) of Laja Plant in the category "Outstanding Innovation".

During 2021, we had several relevant events that had an impact on our people, reinforcing the use and experience of our corporate values. **The main challenge was the Certification in Chile under the Chilean Standard 3262: Gender equality and reconciliation of family, personal and professional life.** Our Wellness and Benefits area led the Diversity and Inclusion Committee, which is made up of 24 people from all areas of the Company and whose purpose is to create a diverse and inclusive culture based on 6 pillars of diversity: gender, generations, disability, immigrants, indigenous peoples and LGTBIQ+, which was addressed through discussions, press releases and webinars.

Another activity we emphasized was the transversal development of a **Talent Development Plan**, which focused on closing the professional gaps of our talented employees in the organization. Among other aspects, we continued to work on occupational health and safety and the emotional

health of our employees, maintaining our quality of life and employee assistance program (PAE, for its acronym in Spanish), and we held informative sessions from our leadership to our employees, who communicated everything that had happened and answered to the concerns of internal personnel, thus maintaining transparency in communications. On the other hand, we focused our resources on training in new technologies, such as green hydrogen, renewable energies and development of skills by introducing employees to agile

methodologies with Design Thinking training. From another

standpoint, and with the purpose of positioning talented women in leadership positions for the future, we identified the existing gaps in our female workforce in skills such as: financial data analysis, networking, innovation, customer focus, reliability and trust, and collaboration.

In relation to the return to onsite work, we are working on the management of flexibility in the selection of onsite and remote working days, maintaining the hybrid modality and respecting the definitions of each employee and his/her personal/family reality. In the same line, we have paid the single allowance to people who remain under the hybrid modality in order to acquire ergonomic tools, such as desk and chair. Return to work remains voluntary with strict safety protocols and it is estimated that in 2022, 100% of the employees will reschedule the return to work in person.

To make it easier for those who have already returned to work, a mobile application was created that allows them to reserve their workstation and parking space in an orderly and programmed manner in order to coordinate their personal/family life with their professional life. This measure maintains collaborative work in our new offices with open spaces for all levels and areas.

Heading into 2022, we will maintain our intention to move our workforce towards a diverse, collaborative, developed culture with skills to meet business challenges by working on reskilling towards innovation and new technologies, including a customer-centric culture.





2.8.1. A Great Place to Work

To be a great place to work is one of the strategic goals of both The AES Corporation at a global level and ourselves. For this reason, we have participated since more than ten years ago in the measurement of organizational climate through the **Great Place to Work** (GPTW) survey.

In the 2021 work climate measurement, GPTW gave us the 10th place in Chile, in the category as a “Great Place to Work in Argentina” in Argentina (TermoAndes is measured with AES Argentina) and in Colombia we obtained the ICONTEC GPTW certification as a company committed to

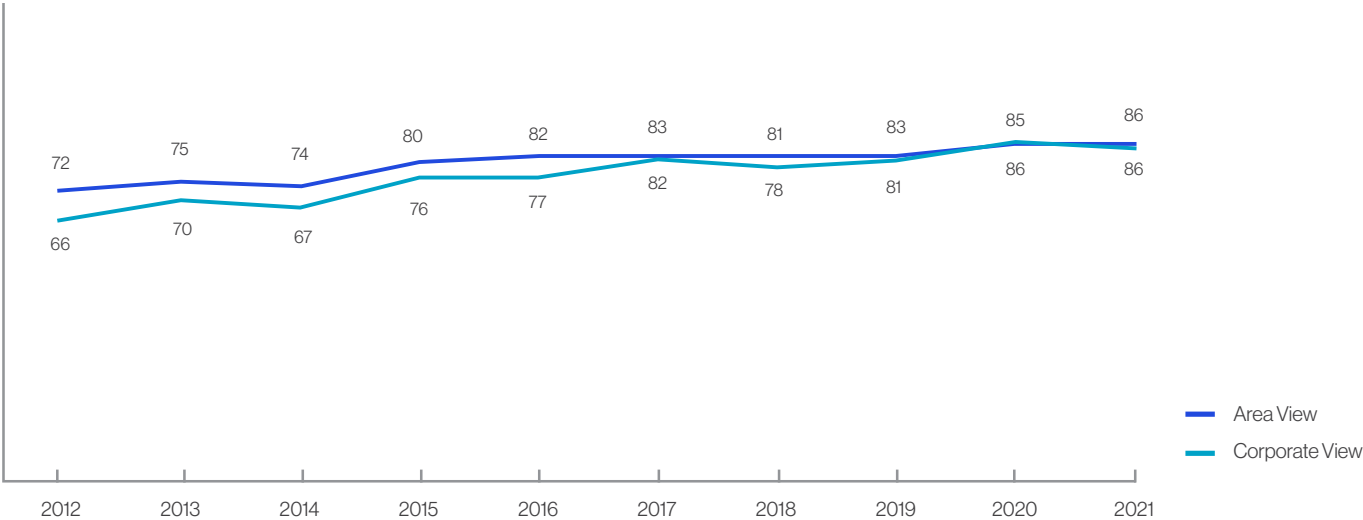
building and improving the work environment. We were also awarded 7th place in the Best Companies to Work in Chile for Women and 14th place in the Best Companies to Work in Latin America. Furthermore, in Colombia we obtained the “Family-Responsible Companies” certification granted by the Fundación Más Familia of Spain.

In addition to the above, also during 2021, we were certified in Chile by the GPTW For All consulting firm in 4 cultural strengths of the organization within the dimensions of the certifying model, including **credibility, respect, impartiality**

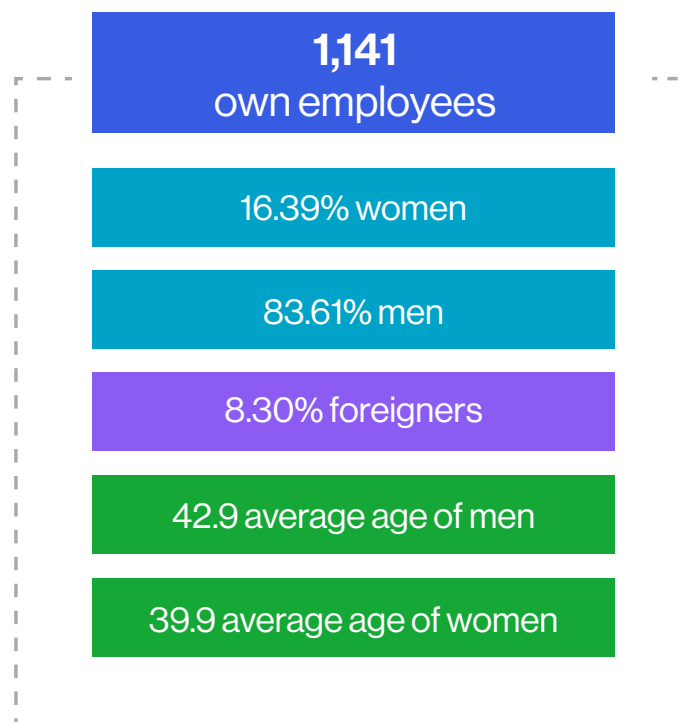
and **pride**. During 2021, the gap between both visions was reduced to “0”, which strengthens the credibility in management and genuine actions of our leaders to maintain a Great Place to Work. With respect to the areas of opportunity reported in GPTW in 2021, they include the **Reconciliation between Family/Personal and Professional life and the Generation of Opportunities for Internal Career Development**.

Meanwhile, in AES in Argentina we have an organizational culture that gives security to our employees. This makes employees be in line with their purpose and show significant progress in their performance levels. On the other hand, thanks to this, improvements are even greater and reflected in our commitment to employees. For this to happen, together with the good climate and our work culture, we have three fundamental pillars: respect, listening and recognition.

► GPTW - CHILE



2.8.2. Human Capital Formation [GRI 102-8, 405-1]



*AES Andes staff data as of December 31, 2021.

2.8.3. Talent Attraction and Retention [GRI 401-1]

Energy4Talent is AES Corporation's trainee program that is applied locally in each business unit. It is a two-year program with rotations in different areas every six months. During each rotation, they are responsible for leading strategic projects developed with the support of a technical tutor and area leaders.

We also emphasize our "On Boarding Program" focused on welcoming and training new talents and immersing them quickly in our culture, disseminating Greentegra information, our new values -Safety, High Standards and All Together-, explaining our strategic pillars and pointing out our benefits. In 2021, seven new *trainees* entered the program and were assigned to the Finance, Commercial, Development, Operations, and Human Resources areas.

In 2021 we were able to confirm the excellence of the Energy 4 Talent Program in Chile with the hiring of the first generation of *trainees* who completed the program at the end of 2020. For instance, one of our *trainees* became "product owner of renewable attributes" and generated businesses in this area; another *trainee* led the redesign of the web portal for investors and has excelled in his role within the Investor Relations team and contributed to obtain the highest award in "ESG", "Crisis Management in Covid" and "2nd in its class of IR teams" from Institutional Investor. Another of our *trainees* developed an intelligence model for the prediction of the optimal time

for cleaning Andes Solar's assets. This tool obtained the international recognition as "1st Asset Management in the 8th version of EGASE".

During 2021, 7 people from Chile and 2 from Colombia participated in this program. The participants in On Boarding were 50 people from Chile and 15 from Colombia.



2.8.4. Training and Development

[GRI EU14, NCG 461 5.8]

The main training programs we offered during 2021 were related to updates in renewable energies and decarbonization, green hydrogen, *Design Thinking* with more than 60 employees trained in this area, language programs (English and Portuguese) and training in innovation methodologies. In addition, during the year we reinforced the knowledge on tax changes for the Chilean Finance team and conducted a development program for emerging talents, among which the most important are: *coaching*, *mentoring*, graduate, and postgraduate courses, among others. In other areas, we also provided trainings in vaccination and its benefits, wellness trainings in stress management and dealing with the consequences of the pandemic, training in the Code of Conduct and workshops on good treatment.

Similarly, we conducted training aimed at improving gender equity and reconciliation of family and professional life with lectures and discussions that were addressed to both leaders and our employees, among which the following stand out: prevention of domestic violence, reconciliation of family/personal life and professional life with emphasis on co-responsibility, gender approach and applicability in AES Andes, implementation of Chilean standard 3262, Chilean and international gender equality legislation, new masculinities, unconscious biases and their impact on inequality, talk on prevention of workplace and sexual harassment, among others.

On the other hand, the Climate committees continued their support to the leaders by promoting activities such as focus groups, guided by an external consultant in order to know about the impact of prolonged teleworking due to the pandemic. As a result, measures were taken to

promote vacation time, disconnection and better and more communication between the employee and his or her direct supervisor.

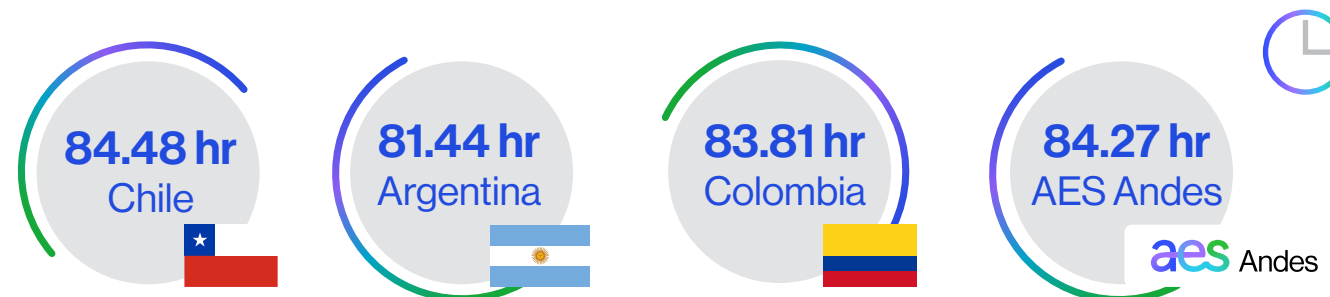
Our *Learning & Development* 70/20/10 model works based on three pillars: 70% of the learning comes from project management, 20% comes from feedback, mentoring and

coaching, and 10% comes from formal training in different technologies and/or updates in energy and renewable energies, aiming at digitalization, innovation and continuous improvement. Two hundred and eighty-seven people in the region participated in the language program, while in online training programs there were over 1,512 participants.

Investment in Training

	Men	Women
Total of US\$ invested in training	US\$ 1,784,280	US\$ 329,584
% of skilled workers, compared to the total number	100%	100%

Average of training and development hours by employee



Scholarship Programs

This program, which provides scholarships to the employees to attend graduate programs, **such as MBA or PhD degrees**, helps to finance up to 50% of the tuition fees for those who meet the eligibility requirements. In 2021 we applied a working methodology to be equitable and award graduate scholarships to the most deserving applicants. In 2021, 16 postgraduate scholarships and 120 graduate scholarships were distributed between basic and university studies in Chile.

In 2021, we maintained the agreement with the **Gympass virtual platform and provided access to more than 120 sports facilities and online classes**, as well as the participation in the virtual Gymnastic Pause for all our employees.

2.9.5. Diversity and Inclusion [NCG 461 5.4.1]

During 2019, we launched our Human Rights Policy, where we adopted strong standards to review the same standards

in ourselves and also in our business partners. During 2020, we maintained our focus on issues of gender diversity and inclusion of women and people with disabilities. During 2021, we implemented a Gender Policy and introduced an Integrated Management System around Gender Equality and Reconciliation of Family and Professional Life. This turned us into the first company in the sector to obtain the certification in Chile. This process consisted of an audit by the certifying company on the communication and training action plan, the implementation and adaptation of our policies with a gender focus, and the commitment of the front line and General Management to the gender mission.

In 2021, we also reinforced a diversity and inclusion policy and a policy to prevent discrimination, and labor and sexual harassment, created in 2019 to ratify our commitment to ensure working environments and relationships based on respect and good treatment. This was carried out through practical workshops in different groups where they worked on conscious and unconscious biases, as well as good treatment and respect for physical differences and different opinions, among others.

In 2021, we adhered again to the Gender Parity Initiative (IPG, for its acronym in Spanish), a public-private body promoted by the World Economic Forum and the Inter-American Development Bank with the purpose of implementing best practices to help close gender gaps.

During 2021, we continued with our commitment to maintain the presence of women in our workforce, which allowed us

to close the year with a 10.23% increase in Chile and a 7% increase in Colombia, as compared to December 2020.

We also seek to reduce the pay gap to 0% in order to achieve salary equality and equity in the compensation of our employees within a period of 2 years.

2.9.6 Women's Leadership Program

For the third consecutive year we have worked on three strategic objectives related to the development of female talent and female leadership with the purpose of: (i) increasing female labor participation; (ii) visualizing and reducing gender pay gaps; and (iii) reducing barriers for female promotion and increasing their presence in senior positions. The focus of 2021 was to identify existing gaps in relation to the following skills: financial data analysis, networking, innovation, customer focus, reliability and trust; and collaboration. These skills will be the focus of work to close the gaps during 2022.

During 2021 we increased to 19.86% the participation of women in leadership positions in Chile, 28.57% in Colombia, and in Termoandes, the number of women in leadership positions did not increase as this segment is mainly concentrated in AES Argentina. However, it has 3 women on its staff, one of whom has been supported by Termoandes for her participation in the UCEMA University, which promotes the development of female talent.

The women's development programs have allowed us to objectively detect the gaps in the skills needed to focus training, exposure and education resources on the women who are currently part of our workforce. In 2022, we will execute the gap closure plan and this segment will strengthened in the long term.

Female Talent

During 2021, we continued with the internal communicational campaign **"Women with Energy"**, which encourages and inspires women through real stories about achieving professional goals and being leaders of an organization.

Pay gap per gender and position

[GRI 102-38, 102-39, 405-2, NCG 461 4.2, 5.4.1, 5.4.2]

Using global compensation methodologies aligned with the practices and market reality of each country, our company continues with its commitment to salary equity among male and female employees. Regardless of the area to which they belong, for AES Andes it is important to have a common language that guarantees neutrality in the implementation of our salary policies without discrimination as to gender, age and nationality, among others.

During 2021, the ratio between the salary of the best paid person and the median salary of the workforce was 14.6 times. Broken down by country, it is 4.3 times for Argentina, 13.9 times for Chile and 9.1 times for Colombia. Likewise, the ratio of the percentage increase in the annual salary of the best paid person compared to the median percentage increase in the annual salary of all the employees, as compared with the previous period, is 0.3 times.

Likewise, we continued with our commitment to reduce the existing salary gap by gender, even though this does not *per se* establish a salary or salary movement, during 2021 we were able to detect and correct these gaps through compensation adjustments and have successfully resolved the differential.

Annual total compensation ratio

Country	Ratio 2021
Argentina	4.3x
Chile	13.9x
Colombia	9.1x

These actions, together with others already carried out, makes it possible, on average in AES Andes, to have a salary ratio between women and men which is 6.6% higher for women. In 2020 the differential was 4% more for women.

Finally, the female staff in AES Andes reported an increase of 10.3% in Argentina, 7.2% in Chile and 4.7% in Colombia, as compared to December 2020.

NOTE: to obtain comparative statistics for 2021/2020, information reported in the 2020 Integrated Annual Report was used, and for 2021 data, people hired during 2021 and international mobilities were excluded.

Salary Gap by Gender according to Reporting Level and Country 2021

	Argentina	Chile	Colombia	Total
Chairman, Chief Executive Officer and Vice-presidents	N/A	-12%	N/A	-7.7%
Director of area	N/A	-23%	4%	26.9%
Manager - Deputy Manager	N/A	-6%	2%	-4.6%
Head or Supervisor	78%	-11%	39%	0.5%
Administrative professionals Technicians and operators	58%	10%	14%	20.1%
Grand Total	32.4%	8.4%	12.2%	6.6%

Note: Data corresponds to average female salary/average male salary. Overtime, allowances or bonuses paid are not considered.

Annual salary converted to US\$ is used.

N/A: The position is inexistent in the relevant country or there are no women in that position.

For ratios including overtime, bonuses paid and other allowances see Chapter 6.6 ESG (Environmental, Social and Governance) Indicators.

Quality of life of our employees

Compensations and Benefits

During 2021, we also organized **educational workshops for employees on health issues**, so that they could learn more about the system, choose the plan that best suits their reality and make good use of it. In addition, during the year under review, we conducted a “benefits survey” in which our employees were able to express and weigh their use of current benefits and their desire for change. The results showed that our employees are unwilling to change the existing benefits and that they value our benefits very highly.

In the face of the COVID-19 pandemic, we promoted a specific benefit for women. During 2020 and 2021, we extended in Chile the benefit of paying UF 10 per employee's child up to 5 years of age without the need to submit proof of payment in order to provide working women with financial support for childcare at home. We also allowed flexible work to continue for all employees, especially for women, so that they could continue to accompany their children during their first years of life and development. We also organized discussion groups for women with children on household management, stress management, among other support provided by the Wellness and Benefits area.

Employee Assistance Program

In 2021, due to the pandemic, we continued with free psychology sessions, and financial and legal advice for any person who required it and we also extended the “Our Moment” instance, where the area leader was responsible for downloading relevant business information and, above all, listening to people.

To support and help all our employees globally to cope with life's challenges, we launched the AES Global Employee Assistance Program (PAE, for its acronym in Spanish) in 2020. This program provides consulting services as well as training solutions all over the world.

The PAE also includes monthly webinars on general topics such as self-knowledge, social and emotional support, stress management, among others, where we participate together with Spanish-speaking countries. More than 3,000 people participated in this program during 2021.

This initiative is important to keep our employees in each area duly informed of what is happening in the area, and to visualize the added value of individual and team work towards the goals of the Company. It is also a way to provide guidance in our corporate values, which are largely manifested by our

leadership. In addition, the initiative helps to recognize those people who have done an extraordinary job each month and to reward their individual efforts.



Paternity Leave

[NCG 461 5.7]

In AES Andes Chile, we add as a benefit two days to the legal paternity leave. In 2021, out of a total of 27 employees who requested the birth bonus, 59.2% (i.e. 16 employees) requested the two-day leave. There are no men who have made use of the six-week paternity leave provided for by the Chilean law.

► Employees that used the parental leave

	NO. OF
Heads	4
Analysts	5
Technicians	7
Total	16

It should be noted that, although we have no paternity leave policy in cases of guardianship or adoption, the same benefits are provided.

In the case of Colombia, we do not have additional benefits for paternity leave.

Labor Reconversion: Generating New Skills

[GRI 404-2]

We are in the midst of a major transformation of the electricity industry as a result of technological advances and the society's mandate to take concrete actions to combat the effects of climate change, the main challenge that our generation must solve.

Through our purpose of accelerating the future of energy together, we want to be part of the solution and contribute and provide solutions to achieve a more sustainable future and improve people's lives. With the execution of Greentegra, we are making our customers' supply more sustainable, but also decarbonizing our portfolio by migrating towards carbon-free energy sources.

This transformation is not only technological but also human, and we are committed to conducting these processes in a responsible manner, seeking a fair transition for all the parties involved. While there is no one-size-fits-all approach, we work with key stakeholders, including unions, to develop plans for our employees to be part of this transition, whether it is by training them to operate new technologies or by facilitating exit plans.

During 2021, the plan for labor reconversion to Renewable Energies was initiated and we started working on the design of the Training Plan for Labor Reconversion. This plan consists of a theoretical and practical curriculum, aimed at generating technical skills and new technologies, among others, that will help employees to assume new roles in the future of energy, both inside and outside the organization.

For example, in the case of Unit 1 of Ventanas Plant, which is in Strategic Reserve State (ERE), a plan was designed with different opportunities that included internal relocation, training, exit or retirement plans. The exit plans included economic benefits in compensation above the standard, extension of additional health insurance and training to support their reinsertion into the labor market, either as dependent workers or as entrepreneurs. Likewise, we provide pension counseling to those people who are close to retirement.



Human Resources Performance Management and Relations with Labor Unions

Performance Management [GRI 404-3]

During 2021, we reinforced the performance management process in the Workday Human Resources Management platform. This has had an impact on all the employees of Chile, Argentina, and Colombia, with participation rates of more than 90%.

Our Workday (WD) platform allows the definition of goals under the SMART methodology and helps to monitor performance objectives. Our talent management process also defines two instances of feedback and follow-up of goals at mid-year (touch point) and a final assessment of their fulfillment. Subsequently, it encourages feedback in each of these instances and promotes direct communication between managers and leaders and their employees. During 2021 we communicatively enhanced the importance of feedback and entered into agreements with the unions so that each person with poor performance is subject to feedback and offered simple work plans and e-learning training courses in order to avoid any possible termination. This system also allows us to identify the risks of the actions we have been carrying out and to guide our objectives towards achieving the company's strategy.

Additionally, during 2021 we implemented an instance called **"Anytime Feedback"** in which each employee can spontaneously and voluntarily request feedback from any

person in the company who has worked on projects or actions with the requesting employee. All these people management actions allow employees to identify and know their strengths and those skills and behaviors that are highly valued by the leader and the organization, as well as those areas of opportunity for improvement in order to make them transparent and to close the gaps to help them become better professionals.

"Mentoring Program" where more than 10 internal mentors participated for talents identified in 2020 and trainees. The program has been successful rated by our leaders, as it has closed gaps and prepared the future leaders of our organization.

During 2021 we conducted 1,120 periodic performance and professional development evaluations of our employees, with a 100% effective participation in Argentina and Colombia, while in Chile a 99% of completed evaluations was achieved.

Relationship with labor unions [GRI 102-41]

A 74% (including Argentina with Termoandes) of our employees are members of one of the thirteen unions that exist in the region, with which we have worked to build and maintain an open and transparent relationship with solid and permanent communication, which is considered as a unique opportunity to connect with their needs.

As a company we make efforts to maintain constant communication with our unions, not only during negotiation periods but also on a monthly or quarterly basis in most cases to keep up to date on different topics. On the other hand, during 2021, we maintained a Telework Committee made up of members of the Professional Unions from where we jointly built the actions to follow for the continuous improvement of our workforce that kept working remotely during the pandemic.

► Number of employees belonging to trade unions by country

74.23%

Total of unionized employees in AES Andes

77.28% of unionized workers in Chile

80.00% of unionized workers in Argentina

50.74% of unionized workers in Colombia

Percentage calculated based on all the AES Andes collaborators.

2.9 Innovation Projects

2.9.1 Electromobility



We are making progress in the transformation of our internal personnel transportation fleet, with the installation of the charging stations that will feed the transportation buses at the Ventanas complex. 2022 will be a key year for the normalization of the transfer flow with respect to 2021. This will be our initial framework to advance in the transformation of the rest of the complexes.

As a company we seek to promote the use of electric vehicles in the different services provided by our strategic partners, and it is important to emphasize that this year, together with the company Aramark, we proceeded to use electric man on board sweepers, which are partly charged with energy from a Smart Flower and a solar roof.

2.9.2 Digital Transformation in our Operations



In Chile, during 2021, we continued with the operation of the Performance Monitoring & Analytic Center (PMAC) that, together with the Smart Center, allows us to conduct a continuous and online asset performance monitoring, i.e., early detection of failures and efficiency losses, in-depth investigation of causes, and timely submission of recommendations for their implementation.

In line with the above, this year we implemented three lines of digital innovation for the management of the company:

Artificial Intelligence (AI)

We have concentrated the use of artificial intelligence mainly in the construction of decision making tools in Colombia. This application predicts the behavior of the offer prices in the spot market of the main generation plants in the market for the following seven days in order to optimize the dispatch of this period based on a target dispatch provided by the commercial team. During 2021, it was estimated that this application generated an additional income for the company of US\$ 1.0 million.

Based on the lessons learned in this project, a roadmap has been defined for the implementation of Artificial Intelligence projects in AES Andes, which will have a major impact on the company's commercial and operational decision making.

For us, the development of applications that use AI will largely support the development of new business opportunities and complement the offer of new solutions. The use of artificial intelligence will enable the generation of value for our customers, for example, through the implementation of algorithms that will allow us to optimize energy consumption supported by storage systems, such as batteries, by supporting the operation of the non-

conventional energy projects -solar and wind- that are being developed.

In parallel, the automation of processes and the simplification of routine tasks in both the operations and commercial areas will benefit from the implementation of Artificial Intelligence and machine learning algorithms, thus increasing the overall productivity of the company and saving operational costs.

Credit Risk

Our AES South America digital and risk team is developing digital tools to replace traditional and manual credit risk methods, which are becoming less effective as business strategies change to attract a higher volume of customers. Through the use of Machine Learning and Artificial Intelligence, this project will provide a scalable digital solution that supports the business strategy, while standardizing the credit risk management process and ensuring compliance with the AES Credit Risk Policy.

In addition to providing the commercial team with the agility to manage a higher volume of customers while maintaining AES's solvent customer standard, this project is also expected to generate savings of approximately 15 thousand manual hours per year.

With the creation of this digital platform for counterparty credit management, our risk team will be better positioned to understand the total client exposure of its portfolio in real time. This will improve our customer-centric strategy by increasing performance to meet its needs.

TAX Solution

Based on cutting-edge technologies, such as Robotization (RPA), the TAX Solution project provides us with increased agility and assertiveness in tax compliance processes, thus reducing both manual labor and the risks involved through technological standardization and automation. The deliverables consist of RPA to extract information from SAP and the website of the Chilean Government Tax Agency, and then a connection to KPMG's Tax Solution System software to generate tax compliance obligations on a monthly basis.

For Argentina, this RPA project has provided an expressive reduction of timely effort for our staff. This RPA goes through the extraction of data from SAP and other sources, verify and validate the information, and prepares the final version of forms and obligations so that they are reviewed by AES TAX specialists before delivery.

Uplight Digital Platform

Uplight is the leading provider of digital energy efficiency and demand management solutions in the United States. In line with our customer-centric strategy, in December 2021 we implemented our digital customer relationship platform by activating a pilot in Chile. By 2022 we will expand our customer portfolio in Chile and Colombia and the platform will allow us to offer a solution with easy access to consumption and billing information, in addition to accompanying our customers in the best decision making process to streamline their operations.

Cybersecurity.



The following are the improvements implemented by cybersecurity in 2021 that increased the level of detection and response to security events:

- Simulation of a cybersecurity incident: this is an exercise in which, through a supposed cybersecurity attack that affects the operational continuity of the control center, dispatch and plants, the level of preparedness, response and recovery of the equipment and its operational processes are measured.

- Web content protection: AT&T implemented a new web anomaly detection and prevention system (zScaler) that allows users to surf the web safely and causes malicious content to be blocked.
- New antivirus solution for personal equipment: A new antivirus tool (Microsoft Defender) was implemented, which increased the level of detection and response to anomalies in personal workstations.
- Safety event sensors in plants and operation centers: a new solution (*Forescout Eye Inspect*) was implemented to improve visibility of all possible safety events in plants, dispatch and operation centers.
- Security Awareness: A new cybersecurity awareness tool (HoxHount) was implemented for all AES employees through which, by means of practical exercises, users are taught how to detect *phishing*, which is currently the most widely used attack as a scam or ransomware mechanism to control a company's infrastructure, hijack it for ransom or obtain sensitive data to be sold on the black market.

2.10 Customer Relations: Excellence and Quality

2.9.3 Partnerships with Research and Development Centers



During 2021, we moved forward in the process of transforming our models of short- and long-term market projections with the integration of an agreement with the Faculty of Sciences and Mathematics of the University of Chile that, in coordination with its Energy Center, allows us to incorporate the latest generation tools in the future operation modeling of the Chilean electrical system, including a time detail with restrictions that were not considered in traditional planning models.

During 2021, we entered into agreements for 1TWh/year of renewable energy which, together with what was previously executed since the beginning of Greentegra, add up to 10.5 TWh/year in commercial agreements 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 2018-2025 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 2021, we have received no claims from our customers concerning violations to their privacy, information leakage or loss of data.

CHILE

In Chile, we provide customers across the SEN with energy solutions from the Arica and Parinacota Regions to Los Lagos Region. Our customers are differentiated 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 2021 we began to implement in all regions the NPS (Net Promoter Score)

measurement system, a survey that measures customer promotion or satisfaction index, which is a metric that we improved by more than 20% during 2021 as a result of strategic planning based on the previous year's results. The focus of 2021 was to improve our customers' experience, mainly in terms of service and delivery of information on the market, trends and results, among others.

As a Marketing Plan, during 2021 we introduced a series of new initiatives that sought to strengthen our focus on the customer:

- 4 introductory courses in electricity market, in which more than 70 customers participated and whose satisfaction level exceeded 90%
- Quarterly newsletters to inform about solutions that we are developing in AES Andes in Chile for our customers, in addition to educating on key issues, such as: green hydrogen, desalination and carbon credits, among others.
- Sustenta 2021: exclusive event for our customers to promote tools to achieve sustainability goals through expert speakers, such as Gonzalo Muñoz, High Level Climate Action Champion COP25. In addition, this was an opportunity to recognize those customers who are already making progress on the road to sustainability.
- Review of internal processes to improve and manage the regular relationship with our customers, including optimization of our CRM (Customer Relationship



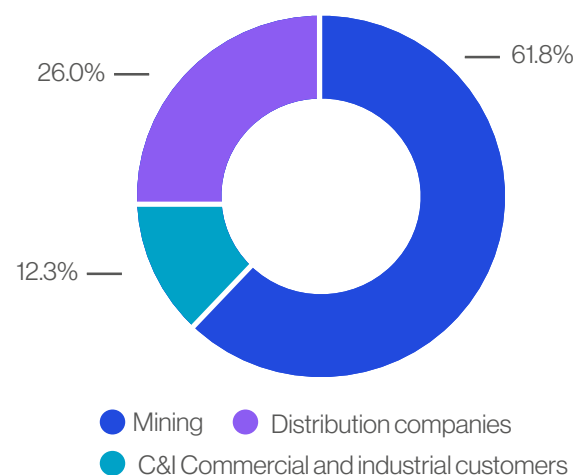
Management) portal to deliver timely responses to customer inquiries/complaints and map the relationship with each of them and the restructuring of the billing process to facilitate and automate milestones.

Our Innovation Committee has made progress in evaluating and implementing customer-focused solutions through our governance of Core, New and Exponential solutions, as explained in Chapter 1 of this Report. Some of these initiatives are the Uplight Digital Platform, Energy Storage Solutions, and Green Hydrogen, among others.

Sales indicators support our 2021 management, highlighting three main customers with whom we have a relationship: Mining, commercial and industrial and distributing customers.

► Sales in Chile 2021

• 216 customers



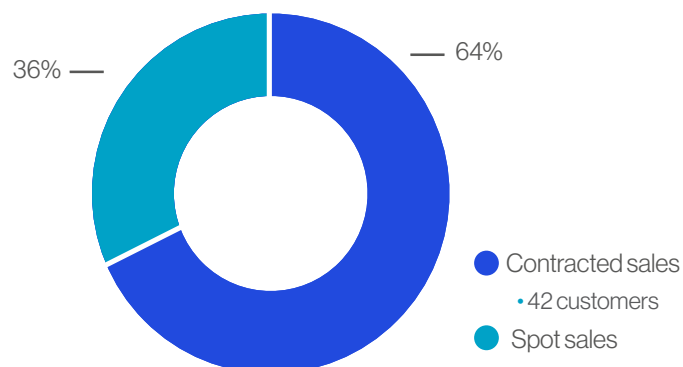
COLOMBIA

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 customer-centric culture with energy solutions that generate value.

On the other hand, we were awarded the bid for the construction of the Brisas Solar Plant for a 26 MWp self-generation photovoltaic solar plant in the department of Huila, which will supply renewable energy to Ecopetrol Group during 15 years. Brisas will join Castilla, in operation since 2019, and San Fernando, which began operations in 2021 and became the largest self-generation plant in Colombia.

Finally, we managed to close a long-term contract another industrial customer, Gecelca. This is a fifteen-year contract in which we will start to supply 438 GWh/year in 2025. The agreement contributes to our long-term contract strategy for our assets.

► Sales in Colombia 2021

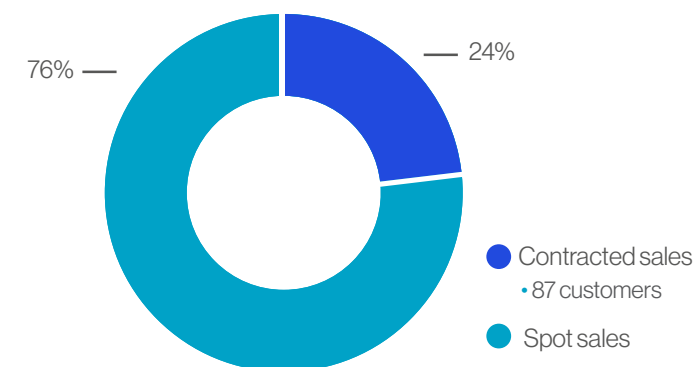


ARGENTINA

Through our subsidiary TermoAndes, we operate the Salta Thermal Power Plant that supplies energy through the two operating systems existing in the Argentine market: Spot Market (regulated) and Energía Plus (non-regulated).

In the spot market, we sell electric energy to CAMMESA and in the Energía Plus market we sell electric energy to commercial and industrial customers.

► Sales in Argentina 2021





2.101 Health and Safety in the life cycle of our services [GRI 416-1, 416-2]

We implement health and safety plans and actions for the benefit of our customers in each of the life cycles of the products and services we provide.

In the case of photovoltaic plants at customer facilities, these were built and declared to be in full compliance with the legal provisions according to their size and characteristics. We have also invested in improvements, including the construction of technical corridors, implementation of lifelines and registration of projects with the Superintendency of Electricity and Fuels (SEC) or the National Electricity Coordinator (CEN), as appropriate. In addition, we have devised a remote monitoring and maintenance plan; therefore, we have the technology to detect failures and address them in a timely manner.

During 2021, we have not identified any non-compliance with regulations or voluntary codes, nor did we have any accidents that impacted the health of our customers in this type of solutions.

2.1 Sustainability in the Supply Chain ▶ [GRI 102-9, 204-1, 308-1, 308-2, NCG 461 5.9, 7.2]

Faced with the challenges of the COVID-19 pandemic that has affected the world, our suppliers played an important role in helping us achieve our sustainability goals. Priority was given to safeguarding the safety of people and operational continuity, a challenge that was successfully met and that will undoubtedly pose challenges in 2022 and in the future. The close work with our collaborating companies has allowed us to meet the challenges posed by promoting acceptable working conditions, environmentally responsible management, and ethical behavior, which are the 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 diligence 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 continuous improvement and we support our providers if they need performance improvements. As a result, we seek to promote the inclusion and development of the human capital of our local contractors in the coming years.

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. The safety measures and equipment standards are shared by our own and external employees whenever technical work in the plants is involved. 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:
 - i. any problems that need to be addressed through

In Chile, the **average payment time to suppliers was 27.26 days** in 2021.

In our relationship 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

- corrective action plans, and
- ii. the best practices to be recognized and duplicated.

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.

Suppliers of AES Andes 2021

Number of AES Andes Suppliers	2,346
Expenditure in AES Andes Suppliers (US\$)	748,966,639

Fuel suppliers are not included

Number of Suppliers by Country

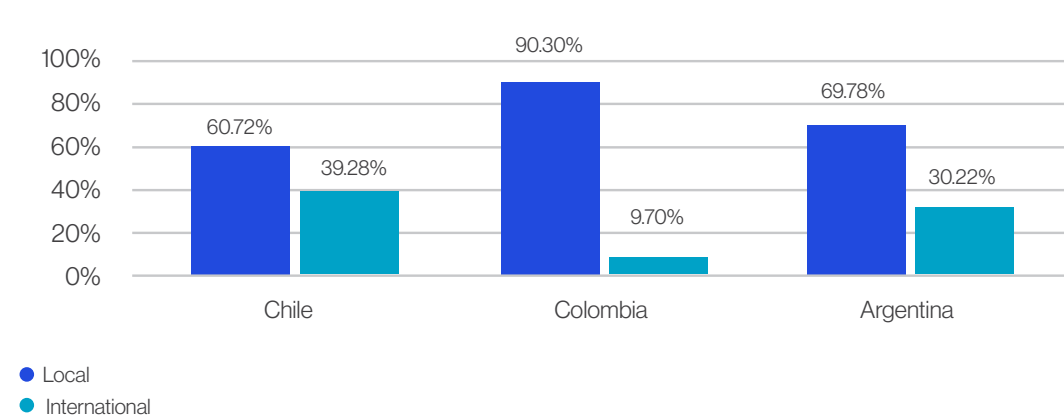
Chile	1,692	National: 1522 International: 170
Argentina	242	National: 234 International: 8
Colombia	412	National: 372 International: 40

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.

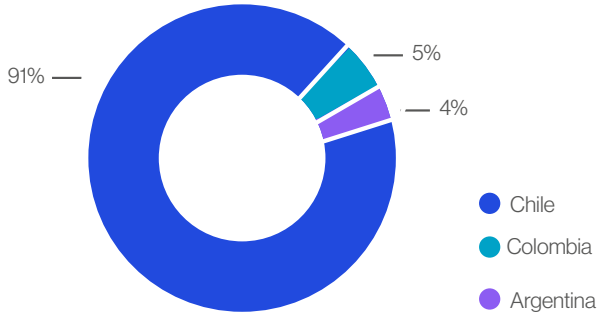
Number of Suppliers by Country [GRI 414-1]

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.

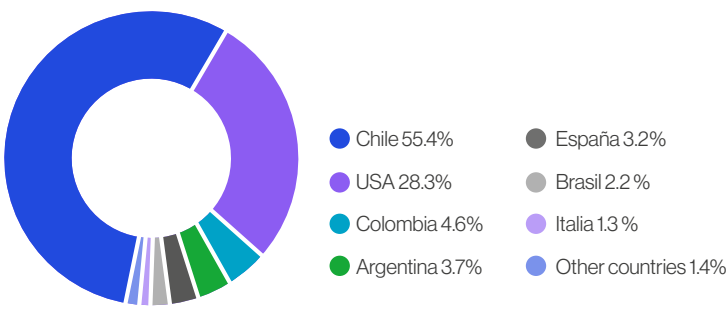
Origin of Suppliers per % of Spending



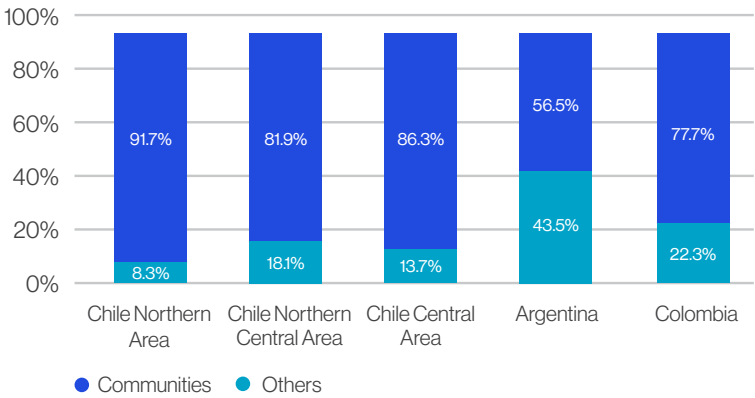
► Percentage of Expenses in Suppliers by Country



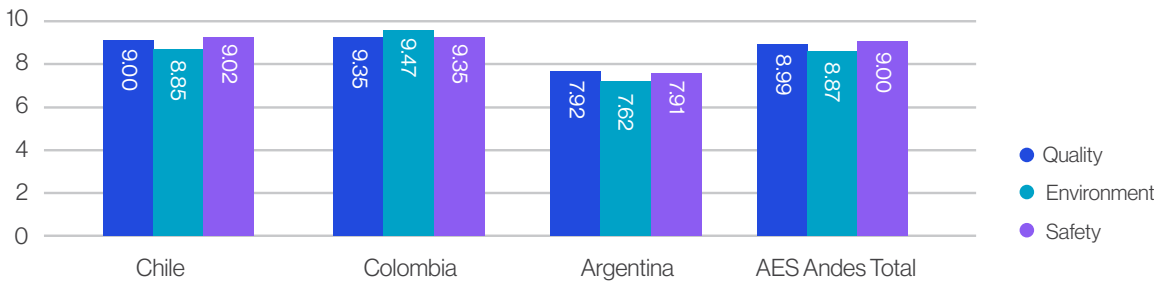
► Percentage of Purchases to Suppliers by Country



► Percentage of Suppliers from Nearby Communities versus National Suppliers



► Evaluation of Suppliers by Country [NCG 462.7.2]



Performance Indicators

Inventory

Inventory optimization allows us to ensure the availability of essential goods and reduce the risk of stock-outs, especially given the logistical demands placed on the supply chain throughout the COVID-19 pandemic with special focus on

demand planning activities to ensure availability in a timely manner to meet operational requirements.

Supplier Rating

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 used to evaluate 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.

Additionally, through a scoring system, our employees evaluate the performance of our suppliers of services and rate their performance from a quality, safety and environmental point of view, with 7 being the defined objective or goal. We started using this assessment in 2018 and in 2020 we added the environmental assessment.

During 2021, we assessed the performance of more than 23 thousand provided services.

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: The supply chain savings for 2018 exceeded the target by 46%. For 2019, savings were 11% below target while in 2020 they exceeded target by 14%. For 2021, savings were 0.1% over the target.

Fuel Supply

Our thermoelectric capacity reaches 2,899 MW gross and is mainly supplied with fossil fuels such as thermal coal, natural gas and diesel.

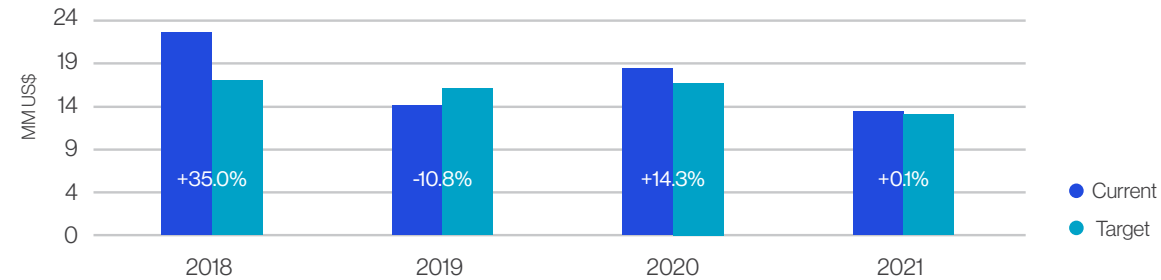
Most part of our thermoelectric capacity 2,256 MW (gross) is located in Chile and mainly supplied with thermal coal.

Targets at inventory closing

Year	Target
2018	+0.63%
2019	+1.4%
2020	+6.66%
2021	+0.89%

Over the last few years we have been improving our targets in our inventory closing.

Savings in the supply chain (% versus Target)



Thermoelectric Plant of AES Andes by type of fuel (MW)

Energy source	Gross installed power MW ⁽¹⁾	%
Coal ⁽²⁾	2,243	77.8%
Gas/Diesel	643	22.2%
Biomass	13	0.4%
Total	2,899	100.0%

(1) Figures as of December 31, 2021. Includes thermal plants in Chile and Termoandes plant in Argentina. In May 2021, the sale of Guacolda Energía SpA plant became effective, and therefore its capacity is not included in the previous table. (2) Unit 1 of Ventanas Plant, currently in Strategic Reserve Status (ERE), is included.

Fuels used in AES Andes 2021 [GRI 301-1]

Renewable	Measurement Unit	2021
Biomass	thousand tons	160
Renewable	Measurement Unit	2021
Coal (thousand tons)	thousand tons	5,893 ^(*)
Natural Gas (million of m ³)	million of m ³	520

(*) Consumption of coal from Guacolda plant for the first half of the year is included.

2.12 Acknowledgments and Memberships ▶ [GRI 102-12, 102-13; NCG 461 3.5, 6.1, 6.3]

2.12.1 Acknowledgments

During 2021, we were recognized by important entities both in Chile and Colombia, and by international entities, including the following:

AES Andes in Chile is recognized as the company that best complied with payment deadlines to SMEs

The study conducted by the Chilean Association of Entrepreneurs (Asech) and *Bolsa de Productos* (BPC), highlighted the company in the Ranking of Payers for the fourth quarter of 2021 as the company that best complied with the payment term to its suppliers, which continued to lead the energy sector.

AES Andes top 10 as best place to work

AES Andes was recognized by Great Place to Work as one of the best companies to work in Chile, Argentina and Colombia. In the case of Chile, we achieved the tenth place in the best companies to work in the category of businesses with more than 1000 employees. In addition, it was distinguished in seventh position as the best place to work for Women 2021.

AES Chile recognized for strengthening the incorporation of women

The Association of Companies of the 5th Region (ASIVA) distinguished AES Andes in Chile for its policies regarding the development of women in the labor market, thanks to a significant 14% increase in the female workforce by 2020. It

also awarded the Company in the category of Sustainable Development in Communities.

AES Andes in the Dow Jones Sustainability Index

For the seventh consecutive year, AES Andes was included in the Dow Jones Sustainability Index Chile, that gathers leaders in governance, environmental and social issues. Moreover, we were included for the third year in the Latin American Integrated Market Index (MILA) that measures the performance of corporate markets in the Pacific Alliance countries.

Latin America Executive Team 2021

The Latin America Executive Team 2021 ranking, prepared annually by Institutional Investor - an international leader in business to business publications - recognized us in different categories for small and mid-cap electric companies and utilities in Latin America. We achieved the first general place in ESG, Crisis Management in the midst of COVID-19 and best event for the financial community, while the Investor Relations team and Investor Relations Program obtained the second place in their class.

The awards also recognized individuals from the Company's management team. Ricardo Falú took the second place as the best General Manager in his class in the region, moving up one position from the previous year. The Company's CFO, Ricardo Roizen, was rated as the best in his class, while John Wills, Investor Relations Manager, ranked second among Investor Relations professionals.



Recognitions
Great Place to Work

Recognition from the Ministry of Mines and Energy of Colombia

The Colombian Ministry of Mines and Energy recognized AES Andes for its commitment to gender equity through the inclusion of a 38% female labor in the construction of San Fernando Solar Plant in the municipality of Castilla La Nueva, Meta, the support for the creation of a maintenance services company composed of female personnel - ASODEC, and the promotion of the entrepreneurship of 6 women's associations in the municipality.

Andesco Sustainability Award

AES Andes in Colombia was a finalist in the social environment category of the Sustainability Awards granted by the *Asociación de Empresas de Servicios Públicos* (Andesco) for its productive and sustainable coffee and cocoa production chain project that benefits 150 families in the Valle de Tenza region in the department of Boyacá.

Fundación Más Familia awarded the Family-Responsible Company Certification to AES Andes in Colombia.

In 2021, Fundación Más Familia granted the Family Responsible Company Certification after it endorsed 71 welfare measures that the company promotes to reconcile personal and professional life.

2.12.2 AES Andes Memberships and Participations

We are part of various trade and business associations. The contributions we made in Chile in 2021 amounted to CLP \$292,797,682, being the main three contributions made to the Chilean Association of Generating Companies (CLP \$212,560,218), SOFOFA (CLP \$40,834,964) and the Chilean American Chamber of Commerce Amcham (CLP \$39,402,500).

In Colombia, our contributions to associations amounted to COP \$773,631,503. The three main associations were the Colombian Association of Electric Power Generators, ACOLGEN (COP \$385,590,003), the National Association of Industrialists, ANDI (COP \$260,828,000), and the National Association of Public Utilities and Communications, ANDESCO (COP \$95,134,000).

The list below shows the associations of which AES Andes is a member in Chile, and an (*) is added in those where we have an executive role.

It should be emphasized that **we provide no funds to political parties, candidates or their representatives**. Therefore, during 2021, no such contributions were made, and no lobbying activities were financed.

Acción Empresas		Cámara Chileno Argentina	
Asociación Chilena de Energías Renovables y Almacenamiento*		Fundación Generación Empresarial	
Asociación Gremial de Generadoras de Chile*		Fundación para la Sustentabilidad del Gaviotín Chico*	
Asociación Gremial de Industriales de Valparaíso		ICARE	
Asociación de Industriales de Antofagasta		Sociedad de Fomento Fabril (SOFOFA)	
Cámara Chilena Norteamericana*		World Energy Council (WEC)*	
Asociación de Hidrógeno		Asociación Chilena de Desalinización (Acades)	

(*) Associations where AES Andes in Chile has a role in the management.

Unions and Business Associations where AES Andes participates in Colombia

For several years, we have been part of the following associations or guilds: 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 y Cámara de Comercio Colombo Chilena.

In 2020 we founded, within the National Association of Industrialists - **ANDI**, the **Mesa Más La Guajira**, and we presided it during 2021. This initiative aims to articulate and join efforts with other companies present in the Department of La Guajira for the development of the Department.

Finally, in 2021 we joined the recently created Colombian Hydrogen Association - **Hidrógeno Colombia** to promote this industry in the country.

Organizations that promote High Standards

Aequales: Since 2017 we joined Aequales, a company that provides tools to close gender gaps. Every year, we participate in the PAR Ranking or Annual Survey of Gender Equity and in its 2020 edition our company ranked 50th among 344 medium-sized companies that participated in the measurement.

Global Compact: In Colombia, we have subscribed to the principles of the UN Global Compact since 2015. This initiative promotes the commitment of the private sector, public sector and civil society to align their strategy and operations with ten universally accepted principles in Human Rights, Labor Standards, Environment and Anti-Corruption, as well as contributing 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. We have participated since 2015 in the measurement of Transparency in the private sector and in 2020 our company obtained an overall score of 93.7, 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 Andes in Colombia was founder of this organization in 2015 and since then we have actively participated in the design and implementation of programs that promote healthy competition, ethics and transparency in the sector.

Colombian Safety Council: Through our affiliation to this entity the Company seeks to have information on advances

in issues related to occupational safety and health in order to keep updated risk prevention and operational control strategies that are part of the Occupational Safety and Health Management System, as well as to exchange best practices with companies in various sectors mainly in the mining, energy and construction sectors. With the Colombian Safety Council we also carry out the evaluation process of the Unified Contractors Registry (RUC, for its acronym in Spanish), a key tool to participate in bidding processes with Ecopetrol, CENIT and other companies in the hydrocarbon sector.

As AES Andes, we participate in the aforementioned organizations in order to stay updated and in turn contribute to the development of the renewable energy industry, on the one hand, and on the other hand to promote the inclusion of the highest standards in the organization.



Corporate Governance: Ethics, Transparency and Excellence

3.1	Ethical Framework	133
3.2	Policies that govern our actions	134
3.3	Human Rights Policy	136
3.4	Grievance mechanism	136
3.5	Corporate Governance Structure	138
3.6	Main Macroeconomic Aspects and Regulatory Changes of Energy Relevance in the Region	146

In this chapter, we will address the following material topics:

- Human rights practices and assessment
- Regulatory compliance
- Employee-company relationship
- Diversity and equal opportunities



3.1 Ethical Framework ▶ [GRI 102-16;103-2, NCG 4613.6, 8.1.5]

At AES Andes we have a [Code of Ethics and Conduct](#) and an Ethics and Compliance Program, which was approved by the Board of Directors, intended to conduct our business according to the highest standards of integrity.

“Our Code of Ethics and Conduct provides a common framework for how we interact with each other, conduct business with our partners and suppliers, and **serve our customers and the many communities** and environments in which we operate in Latin America.”

The Code of Ethics and Conduct regulates the actions of all the people who work in our Company, including our subsidiaries.

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 and 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:

- The Code of Conduct is delivered, with proof of receipt, to all our employees, contractors, suppliers, and business partners.
- 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 sets forth that, before entering into any transactions with third parties, our employees must have completed the Contract Compliance Review Process on the proposed business partner.

During 2021, we conducted internal training on the Ethics and Compliance Program, with a 100% of attendance. The

training sought to guide AES Andes personnel to translate our values into action, to understand how to always put safety first and how to leverage our global experience to deliver solutions with the highest standards of excellence in all our markets, working together as a team.

Likewise, we successfully completed our Compliance Onboarding - Meet & Greet Sessions - to make our Code of Conduct and Compliance policies known to all our new members.

3.1.1 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. The E&C Department offers training, information and certification programs for our employees to prevent and detect criminal behaviors, and to foster an organizational culture that promotes ethical behavior and commitment to compliance with the laws. 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

Its purpose is to encourage and promote the debate on contingent and challenging issues that we can face.

Our Values Guide Training

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.

One of the main focuses during the training conducted during 2021 was on the Contract Compliance process - development contracts - which was aimed at gaining in-depth knowledge of the company that was being acquired. The **Contract Compliance Due Diligence** process involves an exhaustive review of all the business areas that make up the company to be acquired, i.e., it is a comprehensive review of the company in order to warn of the possible risks posed by the transaction.

It should be noted that we had no confirmed cases of corruption and/or bribery during the last three fiscal years. In addition, AES Andes has not received any fines related to anti-competitive practices during the same period of time.

3.2 Policies that govern our actions

3.2.1 Anti-Corruption Policy

Our Anti-Corruption Policy prohibits offering or giving of anything of value to anyone, including government officials or private business companies, either directly or indirectly, in order to improperly influence any 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 be delivered to and reviewed in advance by 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.



3.2.2 Model of Crime Prevention under Law No. 20,393 on Corporate Criminal Liability.

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 contamination that causes damages to hydro-biological 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 proved, and which are collapsed or overexploited.

The company is in the process of certifying its crime prevention model in accordance with Law 20,393.

3.2.3 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.

3.2.4 Gifts and Entertainment Policy

No gifts shall be received or offered by our employees whenever they compromise or seem to compromise the ability of any of them to act according to 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.

3.2.5 Conflicts of Interest Policy [GRI 102-25]

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.

3.2.6 Discrimination and Harassment Prevention Policy

Our workforce is made up of people from diverse backgrounds and cultures, and diversity is part of our DNA. Therefore, our recruitment, hiring, training, development, and compensation processes are based on qualifications, performance, skills and experience.

This is why diversity and inclusion become a competitive advantage that adds value to management in a context that increasingly requires 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



3.3 Human Rights Policy

► [NCG 461 31, 4.2]

We recognize the Universal Declaration of Human Rights and adhere to The AES Corporation's Human Rights Policy. We meet this goal through our [Human Rights Policy](#) developed in 2019 to formalize our commitment and, at the same time, promote greater awareness of these issues among our employees, communities and suppliers.

Our policy is consistent with the “[UN Guiding Principles on Business and Human Rights](#)” and formalizes tools that the Company already uses to conduct business, such as promoting performance of risk assessments, ensuring safe and healthy working environments, and working together with the communities, based on eight principles for the daily management of businesses throughout the value chain:

1. Equality of treatment and dignity of the person.
2. 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.
9. Internal dialog and freedom of opinion and expression.

Due diligence [GRI 412-1]

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.

The evaluation sought to:

- Assess actual and potential human rights impacts
- Integrate the findings in a risk map
- Act on those findings to prevent or mitigate potential impacts

Due to the characteristics of the business and its inherent risks, we should monitor issues such as safety (the right to life and integrity of people) on a permanent basis to confirm that safety is our first value.

3.4 Grievance mechanism

► [GRI 102-17, 102-34, NCG 461 3.6]

The Company has different grievance 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 collaborators, 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. 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.

• **Procedures for queries and claims:** The Ethics and Compliance Department receives and manages questions by phone, email or face-to-face, 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 E&C 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.

During 2021, we received a total of 27 complaints, 8 reports more than in 2020, of which 15 relate to issues with employees, 2 to conflicts of interest, 1 to health or safety at work, 3 to Purchase and Acquisition reports and 3 to General Inquiries. The human resources category recorded the largest number of complaints, with 62,5%. Of the 27 complaints received, 5 were closed. Two were partially settled with the recommendation of actions to raise awareness and improve commercial skills, one was referred to HR, two were substantiated and resulted in dismissal.

AES Andes Helpline



Web:
aeshelpline.com



Phone:
800 360 312 - 800 505 7319



Opening Times:
24 / 7



3.5 Corporate Governance Structure

We have [Corporate Governance](#) guidelines, so that stakeholders and the general public have access to our corporate practices.

3.5.1 Corporate Purpose [GRI 102-18]

The current corporate purpose of the Company was approved at the Special 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, and an excerpt thereof was published in the Official Gazette on November 25, 2013. The due registration of the Company is 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. In the event that any companies are created where the Company is required to contribute assets directly related to electric generation, the Company shall maintain an interest therein not to exceed 51%.

3.5.2 Corporate Governance Policy

Ordinary Shareholders' Meeting [NCG 461 10]

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. The directors and managers that are not shareholders can also participate with the right to speak.

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. The resolutions are adopted by the absolute majority of voting shares present or represented by proxy, except if higher majorities are required by the law or the by-laws of the Company.

In 2021, the Ordinary Shareholders' Meeting was held on April 23. The Special Shareholders' Meeting were held on April 23 and December 17.

During 2021, we received no comments or proposals concerning the development of corporate businesses by 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 that Law.

[Summaries of the Resolutions Adopted at the Shareholders' Meetings and other associated documents can be found at](#) [🔗](#).

Board [GRI 102-22,102-23, 102-24, NCG 4613.2, 3.3]

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 seven regular members and their respective alternate members, five of whom (including their respective alternate members) are elected with the votes of the majority shareholder and the remaining two, including their respective alternates, 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 regular directors were elected at the Ordinary Shareholders' Meeting held on April 26, 2019.

Composition of the Board expressed in data:

Number of Regular Directors: 7
 Number of Alternate Directors 4
 Number of Independent Directors 2
 Average Age of Directors: 59
 % of Foreign Directors: 54.5%
 % of Chilean Directors: 45.5%
 Average seniority: 6 years

Regular and Alternate Directors as of December 31, 2021

Regular Directors	Alternate Directors
<p>Julián Nebreda (*) Chairman</p> <ul style="list-style-type: none"> • Lawyer, Universidad Católica Andrés Bello, Venezuela. • Master of Laws in Securities and Financial Regulations, Georgetown University, Washington, D.C. USA. • RUT or Passport: 26908859-1 • Nationality: Venezuelan • Seniority: 4 years 	<p>Leonardo Moreno Alternate Director</p> <ul style="list-style-type: none"> • Business Administration, Universidade Federal Universidade Federal de Minas Gerais, Brazil • Business and Leadership programs at the London Business School, Georgetown University and University of Virginia • RUT or Passport: YC268844 • Nationality: Brazilian • Seniority: 4 years
<p>Bernerd Da Santos Regular Director</p> <ul style="list-style-type: none"> • <i>Licenciado</i> in Business Administration, Universidad José María Vargas, Venezuela. • Master's Degree in Finance and Business Management, Universidad José María Vargas, Venezuela. • RUT or Passport: 515394720 • Nationality: Venezuelan • Seniority: 15 years 	<p>Madelka Mcalla Alternate Director</p> <ul style="list-style-type: none"> • Bachelor's Degree in Political Science and Sociology. McGill University, Canada. • Master's Degree in Global Governance and International Relations, TU Darmstadt, Germany. • RUT or Passport: PA0635589 • Nationality: Panamanian • Seniority: 2 years
<p>Gonzalo Parot Regular Director (Independent)</p> <ul style="list-style-type: none"> • Industrial Civil Engineer, University of Chile, Chile • RUT or Passport: 6703799-5 • Nationality: Chilean • Seniority: 5 years 	<p>Luis Hernán Palacios Alternate Director</p> <ul style="list-style-type: none"> • Commercial Engineer, University of Chile, Chile • RUT or Passport: 6948688-6 • Nationality: Chilean • Seniority: 5 years

Cont. from previous page

Regular Directors	Alternate Directors
<p>Daniel Fernández Regular Director (Independent)</p> <ul style="list-style-type: none"> • Civil Engineer, University of Chile, Chile • RUT or Passport: 7750368-4 • Nationality: Chilean • Seniority: 2 years 	<p>Antonio Kovacevic Alternate Director</p> <ul style="list-style-type: none"> • Commercial Engineer, Pontifica Universidad Católica de Chile, Chile. • RUT or Passport: 6053904-9 • Nationality: Chilean • Seniority: 5 years
<p>Radovan Razmilic Regular Director</p> <ul style="list-style-type: none"> • Engineer of Roads, Channels and Ports, Universidad Politécnica Superior de Madrid, Spain. • RUT or Passport: 6283668-7 • Nationality: Chilean • Seniority: 9 years 	
<p>Juan Ignacio Rubiolo Regular Director</p> <ul style="list-style-type: none"> • Licenciado in Business Sciences, Universidad Austral, Argentina. • MBA University of Virginia, USA. • Master's Degree in Project Management, University of Quebec, Canada. • RUT or Passport: AAB479862 • Nationality: Argentine • Seniority: 3 years 	
<p>Arminio Borjas Regular Director</p> <ul style="list-style-type: none"> • Lawyer, Universidad Católica Andrés Bello, Venezuela. • Master of International Studies, American University, Washington D.C. • RUT or Passport: 121593012 • Nationality: Venezuelan • Seniority: 13 years 	

(*) On February 24, 2022, Julián Nebreda resigned as Chairman of the Board of Directors. Mr. Nebreda will continue to be a member of the Board of Directors for the statutory period for which he was elected. At the AES Andes Board meeting held on that date, the Board agreed to appoint Juan Ignacio Rubiolo as new Chairman of the Board.

The Board considers making annual visits to the Company's premises and facilities, other than those made periodically by the Management, which are intended, among other things, to learn about the condition and operation of the facilities.

During 2021, it was impossible to hold Board or Committee meetings in the Company's or its subsidiaries' premises, since the safety of the Board members and collaborators prevailed in view of the COVID-19 pandemic and the recommendations and restrictions established by the health authority.

Budget for Board Consultants [NCG 4613.2]

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 required quorums.

The annual budget of the Board for consultants during fiscal year 2021 was US\$25,000, as approved by the Ordinary Shareholders' Meeting held on April 23, 2021. This budget remain unused during 2021.

Remuneration of the Board [GRI 102-35; NCG 4613.2]

Pursuant to our by-laws, the Directors receive no compensation for the discharge of their duties. Moreover, during fiscal year 2021, 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

Pursuant to article 50 bis of Corporations Law No. 18,046 and, as established therein, we have a Committee of Directors made up of three members.

At the Common Board Meeting held on April 30, 2019, the following directors were appointed as members of the Committee of Directors: the two independent members of the board are Gonzalo Parot Palma (Committee Chairman), Daniel Fernández, and Radovan Razmilic. Their respective alternates are Luis Hernán Palacios, Antonio Kovacevic and Daniel Stadelmann(*). Claudia Bobadilla was member of the Committee until April 30, 2019, when she was replaced by Daniel Fernández.

(*) On March 29, 2020, the Alternate Director of the Company, Daniel Stadelmann, passed away.

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 set by the Shareholders' Meeting and the any hiring issues are discussed and established within the Committee of Directors, in accordance with the quorums required for the adoption of resolutions.

At the Ordinary Shareholders' Meeting of April 23, 2021, an annual budget of US\$25,000 was approved for 2021, 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. The budget, which was also reviewed and approved by the Board of Directors at the ordinary meeting held on March 25, 2021, was used to hire the following companies:

	Value Year 2021	US\$ ^(*)
Indecs Consulting	ID Card ("GBP") No. 7,000	9,440
PWC	UF 410	14,945
Total		24,385

(*) reference values with exchange rates as of December 31, 2021

► Remuneration of the Committee of Directors (Th of US\$)

	2021	2020	2019
Claudia Bobadilla	-	-	32
Daniel Fernández	143	127	97
Radovan Razmilic	144	127	130
Gonzalo Parot	144	127	130
Total	431	381	389

The table is disclosed in thousands of dollars in line 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 2021, 300 UF per month for 2020 and 280 UF per month for 2019, for each member of the Committee.

Performance of the Committee of Directors

Pursuant to article 50 bis of Corporations Law No. 18,046, during 2021, the members of the Committee of Directors of AES Gener S.A. executed this annual performance report, which includes:

A summary of the most relevant activities developed by the Committee (Meeting No. 221 of January 2021 to Meeting No. 243 of December 2021)

A list of the activities described in the Report of the Committee of Directors in Chapter 6, Additional Information.

Conflicts of Interest [GRI 102-25; 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, as mentioned before, guided by strict standards regarding related person transactions. If any, they shall be approved by the Board of Directors, upon the favorable prior recommendation of the Committee of Directors even in circumstances where any transactions involved are exempt from complying with the requirements and procedures laid down in Corporations Law No. 18,046, Article 147.

Operation of Board Meetings [NCG 461 3.2]

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 with the frequency 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 2021, they met approximately 24 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 Board members.

The information required to make any decisions is made available to the Board members by the management sufficiently in advance of the meeting through the technological means provided to that end. In addition, 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.

We have also implemented various mechanisms to allow the Board to function in the event of crisis situations, such as the existence of alternate directors; mechanisms to hold Board meetings via telepresence, videoconferencing or virtual platforms, and the possibility of holding Board meetings in locations other than the main offices.

Role of highest governance body in setting purposes, values and strategy [GRI 102-26]

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 highest governance body [GRI 102-27]

Although our Board of Directors does not have a formal training schedule, at the ordinary Board meetings, it receives information about the initiatives and progress made in the areas of diversity and inclusion, sustainability, risks, strategy, and safety both at local and international levels.

During 2021, the management made presentations to the Board on the update of regulations related to corporate governance, corporations and securities market and regarding market vision, social and political analysis and contingency for COVID-19, among other issues of interest.

Evaluating the highest governance body's performance [GRI 102-28, NCG 461 3.1, 3. 2]

Board members have a formal performance self-assessment 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 who, together, seek to implement improvements in their organization and operation.

Moreover, pursuant to the regulations applicable to open corporations, our Company responds annually to a self-assessment questionnaire of Corporate Governance practices.

Review of economic, environmental, and social topics
[GRI 102-31]

Topics that may have an impact on the Company are reviewed and discussed at the Board meetings. During 2021, 12 ordinary board meetings and 12 special board meetings were held and the Board Committee met 23 times.

Highest governance body's role in sustainability reporting
[GRI 102-32]

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 2021 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 secure compliance with the provisions contained in General Provision No. 270, dated December 31, 2009, issued by the *Comisión para el Mercado Financiero* (Commission for the Financial Market, CMF) of Chile, we set forth the internal policies and standards governing the handling of all information that, without constituting an essential fact or information in nature, is useful for the proper financial analysis of our Company and 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 significant impact on them for constituting “information of interest”.

Communicating critical concerns [GRI 102-33, 102-34]

The Committee of Directors meets every quarter with our Internal Audit Unit to analyze the annual 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, 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 102-19]

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.

The Sustainability Management submits twice a year the results of the different business indicators that measure the Company’s sustainability performance.

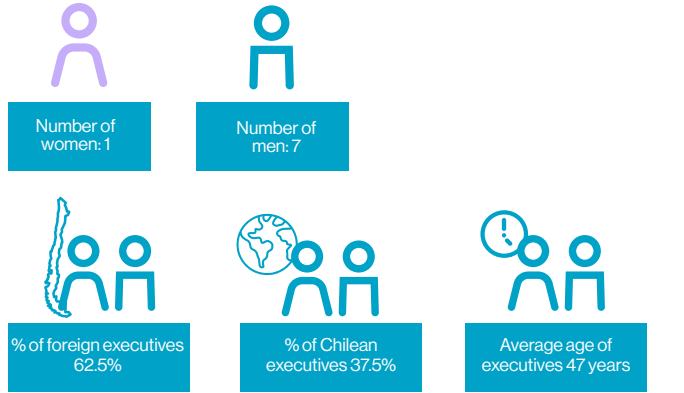
Senior Executives [GRI 102-20; NCG 461.3.2, 3.4]

In addition to the vice-presidents that make up our chief executive officers, the Board entrusted the review of the risk management process to a Risk Committee and a Risk Management.

The Risk Committee meets every month to analyze any events and operations that would pose a risk to the Company to render an opinion and adopt resolutions. Its powers are limited according to the nature of risks detected; therefore, any transactions or events not included under the umbrella of these powers will be subject to the approval of the Board; the above without detriment of the power of the Board to meet with the Risk Committee as and whenever necessary.

Our Management meets regularly with the Vice-Presidency of Corporate Affairs, department of the Company that deals with matters inherent in corporate social responsibility and sustainable development, which will be subsequently informed to the Board.

Composition of top executives stated in data:

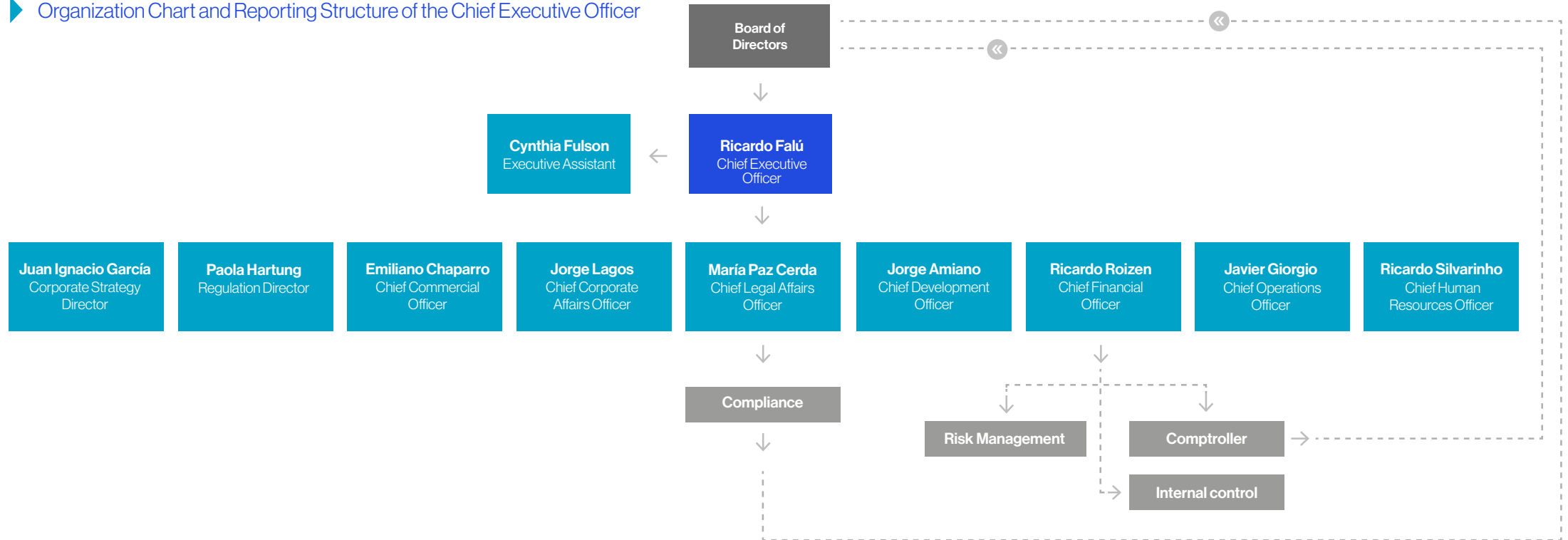


► Top Executives

<p>Ricardo Falú Chief Executive Officer</p> <ul style="list-style-type: none"> • In office since April 2018 • Certified Public Accountant, National University of Salta, Argentina • MBA, IAE Business School, Argentina • AMP, Wharton Business School. • Tax Id. (RUT) number: 21535942-5 • Nationality: Argentina 	<p>Ricardo Roizen Chief Financial Officer</p> <ul style="list-style-type: none"> • In office since April 2018 • Commercial Engineer, Pontificia Universidad Católica de Chile. • MBA from University of Chile. • Tax Id. (RUT) number: 13,657,574-0 • Nationality: Chilean 	<p>María Paz Cerdá Chief Legal Affairs Officer</p> <ul style="list-style-type: none"> • In office since August 2018 • MBA Pontificia 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: Chilean
<p>Javier Giorgio Chief Operations Officer</p> <ul style="list-style-type: none"> • In office since April 2018 • Electronic Engineer, Universidad Tecnológica Nacional, Argentina. • MBA, Universidad del CEMA, Argentina. • Tax Id. (RUT) number: 23202311-2 • Nationality: Argentina 	<p>Emiliano Chaparro Chief Commercial Officer</p> <ul style="list-style-type: none"> • In office since October 1, 2020 • Industrial Engineer, Instituto Tecnológico de Buenos Aires • Emerging Leaders Program, Darden University, Virginia, United States • Passport: AAB644464 • Nationality: Argentina 	<p>Jorge Lagos Chief Corporate Affairs Officer</p> <ul style="list-style-type: none"> • In office since May 25, 2020 • Biologist with a mention in Environment and Natural Resources, Pontificia Universidad Católica de Chile • Master in Human Settlements and Environment, Pontificia Universidad Católica de Chile • Tax Id. (RUT) number: 10.502.232-8 • Nationality: Chilean
<p>Jorge Amiano (*) Chief Development Officer</p> <ul style="list-style-type: none"> • In office since April 2018 • Industrial Engineer, TECNUN, Universidad de Navarra • MBA from IES at the University of Navarra. • Tax Id. (RUT) number: 24309382-1 • Nationality: Spanish 	<p>Ricardo Silvarinho Chief Human Resources Officer</p> <ul style="list-style-type: none"> • In office since September 2018 • Lawyer, Universidad Católica de Petropolis, Brazil • Tax Id. (RUT) number: 48207312-3 • Nationality: Brazilian 	

*As of March 2022, Jorge Amiano left the Company.

► Organization Chart and Reporting Structure of the Chief Executive Officer



Process for determining remuneration of the Chief Executive Officer [GRI 102-35, 102-36, 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 prevent the remuneration and compensation structure from generating incentives that may expose us to a risk of possible crimes.

The remuneration and compensation structure of the Chief Executive Officer and senior executives is available in the [Corporate Governance Guidelines document in this](#) [link](#).

Global Remuneration of the Senior Management 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 Commercial Officer, Chief Human Resources Officer, Chief Operations Officer, Chief Corporate Affairs Officer, Chief Legal Matters Officer, Chief Business Development Officer and Chief Corporate Finance Officer.

As a Company, we have for our 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. In addition, the Company has a stock incentive plan in place.

The remunerations of the Senior Management of the Company during the years ended December 31, 2021 and 2020 amounted to ThUS\$5,698 and ThUS\$5,268, respectively.

3.6 Main Macroeconomic Aspects and Regulatory Changes of Energy Relevance in the Region ▶ [NCG 461 6.2, 8.1.4]

During 2021, the economy in Latin America continued to be affected by the effects of the health crisis resulting from the restrictions associated with the COVID-19 pandemic, showing an incipient recovery in economic growth, but sustaining negative impacts on employment and businesses.

This is despite a upturn in almost all economies during the same period related to vaccination plans, fiscal efforts to provide monetary aid to the most affected social sectors by way of incentives, programs for the recovery and reactivation of employment and the local economy.

Several economies, including Brazil, Chile, Argentina and Paraguay, are suffering the worst drought in decades. This implies a recession in the need to use more expensive fossil fuels to produce electricity, usually generated from hydroelectric energy.

In figures, the World Bank projected that growth in Latin America will recover by 6.3% by 2021 provided that pandemic mitigation initiatives are implemented as expected, vaccines are distributed, the prices of the main commodities are stabilized, and the external conditions are improved. In the next two years, growth is expected to slow to 2.6% in 2022 and to 2.7% in 2023.

3.6.1 Chile

According to the [OECD reports](#), the performance of the Chilean economy during 2021 is growing strongly due to a rapid vaccine rollout. Chile ranks fourth in the world and first in the region in vaccination rates per capita. As of February 22, 2022, more than 88.24% of adults in Chile had been vaccinated, with the goal of having 80% of its 19 million inhabitants vaccinated by June 30 of this year.

Another factor behind this recovery is the large fiscal stimulus and the short-term impact of extraordinary pension fund withdrawals on consumption. Moreover, according to the OECD, GDP growth is expected to reach 12.0% in 2021 and slow towards 2.0% in 2023, as monetary and fiscal policies tighten. Inflation has risen amid buoyant domestic demand and supply restrictions, but is projected to slowly return to the target of 3% by early 2023.

In political terms, the country is in a historical process where it faces central questions about its governance, social contract and economic model, after the internal political conflict experienced in 2019, which resulted in a constituent process that seeks to replace the Political Constitution of the Republic of Chile promulgated in 1980. On July 4, 2021, the Constitutional Convention, chosen by 78.28% of the electorate, started to work.

On December 19, 2021, the candidate of Apruebo Dignidad -Gabriel Boric Font (Convergencia Social)-, representative of Magallanes and Chilean Antarctic Region, was elected President of the Republic for the next period 2022-2026.

In terms of regulatory changes of relevance for the energy sector in Chile, 2021 was marked by discussions around the Energy Transition, the Decarbonization process, the reform of the Sufficiency Power Market, the promotion of Energy Storage Systems, the National Green Hydrogen Strategy and legislation aimed at mitigating the impacts of the pandemic on the accounts of Regulated Customers.

In these matters, as AES Andes we actively participate 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 *Asociación de Generadoras de Chile* (Chilean Generators Association).

In this area, we consolidated legislative and regulatory proposals that will allow an efficient integration of Storage Systems and Green Hydrogen Systems to the Chilean energy matrix. Moreover, we participated, together with ACERA, in the identification of the mechanisms that will make it possible

to cause a gradual, safe and efficient withdrawal of thermal power plants from the system.

These three important issues, **Decarbonization, Storage Systems and Green Hydrogen Systems**, are at different stages of the legislative process in the National Congress. Likewise, regarding the initiatives related to Accounts to Regulated Customers and mitigation of the effects of the pandemic, our Company, as part of the two main guilds, worked actively in the proposals that sought to support the Regulator, always safeguarding the legal certainty and current industry regulations.

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 Generators Association.

Main regulatory issues during 2021 in Chile

New Sufficiency Power Market

On September 3, 2021, the Ministry of Energy published a draft of the new Power Transfer Regulations for public consultation, which was closed for comments on October 5. The document under consultation sets forth a transitional period of approximately 9 years, counted from the date of publication of the new Regulation, to fully migrate to the new Regulations. The document would consider changes with effects on the remuneration price of power and the payment for power in renewable systems with storage systems. Currently, the Ministry of Energy is analyzing the comments made by stakeholders and preparing the responses, which would be made available to the public during the course

of 2022, a period in which the process of analysis and development of this new regulation is expected to continue.

Incentive for Green Hydrogen and Storage Systems

On December 3, 2021, in a message of the President of the Republic, the following bill started to be processed at the Chamber of Representatives in the Mining and Energy Committee and in the Finance Committee: Gazette No. 14755-08 "To promote electric energy storage and electro-mobility". The bill includes the Storage Systems as Coordinated participants of the entire electricity market -with explanations as to payments for Sufficiency Power- and includes the definition of "Generation-Consumption System", which will facilitate the development of large-scale Green Hydrogen Systems, and Desalination, among others. The bill also promotes electro-mobility with tax exemptions.

Thereafter, on December 12, 2021, by means of a message of the President of the Republic, the following bills started to be processed at the Chamber of Representatives in the Mining and Energy Committee and in the Finance Committee: Gazette No. 14755-08 "To promote the participation of renewable energies in the national energy matrix", and Gazette No. 14756-08 "To promotes the production and use of Green Hydrogen in the country". In essence, the bill that promotes the participation of renewable energies in the national energy matrix establishes a new NCRE target for 2030 of 40%, which would be mandatory for supply contracts executed after January 1, 2022. The project that promotes the production and use of green hydrogen in the country establishes that, by 2030, grid gas distribution concessionaires should distribute a certain percentage (%) of Green Hydrogen with respect to the total, which would be calculated by the National Energy Commission every six years.

Law of Basic Services

On August 8, 2020, Law No. 21,249 was published in the Chilean official gazette, and thereafter extended by Law 21,340 on May 22, 2021, which exceptionally sets forth measures in favor of end users of electricity, health, and grid gas services. The law bars utility companies from shutting off electricity to residential customers until December 31, 2021, and also empowers the customer to prorate the debts incurred during that period in 48 installments. On December 29, 2021, by means of a message from the President of the Republic, the Senate began to process the bill that "Regulates the proration and payment of debts for health and electric services generated during the COVID-19 pandemic and establishes subsidies to vulnerable customers for the payment of these debts". The bill introduces extension mechanisms, proration and a tax subsidy. In case there is a balance not covered at the end of the period, this debt is extinguished, against the distribution companies, without incorporating the sector's payment chain in this cost.

For more details of the energy regulations in Chile, where AES Andes operates, see Chapter 6, Additional Information: Regulatory Framework.



Impulsando la
transformación.

3.6.2 Colombia

The COVID-19 related economic crisis severely affected Colombia. However, according to the World Bank, the immediate and decisive steps taken by the government to protect lives, income, jobs and businesses made it possible for the economic activity to recover rapidly and, in June 2021, it reached almost the same levels seen at the end of 2019, despite a temporary contraction, due to mobility restrictions in April and social protests in May.

Moreover, according to the OECD, GDP is projected to grow 5.5% in 2022 and 3.1% in 2023. Private consumption will be the main driver of the recovery as employment picks up, although at a slower pace than economic activity. Vaccine coverage has made significant progress, but is trailing behind regional peers.

In socio-political terms, the term of President Iván Duque Márquez started on August 7, 2018 and will end on August 7, 2022. The main pillars of his government are legality, entrepreneurship and equity, with transversal axes in infrastructure, environmental sustainability and innovation.

During 2021, various regulations were published in Colombia aimed at adapting and updating regulatory provisions in view of an incipient Energy Transition and the incorporation of new non-conventional renewable energy projects to the National Electrical System. In all these initiatives, we actively participated in the discussions and definitions of the new regulations, seeking to maintain and expand the company's value, specifically with respect to the wind projects located in the region of La Guajira Colombiana.

Either directly or through the following trade associations:

Asociación Nacional de Empresas de Servicios Públicos y Comunicaciones (ANDESCO), Asociación Colombiana de Generadores de Energía Eléctrica (ACOLGEN), Asociación de Energías Renovables (SER), as well as through the Consejo Nacional de Operación (CNO), as a company with regional reach, we have been working on our positioning in line with our transformational strategy "Greentegra".

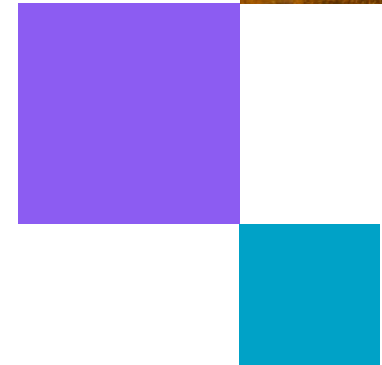
The paragraphs below describe the main regulatory progresses of 2021:

In September 2021, the Ministry of Mines and Energy published the final version of the initiative called "*Misión de Transformación Energética*" (Energy Transformation Mission), which contains public policy, regulatory and institutional reform proposals to strengthen and modernize the electricity sector in order to meet the challenges posed by its future development. The document outlines recommendations and concrete actions, with defined deadlines, that mark the roadmap for a cutting-edge, more dynamic and competitive sector, empowering the end user and benefiting all Colombians.

Based on this document and other goals proposed by the National Government, such as the reduction of greenhouse gas emissions by 2030, the Carbon Neutrality goal proposed in the Paris Agreement by 2050, the economic reactivation of the country by encouraging the implementation of energy projects from new non-conventional energy sources, Law 2099 of 2021, which is better known as the "Energy Transition Law", was enacted. This regulation modifies several provisions of Law 1715 of 2014, which regulates the tax incentives granted to those having non-conventional renewable energies to the National Energy System. Likewise, it seeks to promote the development and research of energy coming from organic or renewable sources, the production

and use of hydrogen and the promotion and development of carbon capture, utilization and storage technologies.

Finally, the Ministry of Mines and Energy, with the support of the Inter-American Development Bank, published the Hydrogen Roadmap, which aims to contribute to the development and deployment of hydrogen in Colombia. This roadmap takes as a starting point the analysis of production capacity, demand, export potential and regulation to propose a hydrogen deployment plan in the country.



New provisions and procedures for the allocation of transportation capacity.

On June 16, 2021, the Commission for Energy and Gas Regulation (CREG, for its acronym in Spanish) issued Resolution CREG 075/2021, which establishes new provisions and procedures for the allocation of transportation capacity in the National Interconnection System. On the one hand, the transfer of transmission capacity is allowed for projects that have not started operating, that are connected to the same point and whose current capacity has been assigned to the same agent. This modification allows the optimization of renewable projects so that the construction can be prioritized in areas with better energy resources.

On the other hand, this resolution makes it possible to change the operation date of the projects for different causes, including when the transmission expansion works experience delays that hinder the coming into operation of the project.

Modifications to the Reliability Charge Scheme

Under Resolution CREG 170/2021, the CREG convened a reconfiguration auction. Through this mechanism, an excess coverage of Firm Energy Obligation (OEF) can be adjusted due to changes in demand projections. In addition, at the same time, projects in arrears may be relieved of such obligations. In order to participate in this auction, these agents must be willing to stop receiving the remuneration of the Reliability Charge for the auctioned period and pay an additional premium. However, the Auction was canceled by means of CREG Circular 170/2021 due to the fact that the balance analysis carried out by the Commission did not show an excess of OEF that needed to be adjusted. Nevertheless, this cancellation brought about additional

modifications in the Charge scheme that consisted in the change of the OEF Assignment conditions for projects with construction times of less than 36 months. Thanks to this regulatory change, projects with some degree of delay were able to assign their OEF to other projects with unallocated Firm Energy that could support the OEF.

Changes in the Long-Term Auction Regulations

Finally, on October 25, the Ministry of Mines and Energy issued Resolution MME 40345/2021, which makes it possible to extend the commissioning guarantee for up to six additional months upon entry into commercial operation of the transmission assets on which their commissioning depend.

Additionally, once the guarantee is extended for this cause, the parties to the Long-Term Energy Contracts are allowed to extend the supply period of the contract for the term to be agreed upon, with no need for that modification to be previously authorized by the Ministry of Mines and Energy, as long as the price terms, quantities and starting date of the energy supply obligations remain unchanged.

This flexibility allows mitigating the impact of delays in the Collector Line, which will transmit the renewable energy to be produced in the area of La Guajira.

For more details of the energy regulations in Colombia, where AES Andes operates, see Chapter 6, Additional Information: Regulatory Framework.

3.6.3 Argentina

According to the last report of the World Bank, Argentina is one of the largest economies in Latin America with a Gross Domestic Product (GDP) of approximately US\$450 billion. Argentina has vast natural resources in energy and agriculture. Within its 2.8 million square kilometers of territory, Argentina is endowed with extraordinary fertile lands, significant gas and lithium reserves, and has great potential for renewable energy.

However, international debt and historically volatile economic growth allowed it to renegotiate its sovereign debt for US\$65 billion in August 2020, pending an agreement with the International Monetary Fund to extend its credit facility in May 2021. This background, coupled with the COVID-19 pandemic and the social lockdown as a way of coping with it, aggravated its economic situation.

Although the economy has begun to recover, as of mid-2021, it is still 3.3% below pre-pandemic levels partly due to a new wave of COVID-19 in the second quarter of 2021. Annual inflation, which had slowed down in a context of an economic downturn in 2020, was at 51.4% in August 2021.

In relation to its external debt, the Government has managed to complete the restructuring process of its foreign currency debt (both local and external), significantly clearing the maturity profile for the next eight years. At the same time, the authorities are negotiating with the International Monetary Fund to agree on a new program.

According to the OECD, the Argentine economy is projected to expand by 2.5% in 2022 and 2.3% in 2023 against the backdrop of a strong recovery in 2021, declining COVID-19 infections and an acceleration in vaccination rates.

Regarding energy sector regulations, on February 27, 2020, the Secretariat of Energy amended, by means of Resolution 31/2020, the pricing scheme for electricity commercialized in the spot market established by Resolution 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.

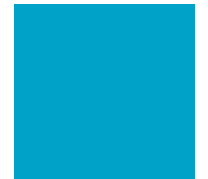
On April 8, 2020, the Secretariat of Energy ordered CAMMESA (Management Company of the Wholesale Electricity Market) to postpone the application of Annex VI of Resolution 31/2020 regarding the update factor of the values stated in Argentine pesos until a new decision is made in such regard. On December 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 440/2021 with an updated list of prices as per the previous

Resolution 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 two 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. This Resolution shall be retroactively applied from September 2021 and shall be extended to February 2022.

For more details of the energy regulations in Argentina, where AES Andes operates, see Chapter 6, Additional Information: Regulatory Framework.





Moving together towards the Energy Transformation 2025

4.1	Our goals for 2025	153
4.2	Increasing renewable energy capacity	154
4.3	Committed to our Employees	155
4.4	Safety first	156
4.5	Greentegra Agreements	157

In this chapter, we will address the following material topics:

- Commercial excellence and customer management
- Occupational health and safety
- New businesses and innovation
- Regulatory compliance
- Quality of employment
- Employee-company relationship
- Training and development
- Diversity and equal opportunities



4.1 Our goals for 2025

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 will add 2.8 GW of new emissions-free capacity by 2025 into our portfolio. Also, by that year we will have reduced our coal-fired generation by 78% and, as a result of both achievements, we will have significantly reduced our intensity of CO₂, considering both the incorporation of renewable plants to our portfolio, as well as the sale, committed closure and lower dispatch of our coal-fired thermal generation plants.

To sum-up, AES Andes' strategy for 2025 considers the following goals:

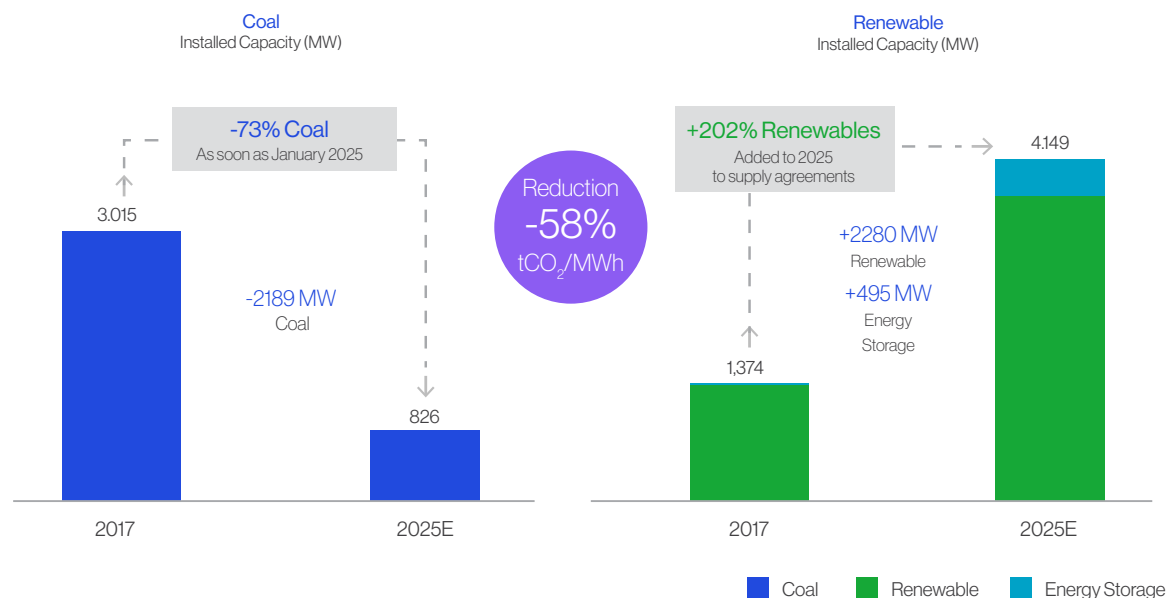
1. Triple renewable energy capacity from 1374 MW in 2017 to 4149 MW in 2025, including wind, solar, hydro and battery capacity.
2. Reduce the carbon intensity of the portfolio by more than half, which is equivalent to taking more than 3 million private cars off the road.
3. To be a model company in gender equity and inclusion in the region.

In terms of regulations in Chile, during 2022 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 the different technical, environmental, social and economic aspects of these challenges.

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, in order to 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.

Decarbonization Plan



E: Estimated
Based on contract renewable projects, expected construction completion dates and coal asset sales and announced withdrawals.

4.2 Increasing renewable energy capacity

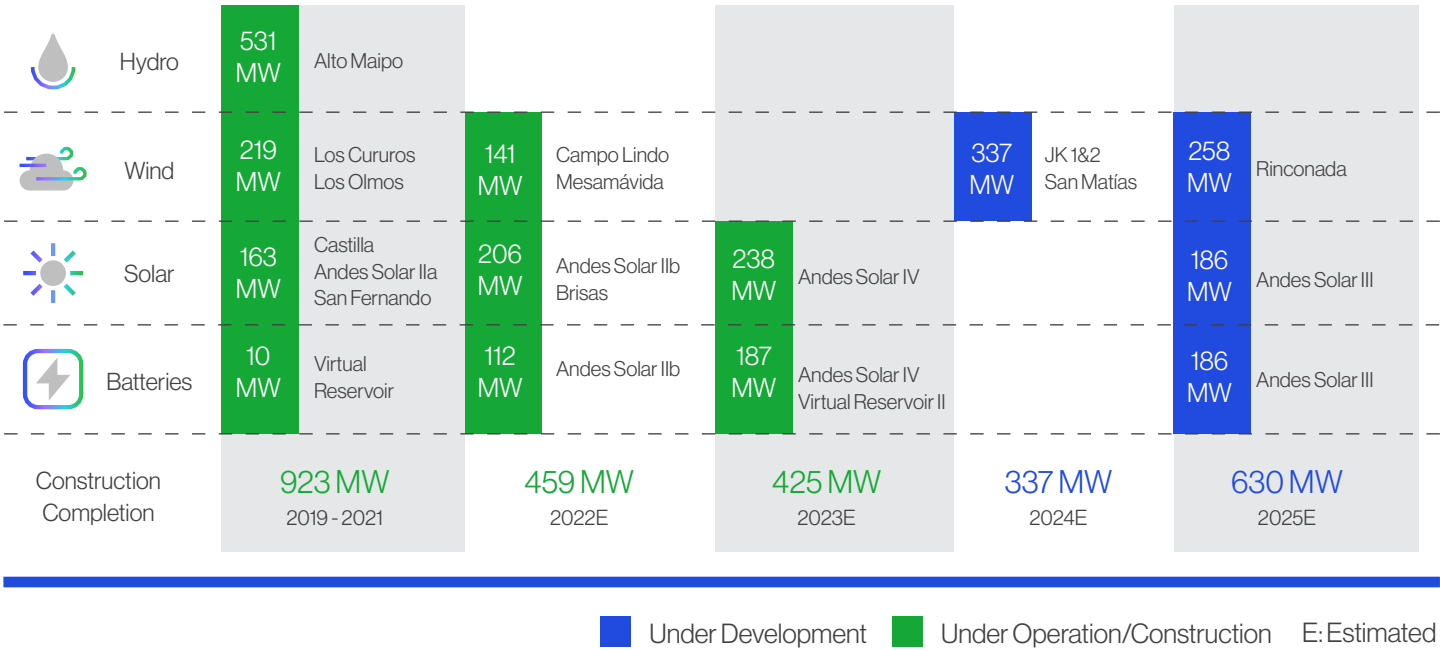
In addition to the incorporation of renewable wind and sun power generation projects and storage battery projects, other alternatives are being studied, including:

- 1. **Projects to reconvert coal-fired power plants** into clean energy systems, for example, based on technology that uses molten salt.
- 2. **Green hydrogen production projects through electrolyzers.**
- 3. **Desalination projects**

(For more details of this project, review Chapter 1, Transformation and Innovation to Improve Lives).

► Progress in our renewable growth

2.8 GW of projects contracted



4.3 Committed to our Employees ▶ [NCG 4613.6]

During 2022, we will carry out actions to strengthen our Diversity Strategy, working on the gender and disability pillar and adding efforts to work on the inclusion of indigenous peoples and immigrants, as well as introducing and raising awareness of the LGTBIQ+ pillar.

Likewise, in the coming years, our human capital strategy will be focused on the reconversion of our company's professionals and technicians, as a result of the decarbonization process, towards the creation of new skills for the operation of renewable power plant technologies, in order to take advantage of the knowledge and experience acquired.

Thus, all together we will continue working on labor reconversion through training that will allow our employees to continue developing and converting their skills into renewable technologies.

Likewise, we will implement a training and internal communications plan to foster a customer-centric culture, based on the *Customer Journey Map* model. In addition, we will focus our efforts on achieving a greater commitment from our employees to innovation and new solutions that will be turned into products for our customers.

In figures, during 2022 we will maintain our goal of increasing the number of women in our workforce by 15% compared to the number of new hires as of December 2021. To this end, we will implement a plan for the development and retention of female talent.

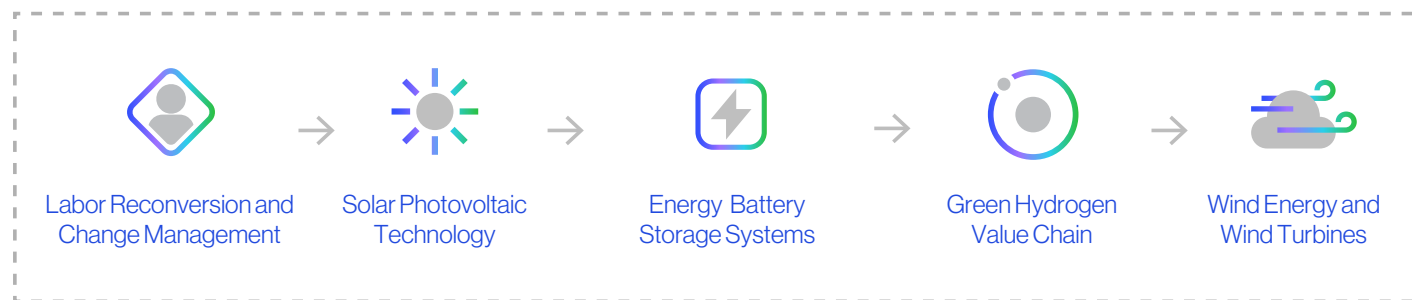
In relation to the Certification to Chilean Standard 3262, we will implement the Action Plan agreed with the certifying company APPLUS, in addition to strengthening the culture of gender equity through a specific communications plan.

Finally, we will continue our efforts in the Energy 4 Talent program for the preparation of 12 *trainees* in Chile and the strengthening of the internal mentoring, coaching and gap closure program for our talents identified in 2021 with the 9box methodology, thus strengthening our succession plans.

In terms of probity and regarding the strengthening of our corporate governance, we will continue to promote the values of excellence in the actions of the people related to our Company, providing a common framework of behavior and relationships with our different stakeholders.

To this end, over the next few years, we will update our Ethics and Compliance Program, highlighting our progress in developing a Free Competition Program and a Data Privacy Compliance Program. Added to this is the final stage of the Certification of the AES Andes Crime Prevention Model, in accordance with Law 20.393.

During 2022 our academic curriculum for labor reconversion is made of:



* We will work with national and international institutions to give courses from March to December 2022.

Moreover, thanks to the execution of the Barometer of Values and Organizational Integrity (BVIO 2021) diagnosis, a survey developed by Fundación Generación Empresarial (FGE) to measure through an external point of view how we conceive and put into practice our values, we will develop during the first half of 2022 our "Ethics Champions Program" which will seek to carry out activities through an online Ethical Dilemmas Game.

4.4 Safety first

We want every person, and every one of our employees, to have the opportunity to return home at the end of each workday without injuries. That is why our main safety goal is to create and maintain an incident-free workplace. Last year, we reached extraordinary safety milestones, with zero fatalities, making 2021 the safest year recorded by AES globally in its 41-year history. We exceeded all of our marker targets for the period.

To help us put safety first, our goals for 2022 will continue to be the same:

1. Zero fatalities.
2. A rate of significant and potential non-injury producing events of 0.950
3. 95% attendance at monthly safety meetings.
4. Conduct of safety walks (numbers assigned to their location are variable).
5. Our goal as a company is to have zero fatal accidents and remain below the top quartile benchmark of the EEI electricity services industry.

We recognize our success and aim to achieve even higher standards in 2022. To this end, we will implement a new Accountability and Recognition Standard as of January 1, 2022. This Standard establishes minimum and consistent requirements for the application of Safety Accountability and Safety Acknowledgment across all AES businesses, including AES Andes. One of the important requirements of this Standard is the application of the Cardinal Safety Rules,

Namely:

- Always check the label and/or lockout of all energy-isolating devices.
- Always secure tools and material when working or transporting at height.
- Always use an approved and authorized grounding before working on de-energized lines.
- Always ensure continuous fall protection when the fall distance is 1.80 meters or more.
- Always ensure that live (energized) electrical circuits/ systems over 50 volts are isolated and that a minimum safe distance is maintained during work.
- Never remove the personal lockout/LOTO or deactivate a security device without prior authorization in writing.
- Never enter confined spaces that have not been evaluated, tested or authorized.
- Never start a specialized task or operate equipment and machinery unless you are qualified.
- Never drive a vehicle without wearing a seat belt or under the influence of alcohol or drugs; do not use cell phones or send text messages while driving.
- Never overload lifting and rigging equipment beyond the safe working load and ensure that it is in good working condition.

4.5 Greentegra Agreements

In the years to come, we will continue to optimize our customers' experience, strengthening our relationship and generating new alliances that will enable them to achieve their business and sustainability goals. To this end, we will generate new products and services and increase the portfolio of customers who have trusted us as their energy partner.

In addition, we will advance in the development of supplies to reduce our customers' dependence on fossil fuels through new generation projects, certification of renewable attributes, energy storage, green hydrogen and decarbonization of the system's coal-fired units.

Since the launch of Greentegra, and thanks to the confidence of our customers, we have closed a series of new contracts that strengthen our strategy, positively resulting in more than 8 TWh/year in Chile and 3 TWh/year in Colombia.

In 2021, we executed long-term renewable energy contracts in Chile for more than 580 GWh/year with several customers, thus enabling the construction of more wind, solar and battery projects, further accelerating the transformation of our energy matrix. At the same time, in Colombia, we executed an agreement to supply 438 GWh/year with Gecelca for 15 years starting in 2025 and another agreement with Ecopetrol for the supply of energy through a 26 MW self-generation project for 15 years.

Below, there is a detail of the main agreements:

4.5.1 Chile

- **Microsoft:** In December 2021, we entered into a long-term energy sale agreement based on a 100% renewable supply. Supply will start in 2023.

Gener Flex

- **Minera Los Pelambres:** As from 2020, we executed a power supply agreement for 20 years that extends the commercial relationship with AMSA's subsidiary until 2040 and provides for the delivery of 350 GWh/year of renewable energy.

COAL to GREEN

- **Minera Teck Quebrada Blanca S.A.:** In February 2020 we entered into a 20-year power purchase agreement for the second phase of Quebrada Blanca's copper project to allow the transition to renewable energy of approximately half of the energy required for such operation. Minera Teck Quebrada Blanca will obtain 1050 GWh/year for its operations from the growing renewable energy portfolio of AES Andes that includes wind, solar and hydroelectric power, in addition to the 21 megawatts of solar energy already contracted from our Company.

COAL to GREEN

- **Compañía Minera Carmen de Andacollo S.A. (de Teck):** By the end of 2020, we entered into a 12-year power purchase agreement for its operations that resulted in a 100% renewable supply. The agreement is for 550 GWh/year and will be extended until the end of 2031.

Gener Flex

- **Minera Sierra Gorda S.A.:** In November 2020, AES Andes in Chile was awarded a new 17-year renewable supply agreement that allows the transition to renewable energy to reach 100% by 2023. The agreement plans to supply up to 1,447 GWh/year through AES Andes' portfolio of new renewable assets.

COAL to GREEN

- **Inversiones y Servicios Dataluna Ltda (de Google):** In August 2019, we entered into a 12-year power purchase agreement for its operations that resulted in a 100% renewable supply. The agreement is for up to 440 GWh/year and will be extended until the end of 2032.

Gener Flex

4.5.2 Colombia

- **Castilla:** In 2018, Ecopetrol awarded AES Andes in Colombia a 15-year operation and maintenance agreement for Castilla solar power plant with 21 MW of installed capacity, which was inaugurated in October 2019. The plant was built on customer land and its generation supplies Ecopetrol's operations.

Gener Flex

- **San Fernando:** In August 2020, Ecopetrol awarded us two 15-year contracts for the operation of its subsidiary Cenit, one for the San Fernando solar project with an installed capacity of 61 MW, and the other one for 240 GWh/year during non-solar hours.

Gener Flex

- **Brisas:** In November 2021, Ecopetrol awarded us again a 15-year operation and maintenance agreement for Brisas solar plant with 26 MW of installed capacity, which is currently under construction.

Gener Flex

- **Gecelca:** In December 2021, we entered into an agreement for 438 GWh/year with Gecelca for 15 years as from 2025.

Gener Flex

- **Emcali:** In December 2020, we entered into an agreement for 200 GWh/year with Emcali for 12 years, starting in 2021 and ending in 2032.

Gener Flex

4.5.3 Argentina

- **TermoAndes:** It is one of the leading companies in the Argentine Energia 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.

San Fernando, Colombia

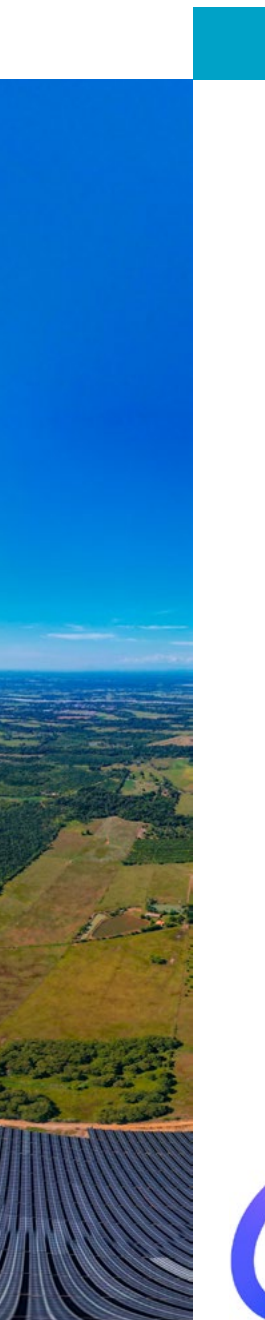


TermoAndes, Argentina



About this Integrated Annual Report

5.1	Scope	161
5.2	Definition of Materiality	161
5.3	Verification	165



5.1 Scope [GRI 102-10, 102-44, 102-45, 102-46, 102-47, 102-48, 102-49, 102-50, 102-51, 102-52, 102-54]

This document reports the performance for year 2021 of AES Andes, its affiliates and the investees where AES Andes is the controlling shareholder and has management control, i.e. the operations in Chile (Norgener Plant, Cochrane Plant, Angamos Plant, Guacolda Plant (until July 2021 when the company's interest was sold), Ventanas Plant, Laja Plant, Andes Solar Plant, Los Cururos, Cordillera Complex and Alto Maipo), Argentina (TermoAndes) and Colombia (Chivor Plant, Tunjita, Castilla Solar Plant and San Fernando).

This Annual Report has been prepared considering the standards established by the Global Reporting Initiative (GRI), and considering part of the disclosure requirements requested by the General Rule (NCG) 461 of the Chilean Financial Market Commission (CMF), although this regulation is not yet mandatory. This Integrated Annual Report discloses, for the first time, part of the indicators required by the Sustainability Accounting Standards Board (SASB), corresponding to electricity companies and electricity generators in the infrastructure sector. In addition, our Annual Report meets the criteria considered by the Dow Jones Sustainability Index, of which we have been part since 2016, as a Company with high performance in the economic, social and environmental spheres.

The acronyms included in some of the titles correspond to the contents established by the GRI referred to in this report.

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 only significant change of information for 2021 is the change of name of the organization from AES Gener to AES Andes.

No restatements of information with respect to previous years were made in this Annual Report.

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 2021 Consolidated Financial Statements can be found in the Financial Statements of AES Andes as of December 31, 2021, Note 3, Basis of Consolidation.

5.2 Definition of Materiality

The following is a detail of the process followed for the preparation of this Integrated Annual Report which included the "materiality assessment" process proposed by the GRI Standards methodology.

Materiality is the process of determining the relevant issues that may have a significant impact (both positive and negative) on the organization's ability to create value in the short, medium and long term.

In order to identify the material issues to be reported in the Integrated Annual Report 2021, and prioritize these issues, a structured and exhaustive materiality process was conducted by an external and independent consulting firm, which considers the points of view of the different stakeholders of the Company.

The purpose of identifying these issues is to inform the different stakeholders of the commitments and progresses made with respect to the most relevant issues according to the prioritization arising from the materiality process.

The following table lists the stakeholders and the respective manner used to collect, in the most relevant and appropriate manner, the views of the different stakeholders. The information gathered seeks to achieve a balanced, comprehensive and exhaustive vision of the organization and its possible impacts on the planet and people.

► Information gathered through Stakeholders

Stakeholders or sources consulted		Approach	Manner used to collect the information
Internal Stakeholders	Strategic Management of the Company	Corporate Strategic View	Semi-structured interview
	Employees	Internal view of the organization	Information gathered based on surveys performed under the scope of the "Best Place to Work" ranking for 2021
External Stakeholders	Benchmark of two industry reports	Material topics for industry peers	Investigation of 2 reports of 2020 related to two companies of the sector
	Customers	Vision as user of the products and services	Interview made to AES Andes customers regarding the performance of the Company in 2021
	Dow Jones Sustainability Index (DJSI) Questionnaire 2021	Material issues according to capital market investors	Research by the consultant
	Sustainability Accounting Standards Board (SASB) Sectorial Materiality Map for the Electric Utilities & Power Generators.		Research by the consultant
	AES Andes Investor (6)		Semi-structured interviews with 6 investors of AES Andes
	Administradoras de Fondos de Pensiones (AFP) (2)		Surveys on ESG issues sent by email to 2 Chilean Pension Fund administrators
Others	Annual Report AES Andes year 2020	Material issues year 2020	Research by the consultant
	Press releases 2021: news related to Colbún	Society's perception of AES Andes	Research by the consultant

Material aspects

Once the information gathering phase has been completed through the different channels, the external consultant, together with AES Andes, defined and applied to each source of information a representative rating of its respective relevance.

The result of this process, which was reviewed and validated by the team entrusted with the preparation of the Integrated Annual Report 2021, made up of the Sustainability, Environment and Investor Relations areas, is shown in the matrix below:

Priority	Factor	Topic	Axis Stakeholders	Axis AES Andes
1	Social	Local communities	3	3
2	Environmental	Emissions	3	2
3	Social	Diversity and equal opportunities	3	3
4	Economic	Economic performance	2	3
5	Environmental	Energy	3	3
6	Environmental	Efficient management and use of water	3	2
7	Social	Quality of employment	3	2
8	Social	Social assessment to suppliers	2	3
9	Environmental	Environmental impact of suppliers	2	3
10	Social	Training & Development	3	1
11	Environmental	Biodiversity	2	3
12	Social	Social regulatory compliance	1	3
13	Environmental	Environmental regulatory compliance	2	2
14	Social	Employee-company relationship	1	3
15	Environmental	Liquid or solid waste	2	1
16	Social	Human rights practices, rights of indigenous peoples and assessment of human rights	2	2
17	Social	Health and safety of customers	2	1
18	Economic	Commercial excellence and customer management	3	0
19	Economic	New businesses and innovation	3	0
20	Social	Occupational health and safety	2	1

In the graph below, we can see the relative importance of the issues identified as most material for both the organization and the stakeholders.

On the horizontal “X” axis we established the level of importance of the issue for the Company and on the vertical “Y” axis we established the level of relevance of each issue for the stakeholders as a whole.



5.3 Verification ► [GRI 102-56]



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INDEPENDENT VERIFICATION LETTER OF SUSTAINABILITY INDICATORS INTEGRATED REPORT 2021 AES ANDES

Mr.
Ricardo Falú
Chief Executive Officer
AES ANDES S.A.

Of our consideration:

We have reviewed the following aspects of the Integrated Report 2021 of AES ANDES S.A.:

Scope

Review of limited security of the contents and indicators of the Integrated Report 2021, with the provisions of the GRI Standards. It should be noted that this verification process included 2021 information for the national and international subsidiaries.

Standards and verification processes

We have done our work in accordance with the International Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000), issued by the International Auditing and Assurance Standard Board (IAASB) of the International Federation of Accounts (IFAC).

Our verification work consisted in reviewing the evidence provided by the business units of AES ANDES, which have been involved in the process of making this Report, which supports the information written in the Integrated Report, as well as analytical procedures and Review tests described below:

- Meetings with key managers in the areas of Occupational Health and Safety, Human Resources, Corporate Affairs and the Environment of AES ANDES S.A.
- Requirements and review of evidence with the areas participating in the preparation of the 2021 Report.
- Analysis of the adaptation of the contents of the Integrated Report 2021 to those recommended by the GRI Standards, and verification that the verified indicators included in this Report correspond to the protocols established by said standard.
- Verification through qualitative and quantitative information review tests, corresponding to the indicators of the GRI Standards, included in the Integrated Report 2021, and its adequate compilation from the data provided by the information sources of AES ANDES.

Conclusions

- The verification process was carried out based on the GRI indicators included in version 2021 of the Integrated Report. The indicators reported and verified are indicated in the following table:

102-7	102-8	102-12	102-13	102-38	102-39	102-41	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	307-1	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	413-2	EU14	EU19

Likewise, the following indicators of the company were verified:

- Participants in social programs.
- Amounts invested in social programs.
- Pedagogical hours in educational programs.
- Intensity of NOx, SO2, MP and CO2 emissions.

Regarding the verified indicators, we can affirm that no aspect has been revealed that makes us believe that the Integrated Report 2021 of AES ANDES has not been prepared according to the GRI Standards, in the aspects indicated in the scope.

Improvement report

Additionally, the company was presented with a report on improvement opportunities aimed at reinforcing management aspects and the capacity to report on its sustainability performance.

Responsibilities of the management of AES ANDES and Deloitte

- The preparation of the Integrated Report 2021, as well as its content, is the responsibility of AES ANDES, which is also responsible for defining, adapting and maintaining the internal management and control systems from which the information was obtained.
- Our responsibility is to issue an independent report, based on the procedures applied in our review.
- We have done our work in accordance with the independence standards required by the IFAC Code of Ethics.
- The verification conclusions made by Deloitte are valid for the latest version of the Integrated Report in our possession, received on 04/05/2022.
- The scope of a limited security review is substantially lower than that of a reasonable security audit or review, so we do not provide audit opinion on the Integrated Report 2021 of AES ANDES.

Christian Durán
Partner
April 05, 2022





Additional information

6.1	Charter Documents	168	6.8	Background Information about Subsidiaries and Affiliates	247
6.2	Group of Companies	169	6.9	Essential Facts and Communications	264
6.3	Strategic and Emerging Risks	170	6.10	GRI Index	270
6.4	Regulatory Framework	177	6.11	General Rule 461, CMF of Chile	284
6.5	Overall Asset Performance	187	6.12	SASB Indicator Table	290
6.6	ESG (Environmental, social and governance) Indicators	194	6.13	Affidavit of liability	295
6.7	Committee of Directors	239			



6.1 Charter Documents ► [GRI 102-1, 102-3, 102-5]

AES Andes is an open corporation created by means of public deed dated June 19, 1981 and 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 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 Zaldívar 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 By-laws 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 Special Shareholders' Meeting held on May 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 08, 2021.

6.1.1 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, 2021, its installed capacity of 31,459 MW and its workforce of more than 8,450 people allows us to generate and distribute electricity 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 of this transaction are available in Chapter 6 Additional Information, 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.

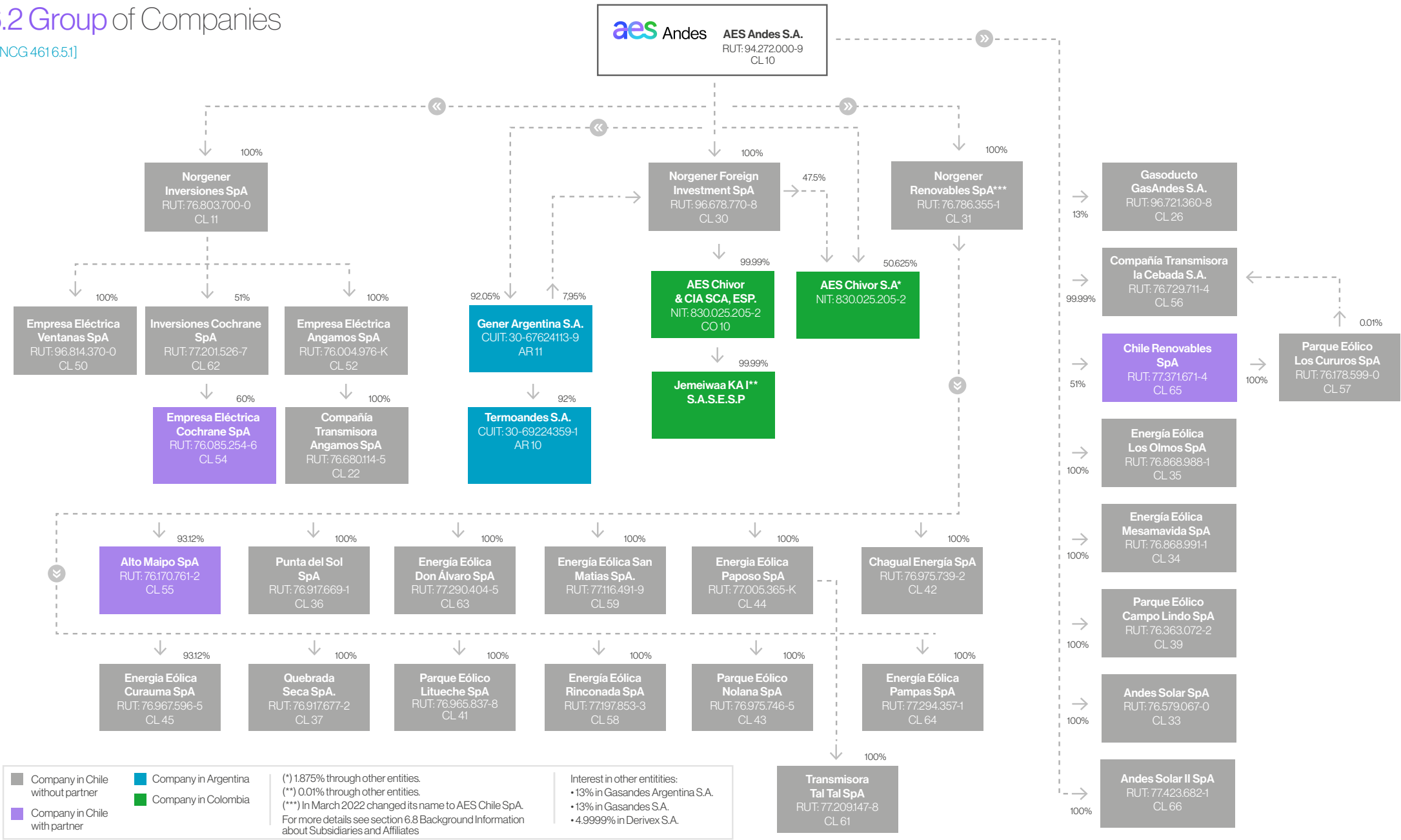
We believe and trust that our good regional performance is due to the way we participate in each of the countries where we are present.

Aligning the management of our corporate governance to the probity standards and laws, environmental compliance and electricity regulatory market in Chile, Colombia and Argentina.



6.2 Group of Companies

► [NCG 4616.5.1]



6.3 Strategic and emerging risks [GRI 102-15, NCG 461 3.6]

► Strategic Risks

Technological Change Risk	Climate Change Risk	Regulatory Risk
<p>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. In Chile, we have an average contract remaining life of 10 years.</p> <p>We are venturing into the development of renewable energy projects to diversify our portfolio and reduce costs in the generation of electricity.</p>	<p>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.</p> <p>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.</p> <p>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.</p>	<p>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.</p> <p>One of them is decarbonization, an area in which we have an agreement with the Government of Chile through the Ministry of Energy in which we committed ourselves to cause our Ventanas 1 and Ventanas 2 coal-fired plants, to cease operations to get into a Strategic Reserve Operational State (ERE, for its acronym in Spanish) in 2022 and 2024, respectively. During 2020, we brought forward this goal; Ventanas 1 got into ERE on December 29, 2020 and Ventanas 2 will got into ERE in September 2022, subject to the prior commissioning of the second 220/110 kV – 300 MVA transformer of Agua Santa S/S, which guarantees the operational safety of the fifth region. This commitment is consistent with The AES Corporation's goal to reduce CO₂ intensity in its portfolio by 70% in 2030. During 2021, two bills continued to be analyzed, a parliamentary motion from the Chamber of Representatives to close coal-fired power plants by 2025, and another parliamentary motion from the Senate to close all thermal power plants, regardless of the fossil fuel used, by 2030.</p>

Risk of Natural Disasters

The natural disasters can damage our power generation assets and the SEN, thus decreasing our power generation capacity and/or increasing production costs. If these events occur, we could be in the need to purchase energy from other generators and this could have a negative impact on our financial results.

To mitigate this risk we purchase insurance policies for all our assets and operations, with a coverage consistent with the industry standard, against earthquakes and other natural disasters, and also against physical damages and coverage in the event of operational interruptions and mitigation of lost profits, among others. On the other hand, we measure, control, and make strategic decisions for the comprehensive management of our generation portfolio, projects under construction and contracts to prevent any unexpected impact on the SEN.

Foreign Exchange Risk

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 obligations in bonds denominated in a currency other than the US Dollar.

On a consolidated basis, the investments in new plants and maintenance equipment are mainly fixed in US Dollars like the short-term investments related to cash management.

In order to mitigate these risks, we have an exchange rate variation strategy involving the execution of derivative contracts with financial institutions that make it possible to set the exchange rate of flows and/or transactions in currencies other than the functional currency.

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.

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
<p>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.</p>	<p>We define sustainability risk as a risk that affects our business concerning ESG (environmental, social and governance) on a cross-sectional basis. 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.</p> <p>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.</p>	<p>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.</p> <p>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.</p>

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Commodities Price Risk

We are affected by the volatility of prices of certain fuels that, in the case of our company, are mainly coal and liquefied natural gas (LNG), which are “commodities” with international prices fixed by market factors beyond our control.

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.

Given that we are a Company with a mixture of mainly thermal generation, the fuel cost represents an important portion of the sales costs, and a key factor for the dispatch of plants and spot prices both in Chile and Colombia.

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 the portion of contracts without coal-price indexing mechanisms, we have implemented a hedging strategy based on international coal financial instruments for up to three years.

Credit Risk

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.

Our customers in Chile are mainly distributing companies and industrial customers of high solvency, with an important percentage of them or their parent companies having either local or international investment grade credit ratings. Our sales in the spot market have to be made with other generation companies. In Colombia, AES Colombia has a variety of clients including distributing companies and industrial customers. On the other hand, in Argentina, the main 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 Energía Plus standards.

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 doing business without security and level approval from senior management, if there are counterparties with a rating below the required standard.



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Other Risks

- Litigation with court decisions that could adversely affect the Company.
- International financial, political or other phenomena on the economy of the countries where we operate, and that could affect our economic performance and financial liquidity.
- Economic cycles and interventions carried out by the authorities in the countries where we operate that have an impact on 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 by maturity 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 bring about reputation damage and possible delays in the development of projects or may even render their development impossible.
- Failing to enter into collective agreements and negotiations with the employees of the Company and its affiliates would have an impact on our business.
- Safety gaps in our information and communications systems and technologies that could give rise to interruptions or failures due to cyberattacks that would cause a disturbance in 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
Climatic change.	<p>Permanent extreme climate conditions in areas where we operate (natural disasters).</p> <p>Part of the demand behavior in our generating park is influenced by a higher or lesser hydroelectricity availability, and therefore by the effects of climate change.</p> <p>Taxes on emissions and commitment agenda with regard to decarbonization of the electric generation matrix of the countries where we operate</p>	<p>Operational continuity interruptions</p> <p>Loss of assets</p> <p>Availability of energy generated to meet contractual commitments</p> <p>Modification of our economic and financial results.</p>	<p>Impact resilience plan.</p> <p>Emerging risk follow-up plan.</p> <p>Study of climate change scenarios. Overall management of assets and contracts portfolio.</p> <p>Implementation of our business strategy to strengthen renewable energy portfolio and decarbonization goals.</p>
National and international economic, political and regulatory changes	We are exposed to the impact that various international financial, economic, political or other phenomena may have on 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.	<p>Non-compliance with contractual generation commitments.</p> <p>It affects our economic performance, financial liquidity, reputation and image.</p>	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	<p>Strong and growing competition mainly due to:</p> <p>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.</p>	<p>Ability to obtain new long-term contracts for the sale of renewable energy for existing assets given that competition is high.</p> <p>Ability to build or acquire new generation assets, and development of new technologies to compete.</p>	<p>Mitigation through the incoming of long-term contracts to have cash flows sufficient to cover financial obligations.</p> <p>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.</p>
Regulatory Risk	<p>Change in laws, regulating agencies, politicians, non-governmental organizations, other private parties have expressed their concern about greenhouse gases, CO₂ emissions, and potential risks associated with climate change, and are acting accordingly.</p>	<p>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.</p>	<p>Solid regulatory team that monitors changes in regulations, reviews impacts on our Company, and promotes changes to regulations.</p> <p>Development of new tools (models) to assess and establish impacts in different regulatory changes. 80% of the long-term contracts with mining companies in Chile include change in law clauses that mitigate the impact of possible changes in regulations. Another way of mitigating these changes is to create a diversified portfolio including renewable energy. Distributed energy and storage batteries.</p>

6.4 Regulatory Frameworks ► [NCG 461 6.1, 8.1.4]

Information Safety Risks and Cybersecurity.

To manage cybersecurity in our company, we have a multidisciplinary team led by our CIO (Chief Information Officer), who is responsible for coordinating and sharing with the CEO and CIO the information that can have a negative or positive impact on us. The information comes from the ongoing monitoring services we have implemented 7 days a week 24 hours a day from the AES Corporation and the local team led by our Cybersecurity Project Manager, which allow us to detect any attack attempts we may receive and to analyze, track and close every possible cybersecurity incident.

Considering that we are increasingly connected and exposed to the Internet and sharing information digitally, we have a BCM (Business Continuity Plan) that provides for the action plans that we must carry out in the event of a cyber-attack at a cross-sectional level. This plan is reviewed and updated frequently to adapt it to new needs as a result of the improvements achieved by the cyber attackers, and we also test at least once a year all possible scenarios so that we are well prepared in the event of a possible cyber-attack.

6.4.1 Energy regulatory framework in Chile

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, Superintendency for the Environment, 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 subsequent amendments to the Law include: Law No. 19940 of 2004, known as “Ley Corta I”, Law No.

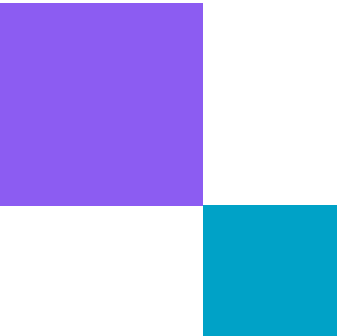
20018/2005, or “Ley Corta II”, which maintains unchanged the core aspects of the Chilean electric model. Law No. 20936 of 2016, known as the Transmission Law, which sets forth, among other issues, a new Electric Transmission System and creates an Independent Coordinator for the SEN As a consequence of 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:

- 2015/01 Invitation to tender for supply purposes (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.
- 2015/02 Invitation to tender for supply purposes (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.
- 2017/01 Invitation to tender for supply purposes (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.
- 2021/01 Invitation to tender for supply purposes which awarded a total of 2.3 TWh/year at a weighted average price of US\$23.78/MWh.

The 2022-01 Invitation to tender for the award of 5.25 TWh/year to be supplied from 2027 and for 15 years is currently ongoing, and the submission of tenders is expected to occur in June 2022.

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 and/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 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 charge that will be added to the one-time

transmission charge 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 Electrical System

The Coordination and Operation Standards of the National Electrical 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

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 NCREs (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 ERNC 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 of the Ministry of 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, SO₂, NOx and CO₂ produced by turbines or boilers with a capacity equal to or higher than 50 MW and that, in case of CO₂ emissions, was fixed in five dollars per ton of CO₂ 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 CO₂ 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 electrical 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 Electrical 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 long-term 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 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. Meanwhile, the transition to ERE of Ventanas 2 has been approved by the Coordinator for September 2022, which has been conditioned to the development of the works of the project called “Expansion in Agua Santa S/S”.

Also on July 6, 2021, AES Andes, through an Addendum to the Agreement signed in June 2019, made available to the authority the early withdrawal of Angamos Plant and Units 3 and 4 of Ventanas Complex, as of January 1, 2025, when the safety, sufficiency and economy of the system so allows, as assessed by the authorities of the sector.

Tariff Stabilization Law

On November 02, 2019, Law 21,185 was published in the Official Gazette with immediate effects. The Law created an electrical energy price stabilization procedure for contracts with regulated customers, with reference to tariff decree 20T, related to the tariffs for the first half of 2019. This way, the increase in future prices for these clients shall be temporarily assumed by the generators that supply such agreements, who will finance a maximum amount of US\$1,350 million. To the extent that regulated prices decrease in future periods, which is expected to occur with the execution of new contracts as from 2021, the difference between the fixed tariff and the evolution of the contract price will be used to settle outstanding payments to suppliers.

Other regulations published during 2021

Supreme Decree No. 51-2021: in August 2021, the Ministry of Energy published in the Official Gazette Supreme Decree No. 51-2021, which “Decreases Preventive Measures issued in accordance with the provisions of Article 163 of the General Law of Electric Services”. The Decree provides for a series of preventive measures to avoid electricity rationing, which will be in force until March 31, 2022, in order to “avoid, manage, reduce or overcome generation deficits that may occur in the National Electrical System”, thus preserving safety and security Supreme Decree No. 37: in May 2021, the Ministry

of Energy published in the Official Gazette Supreme Decree No. 37, which “Approves the Regulations for Transmission Systems and Transmission Planning.”

Exempt Resolution No. 519: on November 30, 2021, the National Energy Commission updated the estimate of the Stabilization Fund balances used, amounting to US\$ 1,350 million for June 2022, which means that the fund to stabilize the prices of Regulated Clients would be exhausted one year earlier than foreseen in the development of Law No. 21,185.





6.4.2 Relevant regulatory framework in Colombia

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).

Generation

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 in 2022. The generation sector of the country also has the reliability charge 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 Charge 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". In 2022, the regulator plans to carry out revisions to the Reliability Charge. 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 of long-term contracts. This plan is focused on the promotion of NCRE, and its main characteristics are: contracts for fifteen 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 1,298 MW, 255 MW of which 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.

6.4.3 Relevant regulatory framework in Argentina

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 MEM transactions and the calculation of spot prices; and its 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 Productive Development, 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 MEM and grants concessions or authorizations for each activity in the electricity sector. Moreover, it establishes policies for the natural gas and oil industry that directly affect the thermoelectric generators and the electricity sector in general.

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, pursuant to Resolution SE 1281/06, the program "Energía Plus" is created as a new supply service that can be provided by generators, cogenerators or through companies generating their own energy, which were non-MEM members or whose capacity or generation units were not connected to the publication date 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 Ministry of Federal Planning, Public Investment and Services. The profit margin must be established 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 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 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 charge for major maintenance and a differential charge for the use of biodiesel as fuel. On July 2015, the Secretariat of Energy issued Resolution 482/2015 (“Resolution 482”) that retroactively updates the prices of Resolution 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 Electric Energy (SEE) issued Resolution 22/2016 that retroactively updates, as of February 2016, the price published in Resolution 482, without introducing any changes in the payment methodology or in the power plants under its scope. Resolution 19/2017, issued by the Secretariat of Electric Energy, was published on February 2017 to replace Resolution 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.

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 CAMMESA 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 MEM 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.

6.5 Overall Asset Performance ► [NCG 4.1]

6.5.1 Chile

► AES Andes Thermoelectric Plants [GRI EU30]

Plant	Ventanas 1 *	Ventanas 2	Ventanas 3	Ventanas 4	Laguna Verde **	Laja	Tocopilla	Angamos	Cochrane
Location	Ventanas 5th Region	Ventanas 5th Region	Ventanas 5th Region	Ventanas 5th Region	Laguna Verde, Valparaiso, 5th Region	Cabrero 8th Region	Tocopilla, 2nd Region	Mejillones, 2nd Region	Mejillones, 2nd Region
Beginning of Operations	1964	1977	2012	2013	1939 - 1949	1995	1995 - 1997	2011	2016
Turbine Type	Coal/Steam	Coal/Steam	Coal/Steam	Coal/Steam	Diesel/Steam	Biomass Cogeneration	Coal/Steam	Coal/Steam	Coal/Steam
Units	1	1	1	1	2	1	2	2	2
Power (MW)	114	208	267	270	40	13	276	558	550
Specific consumption (BTU/MWh)	10,962	10,501	9,596	9,380	19,031 (1)	17,966	10,231	9,664	9,753
EAF 2020 (%)	94.59	89.15	86.69	94.67	100.00	95.98	89.87	92.65	96.75
EAF 2021 (%)	100.00	79.33	94.75	87.07	100.00	96.87	91.61	87.87	94.98
ESOF 2021 (%)	0.00	5.94	1.46	9.01	0.00	3.00	6.33	7.21	0.38
NCF 2021 (%)	0.00	61.64	65.66	69.05	0.00	31.51	70.26	71.88	76.05

EAF: Equivalent Availability Factor (%)

NCF: Net Capacity Factor (%)

EFOF: Equivalent Forced Outage Rate (%)

ESOF: Equivalent Scheduled Outage Factor (%)

* Ventanas 1 in ERE since December 2020

** Laguna Verde ceased operations in May 2021

► AES Andes Hydroelectric Power Plants

Plant	Maitenes	Queltehue	Volcán	Alfalfal
Location	Los Maitenes, Cajón Río Colorado, Metropolitan Region	Los Queltehues, Cajón Río Maipo, Metropolitan Region	Cajón Río Maipo, Metropolitan Region	Cajón Río Colorado, Metropolitan Region
Beginning of Operations	1923-1989	1948	1949	1991
Turbine Type	Francis	Pelton	Pelton	Pelton
Units	5	3	1	2
Power (MW)	27	49	13	178
EAF 2020 (%)	94.53	94.55	97.88	94.18
EAF 2021 (%)	99.54	62.63	99.16	98.36
EFOF 2020 (%)	0.09	37.16	0.04	0.02
ESOF 2021(%)	0.37	0.21	0.80	1.62
NCF 2020 (%)	31.71	46.20	58.72	37.84

EAF: Equivalent Availability Factor (%)
 EFOF: Equivalent Forced Outage Rate (%)
 NCF: Net Capacity Factor (%)
 ESOF: Equivalent Scheduled Outage Factor (%)



► AES Andes Wind and Solar Plants, Chile

Plant	Los Cururos	Andes Solar
Location	Oval, Coquimbo 4th Region	Andean Mountains, Antofagasta 2nd Region
Type	Wind	Photovoltaic Solar
Beginning of Operations	2016	2016
Turbine Type	V100-1.8/2.0 MW 50 Hz VCS	
Units	57 wind turbine	
Power (MW)	109	22
EAF (%)	98.72	99.60
EFOF (%)	0.82	0.34
ESOF (%)	0.46	0.07
NCF (%)	23.28	32.89

EAF: Equivalent Availability Factor (%)
EFOF: Equivalent Forced Outage Rate (%)
NCF: Net Capacity Factor (%)
ESOF: Equivalent Scheduled Outage Factor (%)

► Guacolda Energía SpA

Plant	Guacolda
Location	Huasco, 3rd Region
Beginning of Operations	1995, 1996, 2009, 2012, 2015
Turbine Type	Coal/Steam
Units	5
Power (MW)	764
Specific Consumption (BTU/MWh)	9,864
Availability 2020 (%)	91.23
EAF (%)	86.01
EFOF (%)	1.22
ESOF (%)	8.07
NCF (%)	75.08

EAF: Equivalent Availability Factor (%)
EFOF: Equivalent Forced Outage Rate (%)
NCF: Net Capacity Factor (%)
ESOF: Equivalent Scheduled Outage Factor (%)



6.5.2 Colombia

► 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
Power (MW)	Chivor: 1,000. Tunjita: 20
EAF	76.94%
EFOF	0.07%
ESOF	22.99%
NCF	52.24%

EAF: Equivalent Availability Factor (%)

EFOF: Equivalent Forced Outage Rate (%)

NCF: Net Capacity Factor (%)

ESOF: Equivalent Scheduled Outage Factor (%)

► Castilla

Plant	Castilla
Location	Castilla La Nueva, Colombia
Beginning of Operations	2019
Turbine Type	Solar Plant
Power (MW)	21.0
EAF	96.32%
EFOF	2.57%
ESOF	1.12%
NCF	16.21%

6.5.3 Argentina

► Termoandes

Plant	Termoandes
Location	Salta, Argentina
Beginning of Operations	1999
Turbine Type	Combined cycle
Units	2 gas turbines; 1 steam turbine
Power (MW)	643
Specific Consumption (BTU/MWh)	1,791
Availability 2020	92.00%
EAF	76.94%
EFOF	0.07%
ESOF	22.99%
NCF	52.24%

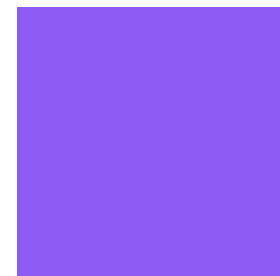
EAF: Equivalent Availability Factor (%)
 EFOF: Equivalent Forced Outage Rate (%)
 NCF: Net Capacity Factor (%)
 ESOF: Equivalent Scheduled Outage Factor (%)

6.5.4 Transmission Lines

	2018	2019	2020	2021
SAIDI (hours)	1,497	5,658	0	238.272
Line losses SEN (%)	0.92	0.58	0.54	0.48

6.5.5 Plant Availability

Technology	2020	2021
Coal-Fired Plants	94.40%	93.16%
Gas-Fired Plants	93.83%	60.48%



Energy Balance [GRI EU2]

► Chile

	2021
Sales of Energy (GWh)	
Regulated Customers	3,166
Non-regulated Customers	9,119
Spot	518
Spot - Re-routing	2,277
Total Sales of Energy	15,080
Energy Purchases (GWh)	
Other Generators	364
Spot	2,227
Total Purchases of Energy	2,591
Net Generation (GWh)	
Coal	11,027
Hydroelectric	929
Biomass	26
Wind	266
Solar	241
Total	12,489

► Colombia

	2021
Sales of Energy (GWh)	
Contracts	4,893
Spot	2,746
Total Sales of Energy	7,639
Energy Purchases (GWh)	
Other Generators	897
Spot	2,035
Total Purchases of Energy	2,932
Net Generation (GWh)	
Hydroelectric	4,660
Solar	47
Total	4,707

► Argentina

	2021
Sales of Energy (GWh)	
Contracts	843
Spot	2,662
Total Sales of Energy	3,505
Energy Purchases (GWh)	
Other Generators	-
Spot	842
Total Purchases of Energy	842
Net Generation (GWh)	
Natural Gas	2,663
Total	2,663

6.6 ESG (Environmental, Social and Governance) Indicators

6.6.1 Performance with our Stakeholders

Labor Performance Tables [NCG 4615.3]

All the information reported relates to full-time employees, both contractors and our company's own employees.

► GRI 102-8 Table: Number of persons by gender, by country where they work

	Argentina			Chile			Colombia			Grand Total		
Category	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total
Chief Executive Officer and Senior Officers	0	0	0	1	7	8	0	1	1	1	8	9
Director of Area	0	2	2	6	32	38	3	4	7	9	38	47
Manager - Deputy	0	1	1	20	72	92	2	9	11	22	82	104
Manager Head or Supervisor	1	1	2	23	56	79	5	5	10	29	62	91
Professionals, Administrative Staff, Technicians and Operators	3	42	45	97	641	738	26	81	107	126	764	890
Grand Total	4	46	50	147	808	955	36	100	136	187	954	1,141

► GRI 102-8 Table: Number of persons by age range

	Under 30			From 30 to 40			From 41 to 50			From 51 to 60			From 61 to 70			Grand Total		
Category	F	M	Total	F	M	Total	F	M	Total	F	M	Total	F	M	Total	F	M	Total
Chief Executive Officer and Senior Officers	0	0	0	0	1	1	0	4	4	1	3	4	0	0	0	1	4	9
Director of Area	0	0	0	3	8	11	6	16	22	0	11	11	0	3	3	8	19	47
Manager - Deputy	0	0	0	8	30	38	9	31	40	5	17	22	0	4	4	17	47	104
Manager Head or Supervisor	1	1	2	14	20	34	12	24	36	1	14	15	1	3	4	21	35	91
Professionals, Administrative Staff, Technicians and Operators	23	77	100	61	313	374	31	209	240	9	136	145	2	29	31	138	526	890
Grand Total	24	78	102	86	372	458	58	284	342	16	181	197	3	39	42	185	631	1141

► GRI 102-8 Table: Number of persons by seniority

	Less than 3 years			From 3 to 6 years			From 7 to 9 years			From 10 to 12 years			From 13 to 20 years			More than 20 years			Total general
Category	F	M	Total	F	M	Total	F	M	Total	F	M	Total	F	M	Total	F	M	Total	
Chief Executive Officer and Senior Officers	1	1	2	0	2	2	0	1	1	0	2	2	0	2	2	0	0	0	9
Director of Area	6	9	15	1	12	13	0	4	4	0	4	4	2	4	6	0	5	5	47
Manager - Deputy	8	19	27	6	19	25	2	11	13	3	12	15	2	14	16	1	7	8	104
Manager Head or Supervisor	17	15	32	5	18	23	4	13	17	1	10	11	2	5	7	0	1	1	91
Professionals, Administrative Staff, Technicians and Operators	63	116	179	29	217	246	11	117	128	10	163	173	9	90	99	4	61	65	890
Grand Total	95	160	255	41	268	309	17	146	163	14	191	205	15	115	130	5	74	79	1,141

► GRI 401-1 Table: Hiring Rate (%) per Country and management level over total employees at the end of the year

	Argentina			Chile			Colombia			Grand Total		
Category	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total
Chief Executive Officer and Senior Officers	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Director of Area	0.00%	0.00%	0.00%	0.00%	0.09%	0.09%	0.00%	0.00%	0.00%	0.00%	0.09%	0.09%
Manager - Deputy	0.00%	0.00%	0.00%	0.44%	0.61%	1.05%	0.00%	0.00%	0.00%	0.44%	0.61%	1.05%
Manager Head or Supervisor	0.00%	0.00%	0.00%	0.53%	0.44%	0.96%	0.09%	0.09%	0.18%	0.61%	0.53%	1.14%
Professionals, Administrative Staff, Technicians and Operators	0.09%	0.09%	0.18%	0.70%	1.58%	2.28%	0.44%	0.70%	1.14%	1.23%	2.37%	3.59%
Grand Total	0.09%	0.09%	0.18%	1.67%	2.72%	4.38%	0.53%	0.79%	1.31%	2.28%	3.59%	5.87%

► GRI 401-1 Table: Hiring Rate (%) by Age and management level over total employees at the end of the year

	Under 30			From 30 to 50			From 51 to 70			Grand Total		
Category	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total
Chief Executive Officer and Senior Officers	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Director of Area	0.00%	0.00%	0.00%	0.00%	0.09%	0.09%	0.00%	0.00%	0.00%	0.00%	0.09%	0.09%
Manager - Deputy	0.00%	0.00%	0.00%	0.44%	0.61%	1.05%	0.00%	0.00%	0.00%	0.44%	0.61%	1.05%
Manager Head or Supervisor	0.00%	0.00%	0.00%	0.61%	0.44%	1.05%	0.00%	0.09%	0.09%	0.61%	0.53%	1.14%
Professionals, Administrative Staff, Technicians and Operators	0.70%	0.96%	1.67%	0.53%	1.31%	1.84%	0.00%	0.09%	0.09%	1.23%	2.37%	3.59%
Grand Total	0.70%	0.96%	1.67%	1.58%	2.45%	4.03%	0.00%	0.18%	0.18%	2.28%	3.59%	5.87%

► GRI 401-1 Table: Turnover rate (% voluntary resignations) by country and management level over total employees at the end of the year

	Argentina			Chile			Colombia			Grand Total		
Category	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total
Chief Executive Officer and Senior Officers	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Director of Area	0.00%	0.00%	0.00%	0.00%	0.26%	0.26%	0.00%	0.09%	0.09%	0.00%	0.35%	0.35%
Manager - Deputy	0.00%	0.00%	0.00%	0.18%	0.18%	0.35%	0.00%	0.00%	0.00%	0.18%	0.18%	0.35%
Manager Head or Supervisor	0.00%	0.00%	0.00%	0.09%	0.09%	0.18%	0.00%	0.00%	0.00%	0.09%	0.09%	0.18%
Professionals, Administrative Staff, Technicians and Operators	0.00%	0.09%	0.09%	0.18%	1.14%	1.31%	0.09%	0.00%	0.09%	0.26%	1.23%	1.49%
Grand Total	0.00%	0.09%	0.09%	0.44%	1.67%	2.10%	0.09%	0.09%	0.18%	0.53%	1.84%	2.37%

Parental leave: Together with families [GRI 401-3]

The parental leave is an employment benefit available to our employees and their families. Therefore, during 2021, a total of 38 employees were eligible for parental leave, of which 27 were men and 11 were women. However, no men used the parental leave, while all women who were eligible for parental leave made use of this benefit.

The total number of employees who have returned to work after completing parental leave was 9 women. Meanwhile, the return to work and retention rates of employees who took parental leave by gender was 75% for women.

► Return to work

Return to work rate	
Women on leave	12
Return to work 2021	9
Return to work rate for women	75%

► GRI 404-1 Table: Training hours by role and gender

Women				Men		
Category	No. of Employees	Total training hours	Average of training hours	No. of Employees	Total training hours	Average of training hours
Director of Area	8	682	84	26	2,192	78
Manager - Deputy Manager	19	1,597	82	78	6,577	70
Heads or Supervisors	21	1,753	83	179	15,093	68
President, Chief Executive Officer and Senior Officers	1	97	97	9	759	70
Professional, Administrative, Technical Staff and Operators	182	15,349	85	958	80,777	84
Total	231	19,478	84	1,250	105,398	84

	Women	Men
% of skilled workers compared to the total number	100	100

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► GRI 102-8/NCG 461 5.1.1 Table: Number of Persons by Gender

Category	Female	Male	Total
Members of the Board of Directors	1	10	11
Chief Executive Officer and Vice-presidents	1	7	8
Other Employees	186	947	1,133

► GRI 405-1/NCG 461 5.1.2 Table: Number of persons by nationality

Category	Chilean	Foreigners	Total
Members of the Board of Directors	5	6	11
Chief Executive Officer and Vice-presidents	3	5	8
Other Employees	881	252	1,133

*Including workers from Chile, Colombia and Argentina



► NCG 4615.1.5 Table: Number of people with disabilities

	Men	Women	Total
Chile	8 (3 professionals or administrative staff and 5 technicians or operators) 0.99% of the male staff	3 (1 professional or administrative staff and 2 technicians or operators) 2.04% of the female staff	11
Argentina	0	0	0
Colombia	0	0	0

► NCG 4615.2 Table: Labor formality:

Type of contract	Men	Women	Total
Indefinite-term contract	949	186	1,135
Fixed-term contract	5	1	6

99.47% are employees with an indefinite-term contract.



► NCG 4615.1.3 Table: Number of persons by age range

Category	<30 years	30 and 40 years	41 and 50 years	51 and 60 years	61 and 70 years	> 70 years	Grand Total
Members of the Board of Directors	-	-	3	3	4	1	11
Chief Executive Officer and Vice-presidents	-	1	4	3	-	-	8
Other Employees	102	457	338	194	42	-	1,333
Grand Total	102	458	345	200	46	1	1,152

► NCG 4615.1.4 Table: Number of persons by seniority

Category	<3 years	3-6 years	7 to 9 years	9-12 years	13 and 20 years	>20 years	Grand Total
Members of the Board of Directors	3	5	1	0	2	0	11
Chief Executive Officer and Vice-presidents	2	2	1	2	1	0	8
Other Employees	253	307	162	203	129	79	1,133
Grand Total	258	314	164	205	132	79	1,152

► NCG 4615.4.2 Table: Salary Gap by Gender per hour according to Reporting Level and Country 2021

	Argentina	Chile	Colombia
Chairman, Chief Executive Officer and Vice-presidents	N/A	-18%	N/A
Director of Area	N/A	-23%	4%
Manager - Deputy Manager	N/A	-7%	2%
Head or Supervisor	111%	-15%	39%
Administrative professionals Technicians and operators	100%	22%	14%

Note: For better comparability purposes, a standard of 40 hours per week and 52 weeks per year was used for the hourly value. Considers overtime, paid bonuses and other allowances.

Annual salary converted to US\$ is used.

N/A: The position is inexistent in the relevant country or there are no women in that position.

Cybersecurity.

Cyber-attack guides.

AES Andes's cybersecurity measures, which are fully compliant with the AES Corporation standards, are contained in our cybersecurity guides. They specify the minimum security standards for the operation of the company's computer systems and group together the standards from international organizations such as the NIST – CI (standard generated by the National Institute of Standards and Technology for Critical Infrastructure) and the NERC CIP (North American Electric Reliability Corporation - Critical Infrastructure Protection), as defined for the protection of US electricity generation assets and much in line with what is requested by the National Electricity Coordinator.

Our cybersecurity guidelines establish the management and control requirements of the physical and logical design so that our communication networks are secure and the company's information in its different locations is protected. For each new location that joins our company, there is a standardization that includes everything from the computers that must be purchased to connect to networks to the minimum configurations that allow the protection and detection of cyber-attacks. This way, we can control the exchange of information between the critical systems for the operation of the company and the rest of the organization.

Bearing in mind that many of the cyber-attacks occurred in the world could have been avoided with an efficient updating

process of the technological equipment, we have included a monthly updating process of the technological platform that includes vulnerability testing, impact analysis and application of patches or improvements that manufacturers make to the software and hardware that we have in place. We can do this by keeping the inventory of technology equipment up to date to quickly find any risk in our operations.

The cybersecurity guidelines also establish the frequency at which we must perform external and internal penetration tests, as well as the type of tests we must perform (ethical hackers and vulnerability tests, among others) to validate the effectiveness of the protection measures being implemented. We have external analyses performed through tenders from specialist companies in the national and international sector and validated by the ISO 55,000, ISO 14,000 and ISO 9,000 certification processes available at the different areas and power generation plants. In such regard, there is a chapter about how we address the cybersecurity risk and we have our policies and procedures for dealing with incidents evaluated by external auditors in order to verify our effectiveness in detecting incidents.

The compliance and effectiveness of the controls proposed in our guides are verified several times during the year by our internal audit teams. In addition, we have security tests performed twice a year and, at least annually, they are subject to the control of external auditors.

Information for all

One of our primary guidelines in relation to cybersecurity is to keep all our staff informed. This is why we offer e-learning and talks, such as the one held in October of each year on the world cybersecurity day, to raise awareness of the risks that we may encounter in the cyberspace, including identity theft, viruses and information theft, among others.





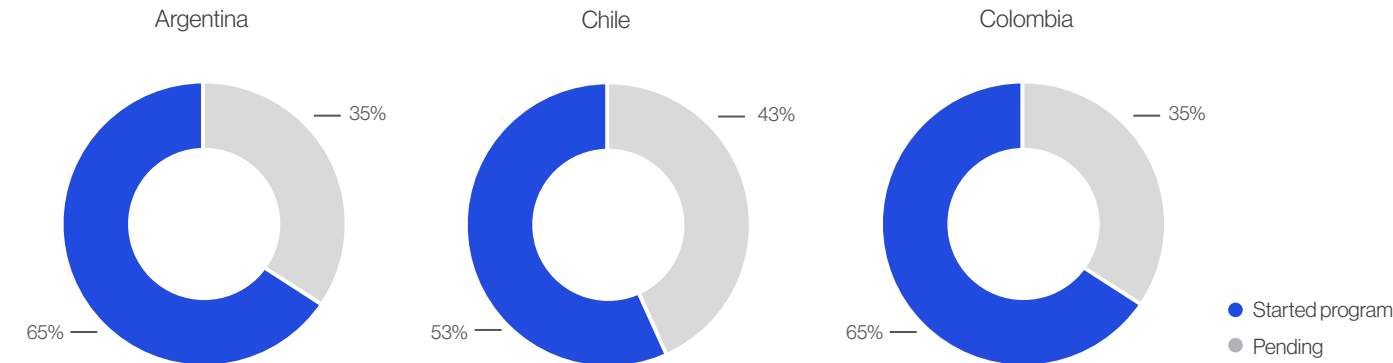
Phishing is the main vector of attack on computer systems. To combat it more effectively, we have developed a new Cybersecurity Awareness Program: HoxHunt, which is a new training and reporting platform. Hoxhunt acts as a social engineer, through which mock threat emails are sent to all company users so that they learn to recognize the real ones. Each user earns stars for reporting phishing drills and can see their results in a leaderboard.

As part of the awareness program, a monthly phishing review is conducted at each safety meeting and the top positions (who have earned the most stars) are recognized at different events such as: monthly security meetings, recognition by leaders, safety day and values day, news via e-mail and internal social networks.

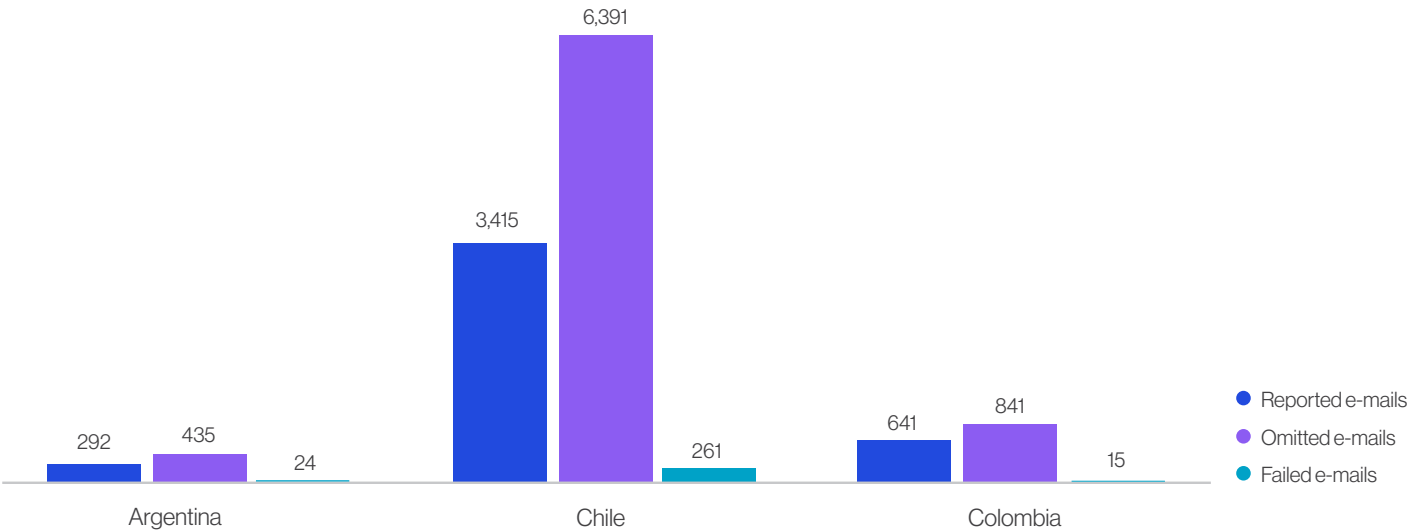
Equipment Protection

As the information is generated in the equipment of each of our employees, contractors or employees, we have established the importance of having all our equipment protected. This way, we pay special attention to portable devices since they allow us greater mobility, but also pose an increased risk of loss or mislaying. As a result, we have established that all such devices must undergo a total encryption process so that the stored information can only be seen by the person who uses it through their corporate credentials. In this way, we were able to continue working in our homes without jeopardizing the company's information.

Percentage of users per country that started the program



Number of reported, omitted and failed e-mails





Cybersecurity Incidents

The electricity sector is considered a critical sector for the countries where we do business and we have already been subject to cyber-attacks attempts. Therefore, it is vital for us to always be vigilant to avoid and control them. During 2021 we had no significant cyber incidents and those that did occur were effectively handled according to our protocols without affecting our operations or the continuity of the electrical service to our customers.

► Cybersecurity Incidents

Category	2018	2019	2020	2021
Total number of cyber incidents or security gap.	0	0	1	0
Total number of cyber incidents, including loss or jeopardy of company information	0	0	0	0
Total number of customers affected by the cyber incident or security gap.	0	0	0	0
Amount in US\$ paid for penalties with respect to cyber incidents or security gap.	0	0	0	0



Stock Exchange and Market Information

Stock Transactions

[NCG 461 2.3.2]

On December 6, 2021, AES Corp announced a voluntary tender offer to acquire all outstanding issued shares of AES Andes that it did not already own (takeover bid), i.e. 33.02%. At the beginning of this process, AES Corp held 6,959,213,272 shares, equivalent to 66.98% of the total, thus being the controlling shareholder of the company.

The offer considered a price of 135.14 CLP/share, so the total amount of the operation would be approximately US\$544 million.

The takeover bid was for 30 days, from December 7, 2021 to January 5, 2022.

The result was announced on January 8, 2022, with the subscription of 31.16%. The AES Corporation accepted the shareholders' intention to subscribe. After this process, AES Corporation, through Inversiones Cachagua, started to own a 98.13% interest in AES Andes. Inversiones Cachagua, through purchases on the stock exchange, has continued to increase its interest in AES Andes, which today is greater than 99%.

With regard to our capital increase of 1,980,000 shares at CLP\$110 pesos per share, as approved at the Special Shareholders' Meeting held on April 16, 2020, we entered a vesting period to exercise the right of first refusal from December 29, 2020 until January 27, 2021. This first vesting

period ended with the subscription of 98.3% of the shares, including the subscription of Inversiones Cachagua SpA.

Ownership Structure

[NCG 461 2.3.1; 2.3.3; 2.3.4; 2.3.5]

We are an open corporation listed in two Chilean stock exchanges: the Santiago Stock Exchange and the Electronic Stock Exchange of Chile, and we have been included in the DJSI (Dow Jones Sustainability Index Sustainability Index) Chile and MILA. As a company we own a single series of shares, therefore, there are no other voting rights.

As of December 31, 2021, our shareholders' equity attributable to owners of the controlling company amounted to US\$ 966 million, divided into 10,376,645,776 shares. At the end of the year, Inversiones Cachagua SpA (Cachagua) owned a 67% interest in AES Andes, with the US company AES Corporation becoming the indirect controlling company of AES Andes, through its indirect 100% interest in Cachagua. The Pension Fund Managers, through the various funds, own a 3.3% interest as of the end of this year, as compared with the 9.3% interest owned as of December 31, 2020.

On February 5, 2021, a US\$300 million capital increase was completed. Cachagua participated in the capital increase with a slight increase in its stake in AES Andes from 66.70% at the beginning of the process to 66.98%.

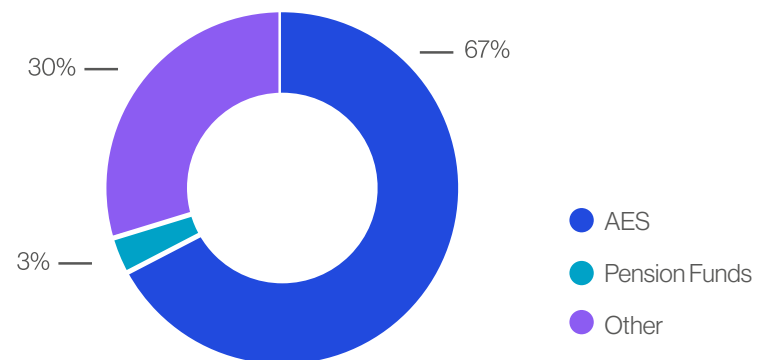
During 2021 there were no relevant changes in the ownership structure. The takeover bid announced on December 6, 2021 ended on January 05, 2022. Cachagua increased its interest to 98% after this process. Through stock market purchases, it further increased its interest to over 99%.

► Main Shareholders as of December 31, 2021

PAT.SURNAME/MAT.SURNAME/Name	Shares	%
Inversiones Cachagua SPA	6,950,213,272	66.98
Larraín Vial S.A. Corredora de Bolsa	718,266,711	6.9
Banchile Corredores de Bolsa S.A.	241,577,928	2.3
Banco de Chile por Cuenta de State Street	237,509,067	2.3
Bolsa de Comercio Stgo Bolsa de Valores	223,476,860	2.2
Banco de Chile por Cuenta de MS	196,341,190	1.9
Banco Santander - JP Morgan	184,899,011	1.8
Banco de Chile por Cuenta de Terceros CA	171,406,136	1.7
Cia. de Seg Vida Cons Nac de Seguros S.A.	170,303,445	1.6
Fondo de Pensiones Habitat	124,881,500	1.2
Total	9,218,875,120	88.8
Others	1,157,770,656	11.2
Total	10,376,645,776	



► AES Andes Ownership Structure as of December 31, 2021

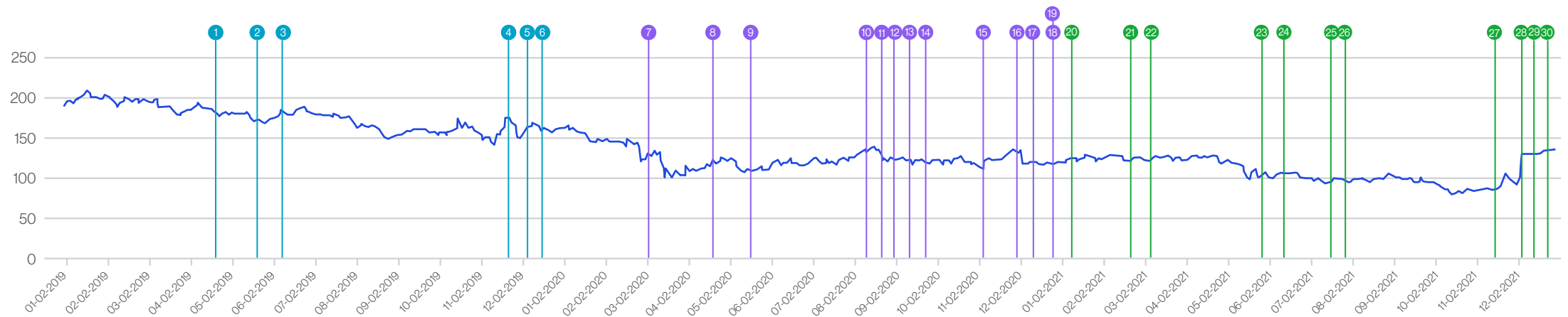


There are no government entities or persons associated with AES Andes with more than 5% voting rights.

► Price of AES Andes Stock and Relevant Events for 2021

Stock Market Indicators 2021	Unit	Value
Number of Outstanding Shares	Number	10,376,645,776
Stock Closing Price as of December 31, 2021	CLP	132.82
Dividend Yield	%	3
Earnings per Share	US\$	(0.105)
Paid dividends	US\$ million	48

► Price of AES Andes Stock and Relevant Events for 2021



2019		
1	04-26-2019	Ordinary Shareholders' Meeting
2	05-24-2019	Dividend payment
3	06-04-2019	Execution of Decarbonization Agreement
4	11-27-2019	Purchase of Los Cururos Wind Plant
5	12-04-2019	Dividend payment
6	12-17-2019	JOA approves stock repurchase plan

2020		
7	03-03-2020	1st Covid case in Chile
8	04-16-2020	Ordinary Shareholders' Meeting
9	05-15-2020	Dividend payment
10	08-10-2020	Agreement with BHP for payment of US\$720 million
11	08-18-2020	Execution of contract with Ecopetrol for 59MW solar project
12	08-28-2020	Dividend payment
13	09-04-2020	Incorporation of partner in Cochrane
14	09-17-2020	Execution of contract with Carmen de Andacollo for 550GWh/year
15	11-05-2020	Execution of contract with Sierra Gorda for 1,240GWh/year
16	12-01-2020	Announcement of reduction of capital increase:
17	12-10-2020	Dividend payment
18	12-29-2020	Withdrawal of Ventanas 1
19	12-29-2020	Beginning of Period Preferred Option Capital Increase

2021		
20	01-07-2021	Successful completion of capital increase
21	02-23-2021	Announcement of sale of interest in Guacolda
22	03-04-2021	Alto Maipo completes tunnel excavation
23	05-31-2021	Dividend payment
24	06-06-2021	Announcement of disconnection of 4 coal-fired units
25	07-15-2021	Incorporation of GIP as strategic partner
26	07-20-2021	Guacolda sale process is completed
27	11-17-2021	Announcement of Alto Maipo financial restructuring
28	12-06-2021	Announcement of takeover bid
29	12-27-2021	Beginning of sale of shares from repurchase plan
30	12-30-2021	Synchronization of Alto Maipo

The Selective Stock Price Index (IPSA, for its acronym in Spanish) underwent a 2% annual positive variation between 2020 and 2021, while the AES Andes stock price showed an 13% annual increase, mainly impacted by the Preferred Stock Offering announced on December 6, 2021 by The AES Corporation.

During 2021, AES Andes' shares were hedged by several national and international banks. BCI, Banco BICE, BTG Pactual, Citibank, CrediCorp Capital, Scotiabank, Security, Santander, JPMorgan and Bank of America provided hedging and analysis of the stock and development of AES Andes.

► Shareholders per type as of December 31, 2021

As of December 31, 2021			
Type of Shareholder	Number of Shares	Number of Shareholders	Interest
Pension Fund	346,990,117	29	3.34
Institutional Foreign	585,734,643	15	5.64
Institutional National	9,414,299,563	149	90.73
National Natural Person	29,620,453	1,573	0.29
Foreign Natural Person	1,000	1	0.00
Total	10,376,645,776	1,767	100.00



► Transactions in Santiago Stock Exchange



Month-Year	Units	Amount (\$)	Higher	Minor	Medium	Closing
01-2019	213,864,210	42,895,197,024	210.60	191.26	200.56	199.01
02-2019	90,459,632	17,983,717,258	207.50	192.10	198.78	196.10
03-2019	157,540,454	30,059,943,415	200.00	176.60	190.81	182.90
04-2019	82,514,533	15,404,201,487	194.40	180.10	186.67	183.99
05-2019	76,454,451	13,753,279,318	187.98	168.11	179.97	174.00
06-2019	55,996,082	10,219,984,634	190.75	173.02	182.41	186.26
07-2019	57,790,349	10,344,476,185	187.29	172.60	178.92	176.49
08-2019	130,772,971	21,099,111,782	178.48	148.51	161.38	154.41
09-2019	100,733,429	15,953,272,352	163.88	154.00	158.35	158.50
10-2019	256,638,783	41,919,302,450	174.50	155.30	163.39	159.00
11-2019	255,836,756	40,589,830,578	176.00	141.60	158.71	153.00
12-2019	152,326,486	24,623,813,174	173.97	151.00	161.68	163.00
01-2020	212,127,123	32,230,217,848	166.89	143.99	151.78	148.90
02-2020	140,349,094	19,918,641,894	149.90	120.44	141.77	120.44
03-2020	341,067,812	40,203,102,531	137.80	99.60	118.06	104.00
04-2020	228,549,923	26,642,184,985	130.00	102.07	116.53	123.02
05-2020	197,751,473	22,534,672,989	128.99	103.10	113.91	109.98
06-2020	250,909,394	29,917,334,496	127.78	106.50	119.24	118.00
07-2020	314,681,621	38,470,547,143	129.80	115.10	122.25	129.80
08-2020	248,803,832	32,289,910,023	142.00	121.60	129.72	126.49

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Month-Year	Units	Amount (\$)	Higher	Minor	Medium	Closing
09-2020	197,376,007	24,217,828,549	130.00	117.00	122.72	121.00
10-2020	169,456,585	20,502,023,817	129.10	113.10	120.92	120.00
11-2020	340,242,526	42,788,718,753	138.10	112.00	125.83	135.00
12-2020	228,413,845	28,083,062,824	136.50	115.83	122.98	117.80
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

► Transactions in Santiago Electronic Stock Exchange

Month-Year	Quarter	Units	Amount (\$)	Higher	Minor	Medium	Closing
2019	1 st quarter	9,862,382	1965372 881	209.28	178.49	199.28	178.49
2019	2 nd Quarter	6,932.86	1,274. 212,472	193.99	170.86	183.81	185.76
2019	3 rd Quarter	9,964,621	1 654096735	187.80	150.31	166.00	157.96
2010C	4 th Quarter	6,491,000	1024865828	175.52	142.20	157.89	160.00
2020	1 st quarter	10,930. 435	1499630 787	163.80	101.37	137.20	104.00
2020	2 nd Quarter	16,502,544	1,964,618,794	128.49	104.99	119.05	116.57
2020	3 rd Quarter	29,844,630	3 737,360 833	139.80	116.00	125.23	120.18
2020	4 th Quarter	37,989,025	4,758,933,448	137.98	112.50	125.27	117.99
2021	1 st quarter	50,677.910	6,322,276,842	129.52	114.00	124.75	125.50
2021	2 nd Quarter	26,151,024	2 896535617	128.00	96.96	110.76	97.00
2021	3 rd Quarter	19. 473,781	1,906,673,952	103.00	92.00	97.91	95.00
2021	4 th Quarter	75,129,959	7,742,559,255	133.50	77.13	103.06	133.12

► Major Changes to the Ownership of the Company

Shareholder	No. of Shares December 2021	No. of Shares December 2020	Variation No. of Shares
Inversiones Cachagua SpA	6,950,213,272	5,603,012,701	1,347,200,571
Larrain Vial S.A. Corredora de Bolsa	718,266,711	143,160,055	575,106,656
Banco de Chile por Cuenta de MS	196,341,190	0	196,341,190
Bolsa de Comercio Stgo Bolsa de Valores	223,476,860	60,279,805	163,197,055
Cia. de Seg Vida Cons Nac de Seguros S.A.	170,303,445	90,548,314	79,755,131
Santander Corredores de Bolsa LTDA.	104,653,702	53,345,337	51,308,365
J.P. Morgan Securities Inc.	51,024,098	0	51,024,098
MBI Corredores de Bolsa S.A.	43,204,672	8,299,107	34,905,565
Capital A Pension Fund	17,527,914	54,045,042	-36,517,128
Provida C Pension Fund	26,276,435	63,895,897	-37,619,462
Capital C Pension Fund	18,063,220	57,218,793	-39,155,573
Habitat A Pension Fund	39,342,340	80,075,993	-40,733,653
BTG Pactual Chile S.A. Corredores de Bolsa	55,751,448	99,699,756	-43,948,308
Habitat C Pension Fund	21,179,431	83,488,113	-62,308,682
Banco de Chile por Cuenta de Terceros Ca	171,406,136	290,263,480	-118,857,344

Includes variations in the number of shares as a result of capital increase completed in January 2021.

Dividend Policy [NCG 4612.3.4]

According to Circular No. 687 of the Superintendency of Securities and Insurance (CMF), the Board of Directors, at an ordinary meeting held on March 25, 2021, agreed as follows: The Board of Directors of the Company agreed to propose to the Shareholders' Meeting the following dividend policy: Distribution of dividends among the shareholders of the Company up to 100% of the recurrent earnings obtained during 2021.

Compliance with this dividend policy will be subject to the profits actually obtained, as well as to the results of the projections periodically carried out by the Company in relation to its financial performance, the availability of cash, and the efficient maintenance of its operations for the subsequent period. It shall also consider the need to contribute its own funds to finance investment and construction projects, compliance with the obligations and restrictions on dividends contained in the by-laws of the Company and Corporations Law No. 18,046, and the credit contracts and indentures executed with the creditors, which basically consist in having fully and timely complied with the negative covenants set forth in the relevant credit contracts, the payment of interest, and the cash and investments policy.

It is proposed to authorize the Board, under the responsibility of the members who agree, to distribute provisional dividends during the 2021 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 of held on April 23, 2021.

Dividends paid out of earnings of 2021

In the Ordinary Shareholders' Meeting held on 23 April 2021, we agreed to distribute a contingent dividend in the amount of US\$47,705,038 equivalent to US\$0.0046083 per share out of retained earnings, which was paid as from May 31, 2021.

History of Dividends Paid by Aes Andes

No. of dividends	Dividend Type	Payment Date	Amount per Share (US\$)	Charged to FY	% of earnings
120	Eventual	05-31-2021	0.0046083	Retained Earnings	N/A
119	Eventual	12-10-2020	0.0231884	Reserve for proposed dividends	N/A
118	Additional Definitive	08-28-2020	0.0231884	2019	70.00%
117	Definitive	05-15-2020	0.009677052	2019	30.00%
116	Additional Definitive	11-29-2018	0.0239147	2018	70.00%
115	Definitive	05-24-2019	0.0102491	2018	30.00%
114	Additional Definitive	11-29-2018	0.0153759	2017	70.00%
113	Definitive	05-25-2018	0.0065897	2017	30.00%
112	Additional Definitive	11-28-2017	0.0065484	2016	21.10%
111	Additional Definitive	09-27-2017	0.0071426	2016	23.00%
110	Definitive	05-08-2017	0.0173803	2016	55.90%
109	Additional Definitive	08-29-2016	0.005444	2014	16.00%
108	Definitive	05-16-2016	0.006071	2013-2014	19.30%
107	Provisional	11-26-2015	0.020416	2015	64.70%
106	Definitive	05-28-2015	0.07559	2014	34.60%
105	Provisional	12-15-2014	0.013012	2014	59.50%
104	Definitive	08-27-2014	0.007201	2013	30.00%

Given the impairments in property, plant and equipment recorded as a result of Alto Maipo and those occurred in the coal-fired plants whose closure has been committed, the Company is currently recording accumulated losses that prevent us from distributing dividends.

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No. of dividends	Dividend Type	Payment Date	Amount per Share (US\$)	Charged to FY	% of earnings
103	Definitive	05-22-2014	0.00748	2013	31.20%
102	Provisional	12-17-2013	0.009666	2013	38.70%
101	Additional Definitive	08-27-2014	0.008563	2012	34.10%
100	Additional Definitive	05-22-2014	0.007786	2012	31.00%
99	Provisional	11-15-2012	0.008798	2012	35.00%
98	Additional Definitive	08-08-2012	0.011988	2011	46.90%
97	Additional Definitive	08-08-2012	0.009316	2011	23.10%
96	Definitive	05-08-2012	0.002333	2011	23.10%
95	Provisional	09-11-2011	0.00979	2011	24.20%
94	Eventual	05-06-2011	0.008922	2010	24.80%
93	Definitive	05-06-2011	0.011988	2010	57.00%
92	Provisional	01-05-2011	0.00905	2010	43.00%
91	Additional Definitive	10-07-2010	0.005558	2009	14.00%
90	Additional Definitive	07-07-2010	0.005558	2009	14.00%
89	Definitive	05-11-2010	0.008709	2009	21.00%
88	Provisional	12-15-2009	0.00496	2009	12.00%

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 performed by the rating agencies

- In June 2021, Standard & Poor's reaffirmed the BBB- rating with stable outlook for AES Andes.
- In November 2021, Fitch Ratings ratified the BBB- rating for AES Andes, while it ratified the BBB- rating for Eléctrica Cochrane in July 2021. Both ratings were assigned a stable outlook.
- In November 2021, Moody's reaffirmed the BBB- rating with stable outlook for AES Andes while it maintained Eléctrica Cochrane in Ba1 with negative outlook.

National and International Risk Rating

International 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

National Rating		FITCH		FELLERATE	
Entity	Issuance	Rating	Outlook	Rating	Outlook
AES Andes	LOCAL NOTE LINE	A+	Stable	A+	Stable
Cochrane	LOCAL NOTE LINE	A+	Stable	A+	Stable

6.6.2 Environmental Key Performance Indicators

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 environmental standards of The AES Corporation, and (3) compliance with the Environmental Management System (EMS) expectations.

During 2021, in the context of the pandemic, the audits were carried out both in face-to-face and telematic visits according to the local conditions of each business.

The certification maintenance activities of our management systems are carried out by an external body (certifier) that evaluates whether the system complies with the requirements of the ISO 14.001 reference standard in a process that is carried out in 3-year cycles.

The information used for the creation of the indicators for the businesses in operation was locally checked for AES Andes and its affiliates by the audit firm Deloitte—Chile. This work included the comparison of the data entered in AES Online with source records and related evidence, by applying standardized information analysis and auditing methodologies, in order to obtain representative samples of the Company's reality. In addition, the AES Corporation

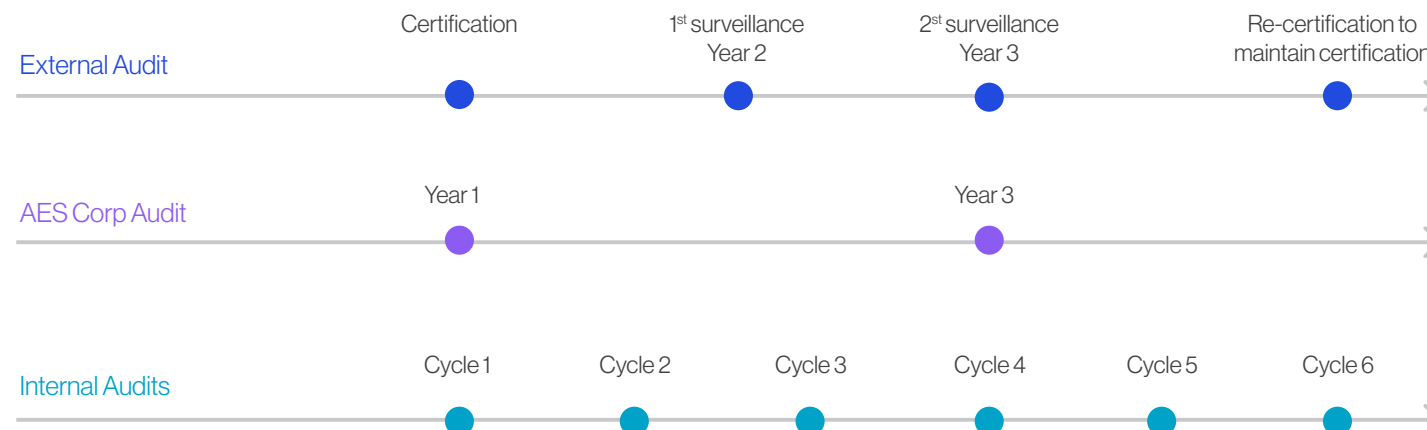
audits the data reported in AES Online with the auditing company Lloyd's Register LRQA, Inc.

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).

During 2021, we began with the process of integrating a new platform at a corporate level, which will replace the current platform during 2022.

The key environmental indicators established by AES Andes are detailed in the following table:



► Key Environmental Indicators of AES Andes [GRI 306-4]

Indicator	Detail
Air Emissions	
<p>Particulate Matter: absolute value (t) and unit value (kg/MWh).</p> <p>SO₂: absolute value (t) and unit value (t/MWh).</p> <p>NOx: absolute value (t) and unit value (t/MWh).</p>	<p>The indicator is developed with the data obtained from the Continuous Emission Monitoring (CEM) 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).</p>
<p>Greenhouse Gases: absolute value (tCO₂e) and unit value (tCO₂e/MWh).</p>	<p>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).</p> <p>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.</p> <p>Scope 3: emissions related to the transportation of coal, and flights of the staff of AES Andes and subsidiaries in Chile. 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.</p>
<p>Heavy metals: yearly estimation of mercury emissions (kg).</p>	<p>The estimation is made considering the percentage of mercury contained in each type of coal, the amount of that coal used, and the particulate matter and SO₂ abatement systems available in the generating unit.</p>

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Use of water	
Conveyance/Collecting: absolute value (m³) and unit value (m³/MWh).	<p>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.</p> <p>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.</p>
Discharge: absolute value (m³) and unit value (m³/MWh).	
Consumption: absolute value (m³) and unit value (m³/MWh).	
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 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	
Implementation of biodiversity management plans.	It considers the monitoring of compliance with the biodiversity management plans of the businesses.

► Energy Consumption [GRI 302-2]

Gross generation (MWh)	2018	2019	2020	2021
Argentina	4,254,336	4,297,915	4,172,021	2,674,169
Chile	20,566,744	20,375,296	19,487,593	16,386,539
Colombia	5,219,822	4,480,632	2,690,622	4,730,540
Total	30,040,902	29,153,843	26,322,138	23,791,248

Energy consumption (MWh)	2018	2019	2020	2021
Argentina	72,324	139,913	57,389	6,816
Chile	1769,549	1,863,529	1,763,097	1,322,220
Colombia	1,993	8,976	10,261	18,915
Total	1,843,866	2,012,418	1,830,747	1,347,952

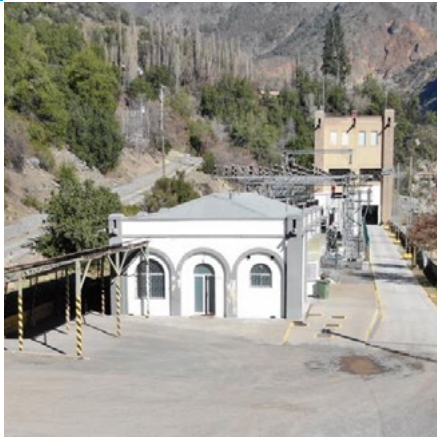
Intensity of Energy Consumption (MWh consumed/MWh generated)	2021			
Total	0.0614	0.0690	0.0695	0.0567

Source: Developed in-house, data measured, reported and registered at AES Online. From 2017 to 2020, the information is verified by Deloitte Chile.

Summary of monitoring procedures

► 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
Guacolda	5	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	Units 1 and 2	Norgener Thermoelectric Plant	Bi-annually	Since 1999
Cochrane	Units 1 and 2	Angamos Thermoelectric Plant	Bi-annually and Quarterly	Since 2016
Angamos	Units 1 and 2	Angamos Thermoelectric Plant	Bi-annually and Quarterly	Since 2011
Guacolda	Units 1 and 2	Guacolda Thermoelectric Plant. Units 1 and 2	Bi-annually and Quarterly	Since 1996
	Unit 3	Guacolda Thermoelectric Plant. Unit 3.	Bi-annually	Since 2006
	Unit 4	Guacolda Thermoelectric Plant. Unit 4.	Bi-annually	Since 2006
	Unit 5	Guacolda Thermoelectric Plant. Unit 5.	Bi-annually	Since 2016
Ventanas	Units 1 and 2	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

Spill	Location	Spill Volume	Spilled Material (type: chemicals, fuel, etc.)	Classification of material	Body Affected by the Spill (water, soil)	Environmental Consequences of Significant Spills	Social consequences of significant spills	Measures Taken
Release of lubrication oil from Unit 3 of Queltehues Plant.	Queltehues Hydroelectric Plant.	1800 L	Chemical substance (lubricating oil).	Combustible material.	Hydroelectric plant between the powerhouse, the immediate perimeter and the discharge channel (*).	No environmental consequences.	No social consequences.	<p>(a) Isolate the affected area (immediate perimeter of powerhouse, floor component, soil) and put channel in out-of-service condition.</p> <p>(b) Installation of hydrophobic absorbent barrier in boundary between channel boundary and Maipo river.</p> <p>(c) Manual cleaning of the channel walls.</p> <p>(d) Cleaning with suction truck of the oil surface film.</p> <p>(e) Removal of contaminated soil (Power Plant environment) and disposal as hazardous waste.</p>

*Facility related to the discharge of turbinated water. The channel is built with waterproof material (concrete).
Spill did not reach any watercourse.

Biodiversity

► Areas of High Biodiversity Value [GRI 304 -1]

Location	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, Boyaca.	Generating Unit.	4298.05	Regional Integrated Management District (DRMI, for its acronym in Spanish) Cuchillas Negras and Guanaqué.	Located in an area called Very Tropical Rainforest, it is a protected area registered in the Registry of Areas Protected by the regional environmental authority, <i>Corporación Autónoma Regional de Chivor</i> . The protected area is located in the llanero peidemonte in the Colombian Eastern Cordillera, which is a biological transition area between the Orino-quía, the Amazonía and the 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 Plant: Region of Antofagasta, Chile.	Generating Unit.	46 46	Gaviotín Chico nesting area.	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 <i>Gaviotín Chico and Chirrí</i> , which has been declared in Chile as an “ <i>Endangered</i> ” species. Currently there are two protected areas under a Free Concession for conservation purposes called “ <i>Pampa Gaviotín 1 and 2</i> ” and in the process of creating a Sanctuary of Nature in the Hornitos – Hualala sector.	Inside

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Location	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.	30.85	Los Maitenes - Campiche urban wetland.	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.	Outside
Alfalfal Plant: Metropolitan Region, Chile.	Generating Unit.	30.00	Olivares River protected national asset.	Located in the Andean zone of the Metropolitan Region, with an area of 30,400 ha, the protected area plays a role in the conservation and protection of the high Andean vegetation formation of Santiago and the Andean Sclerophyllous Forest, as well as the habitat of the Condor (Vultur Gryphus).	Inside
Maitenes Plant: Metropolitan Region, Chile.	Generating Unit.	65.5	Colorado and Olivares River valleys.	Located in the Andean zone of the Metropolitan Region, it is one of the priority sites for biodiversity conservation in the region, with an area of 110,431 ha.	Inside

► Biodiversity Management Plans [GRI 304-2]

Operational Unit	Related Impacts	Description of Action Plan
Angamos Plant Cochrane Plant	Impact on the species in conservation category <i>Sterna Lorata</i> , also known as <i>Gaviotín Chico</i> or <i>Chirrí</i> .	Protection of the species through <i>Fundación del Gaviotín Chico</i> , a public-private association, to reconcile industrial development with the conservation and protection of the <i>Gaviotín</i> , which is considered as a cultural heritage of Mejillones.
Ventanas plant	The main impact of El Pangue ash dump, located in the Commune of Puchuncaví, is the modification of the habitat and damage to the flora and fauna species.	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 the "Biological corridor" project.
Chivor Hydroelectric Plant	Damage to the habitat associated with the construction of the plant.	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 <i>Institute of Natural Sciences from National University of Colombia</i> . During 2019, we worked on the publication of the guide " <i>Usos tradicionales No Maderables de las plantas de Santa María – Boyacá</i> ", which as of 2020 is available in digital format.
Los Cururos Wind Plant	Damage to the habitat associated with the construction 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.

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Operational Unit	Related Impacts	Description of Action Plan
Alto Maipo Project (hydroelectric).	Damage to the habitat associated with the construction 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.
Mesamávida Project (wind).	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.
Los Olmos Project (wind).	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, and reforestation plans. Hunting ban.

Biodiversity Management Areas [GRI 304-3]

► GRI 304-3 Table: Areas of High Biodiversity Value

Business with Biodiversity Management Plan	Attributes of the Conservation Area	Total Surface	Surface managed by AES Andes	Description of initiative AES Andes
Angamos Cochrane	The bay of Mejillones and its plateau is one of the most important nesting places of the sterna lorata species, also known as <i>Gaviotín Chico</i> or <i>Chirrio</i> .	Allocation of 6 sites for the protection of the <i>Gaviotín Chico</i> . The Foundation has managed a total of 4,827 hectares.	The Ministry of National Assets awarded two protected areas to the Foundation as a "Gratuitous Concession for Preservation Purposes" called "Pampa Gaviotín 1 and 2" with a total of 2,027 hectares. On 2020, we started the process to build of a Nature Sanctuary in the Hornitos – Hualala sector, with an area of 2,800 ha for the protection of colonies of <i>gaviotín chico</i> . and other species that inhabit the place.	AES Andes is member of the Foundation for the Sustainability of the <i>Gaviotín Chico</i> , 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.
AES Colombia	The Cuchillas Negras and Guanaque Integrated Management Regional District (DRMI, for its acronym in Spanish) is a protected area registered in the Registry of Areas Protected by the regional environmental authority, <i>Corporación Autónoma Regional de Chivor</i> .	32.000 hectares.	AES Colombia has a natural reserve of 1750 hectares.	This reserve is located in the area called "Very Tropical Rainforest", which has been kept in natural regeneration by Chivor Hydroelectric Power Plant for more than 45 years.
Ventanas Plant - Fundo El Pangue Ecological Corridor	The Valparaíso Region is located in the climatic context of central Chile, under the influence of a Mediterranean climate that allows the development of sclerophyllous forest-type woody vegetation.	The site authorized for the disposal of combustion residues has an area of 216.8 ha, of which 80 ha are intervened.	The El Pangue Predial Ecological Corridor covers an area of 104 ha, with a central axis of approximately 3.2 km.	The project consists of the ecological restoration of sclerophyllous forest fragments in central Chile, inside Fundo El Pangue, 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.

► GRI 304-4 Table: Main species in conservation category whose habitat is located in areas affected by the operations

Affected Flora and Fauna Species	Category of conservation according to regulations governing classification of wild species	Conservation Measure	State whether it is a commitment/environmental qualification resolution/regulation
Gaviotín Chico (<i>Sterna lorata</i>)	Endangered	Preservation of nest-building sites, monitoring and follow-up	Yes
Lagartija Lemniscata (<i>Liolaemus lemniscatus</i>)	Vulnerable	Rescue and relocation, monitoring and follow-up.	Yes
Chilean mouse opossum (<i>Thylamys elegans</i>)	Rare	Rescue and relocation, monitoring and follow-up.	Yes
Chagual (<i>Puya chilensis</i>)	Least Concern	Vegetation Recovery Areas (ARV).	Yes
Cururo (<i>Spalacopus cyanus</i>)	Least Concern	Rescue and relocation, monitoring and follow-up.	Yes

Regulatory compliance [NCG 461 8.1.3]

The evaluation of compliance with the applicable regulations is permanently carried out by the local environmental management teams in each business in support of the Strategy and Environmental Compliance Deputy Management, with periodic reports to the manager of each complex so that they develop plans of action. The evaluation is also informed to the Chief Executive Officer and Chief Operations Officer for AES Andes so that they act on the prioritization of the resources necessary to close the gaps according to risk level and complexity.

In Chile and Argentina, the “Cero Falta” system has been implemented with the identification of legal requirements and uploading of compliance evidence.

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 system AESOnline. 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.

Moreover, under this Standard, an “Environmental Operating Event” (EOE) is an environmental proceeding (new or ongoing), a need for environmental remediation, a non-compliance with an environmental permit or a lack of environmental permit, or an environmental restoration obligation associated with the end of the useful life of an asset that may potentially affect the financial position of any AES Gener business.

► Main rules 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
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 38/2012
Discharges to water bodies	Decree 90/2001
Light pollution	Decree 43/2013
Storage of hazardous substances	Decree 43/2016
Hazardous and non-hazardous waste management	Decree 594/2000 and Decree 148/2004
Encouraging recycling with extended responsibility to producer	Law 20920/2016
Prevention and Air Decontamination Plans of Tocopilla, Huasco and Concón-Quintero-Puchuncaví area	Supreme Decree 70/2010 (Tocopilla) Supreme Decree 38/2017 (Huasco) Supreme Decree 105/2018 (Puchuncaví)
Argentina	
Gas Emissions	Resolution ENRE No. 13/2012
Air Quality Standard	National Law No. 20,284 (Annex II)
Waste Management	National Law No. 24.051 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

During 2021, we are reviewing the following environmental standards:

1. Supreme Decree 13, Emission Standard for Thermoelectric Power Plants.

In February 2020, we started the review process. The preparation of the preliminary project is currently underway.

2. Supreme Decree 38, Ambient Noise Standard. In 2019, the review process was started and a preliminary draft of the noise emission standard is currently being prepared.

3. Supreme Decree 90, ILWs Emission Standard The review process takes several years. Early in 2021 we submitted a preliminary draft for consultation and review. The final project is currently in the development stage.

4. Supreme Decree 43, Light Standard. The final draft of the updated standard is currently being reviewed by the Comptroller's Office for approval and subsequent publication.

5. Green Tax Offset Regulations, at the end of 2020 we started with the process of preparing the Regulations that will allow us to offset the emissions affected by green taxes. During the year 2021, the Public Consultation process was carried out and has been approved by the

Council of Ministers for Sustainability, and is in the process of being approved by the Comptroller's Office.

6. Secondary Environmental Quality Standards for the protection of marine waters and sediments of the Quintero-Puchuncavi Bay. During 2021 the preliminary draft was approved and submitted for public consultation.

► Sanction Processes at the Superintendency of the Environment

Plant	Date of Charges	Date of approval of compliance plan	Date of satisfactory execution	Status
Norgener Plant	04-27-2016	06-22-2016	Closed	Closed
Angamos Plant	06-22-2016	08-17-2016	Closed	Closed
Central Alto Maipo	01-20-2017	04-06-2018	Under development	Under development
Guacolda plant	10-14-2019	08-20-2020	Under development	Under development
Ventanas plant	10-01-2019	12-30-2021	Under development	Under development

► Ongoing environmental administrative and court proceedings

Plant	Subject	Starting date	Body	Description	Status as of December 2021	Outcome of the proceedings
Ventanas	Complaint for environmental damages.	July 01, 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 action is in the conciliation stage and the Environmental Court is in the process of preparing the final Conciliation Terms.	Ongoing
Ventanas	Maritime administrative summary investigation.	November 08, 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).	Ongoing
Ventanas	Maritime administrative summary investigation.	February 07, 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.	Ongoing

Cont. from previous page

Plant	Subject	Starting date	Body	Description	Status as of December 2021	Outcome of the proceedings
Ventanas	Criminal Investigation.	August 30, 2018	Regional Public Prosecutors of Bio Bio.	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
Ventanas	Complaint under the Navigation Law.	November 26, 2020.	Court of Appeals of Valparaíso.	Claim for damages for civil liability resulting from coal strandings at Ventanas beach.	The claim is in the conciliation stage and the next hearing is scheduled for April 28, 2022.	Ongoing
Ventanas	Complaint under the Navigation Law.	January 12, 2021.	Court of Appeals of Valparaíso.	Claim for damages for civil liability resulting from coal strandings at Ventanas beach.	The claim is in the conciliation stage and the next hearing is scheduled for April 28, 2022.	Ongoing

Climate change risk scenarios for AES Andes

a. Physical Hazards

Beyond the discussion about the causes of climate change, there are countless surveys and proofs that suggest that the existence of this phenomenon is undeniable. Climate change is mainly characterized by a progressive increase of yearly average temperatures in the atmosphere and oceans, the occurrence of extreme phenomena, which are increasingly frequent and intense, including, without limitation swells, rains in unusual places or out of season, increase in the surface temperature of the sea, forest fires, boulders and landslides, and floods.

During 2018 we worked on the identification of physical risks for our operations associated with climate change. Thereafter, we have updated the emergency plans of our facilities.

The main risks identified include hot spells, unusual rainfall, droughts, snowfalls, alluvions and runoffs, increased sediment, groundwater, and increase in ocean temperature.

b. Regulatory Risks

The most important AES Andes executives who are responsible for the Operations, Finance, Trade, and Development Departments are involved in the design of strategies to minimize the impacts of climate change on our business. Monthly meetings are held to analyze and monitor the mitigation and adaptation initiatives that are being

developed in the countries where we operate, the major trends in this field around the world, and their impact on our business.

Climate change brings about financial risks that we have tried to identify and mitigate. Those risks include taxes on CO₂ emissions, possible costs of CO₂ capture equipment, and cost overruns due to renewable energy goals.

Law 21,210, issued on February 2020, updated the so-called "Tax Reform" (Law 20,780) and did not modify the price costs of CO₂ emissions (5 US\$/tCO₂), but included the option to offset the amount of taxes through reduction projects that prove to be measurable, verifiable and permanent as of January 1, 2023. As a result, our future projects will be evaluated considering a possible reduction in the tax burden.

During 2021, the Company continued to participate in the climate change adaptation table promoted by the Ministry of Energy, which aims to share experiences implemented in Chile from the public and private spheres to jointly define actions and promotion instruments in order to implement lines supporting the climate change adaptation process in the sector.

(c) Risks related to water resource availability

In Chile, climate change brings about new challenges.

In large areas of the country this change is evidenced as a reduction in rains and in the availability of water at underground aquifers, in addition to the retreat of glaciers, which sometimes can generate an increase in the availability of water in glacial rivers.

Alto Maipo project has monitored the evolution of glaciers in the basin where it is inserted, including all the glaciers present within El Morado Natural Monument and those belonging to El Morado Priority Site that share the basin delimitation with the Natural Monument. The investigations proved that there was an overall retreat of glaciers in the area of study and arrived at the conclusion that this behavior is part of a progressive process observed since several decades ago at the beginning of Alto Maipo Hydroelectric Project. In addition, the results show a decrease in average glacier albedo, especially since 2008, a period that overlaps the water scarcity in the sector. In June 2020, the General Water Board expressed agreement with the conclusions of this study and, being aware of this, we managed the use of this resource through the implementation of specific projects aimed at optimizing consumption of water of continental origin, and by searching other industrial uses for our water discharges, such as its recirculation or use for irrigation purposes.

While seawater might seem to be an inexhaustible resource, energy is required for the desalination process; therefore, we have made important efforts to reduce them. This was the framework for the implementation of the Reverse Osmosis ("RO") Desalination Plant at Angamos Plant in a more efficient



manner. This new plant replaced the previous Thermal Vapor Compression (“TVC”) Desalination Plant. Moreover, in Angamos, we considered a system of cooling towers (closed system) that allows us to use 90% less water, as compared with an open system.

d. Risks related to Water [\[GRI 303-2\]](#)

As the availability of water in quantity and quality is essential for our businesses, we use large quantities of water from different sources for the refrigeration processes of the electric generation plants, among other uses.

Although most of the water we use comes from the sea, and there is no significant competition with other users of continental fresh water, unless some appropriate precautions are taken, our demand of drinking and continental water can even compete with the use of water

for other purposes (human and animal consumption, irrigation, tourism, and ecology) with the ensuing negative impact on our businesses. Considering population growth, their economic development, and climate change, the future trend is an increased demand of water by other users.

Consistent with how relevant it is for us to have water available, and in accordance with our Environmental Policy that promotes the efficient use of natural resources, we carefully monitor water consumption and organize campaigns and projects intended to reduce water consumption.

6.7 Committee of Directors ▶ [GRI 102-18, 102-22, NCG 46110]

AES Andes S.A.
Committee of Directors
Annual Management Report 2020

Pursuant to the provisions of article 50 bis of Corporations Law No. 18,046, during 2021, the undersigned in their capacity as members of the Committee of Directors (the "Committee") of AES ANDES S.A. (hereinafter also referred to as "AES Andes" or the "Company") have executed this annual report for the year 2021; which includes:

- A summary of the most relevant activities developed by the Committee from January 21, 2021 (Meeting No. 221) to December 30, 2021 (Meeting No. 243); and
- The Committee's expenses and recommendations to the shareholders of the Company.

I. Members of the Committee.

During 2021, the Committee was made up of two regular directors of the Company, Gonzalo Parot Palma, Radován Razmilic Tomicic and Daniel Fernández Koprich.

The Committee was chaired by the independent director Gonzalo Parot Palma.

II. Activities.

During fiscal year 2021, the Committee held regular meetings in 23 opportunities, where they exercised its powers and fulfilled its legal duties, as 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;"*

(4) Remuneration and compensation: *"Examine the remuneration systems and the compensation policy for managers, senior executives and employees of the Company;" and*

(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 2021 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 Approve the interim, quarterly and/or annual Balance Sheets and Financial Statements according to IFRS; and reports from the External Auditing Firm, including information to the market (investors) regarding the Company's results (meetings No. 222 of February 24, No. 228 of May 5, No. 233 of August 4, and No. 238 of November 3).

1.2 To analyze the progress of the Internal Audit Plan, the findings and controls applied, as well as to decide on the Internal Audit Plan for the year 2022 and its budget. (Meetings No. 226 of March 25, No. 230 of June 24, No. 236 of September 30, No. 240 of November 18 and No. 242 of December 16).

1.3 To analyze the Company's budget for the 2022-2023 period and favorably recommend its approval by the Board of Directors, including the estimate of related party transactions considered in the annual budget, for the purposes of the Standard Operating Policies and Procedures (meetings No. 237 of October 28 and No. 242 of December 16).

1.4 To be informed of the facts reported in relation to: (i) the arbitration between the subsidiary Alto Maipo SpA and

Constructora Nuevo Maipo, and (ii) the deconsolidation of the subsidiary Alto Maipo SpA, as a consequence of the Chapter 11 Proceedings under the U.S. Bankruptcy Code, in order to be incorporated as Subsequent Events in the financial statements as of September 30, 2021 in the limited review carried out by EY Chile for the Offering Memorandum of Mercury Chile Holdco LLC, related to the takeover bid of the Company's shares (Meeting No. 243 of December 30).

(2) Auditors, Risk Rating Agencies and Related Matters.

With regard to these matters, the activities performed included:

2.1 To propose to the Board the appointment of the private risk rating agencies Fitch Ratings and Feller Rate in Chile and the international agencies Standard & Poor's, Fitch Ratings and Moody's for 2021 (Meeting 226 of March 25).

2.2 As a subsequent event to this report, at meeting No. 244 of January 20, 2022, the Committee of Directors submitted its proposal for the election of the independent external auditors for the year 2022.

(3) Related-Party Transactions. With regard to these matters, it is hereby stated that, without prejudice to the fact that a significant part of the operations with related parties (RPTs) is subject to the exceptions referred to in Article 147(a) to (c) of the Corporations Law, the Company used to submit them for the consideration and approval of the Committee of Directors, according to the new Standard Operating Policies and Procedures approved at the meetings No. 680 of the Board on December 17, 2020.

The RPTs summarized below were known and 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.

3.1 To recommend the Board that it should grant of a surety bond by the subsidiary Norgener Renovables SpA, in favor of the Ministry of National Assets, to secure compliance with the obligations of the subsidiary Energía Eólica Pampas SpA in the bidding process for the concession of onerous use of public property, for an amount of up to UF 45,266 (meeting No. 221 of January 21).

3.2 To recommend the Board that it should grant (i) a surety bond in favor of the Ministry of National Assets, to guarantee the seriousness of the tender submitted by the subsidiary Punta del Sol SpA, in the bidding process for the concession of onerous use of public property, for an amount of up to UF 79,386; and (ii) a joint and several guarantee and counterguarantee by Norgener Renovables SpA in favor of Esteyco, to guarantee compliance with the obligations, up to US\$ 8 million, of the subsidiary Energía Eólica Paposo SpA, under the joint development contract entered into between both companies. (Meeting No. 222 of February 24).

3.3 To recommend the Board that it should grant surety bonds in favor of the Ministry of National Assets for the amounts of UF 8,954.7 and UF 9,063, respectively, to guarantee compliance with the obligations of the subsidiary

Andes Solar SpA in the framework of the concession contracts for the onerous use of public land awarded to that subsidiary. (Meeting No. 226 of March 25).

3.4 To recommend the Board that it should approve the execution of an agreement between the subsidiary Andes Solar SpA and 5B Industries PTY Ltd., for the supply by the latter of modular solar panels using Maverick technology for the Andes Solar IIb project (meeting No. 226 of March 25).

3.5 To be informed of and/or approve and/or recommend the Board that it should approve (meeting No. 227 of April 29):

(i) collections to related companies that, under the Standard Operating Policies and Procedures, only require to be reported to the Committee;

(ii) collections to related companies that, under the Standard Operating Policies and Procedures, require the favorable recommendation from the Committee;

(iii) payments by the Company and subsidiaries to the related company AES Big Sky LLC;

(iv) that the amounts owed by Alto Maipo SpA to the Company become subordinated debt of that subsidiary to the Company;

(v) that the debts of certain related companies be offset; and

(vi) new contracts entered into with subsidiaries, in accordance with the terms previously approved by the Company.

3.6 To recommend the Board that it should grant a joint and several guarantee and counterguarantee in favor of Global Energy Siemsa S.A. Chile Limitada, to guarantee payment obligations of the subsidiary Campo Lindo SpA, in the Lump Sum Engineering, Procurement & Construction Agreement (meeting N°227 of April 29).

3.7 To recommend the Board that it should grant of a surety bond to guarantee the performance of obligations of the subsidiary Energía Eólica Los Olmos SpA with Tolchén Transmisión SpA, by virtue of the agreement for the use of transmission facilities between these companies (meeting No. 229 of May 27).

3.8 To recommend the Board that it should grant of a surety bond in favor of the Ministry of National Assets, to guarantee the seriousness of the tender to be submitted by Energía Eólica Pampas SpA in the bidding process for the concession of onerous use of public property, for an amount of up to UF 219,371 (meeting No. 229 of May 27).

3.9 To recommend the Board that it should approve the partnership with Global Infrastructure Partners (GIP) through Glacier Acquisitionco SpA and its corporate and contractual structure, which, among other transactions, considers the following related party transactions (meeting No. 231 of July 15):

(i) Service Agreement between the Company and Greenco;

(ii) Service Agreement between the Company and each of the Project Companies;

(iii) Electricity Purchase and Sale Agreement between the Company and each of the Project Companies;

(iv) Operation and Maintenance Agreement between the Company and each of the Project Companies; and

(v) the following Agreements between subsidiaries of the Company: (a) permit sharing agreements between Parque Eólico Los Cururos SpA and Compañía Transmisora La Cebada S.A., and between Andes Solar SpA and Andes Solar II SpA, and (b) tolling agreements between Andes Solar SpA and Andes Solar II SpA.

3.10 Recommend the Board of Directors that AES Andes or Norgener Renovables SpA should grant a joint and several guarantee and counterguarantee to secure to MC Energía SpA the pecuniary obligations of the subsidiary Energía Eólica Paposo SpA, in the lease agreements to be entered into for the development of the Terra project (meeting No. 232 of July 29).

3.11 To recommend the Board of Directors that it should authorize the subsidiary Chagual Energía SpA to submit a tender in the bidding process to meet the demands of clients subject to price regulation, as well as the execution of a lease agreement for Cordillera Power Plant by that subsidiary (meeting No. 232 of July 29).

3.12 To recommend the Board that the Company should become a guarantor, surety and/or joint and several debtor of the subsidiary Chagual Energía SpA in favor of Banco de Crédito e Inversiones ("BCI"), in order to guarantee compliance with the obligations that this subsidiary has with BCI with respect to a loan of up to UF 64,000 (meeting No. 232 of July 29).

3.13 To recommend the Board of Directors that it should authorize the Company to guarantee, for an amount of up to UF 192,000, compliance of the obligations of the subsidiary Chagual Energía SpA with financial entities that issue performance bonds in the event that this subsidiary is awarded, under the relevant bidding process, the supply to meet the demands of customers subject to price regulation (meeting No. 232 of July 29).

3.14 To be informed, in accordance with the Standard Operating Policies and Procedures, of coal sales to the subsidiary Empresa Eléctrica Cochrane SpA, as well as to the company Guacolda Energía SpA (meeting No. 232 of July 29).

3.15 To approve and recommend the Board that it should authorize (meeting No. 234 of August 11):

(i) the subsidiary Andes Solar SpA to enter into an agreement with Fluence Energy, LLC for the provision of storage systems to the Andes Solar IV project, for a capacity of 130 MW/ac;

(ii) the subsidiary Andes Solar II SpA to enter into an agreement with Fluence Energy LLC for the provision of storage systems to the Andes Solar II2B project, for a capacity of 17 MW/ac; and

(iii) the Company to enter into an agreement with Fluence Energy, LLC for the supply of equipment for the provision of storage systems to the *Virtual Reservoir II* project, with a capacity of 52.2 MW/ac.

To recommend the Board of Directors that it should grant of bonds to guarantee the obligations of the following subsidiaries, to be issued for the following amounts, for the benefit of the owners, tenants, limited owners or those who exploit the respective facilities of the transmission system for any reason, in order to request the authorizations to be connected to transmission facilities (meeting No. 235 of August 26).

3.16

(i) Energía Eólica Paposo SpA, for UF 2100;

(ii) Parque Eólico Nolana SpA, for UF 2100;

(iii) Parque Eólico Nolana SpA, for UF 2100;

(iv) Punta del Sol SpA, for UF 2524;

(v) Quebrada Seca SpA, for UF 2100; and,

(vi) Energía Eólica Rinconada SpA, for UF 1893

3.17 To recommend the Board that the Company should grant joint and several and technical assistance bonds to guarantee the obligations that the subsidiary AES Chivor acquires in the agreement it signs with companies of the Ecopetrol Group, in relation to the Huila and Ocelote projects, within the limits of liability established in each contract (meeting No. 235 of August 26).

3.18 To recommend the amendment of the agreements for the supply of storage systems, as previously approved, between the subsidiaries Andes Solar SpA and Andes Solar II SpA with Fluence Energy LLC, increasing the amount of equipment to be supplied and, consequently, the price of such agreements (meeting No. 236 of September 30).

3.19 To recommend the Board that it should enter into with Fluence Energy LLC an agreement for the operation and maintenance of storage systems to be installed in Andes Solar IIB project (meeting No. 236 of September 30).

3.20 To recommend the Board that AES Andes should grant a bank bond of up to UF 2100 to guarantee the obligations of its subsidiary Parque Eólico Litueche SpA, as a result of the application for a connection point of the Litueche Project to the National Electrical System, to



be issued for the benefit of the owner, lessee, limited owner or whoever exploits the respective facilities of the transmission system for any reason, being able both to request the issuance of the guarantee bond, as well as to guarantee, for the benefit of the bank issuing the bond, the obligations of Parque Eólica Litueche SpA (meeting No. 236 of September 30).

3.21 To recommend the Board of Directors that it should authorize the Company to grant bonds to guarantee performance of the obligations of the subsidiary Alto Maipo SpA with the following advisors (meeting No. 236 of September 30):

- (i) Lazard for a maximum amount of US\$3.5 million; and
- (ii) MRAY Consulting pursuant to the *indemnity* agreement under the financial restructuring process of Alto Maipo SpA.

3.22 To approve and recommend the Board that it should approve (meeting No. 236 of September 30):

- (i) the amendment of the agreement for the provision of services that the Company has entered into with its subsidiaries and related persons regarding the collection system and billing frequency; and
- (ii) the renewal and execution of new agreement with the Argentine subsidiaries Energética Argentina S.A. (EASA), Energen S.A., Gener Argentina S.A., Interandes S.A., and Vientos Neuquinos S.A.

3.23 To recommend the Board that it should authorize the Company to grant up to three bank bonds for an accumulated total amount of UF 29,642, in favor of the Ministry of National Assets, to secure compliance with the obligations to be assumed by the subsidiary Parque Eólico Nolana SpA in the bidding process for the concession of onerous use of public property (meeting No. 237 of October 28).

3.24 To recommend the Board that it should approve the novation due to the change of creditor between the Company, Norgener Renovables SpA and Alto Maipo SpA (meeting No. 237 of October 28).

3.25 To be informed of coal sales to the subsidiary Empresa Eléctrica Cochrane SpA in accordance with the Standard Operating Policies and Procedures (meeting No. 237 of October 28).

3.26 To be informed of the purchase of energy and power to the subsidiary Empresa Eléctrica Cochrane SpA in accordance with the Standard Operating Policies and Procedures (meeting No. 237 of October 28).

3.27 To recommend the Board that it should approve the negotiation and granting of a DIP Financing (*Debtor in Possession*) to the subsidiary Alto Maipo SpA for US\$50 million, in the event that that subsidiary initiates a reorganization process covered by *Chapter 11* of the United States Bankruptcy Code (session No. 237 of October 28).

3.28 To recommend the Board that it should amend the approval of the DIP Financing, in the sense that the debtor of the Company should be Alto Maipo Delaware LLC, subject to the authorization by the Board of the creation of the subsidiary Alto Maipo Delaware LLC (meeting No. 239 of November 16).

3.29 To recommend the Board that the Company should grant a bank bond for up to UF 34,415.11 to guarantee the obligations of the subsidiary Energía Eólica Pampas SpA during the period of development and construction established in the concession agreement for onerous use executed with the Ministry of National Assets of Chile (meeting No. 240 of November 18).

3.30 To recommend the Board that the Company should grant two letters of credit, for an aggregate total of up to US\$10 million to guarantee the obligations that the subsidiary Eléctrica Angamos SpA maintains with Terminales Graneles del Norte S.A. within the framework of the dry bulk transfer agreement; or, alternatively, that the Company become guarantor before the financial institution to which Eléctrica Angamos requests such letters of credit (meeting No. 240 of November 18).

3.31 To recommend the Board of Directors that it should enter into a Collaboration Contract with the indirect controller Mercury Chile Co. II Ltd. whose purpose is to provide information in the framework of the *due diligence* process from potential financiers of that company, as well as for the preparation of the materials necessary for the offer of the debt securities to be issued (meeting No. 241 of December 6).

3.32 To recommend the Board of Directors that it should grant of bonds to guarantee the obligations of the subsidiaries (i) Parque Eólico Nolana SpA, for UF 2100; (ii) Chagual Energía SpA for UF 2100 and (iii) subsidiary to be established¹ for 2100 UF; to guarantee the performance of the obligations of those subsidiaries for the benefit of the owners, tenants, limited owners or those who exploit the respective facilities of the transmission system for any reason, in order to request the authorizations to be connected to transmission facilities (meeting No. 242 of December 16).

3.33 To recommend the Board that it should grant a bank bond on behalf of Andes Solar SpA, for an amount of up to UF 75.2, to guarantee to the Road Administration Board that the works of access to the Andes Solar project will be properly executed (meeting No. 242 of December 16).

3.34 To approve, in accordance with the Standard Operating Policies and Procedures, the invoicing of

the amounts for services provided by the Company to its subsidiaries and the subsidiaries of its parent AES Corporation under service agreements with those companies (meeting No. 242 of December 16).

3.35 To recommend the Board that it should purchase the insurance program for 2022, which includes the participation of the related company AES Global Insurance Company (Meeting No. 242 of December 16).

(4) Remuneration and Compensation Systems. With regard to these matters, the activities performed included:

4.1 To be informed of the preliminary presentation of the *Scorecard* for the determination of bonuses to workers (meeting No. 221 of January 21).

4.2 To review the remuneration and compensation policy of the General Manager, senior executives and employees of the Company (meeting No. 222 of February 24).

(5) Other matters of relevance to the Company. With regard to other relevant matters, the activities performed included:

5.1 To be informed of and place on record the adherence of the members of the Committee to the priorities for 2021, in particular, to convert the Company into a 100% renewable company in Chile (meeting No. 221 of January 21).

5.2 To be informed of the progress made in the development

of Green Hydrogen projects by the Company (meeting No. 222 of February 24).

5.3 To recommend the Board that it should submit a binding tender in a bidding process for the supply of desalinated water (meeting No. 223 of March 10).

5.4 To recommend the Board that it should request the National Energy Commission to disconnect the Laguna Verde Power Plant from the National Electrical System (meeting No. 223 of March 10).

5.5 To recommend that the Board should approve the modification of the corporate structure of certain subsidiaries of the Company to allow the admission of a partner in certain renewable projects developed by these subsidiaries (meeting No. 224 of March 19).

5.6 To be informed of and make comments on the Questionnaire on Corporate Governance in accordance with General Rule No. 385 of the Commission for the Financial Market (Meeting 225 of March 23).

5.7 To recommend the Board that it should propose to the next Ordinary Shareholders' Meeting the Dividend Policy for 2021 (meeting No. 226 of March 25).

5.8 To recommend the Board that it should propose to the next Special Shareholders' Meeting the distribution of a contingent dividend charged to profits of the previous fiscal years for a total amount of US\$47,705,038 (meeting No. 226 of March 25).

1. The defined subsidiary is Chagual Energía SpA.

5.9 To be informed of the progress made in the risk hedging strategy of the Company (meeting No. 229 of May 27).

5.10 To be informed of the proposals to (i) change the name of "Fundación AES Gener" to "Fundación AES Chile"; (ii) appoint new directors; and (iii) implement the other amendments to the by-laws (meeting No. 230 of June 24).

5.11 To recommend the Board of Directors that it should approve the prepayment and debt issuance strategy, and that together with the prepayment of the local note due in 2028 the Company should terminate certain rates and currency derivative instruments (meeting No. 230 of June 24).

5.12 To be informed of the progress made in the regulatory, legal and counter-party risks related to the transactions of the Company (meeting No. 230 of June 24).

5.13 To be informed of the status of the protection appeal related to Ventanas Plant and other matters (meeting No. 232 of July 29).

5.14 To recommend the Board that it should approve the implementation of the *Virtual Reservoir II* project, which is an extension of the *Virtual Reservoir I* storage system, already in operation, consisting of the incorporation of battery storage in the Alfalfal I Power Plant, with a power of 52.2 MW/ac and with a storage capacity of 197 MW/h (meeting No. 234 of August 11).

5.15 To be informed of the restructuring process of the subsidiary Alto Maipo SpA and its long-term business plan (meeting No. 235 of August 26).

5.16 To be informed of the execution of a credit agreement to refinance the short-term debt of the Company (meeting No. 237 of October 28).

5.17 To be informed of the changes in the insurance market and the Company's insurance policy for the period 2022-2023 (meeting 240 of November 18).

5.18 To be informed of the counterparty solvency and risk analysis of the Company (meeting No. 240 of November 18).

5.19 To recommend the Board that it should authorize the Company to prepay hybrid debt for a total amount of up to US\$100 million (meeting No. 242 of December 16).

5.20 To recommend the Board that it should authorize the Company to sell the 24,836,382 shares of its own issue that it owned in the takeover bid conducted by the controlling shareholder Inversiones Cachagua, subject to the approval of the transaction by the Commission for the Financial Market (meeting No. 242 of December 16).

III. Operation of the Committee of Directors

With regard to the operation of the Committee, the activities performed included:

(i) To analyze the annual management report of the Committee, suggesting clarifications and modifications, and resolving that no new recommendations to shareholders were considered for the current year (meeting No. 225 of March 23).

(ii) 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 submitted for the consideration of the next Ordinary Shareholders' Meeting (meeting No. 226 of March 25).

(iii) To approve the report of expenses incurred during 2020 out of the budget of the Committee of Directors, agreeing also to submit for the approval of the Board the expenses incurred out of the budget of the Committee of Directors for the reported amounts (meeting No. 226 of March 25).

(iv) To approve the schedule of meetings of the Committee of Directors for 2022, in accordance with the presentations made in the relevant meeting (Meeting No. 242 of December 16).

IV. Committee Expenses.

In relation to the budget for 2021 of US\$25,000 approved by the Ordinary Shareholders' Meeting held on March 23, 2021 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:

- Indecs Consulting
Analysis of the insurance market
GBP 7,000
- PWC
Consulting services in
transfer prices
UF 410

V. Recommendations to the Shareholders.

No new recommendations to shareholders have been considered for this year.

Santiago, March 31, 2021.



6.8 Background Information about Subsidiaries and Affiliates

Background information about Related Companies as of December 31, 2021

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
Phone: (56 2) 26868900
Fax: (56 2) 26868990

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: 77423682-1
Address: Los Conquistadores N° 1730, Piso 10, Providencia, Santiago de Chile
Phone: (56 2) 26868900
Fax: (56 2) 26868990

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/ to make and develop all kinds of investments relating to all types of property, movable or immovable, tangible or intangible, 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\$1,000 divided into 1,000 shares.
Number of Subscribed and Paid Shares: 1,000 subscribed and paid shares
Interest: 100%
Managing Director: AES Andes S.A.

AES Chivor & CIA SCA ESP

Legal nature: Partnership Limited by Shares (Foreign)
Address: Av. Calle 100 N° 19-54, Piso 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 self-generation, cogeneration or distributed generation projects.

Capital and Shares: Paid-in capital: COP \$233,736,958,964
Number of Subscribed and Paid Shares: 222,818,836 Interest: 99.98% indirectly through Norgener Foreign Investment SpA. (222,769,668) and AES Andes S.A. (1 share)
Chief Executive Officer: Federico Echavarría
Staff: Technicians: 124, administrative staff: 10, professionals: 44, executives: 19.
Members of the Board of Directors
Regular Directors: Ricardo Manuel Falú (1), Julián Nebreda (3), Scarlett Maria Alvarez Uzcategui, Letitia Dawn Mendoza and María Paz Cerda (6)
Alternate Directors: Ricardo Roizen Gottlieb (2), Vicente Javier Giorgio (4), Filho Ítalo Tadeu De Carvalho Freitas, Ricardo Silvarinho (7) and Jorge Leonardo Amiano Goyarrola

AES Chivor S.A. (Managing Partner of AES Chivor & CIA SCA E.S.P.)

Legal nature: Foreign Corporation Address: Av. Calle 100 No. 19-54, office 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 Col\$120,000,000 Number of subscribed and paid shares: 120,000 Interest: 98.12% directly and indirectly through Norgener Foreign Investment SpA (with an interest of 50.625%) and AES Andes S.A. (with an interest of 47.5%) Shareholders: AES Andes S.A. (57,000 shares); Norgener Foreign Investment (60,750 shares); Empresa Eléctrica Ventanas SpA (750 shares); Jason Dutil (750 shares); Norgener Inversiones SpA (750 shares).

Alto Maipo SpA

Legal nature: Stock Corporation
Tax Id. (RUT) number: 76170761-2
Address: Los Conquistadores 1730, Piso 10, Providencia, Santiago
Phone: (56 2) 26868900
Fax: (56 2) 26868990

Corporate Purpose: Generation, transmission, purchase, sale and distribution of electric 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-in capital: US\$550,243. 737.8
Number of Subscribed and Paid Shares: 76,502,374 subscribed and paid shares
Interest: 93.12% indirectly through Norgener Renovables SpA
Chairman of the Board: Marcelo Tokman Ramos. Directors: Marcelo Tokman Ramos, Ricardo Falú (1) and Javier Giorgio (4)
Alternate Directors: Javier Dib, María Paz Cerda (6) and Ricardo Roizen Gottlieb (2)
Chief Executive Officer: Luis Urrejola Martelli
Staff*: Technical and Administrative Staff: 3; Professionals: 54

Capital and Shares: Paid-in capital: US\$550,243. 737.8
Number of Subscribed and Paid Shares: 76,502,374 subscribed and paid shares
Interest: 93.12% indirectly through Norgener Renovables SpA
Chairman of the Board: Marcelo Tokman Ramos. Directors: Marcelo Tokman Ramos, Ricardo Falú (1) and Javier Giorgio (4)
Alternate Directors: Javier Dib, María Paz Cerda (6) and Ricardo Roizen Gottlieb (2)
Chief Executive Officer: Luis Urrejola Martelli
Staff*: Technical and Administrative Staff: 3; Professionals: 54

Andes Solar SpA

Legal nature: Stock Corporation
 Tax Id. (RUT) number: 76.579.067-0
 Address: Los Conquistadores N° 1730, Piso 10, Providencia, Santiago de Chile
 Phone: (56 2) 26868900.
 Fax: (56 2) 26868990

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\$33,247,193.59
 Number of Subscribed and Paid Shares: 178,010 subscribed and paid shares

Interest: 100%
 Managing Director: Norgener Renovables SpA
 Chief Executive Officer: Ricardo Falú (1)
 Regular Directors: Ricardo Falú (1), Julián Nebreda (3) and Javier Dib.
 Alternate Directors: María Paz Cerda (6), Javier Giorgio (4) and Ricardo Roizen Gottlieb(2).

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) 26868900
 Fax: (56 2) 26868990

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\$115,609,352.24
 Number of Subscribed and Paid Shares: 125,573,576.
 Interest: 51%
 Regular Directors: Ricardo Falú (1), Julián Nebreda (3), Javier Giorgio (4), Jonathan Bram, Ronnie Hawkins.

Alternate Directors: Marcelo Aicard, Ricardo Roizen Gottlieb (2), María Paz Cerda (6), Dan Barbosa and Bob Callahan.

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) 26868900

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 Giorgio, Ricardo Falú, Luis Knaack
 Alternate Directors: Alberto Zavala, Javier Dib, Osvaldo Ledezma

Compañía Transmisora Del Norte Chico S.A.

Legal nature: Corporation
 Tax Id. (RUT) number: 99588230-2
 Address: Los Conquistadores N° 1730, Piso 10, Providencia, Santiago de Chile
 Phone: (56 2) 26868900

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.

Interest: 50.01% indirectly through Guacolda Energía SpA
Chief Executive Officer: Javier Giorgio (4)
Regular Directors: Javier Giorgio (4), Ricardo Falú (1), Manuel Pérez Duboc, Jonathan Bram, Thomas Frazier, Randal Robertson Alternate Directors: Alberto Zavala, Marcelo Aicardi, Ricardo Roizen (2), Patricio Chico, Robert Callahan, William Gutterman.

Compañía Transmisora La Cebada S.A.

Legal nature: Corporation
Tax Id. (RUT) number: 76729711-4
Address: Los Conquistadores N° 1730, Piso 10, Providencia, Santiago de Chile
Phone: (56 2) 26868900

Corporate Purpose: Exploitation and development of its own or third-party electrical 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: CLP5,251,131,052 Number of Shares: 5,251,131,052 subscribed and paid shares
Interest: 100% indirectly through Parque Eólico Los Cururos SpA.
Chief Executive Officer: Javier Dib
Directors: Ricardo Falú (1), Julián Nebreda (3) and Javier Dib.

Derivex S.A.

Legal nature: Corporation (Foreign); Address: Av. Cr 7 # 71 - 21 To B Of 402, Bogotá,

Colombia Phone: (57 1) 6074848
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 Col\$751,056,000 Number of subscribed and paid shares: 751,056 Interest: 4.76% indirectly through AES Chivor & Cía S.C.A. E.S.P. (35,764 shares), the other interest belongs to third parties.
Chief Executive Officer: Juan Carlos Tellez Urdaneta
Staff: Total 5: Coordinators: 2, professionals: 2, executives: 1
Members of the Board of Directors
Regular Directors: Jorge Hernan Jaramillo Ossa (1), Cecilia Inés Maya Ochoa (2) Martha María Gil Zapata (3), Marcelo Javier Alvarez Rios (4) and Louis Francois Kleyn Lopez (5) Alternate Directors: Celso Guevara Cruz (1), Sandra María Ríos González (2) Nicolas Eduardo Mayorga Mora (3), Federico Echavarria Restrepo (4) and Gloria Cecilia Velásquez Mejía (5).

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) 26868900
Fax: (56 2) 26868990
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-in capital: US\$1,000
 Number of Issued and Paid Shares: 22,150,749,834
 Interest: 100% direct
 Chairman of the Board: Ricardo Falú (1)
 Regular Directors: Ricardo Falú (1), Julián Nebreda (3) and Javier Dib.
 Chief Executive Officer: Ricardo Falú (1)
 Staff: Technical and Administrative Staff: 65; Professionals: 42.

Empresa Eléctrica Cochrane SpA

Legal nature: Stock Corporation
 Tax Id. (RUT) number: 76085254-6
 Address: Los Conquistadores N° 1730, Piso 10, Providencia, Santiago de Chile
 Phone: (56 2) 26868900

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; lease, construction, or acquisition and exploitation of harbors or ports, in any manner, and conduct of any other related or

complementary productivity or commercial activities of the businesses mentioned above.

Capital and Shares: Paid-in capital: US\$145,396,594.16
 Number of Shares: 436,163,745 subscribed and paid shares
 Interest: 60% indirectly through Inversiones Cochrane SpA.
 Chairman of the Board: Ricardo Manuel Falú (1) Regular
 Directors: Ricardo Falú (1), Julián Nebreda, Marcelo Tokman, Janggwi Hang, Bong Hee Lee.
 Alternate Directors: María Paz Cerda (6), Marcelo Aicardi (8), Ricardo Roizen Gottlieb (2), Jongwoo Kim, Jong Beom Ham.
 Chief Executive Officer: Javier Dib.

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) 26868900

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-in capital: US\$ 195,868,719.6
 Number of Subscribed and Paid Shares: 51,371,133,428
 Interest: 100% directly
 Chairman of the Board: Ricardo Falú (1)
 Directors: Ricardo Falú (1); Ricardo Roizen Gottlieb (2) and Javier Dib.
 Chief Executive Officer: Ricardo Falú (1)

Energen S.A.

Legal nature: Corporation (Foreign); Address: Carlos Pellegrini 1023, 9° piso, C1009ABU, Ciudad Autónoma de Buenos Aires, República 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 electrical 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-in capital: AR\$ 164,450
Number of Issued and Paid Shares: 114,450 Interest: 64.42% directly and 34.58% indirectly through Gener Argentina S.A.
Chairman of the Board: Martín José Genesio
Regular Directors: Vicente Javier Giorgio(4) and Fabian Carlos Giammaria
Alternate Directors: Rubén Néstor Zaia, Guillermo Daniel Paponi, Ivan Diego Durontó

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) 26868900

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 Electrical System; as far as commercialization is concerned, to purchase electrical energy and resell it to electrical power distributors or end users/ non-regulated customers; to build, install, operate, exploit, maintain and manage thermal or hydraulic or the so-called

Non-conventional Renewable Energy (NCRE) generation assets; to acquire, lease or enter into any other legal act relating to the incorporation of thermal, hydraulic and NCRE generation assets; to acquire, lease or enter into any other legal act relating to third-party power generation projects; to operate, exploit, maintain and administer power generation assets acquired to third parties; to market surplus energy from our own or contract 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; to acquire, build, implement, operate, maintain and exploit all kinds of goods and electrical energy generation facilities; 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 for electrical, telecommunications, telephone, telegraphy, telex and data transmission and radio communication services; to build, install, exploit and maintain power generation stations of any kind for sale to third parties; to build one or more power generation plants of any kind to sell its 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 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-in capital: US\$1,000
Number of Subscribed and Paid Shares: 1,000 Interest: 100%

indirectly through Norgener Renovables SpA
Chief Executive Officer: Ricardo Falú (1)

Energía Eólica Don Álvaro SpA

Legal nature: Stock corporation
Tax Id. (RUT) number: 77290404-5
Address: Los Conquistadores N° 1730, Piso 10, Providencia, Santiago de Chile
Phone: (56 2) 26868900

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 Electrical System; as far as commercialization is concerned, to purchase electrical energy and resell it to electrical power distributors or end users/non-regulated customers; to build, install, operate, exploit, maintain and manage thermal or hydraulic or the so-called Non-conventional Renewable Energy (NCRE) generation assets; to acquire, lease or enter into any other legal act relating to the incorporation of thermal, hydraulic and NCRE generation assets; to acquire, lease or enter into any other legal act relating to third-party power generation projects; to operate, exploit, maintain and administer power generation assets acquired to third parties; to market surplus energy from our own or contract 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; to acquire, build, implement, operate, maintain and exploit all kinds of goods and electrical energy generation facilities; 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 for electrical, telecommunications, telephone, telegraphy, telex and data transmission and radio communication services; to build, install, exploit and maintain power generation stations of any kind for sale to third parties; to build one or more power generation plants of any kind to sell its 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 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-in capital: US\$1,000
Number of Subscribed and Paid Shares: 1,000
Interest: 100% indirectly through Norgener Renovables SpA
Chief Executive Officer: Ricardo Falú (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) 26868900

Corporate Purpose: To develop the production of electrical energy in the wholesale electric energy market and to inject such energy into the National Electrical System; to purchase electrical energy to be sold to electrical power distributors or end users/non-regulated customers; to build, install, operate, exploit, maintain and manage generation, thermal or hydraulic or the so-called Non-conventional Renewable Energy assets; 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 contract 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; to acquire, build, implement, operate, maintain and exploit all kinds of goods and electrical energy generation facilities; 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 for electrical, telecommunications, telephone, telegraphy, telex and data transmission and radio communication services; to build, install, exploit and maintain power generation stations of any kind for sale to third parties; to build one or more power generation plants of any kind to sell its 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 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-in capital: U\$ 700,000
Number of Subscribed and Paid Shares: 710,000 Interest: 100% indirectly through Norgener Renovables SpA
Chief Executive Officer: Ricardo Falú (1)

Energía Eólica Mesamávida SpA

Legal nature: Stock Corporation
Tax Id. (RUT) number: 76868991-1
Address: Los Conquistadores N° 1730, Piso 10, Providencia, Santiago de Chile
Phone: (56 2) 26868900

Corporate Purpose: To develop the production of electrical energy in the wholesale electric energy market and to inject such energy into the National Electrical System; to purchase electrical energy to be sold to electrical power distributors or end users/non-regulated customers; to build, install, operate, exploit, maintain and manage generation, thermal or hydraulic or the so-called Non-conventional Renewable Energy assets; 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

contract 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; to acquire, build, implement, operate, maintain and exploit all kinds of goods and electrical energy generation facilities; 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 for electrical, telecommunications, telephone, telegraphy, telex and data transmission and radio communication services; to build, install, exploit and maintain power generation stations of any kind for sale to third parties; to build one or more power generation plants of any kind to sell its 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 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-in capital: US\$ 410,000
 Number of Subscribed and Paid Shares: 410,000 Interest: 100% indirectly through Norgener Renovables SpA
 Chief Executive Officer: Ricardo Falú (1)

Energía Eólica Pampas SpA

Legal nature: Stock corporation
 Tax Id. (RUT) number: 77294357-1
 Address: Los Conquistadores N° 1730, Piso 10, Providencia, Santiago de Chile
 Phone: (56 2) 26868900

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 Electrical System; as far as commercialization is concerned, to purchase electrical energy and resell it to electrical power distributors or end users/non-regulated customers; to build, install, operate, exploit, maintain and manage thermal or hydraulic or the so-called Non-conventional Renewable Energy (NCRE) generation assets; to acquire, lease or enter into any other legal act relating to the incorporation of thermal, hydraulic and NCRE generation assets; to acquire, lease or enter into any other legal act relating to third-party power generation projects; to operate, exploit, maintain and administer power generation assets acquired to third parties; to market surplus energy from our own or contract 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; to acquire, build, implement, operate, maintain and exploit all kinds of goods and electrical energy generation facilities; 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 for electrical, telecommunications, telephone, telegraphy, telex and data transmission and radio communication services; to build, install, exploit and maintain power generation stations of any kind for sale to

third parties; to build one or more power generation plants of any kind to sell its 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 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-in capital: US\$1,000
 Number of Subscribed and Paid Shares: 1,000
 Interest: 100% indirectly through Norgener Renovables SpA
 Chief Executive Officer: Ricardo Falú (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) 26868900

Corporate Purpose: To develop the production of electrical energy in the wholesale electric energy market and to inject such energy into the National Electrical System; to purchase electrical energy to be sold to electrical power distributors or end users/non-regulated customers; to build, install, operate, exploit, maintain and manage generation, thermal or hydraulic or the so-called Non-conventional Renewable Energy assets; 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 contract 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; to acquire, build, implement, operate, maintain and exploit all kinds of goods and electrical energy generation facilities; 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 for electrical, telecommunications, telephone, telegraphy, telex and data transmission and radio communication services; to build, install, exploit and maintain power generation stations of any kind for sale to third parties; to build one or more power generation plants of any kind to sell its 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 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-in capital: US\$1,000
 Number of Subscribed and Paid Shares: 1,000 Interest: 100% indirectly through Norgener Renovables SpA
 Chief Executive Officer: Ricardo Falú (1)

Energía Eólica Rinconada 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) 26868900

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 Electrical System; as far as commercialization is concerned, to purchase electrical energy and resell it to electrical power distributors or end users/non-regulated customers; to build, install, operate, exploit, maintain and manage thermal or hydraulic or the so-called Non-conventional Renewable Energy (NCRE) generation assets; to acquire, lease or enter into any other legal act relating to the incorporation of thermal, hydraulic and NCRE generation assets; to acquire, lease or enter into any other legal act relating to third-party power generation projects; to operate, exploit, maintain and administer power generation assets acquired to third parties; to market surplus energy from our own or contract 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; to acquire, build, implement, operate, maintain and exploit all kinds of goods and electrical energy generation facilities; 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 for electrical, telecommunications, telephone, telegraphy, telex and data transmission and radio communication services; to build, install, exploit and maintain power generation stations

of any kind for sale to third parties; to build one or more power generation plants of any kind to sell its 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 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-in capital: US\$1,000
 Number of Subscribed and Paid Shares: 1,000
 Interest: 100% indirectly through Norgener Renovables SpA
 Chief Executive Officer: Ricardo Falú (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) 26868900

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 Electrical System; as far as commercialization is concerned, to purchase electrical energy and resell it to electrical power distributors or end users/non-regulated customers; to build, install, operate, exploit, maintain and manage thermal or hydraulic or the so-called

Non-conventional Renewable Energy (NCRE) generation assets; to acquire, lease or enter into any other legal act relating to the incorporation of thermal, hydraulic and NCRE generation assets; to acquire, lease or enter into any other legal act relating to third-party power generation projects; to operate, exploit, maintain and administer power generation assets acquired to third parties; to market surplus energy from our own or contract 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; to acquire, build, implement, operate, maintain and exploit all kinds of goods and electrical energy generation facilities; 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 for electrical, telecommunications, telephone, telegraphy, telex and data transmission and radio communication services; to build, install, exploit and maintain power generation stations of any kind for sale to third parties; to build one or more power generation plants of any kind to sell its 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 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: US\$1,000

Number of Subscribed and Paid Shares: 1,000

Interest: 100% indirectly through Norgener Renovables SpA
Chief Executive Officer: Ricardo Falú (1)

Gasoducto Gasandes Argentina S.A.

Legal nature: Corporation (Foreign); Address: Bonpland 1745, City of Buenos Aires
Phone: (54 11) 4849 6100
Fax: (54 11) 4849 6130

Corporate Purpose: Natural gas transportation

Capital and Shares: Paid-in capital: AR\$83,467,000 (th of US\$19.393)

Number of Subscribed and Paid Shares: 83,467,000 Interest: 13%

Class A Regular Directors: Eduardo Hugo Antranik Eurkenian, Luis Alberto Santos, Pablo Sobarzo Mierzo, Klaus Richard Lührmann Poblete; Class A Alternate Directors: Emilio Martín Nadra, Fernando Varoujan Ketchian, Luis Arancibia Yametti, Alan Targarona.

Class B Regular Director: Martín Genesio; Class B Alternate Director: Iván Diego Duronto.

Class C Regular Director: Carmen Figueroa Deisler; Class C Alternate Director: Carmen Paz Talma.

Class D Regular Directors: Emilio José Daneri Conte Grand, Matías María Brea; Class D Alternate Directors: Juan Pablo Freijo, Carlos Daniel Bautista.

Class E Regular Director: Gabriel Enrique María Wilkinson; Class E Alternate Director: Enrique Sandoval.

Gasoducto Gasandes S.A.

Legal nature: Closed Corporation

Tax Id. (RUT) number: 96.721.360-8

Address: Avenida Chena 11650, Parque Industrial Puerta Sur San Bernardo, Santiago de Chile

Phone: (56 2) 23665960

Fax: (56 2) 23665074

Corporate Purpose: 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 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: MUS\$11,914

Number of Subscribed and Paid Shares: 172,800 Interest: 13%

Chairman of the Board: Hugo Antranik Eurkiran Regular

Directors: Hugo Antranik Eurkiran, Luis Alberto Santos, Matías María Brea, Emilio José Daneri Conte Grand, Pablo Sobarzo Mierzo, Carmen Figueroa, Klaus Richard Lührmann Poblete, Luis Sarrás, Gabriel María Wilkinson. Alternate Directors: Emilio Martín Nadra, Fernando Ketchian, Carlos Daniel Bautista, Juan Pablo Freijo, Luis Arancibia Yametti, Carmen Paz Talma, Enrique Sandoval, Martín Genesio, Alan Targarona.

Gener Argentina S.A.

Legal nature: Corporation (Foreign); Address: Carlos Pellegrini 1023, 9° piso, C1009ABU, City of Buenos Aires, República Argentina
Phone: (54 11) 4000-2300

Corporate Purpose: 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) To participate, either directly or through other controlled or related companies, in the bidding of stock packages of companies whose assets are hydraulic or thermal power plants not yet privatized by the Argentine Government or in the development of other projects of the electricity sector in Argentina.

Capital and Shares: Paid-in 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 SpA
Chairman of the Board: Martín José Genesio
Regular Directors: Javier Giorgio(4) and Fabian Carlos Giammaría
Alternate Directors: Rubén Néstor Zaia, Guillermo Daniel Paponi, Ivan Diego Durontó
Chief Executive Officer: Martín Genesio

Interandes S.A.

Legal nature: 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 Concessions 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-in capital: AR\$135,365,996 (US\$55,876,946.)
Number of Subscribed and Paid Shares: 135,365,996 Interest: 13% directly and 87% indirectly through Gener Argentina S.A.
Chairman of the Board: Martín José Genesio Regular
Directors: Vicente Javier Giorgio(4) and Fabián Carlos Gianmaría
Alternate Directors: Rubén Nestor Zaía, Guillermo Daniel Paponi and Iván Diego Durontó.

Inversiones Cochrane SpA

Legal nature: Stock corporation
Tax Id. (RUT) number: 77201526 -7
Address: Los Conquistadores N° 1730, Piso 10, Providencia, Santiago de Chile
Phone: (56 2) 26868900

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-in capital: US\$ 53,557,438.11
Number of Subscribed and Paid Shares: 110,142,692, 95% of which are Series A shares and 5% of which are Series B shares. Interest: 95% indirectly through Norgener Renovables SpA
Chief Executive Officer: Ricardo Falú (1)

Jemeiwaa KA 'I S.A.S E.S.P

Legal nature: Simplified Stock Corporation (Foreign);
Address: Av. Calle 100 N° 19-54, Piso 901, Bogotá, Colombia.
Phone: (57 1) 4079555
Fax: (57 1) 6427311

Corporate Purpose: A) Provision of services and advice on issues related to the use and production of energy from renewable sources. B) Planning, design, construction, assembly, operation and maintenance of power generation plants from renewable sources such as wind energy, solar energy and others. C) Carry out environmental impact assessments, technical, financial and legal feasibility of projects, as well as to provide services and advice in areas of mechanical and environmental engineering. D) Import, manufacturing and/or assembly of energy generating equipment from renewable sources and equipment intended for the production of drinking water or desalination of salt water, and related operations. E) Provision of consulting and advisory services on renewable energy generation issues, in existing plants or projects, as well as the direct provision or intermediation of equipment, systems and information.

Capital and Shares: Paid capital Col\$17,485,100,000 Number of subscribed and paid shares: 1,748,506 Interest: 99.99% indirectly through AES Chivor & Cía S.C.A. E.S.P. (1,673,506



shares), 0.0001% through AES Chivor S.A. (1 share), 0.0001% through AES Andes S.A. (1 share), 0.0001% through Norgener Foreign Investments S.p.A. (1 share) and 0.0001% through Norgener Inversiones S.p.A.(1 share)
Chief Executive Officer: Diego Patron Arcila
Staff: total 14: Technicians: 3, administrative staff: 5, professionals: 5, executives: 1
Members of the Board of Directors
Regular Directors: Ricardo Manuel Falú (1), Julián Nebreda (2) and Federico Ricardo Echavarría Restrepo (3)
Alternate Directors: María Paz Cerda (1), Vicente Javier Giorgio (2) and Daniel Marcelo Aicardi (3)

Norgener Foreign Investment SpA

Legal nature: Stock Corporation
Tax Id. (RUT) number: 96.678.770-8
Address: Los Conquistadores N° 1730, Piso 10, Providencia, Santiago de Chile
Phone: (56 2) 26868900
Fax: (56 2) 26868990

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\$107,365,085.34 Number of subscribed and paid shares 2,932,095,888 Interest: 100% directly
Managing Director: AES Andes S.A.
Chief Executive Officer: Ricardo Falú (1)

Norgener Inversiones SpA

Legal nature: Stock Corporation
Tax Id. (RUT) number: 76.803.700-0
Address: Los Conquistadores N° 1730, Piso 10, Providencia, Santiago de Chile
Phone: (56 2) 26868900
Fax: (56 2) 26868990

Corporate Purpose: Investment in all kinds of personal or real property, including stock in companies engaged in the generation, transmission, purchase, sale and distribution of electrical or any other kind of power in any area of the country; generation, transmission, purchase, sale and distribution of electrical or any other kind of power, mainly abroad or in area of the country; extraction, distribution, commercialization and exploitation, in any form, of solid, liquid and gaseous fuels; sale and provision maintenance and machinery engineering services; rental, construction and 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; Investment in all kinds of personal or real property; 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 estate properties, including their management, exploitation, and 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; delivery of funding to third parties by means of credit operations or through other acts or contracts having the same purpose; all other acts, contracts, businesses and procedures related to the previous purposes, as agreed by the shareholders.

Capital and Shares: Subscribed and Issued Capital: US\$301,105,718.50
Number of Subscribed and Paid-in Shares: 49.388.557.454
Interest: 100% directly
Managing Director: AES Andes S.A.
Chief Executive Officer: Ricardo Falú (1)

Norgener Renovables SpA

(In March 2022 the name was changed to AES Chile 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) 26868900

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\$108,940,988.61
Number of Subscribed and Paid Shares: 11,419,970,363
Interest: 100% directly
Managing Director: AES Andes S.A.
Chief Executive Officer: Ricardo Falú (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) 26868900
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-in capital: CLP 304,728,915 Number of Subscribed and Paid Shares: 304,728,915 Interest: 100% indirectly through Norgener Renovables SpA
Chief Executive Officer: Ricardo Falú (1)

Parque Eólico Litueche SpA

Tax Id. (RUT) number: 76.965.837-8
Address: Los Conquistadores N° 1730, Piso 10, Providencia, Santiago de Chile
Phone: (56 2) 26868900
Legal nature: Stock Corporation

Corporate Purpose: Generation, transmission, transport, purchase, supply and sale of electrical or other kind of energy or the elements necessary to produce it; provision of all kinds of services related to the energy market; to obtain, transfer, purchase, lease, encumber or otherwise exploit the respective concessions and grants referred to in the General Electrical Services Law, and other rules and regulations governing the energy activity; to apply for permits and franchises to maintain, promote or develop these purposes; the purchase, sale, import, export, processing, production, marketing and distribution of all kinds of real or personal property or inputs related to any kind of energy business; and performance

of any other commercial or industrial activities related or complementary to the purposes mentioned above.

Capital and Shares: Paid-in capital: US\$1,000
Number of Subscribed and Paid Shares: 100 Interest: 100% indirectly through Norgener Renovables SpA
Chief Executive Officer: Ricardo Falú (1)

Parque Eólico Los Cururos SpA

Legal nature: Stock Corporation
Tax Id. (RUT) number: 76.178.599-0
Address: Los Conquistadores N° 1730, Piso 10, Providencia, Santiago de Chile
Phone: (56 2) 26868900

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 alliances, 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\$198,568,840.91

Number of Shares: 79,642,969,474 subscribed and paid shares

Interest: 51% indirectly through Chile Renovables SpA

Chief Executive Officer: Javier Dib

Parque Eólico Nolana SpA

Tax Id. (RUT) number: 76975746-5

Address: Los Conquistadores N° 1730, Piso 10, Providencia, Santiago de Chile

Phone: (56 2) 26868900

Legal nature: Stock Corporation

Corporate Purpose: To develop the production of electrical

energy in the wholesale electric energy market and to inject such energy into the National Electrical System; to purchase electrical energy to be sold to electrical power distributors or end users/non-regulated customers; to build, install, operate, exploit, maintain and manage generation, thermal or hydraulic or the so-called Non-conventional Renewable Energy assets; 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 contract 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; to acquire, build, implement, operate, maintain and exploit all kinds of goods and electrical energy generation facilities; 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 for electrical, telecommunications, telephone, telegraphy, telex and data transmission and radio communication services; to build, install, exploit and maintain power generation stations of any kind for sale to third parties; to build one or more power generation plants of any kind to sell its 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 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-in capital: US\$10,000

Number of Subscribed and Paid Shares: 10,000 Interest:

100% indirectly through Norgener Renovables SpA

Chief Executive Officer: Ricardo Falú (1)

Parque Eólico Topoloa SpA

Tax Id. (RUT) number: 76975739-2

Address: Los Conquistadores N° 1730, Piso 10, Providencia, Santiago de Chile

Phone: (56 2) 26868900

Legal nature: Stock Corporation

Corporate Purpose: To develop the production of electrical energy in the wholesale electric energy market and to inject such energy into the National Electrical System; to purchase electrical energy to be sold to electrical power distributors or end users/non-regulated customers; to build, install, operate, exploit, maintain and manage generation, thermal or hydraulic or the so-called Non-conventional Renewable Energy assets; 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 contract 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; to acquire, build, implement, operate, maintain and exploit all kinds of goods and electrical energy generation facilities; 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 for electrical, telecommunications, telephone, telegraphy, telex and data transmission and radio communication services; to build, install, exploit and maintain power generation stations of any kind for sale to third parties; to build one or more power generation plants of any kind to sell its 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 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-in capital: US\$10,000
Number of Subscribed and Paid Shares: 10,000 Interest:
100% indirectly through Norgener Renovables SpA
Chief Executive Officer: Ricardo Falú (1)

Punta del Sol SpA

Tax Id. (RUT) number: 76917669-1
Address: Los Conquistadores N° 1730, Piso 10, Providencia,
Santiago de Chile
Phone: (56 2) 26868900
Fax: (56 2) 26868990
Legal nature: Stock Corporation

Corporate Purpose: To develop the production of electrical energy in the wholesale electric energy market and to inject such energy into the National Electrical System; to purchase electrical energy to be sold to electrical power distributors or end users/non-regulated customers; to build, install, operate, exploit, maintain and manage generation, thermal or hydraulic or the so-called Non-conventional Renewable Energy assets; 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 contract 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; to acquire, build, implement, operate, maintain and exploit all kinds of goods and electrical energy generation facilities; 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 for electrical, telecommunications, telephone, telegraphy, telex and data transmission and radio communication services; to build, install, exploit and maintain power generation stations of any kind for sale to third parties; to build one or more power generation plants of any kind to sell its 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 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-in capital: US\$10,000
Number of Subscribed and Paid Shares: 10,000 Interest:
100% indirectly through Norgener Renovables SpA
Chief Executive Officer: Ricardo Falú (1)

Quebrada Seca SpA

Legal nature: Stock corporation
 Tax Id. (RUT) number: 76917677-2
 Address: Los Conquistadores N° 1730, Piso 10, Providencia, Santiago de Chile
 Phone: (56 2) 26868900
 Legal nature: Stock Corporation
 Number of Subscribed and Paid Shares: 10,000 Interest: 100% indirectly through Norgener Renovables SpA
 Chief Executive Officer: Ricardo Falú (1)

Corporate Purpose: To develop the production of electrical energy in the wholesale electric energy market and to inject such energy into the National Electrical System; to purchase electrical energy to be sold to electrical power distributors or end users/non-regulated customers; to build, install, operate, exploit, maintain and manage generation, thermal or hydraulic or the so-called Non-conventional Renewable Energy assets; 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 contract 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; to acquire, build, implement, operate, maintain and exploit all kinds of goods and electrical energy generation facilities; 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 for electrical, telecommunications, telephone, telegraphy, telex and data transmission and radio communication services; to build, install, exploit and maintain power generation stations of any kind for sale to third parties; to build one or more power generation plants of any kind to sell its 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 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-in capital: US\$ 10,000 Interest: 100% indirectly through Norgener Renovables SpA
 Chief Executive Officer: Ricardo Falú (1)

Termoandes S.A.

Legal nature: Corporation
 Address: Carlos Pellegrini 1023, 9th floor, C1009ABU, City of Buenos Aires, C1022AAR, Republic of Argentina
 Phone: (54 11) 4000-2300.

Corporate Purpose: To perform, on its own behalf or on behalf of third parties, the following activities in Argentina or abroad: Production, marketing, export and import of electrical energy. 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.

Capital and Shares:
 Paid-in 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: Vicente Javier Giorgio(4) and Fabián Carlos Giammaría
 Alternate Directors: Rubén Néstor Zaia, Guillermo Paponi and Iván Diego Durontó
 Staff*
 Technical and Administrative Staff: 27; Professionals: 29

Transmisora Tal Tal SpA

Legal nature: Stock corporation

Tax Id. (RUT) number: 77.209.147-8
Address: Los Conquistadores N° 1730, Piso 10, Providencia,
Santiago de Chile
Phone: (56 2) 26868900

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 Electrical System; as far as commercialization is concerned, to purchase electrical energy and resell it to electrical power distributors or end users/non-regulated customers; to build, install, operate, exploit, maintain and manage thermal or hydraulic or the so-called Non-conventional Renewable Energy (NCRE) generation assets; to acquire, lease or enter into any other legal act relating to the incorporation of thermal, hydraulic and NCRE generation assets; to acquire, lease or enter into any other legal act relating to third-party power generation projects; to operate, exploit, maintain and administer power generation assets acquired to third parties; to market surplus energy from our own or contract 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; to acquire, build, implement, operate, maintain and exploit all kinds of goods and electrical energy generation facilities; 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 for electrical, telecommunications, telephone, telegraphy, telex and data transmission and radio communication services; to

build, install, exploit and maintain power generation stations of any kind for sale to third parties; to build one or more power generation plants of any kind to sell its 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 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-in capital: US\$1,000
Number of Subscribed and Paid Shares: 1,000
Interest: 100% indirectly through Energía Eólica Paposo SpA
Chief Executive Officer: Ricardo Falú (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 affiliates whose capital is expressed in a foreign currency other than United States dollars, the information provided in this section is in United States, using the exchange rate in effect as of December 31, 2020.

(1) Chief Executive Officer for AES Andes S.A., (2) VP and

Chief Financial Officer for AES Andes S.A., (3) Regular Director for AES Andes S.A., (4) VP and Chief Operations Officer for AES Andes S.A., (5) VP and Chief Development Officer for AES Andes S.A., (6) VP and Legal Counsel for AES Andes S.A., (7) VP and Chief Human Resources Officer for South America, AES Andes S.A., (8) VP and Chief Financial Officer for South America, AES Andes S.A. (*) Staff of related companies that consolidate their results with AES Andes and that have their own staff.



6.9 Essential Facts and Communications ► [NCG 4619]

January 20, 2021

Essential Fact

Pursuant to Articles 9 and 10, subsection two, of Stock Market Law No. 18,045, and the General Rule No. 30 of the Commission for the Financial Market, we reported as an essential fact to that Commission that as of such date we 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"), and Chile PEC will undertake to purchase, accounts receivable against various electricity distribution companies, in accordance with the provisions of Law 21185, which "Creates a Transitional Electricity Price Stabilization Mechanism for Customers Subject to Tariff Regulation", and Exempt Resolution number 72, of the National Energy Commission (collectively the "Stabilization Mechanism"), for an amount committed up to Th\$90,11 million. Likewise, it was reported that on that date the Company and Inter-American Investment Corporation ("IDB Invest") were negotiating an agreement under which IDB Invest would participate, subject to the conditions to be established for that purpose, in the financing of the acquisition by Chile PEC of additional accounts receivable that the Company may own in the future under the Stabilization Mechanism. To the extent that an agreement is reached on its terms and conditions, the Company would sign the relevant agreements with IDB.

January 30, 2021

Essential Fact

Pursuant to Articles 9 and 10, subsection two, of Stock Market Law No. 18,045, and the General Rule No. 30 of the Commission for the Financial Market, we complemented the essential fact delivered to that Commission on January 20, 2021 to point out that on January 27 the Company reached an agreement with Inter-American Investment Corporation ("IDB Invest"). Pursuant to such agreement and subject to certain conditions, IDB Invest would participate in the financing to Chile Electricity PEC SpA ("Chile PEC" or the "Buyer") for a committed amount of up to US\$44.08 million for the purchase by Chile PEC of: (a) part of the aforementioned accounts receivable that, subject to certain conditions, it has committed to acquire under the *Sale and Purchase Agreement*, entered into on January 29, between the Company and the Buyer, and (b) all or part of the accounts receivable that the Buyer undertakes to acquire in the additional transactions that may be agreed in the future between the Company and Chile PEC. The closing of the sale and transfer transaction of the accounts receivable under the aforementioned *Sale and Purchase Agreement* is subject to certain conditions that must be met no later than February 8, 2021.

February 23, 2021

Essential Fact

Pursuant to Articles 9 and 10, subsection two, of Stock Market Law No. 18,045, and the General Rule No. 30 of the Commission for the Financial Market, we reported as an essential fact to that Commission that on February 23, 2021, the Company entered into a stock purchase agreement under which it undertook to sell all the 108,845,616 shares

held in Guacolda Energía SpA ("Guacolda") representing 50.0000005% of the shares of Guacolda, to WegE SpA, a related company of El Aguila II SpA ("El Aguila"), which controls 49.9999995% of the shares of Guacolda and undertook to buy those shares. This communication was corrected on the same date to clarify that the information was not classified.

March 25, 2021

Essential Fact

Pursuant to Articles 9 and 10, subsection two, of Stock Market Law No. 18,045, and the General Rule No. 30 of the Commission for the Financial Market, we reported as an essential fact to that Commission that as resolved by the Board of the Company on March 25, as of April 23, 2021, the new address of the Company would be: Los Conquistadores N° 1730, Piso 10, Providencia, Santiago de Chile, Metropolitan Region.

March 25, 2021

Essential Fact

Pursuant to Articles 9 and 10, subsection two, of Stock Market Law No. 18,045, and the General Rule No. 30 of the Commission for the Financial Market, we reported as an essential fact to that Commission that by resolutions of the Board of the Company adopted in a meeting held on March 25, 2021, it was agreed to convene the shareholders at an Ordinary Shareholders' Meeting to be held on April 23, 2021, at 10:00 a.m., at Los Conquistadores No. 1730, 10th Floor,

Providencia and, thereafter and immediately after, at a Special Shareholders' Meeting to be held on April 23, 2021, at the same place. The purpose of the Ordinary Shareholders' Meeting would be to discuss and resolve the following topics: (i) formalities specific to 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) appointment of the shareholders who, together with the Chairman and the Secretary, will sign the minutes of the Ordinary Shareholders' Meeting; (3) the Annual Report, Balance Sheet and Financial Statements for the year ended December 31, 2020, situation of the Company and the External Auditors' report; (4) if applicable, distribution of dividends and profits for the year 2020; (5) dividend policy for 2021 and authorization of the Board for the distribution of provisional and/or additional dividends, as applicable; (6) determination of the remuneration of the members of the Committee of Directors, approval of the budget of the Committee of Directors and its advisors for 2021; expenses report and activities developed by that Committee during 2020; (7) approval of the budget of the Board and its advisors for 2021; (8) appointment of an External Auditing Company for the fiscal year 2021; (9) appointment of Credit Rating Agencies for fiscal year 2021; (10) information about the resolutions adopted with respect to transactions with related parties referred to in Title XVI of Corporations Law 18,046; (11) designation of the newspaper for the publications to be made by the Company; (12) other matters of corporate interest that are specific to the Common Shareholders' Meeting; and (13) in general, adoption of all other resolutions which are necessary

or advisable for the formalization of the decisions made by the Ordinary Shareholders' Meeting. The purpose of the Special Shareholders' Meeting would be to discuss and resolve the following topics: (1) formalities specific to matters relating to the form of adoption of resolutions, attendance, calls, powers and other formalities specific to deem that the Special Shareholders' Meeting has been held; (2) appointment of the shareholders who, together with the Chairman and the Secretary, will sign the minutes of the Meeting; (3) approval to divide and pay a contingent dividend of US\$47,705,038, equivalent a US\$0.0045973.- per share out of retained earnings, to be paid as from May 31, 2021, in cash, in US Dollars or Chilean Pesos, at the option of the shareholders; (4) amend the current Article One of the bylaws, relating to the name of the Company, so that it becomes AES Andes S.A.; and (5) In general, to adopt the other resolutions required or advisable for the enforcement of the decisions made by the Shareholders' Meeting.

March 25, 2021

Essential Fact

Pursuant to Articles 9 and 10, subsection two, of Stock Market Law No. 18,045, and the General Rule No. 30 of the Commission for the Financial Market, we reported as an essential fact to that Commission that at the Meeting of the Board of the Company held on March 25, it was also resolved, among others, to propose to submit to the aforementioned Extraordinary Shareholders' Meeting for April 23, 2022, to distribute and pay a contingent dividend of US\$47,705,038,

equivalent a US\$0.0045973.- per share out of retained earnings of the Company, to be paid as from May 31, 2021, in cash, in US Dollars or Chilean Pesos, at the option of the shareholders. By means of the Essential Fact of April 8, 2021, we rectified the information relating to the amount that would be payable as dividend per share, which, if approved, would amount to US\$0.0046083.- per share, an amount that results from excluding from said calculation, the shares of its own issue that are owned by the Company, that have been acquired to date under the buy-back program, and that, according to article 27 of the Corporations Law No. 18,046, are not eligible for a dividend.

April 23, 2021

Essential Fact

Pursuant to Articles 9 and 10, subsection two, of Stock Market Law No. 18,045, and the General Rule No. 30 of the Commission for the Financial Market, we reported as an essential fact to that Commission that in a Special Shareholders' Meeting held on April 23, 2021, the shareholders of the Company adopted, among others, the following resolutions: (a) To approve the change of the name "AES GENER S.A." to "AES Andes S.A." and (b) to approve the distribution and payment of a contingent dividend in the amount of US\$47,705,038 equivalent to US\$0.0046083 per share out of retained earnings, which will be paid as from May 31, 2021.

May 14, 2021

Essential Fact

Pursuant to Articles 9 and 10, subsection two, of Stock Market Law No. 18,045, and the General Rule No. 30 of the Commission for the Financial Market, we complemented the essential fact dated February 23, informing that on May 14, El Águila II SpA (“El Águila”) exercised its right of first refusal with respect to all the 108,845,616 shares held in Guacolda Energía SpA (“Guacolda”) representing 50.0000005% of the shares of Guacolda (the “Shares”), in accordance with the provisions of the shareholders’ agreement of Guacolda, entered into between the Company and El Águila. As a result of the above, on this date the Company entered into a stock purchase agreement under which it would sell the Shares to El Águila, for a total price of US\$34,000,000 (thirty-four million United States dollars). The consummation of the sale of the Shares is subject to the approval of the transaction by the National Economic Prosecutor. With this sale of shares, AES Andes would cease to be a shareholder of Guacolda and would dispose of the ownership of 764 MW coal-based thermoelectric generation assets, which represents 26% of the Company’s coal-fired operating installed capacity.

July 06, 2021

Essential Fact

Pursuant to Articles 9 and 10, subsection two, of Stock Market Law No. 18,045, and the General Rule No. 30 of the Commission for the Financial Market, we reported as an essential fact to that Commission that on July 6, 2021,

AES Andes agreed with the Ministry of Energy of the Republic of Chile an amendment to the Agreement for the Disconnection and Cessation of Operations of Ventanas 1 and Ventanas 2 Coal-fired Units entered into on June 4, 2019 (the “Agreement”). By virtue of the amendment of the Agreement, AES Andes has made available the generation units Ventanas 3 and 4 (both owned by the subsidiary Eléctrica Ventanas SpA) of Ventanas Complex; and Angamos 1 and 2 (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, so that they cease their operation with coal as of January 1, 2025, at the earliest date that the safety, sufficiency and economy of the system so allow. By virtue of the above, AES Andes and the aforementioned subsidiaries committed to cease coal-fired operations of the Ventanas complex located in the commune of Puchuncaví, Fifth Region (it should be noted that unit 1 has already ceased operating and that the National Electric Coordinator requested the cessation of operations of unit 2 on December 29, 2020) and the Angamos Power Plant located in the commune of Mejillones, Second Region, which represents a total installed capacity of 1,419 MW. As part of the commitment to reduce the carbon intensity of its portfolio and of the Greentegra transformational strategy, AES Andes has advanced with respect to these units the commitment assumed in the Agreement to evaluate, starting in 2025, together with the Ministry of Energy, every five years new targets for the scheduled withdrawal of generation units, based on the periodic review of technological,

environmental, social and employment, economic, safety and sufficiency issues for each plant and the electrical system as a whole, among others. In view of the above facts, AES Andes will record an impairment loss of Property, Plant and Equipment that will affect the net income of 2021 by approximately US\$620 million. This non-recurring accounting adjustment will have no impact on the cash flows of the Company.

July 15, 2021

Essential Fact

Pursuant to Articles 9 and 10, subsection two, of Stock Market Law No. 18,045, and the General Rule No. 30 of the Commission for the Financial Market, we reported as an essential fact to that Commission that the Company and Glacier AcquisitionCo SpA (“Glacier”), a company controlled by Global Infrastructure Management LLC, agreed to incorporate Glacier as a shareholder of 49% of the total shares of the Company’s subsidiary Chile Renovables SpA (“Chile Renovables”) (the “Transaction”). Under the Transaction, Chile Renovables will acquire the companies holding the renewable energy projects known as Los Cururos Wind Plant and, as the conditions established in the agreements to be executed between the parties are met and as commercial operation is reached, Andes Solar IIa, Andes Solar IIb, Los Olmos, Mesamávida and Campo Lindo (the “Renewable Projects”). Subject to compliance with the conditions established in the share subscription agreement of Chile Renovables entered into by the Company and Glacier,



the payment by Glacier to the Company would amount to up to US\$441,000,000.

August 27, 2021

Essential Fact

Pursuant to Articles 9 and 10, subsection two, of Stock Market Law No. 18,045, and the General Rule No. 30 of the Commission for the Financial Market, we reported as an essential fact to that Commission that the subsidiary Alto Maipo SpA ("Alto Maipo"), communicated on August 27 that the hydroelectric project owned by it (the "Project") had 100% of its tunnels built and was 98% completed and that it was close to complete its construction and to be synchronized with the National Electrical System, to then start its operations and inject all its renewable energy into the aforementioned electrical system. In this context, Alto Maipo, in compliance with its obligations under the financing documents (the "Financing Documents"), updated its final construction budget (the "Final Budget") and its long-term business plan (the "Business Plan") with the support of studies and projections prepared by independent third parties that analyzed the prices of energy in different scenarios considering the decarbonization of the country's energy matrix (including the entry into operation of multiple renewable projects) and various hydrologies (the "Projections"). In this way, Alto Maipo approved and delivered to its creditors the Final Budget and the Business Plan. According to the information contained in the Business Plan, Alto Maipo will start a negotiation process with its creditors in order to achieve a sustainable capital

structure in the long term and that should involve adjustments to the Financing Documents. As of June 30, 2021, the current debt under the Alto Maipo Financing Documents is US\$ 1,437 million ("Dollars"), which has no recourse against the Company. As of the date of this communication, the Company has invested US\$ 972 million in Alto Maipo and Andes will have met all its capital commitments with respect to this subsidiary once the Company has contributed the remaining US\$ 46 million it has committed to this subsidiary in accordance with the Financing Documents. It is further informed that Alto Maipo does not materially contribute to the consolidated earnings of the Company. Regarding cash generation, AES Andes does not plan to receive material dividends from Alto Maipo, as a consequence of the debt of this subsidiary and the restrictions established in the Financing Documents. Finally, pursuant to the provisions of Circular letter No. 988 of the Commission for the Financial Market, the Company informed that, as of the date thereof, it was unable to quantify the effects that the events reported in this communication will have on the assets, liabilities or results of the Company. The Company will provide new background information as soon as it has more information in this regard.

September 24, 2021

Essential Fact

Pursuant to Articles 9 and 10, subsection two, of Stock Market Law No. 18,045, and the General Rule No. 30 of the Commission for the Financial Market, we reported as an essential fact to that Commission that on September 4, 2021,

the Company's Board was informed of Gustavo Pimenta's resignation, effective as from September 23, from his position as Regular Director, and resolved that he will be replaced by his alternate director, Juan Ignacio Rubiolo, pursuant to the provisions of article 32 of Corporations Law No. 18,046.

November 08, 2021

Essential Fact

Pursuant to Articles 9 and 10, subsection two, of Stock Market Law No. 18,045, and the General Rule No. 30 of the Commission for the Financial Market, we reported as an essential fact to that Commission that: (a) on November 5, 2021, the Company became aware of the partial award issued by the arbitral tribunal in the action between our subsidiary Alto Maipo SpA ("Alto Maipo") and Constructora Nuevo Maipo S.A. ("CNM"), in connection with the construction agreement entered into between Alto Maipo and CNM on November 6, 2012 (the "Award" and the "Agreement", respectively); (b) in accordance with the Award, the arbitral tribunal established, among other things, that (i) the early termination of the Agreement and collection of bank bonds by Alto Maipo were in accordance with the applicable law; and (ii) Alto Maipo is entitled to receive a payment from CNM in the amount of US\$106,889,431.86, including interest accrued thereon at an annual rate of 9%, in addition to the amounts of the bank bond already collected by Alto Maipo; (c) CNM's obligations under the Agreement are jointly and severally guaranteed by Hochtief Solutions AG and Cooperativa Muratori & Cementisti – C.M.C. di Ravenna. As a result of the Award, Hochtief

Aktiengesellschaft issued a statement in which, among other things, it reported that it was considering options to challenge the Award.

November 17, 2021

Essential Fact

Pursuant to Articles 9 and 10, subsection two, of Stock Market Law No. 18,045, and the General Rule No. 30 of the Commission for the Financial Market, we reported as an essential fact to that Commission that: (a) The Company was informed of the decision of its subsidiary Alto Maipo SpA ("Alto Maipo"), after reaching a financial restructuring draft agreement with its creditors, to start a reorganization process in the United States of America in accordance with the provisions of the 11 US Code Chapter 11. The application for admission was submitted today by Alto Maipo by way of a prearranged Chapter 11 reorganization (the "Chapter 11 Proceedings"). The above, in order to achieve a capital structure that is sustainable in the long term for Alto Maipo, and in a manner consistent with what was reported by the Company in the essential fact dated August 27. (b) Taking into account that Chapter 11 Proceedings have been brought and the characteristics of the capital structure of Alto Maipo (including the existence of guarantees and subordination agreements for the benefit of the *senior* creditors of Alto Maipo), in accordance with the provisions of paragraph 8 of the International Financial Reporting Standard No. 10

("IFRS 10"), the Company will cease to control Alto Maipo and, therefore, as set forth in paragraph 25 of IFRS 10, will cease to consolidate this subsidiary and will proceed to write off in its Consolidated Statement of Financial Position the assets and liabilities of the entity that has ceased to be one of its subsidiaries, and will recognize in the Consolidated Statement of Comprehensive Income as of the fourth quarter of 2021, a net extraordinary accounting loss related to the loss of control attributable to the previous controlling interest, which will amount to approximately US\$ 1.1 billion. All of the above should not have a negative impact on the cash flows of the Company, as the Company has not planned to receive significant dividends from Alto Maipo.

November 23, 2021

Essential Fact

Pursuant to Articles 9 and 10, subsection two, of Stock Market Law No. 18,045, and the General Rule No. 30 of the Commission for the Financial Market, we reported as an essential fact to that Commission that, taking into consideration that Chapter 11 Proceedings have been brought, as reported by Essential Fact dated November 17, 2021, the Board of Alto Maipo decided that it was necessary to receive financing under the Debtor-in-Possession *modality* ("DIP Financing"). Likewise, on November 16, 2021, the Board of Directors of the Company approved the granting of DIP Financing by the Company in favor of Alto Maipo Delaware LLC ("AMD"), a US subsidiary of Alto Maipo and with the guarantee of Alto Maipo, financing that would be formalized if approved by the court hearing the Chapter 11 Proceedings. On November 22, 2021, the court hearing

the Chapter 11 Proceedings approved the DIP Financing Agreement between AMD and Alto Maipo, as recorded in the *Interim Order* issued on November 23, 2021. On this same date, the Company agreed with AMD, as debtor, and Alto Maipo, as guarantor, to grant the DIP Financing, consisting of making available to AMD a credit facility for an amount of up to US\$50,000,000 (fifty million United States dollars). Pursuant to the Interim Order, the DIP Financing will have an initial availability of up to US\$20,000,000 (twenty million United States dollars), and the remaining balance will be subject to the issuance by said court of a *final order* approving the DIP Financing and compliance with the other conditions agreed in the DIP Financing.

December 06, 2021

Essential Fact

Pursuant to Articles 9 and 10, subsection two, of Stock Market Law No. 18,045, and the General Rule No. 30 of the Commission for the Financial Market, we reported as an essential fact to that Commission that by resolution of the Board of the Company, it was agreed to convene the shareholders of the Company at an Special Shareholders' Meeting to be held on December 17, 2021, at 9:00 a.m. at the offices of the Company located at Los Conquistadores No. 1730, 10th Floor, Providencia, city of Santiago. The purpose of the Special Shareholders' Meeting would be

to discuss and resolve the following topics: (i) Matters relating to the form of adoption of resolutions, attendance, calls, powers and other formalities specific to deem that the Special Shareholders' Meeting has been held; (ii) appointment of the shareholders who, together with the Chairman and the Secretary, will sign the minutes of the Meeting; (iii) amendment of the by-laws to include a right to demand the sale of shares under the terms of article 71 bis of the Corporations Law; (iv) provision of information about resolutions relating to the related party transactions referred to in Title XVI of Corporations Law No. 18,046; and (v) adoption of all the other resolutions required or advisable for the enforcement of the decisions made by the Shareholders' Meeting.

December 17, 2021

Essential Fact

Pursuant to Articles 9 and 10, subsection two, of Stock Market Law No. 18,045, and the General Rule No. 30 of the Commission for the Financial Market, we reported as an essential fact to that Commission that, at an Special Shareholders' Meeting held on the date hereof, the shareholders of the Company agreed to amend their by-laws so as to include therein a right to demand the sale of shares under the terms of article 71 bis of the Corporations Law.



6.10 GRI Index [▶ \[GRI 102-55; NCG 4611, 8.2\]](#)

Contents	GRI content name	Section or Response	Page	Indicator verifier
Organization Profile				
102-1 Name of the organization		Back cover	2	
		Company Profile	6	
		Charter Documents	168	
102-2	Activities, brands, products, and services	Company Profile	6	
102-3	Location of headquarters	Back cover	2	
		Company Profile	6	
		Charter Documents	168	
102-4	Location of operations	Our generation assets	54	
102-5	Ownership and legal form	Back cover	2	
		Company Profile	6	
		Charter Documents	168	
102-6	Markets served	Company Profile	6	
		Our generation assets	54	
102-7	Scale of the organization	AES Andes at a glance	12	✓
		Main Assets AES Andes	153	✓
		Our generation assets	54	✓

Cont. from previous page

Contents	GRI content name	Section or Response	Page	Indicator verifier
102-8	Information on employees and other workers	Human Capital Formation	113	✓
		Table Number of persons by gender, by country where they work	194	✓
		Table Number of persons by age range	195	✓
		Table Number of persons by seniority	196	✓
		Table Number of persons by gender	201	✓
102-9	Supply Chain	Sustainability in the Supply Chain	124	
102-10	Significant changes to the organization and its supply chain	Scope	161	
102-11	Precautionary principle or approach	Risk Management	41	
102-12	External initiatives	Acknowledgments and Memberships	128	✓
102-13	Membership of associations	Acknowledgments and Memberships	128	✓
Strategy				
102-14	Statement from senior decision-maker	Letter from the Chairman of the Board and the General Manager	18	
102-15	Key impacts, risks and opportunities	Risk Management	41	
		Strategic and Emerging Risks	170	
Ethics and Integrity				
102-16	Values, principles, standards, and norms of behavior	Our purpose is to accelerate the future of energy together.	8	
		Ethical Framework	133	
		Our Values	10	

Cont. from previous page

Contents	GRI content name	Section or Response	Page	Indicator verifier
102-17	Mechanisms for advice and concerns about ethics	Grievance mechanism	136	
Governance				
102-18	Governance Structure	Corporate Purpose	138	
		Committee of Directors	239	
102-19	Delegating Authority	Board Delegating Authority	143	
102-20	Executive-level responsibility for Economic, environmental and social topics	Top Executives	143	
102-21	Consulting stakeholders on economic, environmental, and social topics	Relations with Stakeholders	46	
102-22	Composition of the highest governance body and its committees	Board of Directors	139	
		Committee of Directors	239	
102-23	Chair of the highest governance body	Board of Directors	139	
102-24	Nominating and selecting the highest governance body	Board of Directors	139	
102-25	Conflicts of Interest	Conflicts of Interest Policy	135	
		Conflicts of interest	142	
102-26	Role of highest governance body in setting purpose, values, and strategy	Role of highest governance body in setting purpose, values, and strategy	142	
102-27	Collective knowledge of highest governance body	Collective knowledge of highest governance body	142	

Cont. from previous page

Contents	GRI content name	Section or Response	Page	Indicator verifier
102-28	Evaluating the highest governance body's performance	Evaluating the highest governance body's performance	142	
102-29	Identifying and managing economic, environmental, and social impacts	Risk Management	41	
102-30	Effectiveness of risk management processes	Risk Management	41	
102-31	Review of economic, environmental, and social topics	Review of economic, environmental, and social topics	143	
102-32	Highest governance body's role in sustainability reporting	Highest governance body's role in sustainability reporting	143	
102-33	Communicating critical concerns	Communicating critical concerns	143	
102-34	Nature and total number of critical concerns	Grievance mechanism	136	
		Communicating critical concerns	143	
102-35 Remuneration policies		Remuneration of the Board of Directors	141	
		Process for determining remuneration of the Chief Executive Officer	145	
102-36	Process for determining remuneration	Process for determining remuneration of the Chief Executive Officer	145	
102-37	Stakeholders' involvement in remuneration	No answer from the Company		
102-38	Annual total compensation ratio	Pay gap per gender and position	116	✓
102-39	Percentage increase in annual total compensation ratio	Pay gap per gender and position	116	✓

Cont. from previous page

Contents	GRI content name	Section or Response	Page	Indicator verifier
Stakeholder Engagement				
102-40	List of stakeholder groups	Stakeholder groups	47	
102-41	Collective bargaining agreements	Relationship with unions	119	✓
102-42	Identifying and selecting stakeholders	Our Stakeholders	47	
102-43	Approach to stakeholder engagement	Relations with Stakeholders	46	
102-44	Key topics and concerns raised	Scope	161	
Reporting practices				
102-45	Entities included in the consolidated financial statements	Scope	161	
102-46	Defining report content and topic boundaries	Scope	161	
102-47	List of material topics	Scope	161	
102-48	Restatement of information	Scope	161	
102-49	Changes in reporting	Scope	161	
102-50	Reporting Period	Scope	161	
102-51	Date of most recent report	Scope	161	
102-52	Reporting cycle	Scope	161	
102-53	Contact point for questions regarding the report	Back cover	2	
102-54	Claims of reporting in accordance with the GRI Standards	Scope	161	

Cont. from previous page

Contents	GRI content name	Section or Response	Page	Indicator verifier
102-55	GRI content index	GRI Index	270	
102-56	External assurance	Letter of Verification Deloitte - Chile	165	
Management Approach				
103-1	Explanation of the material topic and its Boundary	Safety and Health of our Employees	28	
		Transformation and innovation to improve lives	30	
		Corporate environmental guidelines	38	
		Commitment to Local Development	39	
		Risk management	41	
		Our Commitment to Biodiversity	99	
		Occupational safety and health of our employees and Contractors	104	
103-2	The management approach and its components	Safety and Health of our Employees	28	
		Transformation and innovation to improve lives	30	
		Corporate environmental guidelines	38	
		Commitment to Local Development	39	
		Risk management	41	
		Our Commitment to Biodiversity	99	
		Ethical Framework	133	
		Occupational safety and health of our employees and Contractors	134	

Cont. from previous page

Contents	GRI content name	Section or Response	Page	Indicator verifier
103-3	Evaluation of the management approach	Safety and health of our employees	28	
		Transformation and innovation to improve lives	30	
		Corporate environmental guidelines	38	
		Commitment to Local Development	39	
		Risk management	41	
		Our Commitment to Biodiversity	99	
		Occupational safety and health of our employees and Contractors	104	
Economic performance				
201-1	Direct economic value generated and distributed	Our Main Assets and their Performance	53	
		Financial Management	60	
201-2	Financial implications and other risks and opportunities due to climate change	Risk Management	41	
Indirect Economic Impacts				
203-1	Infrastructure investments and services supported	Contribution and Commitment to Local Development	74	✓
		Colombia	82	✓
203-2	Significant indirect economic impacts	Contribution and Commitment to Local Development	74	✓
		Colombia	82	✓

Cont. from previous page

Contents	GRI content name	Section or Response	Page	Indicator verifier
Procurement Practices				
204-1	Proportion of spending on local suppliers	Sustainability in the Supply Chain	124	
Materials				
301-1	Materials used by weight or volume	Fuels used in AES Andes 2021	127	✓
301-2	Recycled input materials used	Indicator not reported in 2021		
Energy				
302-1	Energy consumption within the organization	Energy generation and consumption	88	✓
302-2	Energy consumption outside of the organization	Table Energy consumption	223	
302-3	Energy intensity	Energy Generation and Consumption	88	✓
Water and effluents				
303-1	Interactions with water as a shared resource	Participatory Monitoring Program	81	✓
		Environmental Projects	84	✓
		Water sources and uses	91	✓
303-2	Management of water discharge-related impacts	Liquid Industrial Waste	95	✓
		Risks related to water	238	✓
303-3	Water withdrawal	Water sources and uses	91	✓
303-4	Water discharge	Water sources and uses	91	✓
303-5	Water consumption	Water sources and uses	91	✓

Cont. from previous page

Contents	GRI content name	Section or Response	Page	Indicator verifier
Biodiversity				
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Our Commitment to Biodiversity	99	✓
		Table Areas of High Biodiversity Value	227	✓
304-2	Significant impacts of activities, products, and services on biodiversity	Biodiversity Management Plan	229	✓
304-3	Habitats protected or restored	Our Commitment to Biodiversity	99	✓
		Table Areas of High Biodiversity Value	231	✓
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Our Commitment to Biodiversity	99	✓
		Table Main species in conservation category whose habitat is located in areas affected by operations	232	✓
Emissions				
305-1	Direct (Scope 1) GHG emissions	Greenhouse Gases (GHGs)	90	✓
305-2	Energy indirect (Scope 2) GHG emissions	Greenhouse Gases (GHGs)	90	✓
305-3	Other indirect (Scope 3) GHG emissions	Greenhouse Gases (GHGs)	90	✓
305-4	GHG emissions intensity	Greenhouse Gases (GHGs)	90	✓
305-5	Reduction of GHG emissions	Our commitment	25	✓
		Carbon Credits	87	✓
		Greenhouse Gases (GHGs)	90	
305-6	ODS	No answer from the company		

Cont. from previous page

Contents	GRI content name	Section or Response	Page	Indicator verifier
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	Air emissions	88	✓
Effluents and Waste				
306-1	Waste generation and significant waste-related impacts	Industrial solid waste generation	96	
306-2	Management of significant waste-related impacts	Industrial solid waste generation	96	
306-3	Waste generated	Industrial solid waste generation	96	✓
306-4	Waste diverted from disposal	Liquid Industrial Waste	95	✓
		Industrial waste generation	96	✓
		Annual Waste Recycling by Type	98	✓
		Key Environmental Indicators of AES Andes	221	✓
306-5	Waste directed to disposal	Industrial solid waste generation	96	✓
		Waste for Disposal by Type	98	✓
Environmental Compliance				
307-1	Non-compliance with environmental laws and regulations	Regulatory compliance	103	✓
Supplier Environmental Assessment				
308-1	New suppliers that were screened using environmental criteria	Sustainability in the Supply Chain	124	

Cont. from previous page

Contents	GRI content name	Section or Response	Page	Indicator verifier
308-2	Negative environmental impacts in the supply chain and actions taken	Sustainability in the Supply Chain	124	
Employment				
401-1	New employee hires and employee turnover	Table Hiring Rate (%) per Country	197	✓
		Table Hiring Rate (%) per Age	198	✓
		Table Turnover rate (% voluntary resignations) on total	199	✓
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Moving Forward with our Employees	35	✓
401-3	Parental leave	Parental leave: Together with families	199	✓
Occupational health and safety				
403-1	Occupational health and safety management system	Management System, AES Audits (Internal, External, and SMS Scorecard)	29	✓
403-2	Hazard identification, risk assessment, and incident investigation	Safety and health of our employees	28	✓
		Management System, AES Audits (Internal, External and SMS Scorecard)	29	✓
403-3	Occupational health services	Preventive Management	28	✓
403-4	Worker participation, consultation, and communication on occupational health and safety	Preventive Management	28	✓
		Preventive Safety Campaigns	105	✓

Cont. from previous page

Contents	GRI content name	Section or Response	Page	Indicator verifier
403-5	Worker training on occupational health and safety	Preventive Management	28	✓
		Occupational safety and health of our employees and Contractors	104	✓
403-6	Promotion of worker health	Preventive Management	28	✓
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational safety and health of our employees	104	
403-8	Workers covered by an occupational health and safety management system	Occupational safety and health of our employees	104	
403-9	Work-related injuries	Safety and health of our employees	28	✓
		Occupational safety and health of our employees and contractors	104	✓
403-10	Work-related ill health	Occupational safety and health of our employees and contractors	104	
Training and Education				
404-1	Average hours of training per year per employee	Development, Growth and Well-being of our employees	111	✓
		Talent Attraction and Retention	113	✓
		Training hours by role and gender	200	✓
404-2	Programs for upgrading employee skills and transition assistance programs	Labor Reconversion: Generating New Skills	118	
404-3	Percentage of employees receiving regular performance and career development reviews	Performance Management	119	✓

Cont. from previous page

Contents	GRI content name	Section or Response	Page	Indicator verifier
Diversity and equal opportunities				
405-1	Diversity of governance bodies and employees	Development, Growth and Well-being of our employees	111	✓
		Human Capital Formation	113	✓
		Table Number of persons by nationality	201	✓
405-2	Ratio of basic salary and remuneration of women to men	Pay gap per gender and position	116	✓
Human rights assessment				
412-1	Operations that have been subject to human rights reviews or impact assessments	Due diligence	136	
Local communities				
413-1	Operations with local community engagement, impact assessments, and development programs	Our neighbors	75	✓
413-2	Operations with significant actual and potential negative impacts on local communities	Our neighbors	75	✓
Supplier Social Assessment				
414-1	New suppliers that were screened using social criteria	Number of Suppliers by Country	125	
414-2	Negative social impacts in the supply chain and actions taken	No answer from the Company		

Cont. from previous page

Contents	GRI content name	Section or Response	Page	Indicator verifier
Customer health and safety				
416-1	Assessment of the health and safety impacts of product and service categories	Health and Safety in the life cycle of our products	124	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Health and Safety in the life cycle of our services	124	
Electric Utilities Sector Disclosures				
EU1	Installed capacity	Main Assets AES Andes	54	
EU2	Net energy output	Energy Balance	193	
EU14	Programs and processes to ensure the availability of a skilled workforce	Training and Development	114	✓
EU19	Stakeholder participation in decision making processes related to energy planning and infrastructure development	Commitment to local development	39	✓
		Stakeholders	47	✓
		Citizen Participation Processes 2021	71	✓
EU30	Average Plant Availability	AES Andes Thermoelectric Plants	187	

6.11 General Rule 461, CMF of Chile

► [NCG 461,8.2]

Contents	Topic	Section or Response	Page
1. Table of Contents	Table of Contents GRI, NCG 461 and others	GRI Index / General Rule 461 / Table of SASB indicators	270 - 284 - 290
2. Company Profile	2.1 Our Mission, Vision, Purpose and Values	Our Values	10
		Our Purpose: to Accelerate the Future of Energy Together	23
		Sustainability Strategy and Management	26
	2.2. Historical information	Our story	15
	2.3. Ownership		
	2.3.1 Control Situation	Ownership Structure	208
	2.3.2 Significant changes in ownership or control	Share Transactions	208
	2.3.3 Identification of Partners or Majority Shareholders	Ownership Structure	208
	2.3.4 Shares, their characteristics and rights	Ownership Structure	208
		Dividend Policy	216
	2.3.5 Other securities	Ownership Structure	208
3. Corporate Governance	3.1 Governance framework	Transformation and innovation to improve lives	30
		Human Rights Policy	136
		Conflicts of interest	142
		Evaluating the highest governance body's performance	142
	3.2. Board of Directors	Board of Directors	139
		Budget for Board Consultants	140

Cont. from previous page

Contents	Topic	Section or Response	Page
		Remuneration of the Board of Directors	141
		Operation of Board Meetings	142
		Evaluating the highest governance body's performance	142
		Top Executives	143
	3.3. Board Committees	Board of Directors	139
	3.4. Top Executives	Top Executives	143
	3.5. Adherence to national or international codes	Acknowledgments and Memberships	128
	3.6. Risk management	Risk management	41
		Ethical Framework	133
		Grievance mechanism	136
		Process for determining remuneration of the Chief Executive Officer	145
		Committed to our Employees	155
		Strategic and Emerging Risks	170
	3.7. Relations with stakeholders and the public in general	Transparency and availability of the financial information	45
4. Strategy	4.1 Time horizons	It is considered that the estimated useful life of an electric generation plant is 50 years old, susceptible of being extended for technological improvements.	Response
		Main Assets AES Andes	54
		Overall Asset Performance	187
	4.2. Strategic Goals	Letter from the Chairman of the Board and the Chief Executive Officer	18
		Our Purpose: to Accelerate the Future of Energy Together	23

Cont. from previous page

Contents	Topic	Section or Response	Page
		Sustainability Strategy and Management	26
		Commitment to Local Development	39
		Contribution and Commitment to Local Development	74
		Climate Change	86
		Human Rights Policy	136
	4.3. Investment plans	Transformation and innovation to improve lives	30
		Our Investment Grade	61
5. Persons	5.1. Staff		
	5.1.1 Number of persons by sex	Table number of persons by gender	201
	5.1.2 Number of persons by nationality	Table number of persons by nationality	201
	5.1.3 Number of persons by age range	Table number of persons by age range	203
	5.1.4 Seniority	Table Number of persons by seniority	204
	5.1.5 Number of persons by disabilities	Table number of persons by disabilities	202
	5.2. Labor formality	Table labor formality	202
	5.3. Labor Adaptability	Tables Work Performance	194
	5.4. Salary equity per gender		
	5.4.1 Equity policy	Moving forward with our employees	35
		Diversity and Inclusion	115
		Pay gap per gender and position	116
	5.4.2 Pay gap	Pay gap per gender and position	116

Cont. from previous page

Contents	Topic	Section or Response	Page
	5.5. Workplace and Sexual Harassment	Moving Forward with our Employees	35
	5.6. Occupational safety	Occupational safety and health of our employees and contractors	104
	5.7. Parental Leave	Parental Leave	118
	5.8. Training and Benefits	Training Courses	106
		Training and Development	114
	5.9. Subcontracting Policy	Sustainability in the Supply Chain	124
6. Business Model	6.1 Industrial sector	Relations with Stakeholders	46
		Our generation assets	54
		Acknowledgments and Memberships	128
		Regulatory Frameworks	177
	6.2. Businesses	Company Profile	6
		Change of name and corporate image	11
		Business Model	27
		Main Assets AES Andes	53
		Our generation assets	54
		During 2021, the company had one supplier that represented more than 10% of the purchases made in the period by the supply of goods and services of the segment.	Response
		During 2021 there were 4 customers who individually concentrated at least 10% of the income of the segment.	Response
		Main macroeconomic aspects and regulatory changes of energy relevance in the region.	146

Cont. from previous page

Contents	Topic	Section or Response	Page
	6.3. Stakeholders	Relations with Stakeholders	46
		Acknowledgments and Memberships	128
	6.4. Properties and facilities	Our generation assets	54
	6.5. Subsidiaries, associates and investments in other companies		
	6.5.1 Subsidiaries and associates	Our generation assets	54
		Group of Companies	169
	6.5.2 Investment in other companies	Main Assets AES Andes	53
7. Supplier Management	7.1 Payment to suppliers	There is no formal policy on payment to suppliers, however, in Chile, it is sought to comply with the provisions of the "30-day Payment Law", which is managed through KPIs. In Chile, the average payment term of the company was 27.26 days.	Response
	7.2. Supplier Assessment	Sustainability in the Supply Chain	124
8. Indicators	8.1 Legal and regulatory compliance		
	8.1.1 In relation to customers	For our business relationships, we rely on the current regulations of each country where we operate. In Chile, the rights of customers are regulated by the legal provisions and supervised by the Superintendency of Electricity and Fuels. There were no sanctions in this area during the reporting period.	Response
	8.1.2 In relation to its employees	During 2021, AES Andes Chile, was party to 27 lawsuits for breach of workers' rights, however, were not ratified by means of a judgment, either final and conclusive or binding. To date, there is only 1 judgment in pending appeals. In addition, there are 4 labor actions. 2 actions are already closed and finished, while the other 2 are waiting for the conduct of hearings. There are no binding judgments against AES Andes Chile for labor	Response

Cont. from previous page

Contents	Topic	Section or Response	Page
		actions during 2021. Moreover, in Argentina - where AES Andes is governed by the provisions of the National Labor Law- no disciplinary sanctions were imposed during 2021. Finally, in Colombia -where there is a PQRS line available to ask for help- no sanction was recorded.	
	8.1.3 Environmental	Regulatory compliance	103 - 233
	8.1.4 Free competition	Main macroeconomic aspects and regulatory changes of energy relevance in the region 146	
		Regulatory Frameworks 177	
	8.1.5 Others	Ethical Framework	133
	8.2. Sustainability Indicators by Industry Type	ESG Indicators/GRI Index/SASB Indicators Table	270 - 284 - 290
9. Relevant or Essential Facts	Relevant or Essential Facts	Essential Facts and Communications	264
10. Comments from Shareholders and the committee of directors	Comments from Shareholders and the committee of Directors	Ordinary Shareholders' Meeting	138
		Committee of Directors 239	
11. Financial reports	Financial reports	Results of the Fiscal Year	60
		Financial Statements 297	

6.12 SASB Indicators Table [▶ \[NCG 4611, 8.2\]](#)

Table 1. Outreach topics on sustainability and accounting parameters

Topic	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 ₂ -e, percentage (%)	IF-EU-110a.1	(1) 90 (3) 179	(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 20.780, as amended by Law 21.210 (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 Energies and emissions regulations
	Greenhouse gas (GHG) emissions associated with energy supplies.	Quantitative	Metric tons (t) of CO ₂ -e,	IF-EU-110a.2	90	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	90	Air Emissions, Greenhouse Gases (GHGs)
	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.

Cont. from previous page

Topic	Accounting Parameter	Category	Measurement Unit	Code	Page	Section or Response
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		Air emissions (local emissions) No percentage of each of them in or near densely populated areas will be reported for the period 2021.
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	92	Water consumption by type of source.
	Number of non-compliance incidents related to permits, standards and regulations of water quantity or quality.	Quantitative	Number	IF-EU-140a.2		The company will not report this indicator for the period 2021.
	Description of water management risks and analysis of strategies and practices to mitigate them.	Discussion and Analysis	N/A	IF-EU-140a.3	81 - 82 - 238	Participatory Monitoring Program Colombia. Risks related to Water.
Coal ash management	Amount of coal combustion residuals (CCR), percentage recycled.	Quantitative	Metric tons (t), percentage (%)	IF-EU-150a.1		Annual Generation of Waste Classified according to Type Recycled percentage will not be reported for the period 2021.
	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: Deposito Barriles (Tocopilla), Deposito Cerro Gris (Mejillones) and Deposito 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 will not report this indicator for the period 2021.

Cont. from previous page

Topic	Accounting Parameter	Category	Measurement Unit	Code	Page	Section or Response
	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	29	Management System, AES Audits (Internal, External, and SMS Scorecard) - See KPI according to OSHAS.
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		The company will not report this indicator for the period 2021.
	Percentage of electric load supplied with smart grid technology.***	Quantitative	Percentage (%) per megawatt hour (MWh)	IF-EU-420a.2		The company will not report this indicator for the period 2021.
	Electricity savings by customers as a result of efficiency measures, per market.****	Quantitative	Megawatt hour (MWh)	IF-EU-420a.3		The company will not report this indicator for the period 2021.
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		The company does not have nuclear energy generation.

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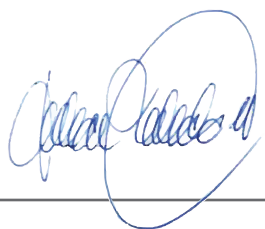
Topic	Accounting Parameter	Category	Measurement Unit	Code	Page	Section or Response
	Description of nuclear safety management and emergency preparedness initiatives	Discussion and Analysis	N/A	IF-EU-540a.2		The company does not have nuclear energy generation.
Electrical grid resilience	Number of incidents of non-compliance with physical or cyber-security standards or regulations.	Quantitative	Number	IF-EU-550a.1		The company will not report this indicator for the period 2021.
	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		The company will not report this indicator for the period 2021.

Table 2. Activity Parameters

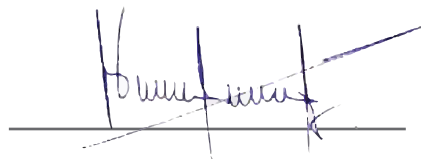
Accounting Parameter	Category	Measurement Unit	Code	Page	
Number of: served (1) residential, (2) commercial and (3) industrial customers.	Quantitative	Number	IF-EU-000.A		Data of total number of industrial customers served is completed in Business model (total number) and Relationship with our customers: Excellence and Quality (per country).
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		Total (1 to 5): 23,791,248MWh. Table ENERGY CONSUMPTION, ESG (Environmental, Social and Governance) Indicators.
Length of transmission and distribution lines.	Quantitative	Kilometers (km) IF	IF-EU-000.C		Transmission assets.
Total electricity generated, percentage by main energy source, percentage in regulated markets.	Quantitative	Megawatt hour (MWh) Percentage (%)	IF-EU-000.D		Energy balance.
Total electricity purchased wholesale.	Quantitative	Megawatt hour (MWh)	IF-EU-000.E		Energy balance.

6.13 Affidavit of liability

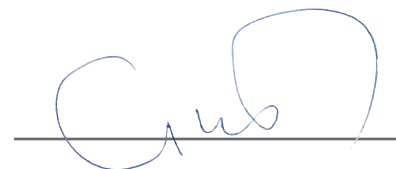
The undersigned, duly empowered and in their capacity as Director and Chief Executive Officer for AES Andes S.A., as applicable, declare under oath that they are responsible for the veracity of all the information contained in this Integrated Annual Report, in accordance with General Rule No. 30, of the Commission for the Financial Market.



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AES Andes S.A. and Subsidiaries

Consolidated Financial Statements

For the years ended December 31, 2021



Consolidated Financial Statements Table of Contents

7.1 FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT	302
CLASSIFIED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	303
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME CLASSIFIED BY COST FUNCTION	305
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY	307
CONSOLIDATED STATEMENTS OF DIRECT CASH FLOWS	308
NOTE 1. OVERVIEW	310
NOTE 2. BASIS OF PREPARATION	311
NOTE 3. BASIS OF CONSOLIDATION	317
NOTE 4. SUMMARY OF MAIN ACCOUNTING POLICIES	324
4.1 Associates	324
4.2 Operating Segments	324
4.3 Foreign Currency Transactions	324
4.4 Property, Plant and Equipment	326
4.5 Goodwill	327
4.6 Intangible Assets	328
4.7 Impairment of non-financial assets	328
4.8 Financial Assets	329
4.9 Financial Liabilities	332
4.10 Derivative Financial Instruments and Hedging	333
4.11 Inventory	335
4.12 Cash and Cash Equivalents	335
4.13 Issued Capital	336

4.14 Taxes	336	NOTE 10. FINANCIAL INSTRUMENTS	359
4.15 Employee Benefits	337	10.1 Financial Instruments by Category	359
4.16 Provisions	339	10.2 Measurement of Derivative Instruments	361
4.17 Revenue Recognition	339	10.3 Credit Quality of Financial Assets	364
4.18 Leases	341	10.4 Derivative Instruments	365
4.19 Dividends	343	NOTE 11. OTHER NON-FINANCIAL ASSETS	371
4.20 Environmental Expenditures	343	NOTE 12. TRADE RECEIVABLES AND OTHER ACCOUNTS RECEIVABLE	372
4.21 Fair Value	344	NOTE 13. BALANCES AND TRANSACTIONS WITH RELATED ENTITIES	374
4.22 Assets Classified as Held for Sale and Discontinued Operations	345	13.1 Balances and Transactions with Related Entities	374
4.23 Trade payables	346	13.2 Key Staff	378
4.24 Loans between related companies	346	NOTE 14. INVENTORY	380
NOTE 5. FINANCIAL RISK MANAGEMENT	347	NOTE 15. TAXES	381
5.1 Risk Management Policy	347	NOTE 16. INVESTMENTS IN ASSOCIATES	386
5.2 Market and Financial Risks	347	NOTE 17. INTANGIBLE ASSETS	386
5.3 Risk Measurement	353	17.1 Detail of Intangible Assets	386
NOTE 6. USE OF ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS	353	17.2 Impairment of Intangible Assets with Indefinite Lives	388
NOTE 7. OPERATING SEGMENTS	354	NOTE 18. PROPERTY, PLANT AND EQUIPMENT	388
7.1 Definition of Segments	354	18.1 Property, Plant and Equipment	388
7.2 Description of Segments	354	18.2 Asset Impairment	391
7.3 Assets and Liabilities by Segments	355	NOTE 19. RIGHT-OF-USE ASSETS	392
7.4 Revenues, Costs, and Capital Expenditures by Segment	356	NOTE 20. OTHER FINANCIAL LIABILITIES	393
NOTE 8. CASH AND CASH EQUIVALENTS	357	20.1 Interest-bearing Loans	393
NOTE 9. OTHER FINANCIAL ASSETS	358		

NOTE 21. LEASE LIABILITIES	401	NOTE 25. OTHER NON-FINANCIAL LIABILITIES	409
NOTE 22. TRADE PAYABLES AND OTHER ACCOUNTS PAYABLE	406	25.1 Deferred Income	410
NOTE 23. PROVISIONS	406	25.2 Accumulated Liabilities	410
NOTE 24. EMPLOYEE BENEFITS	407	25.3 Other liabilities	410
24.1 Present Value of Post-Employment Obligations	408	NOTE 26. SHAREHOLDERS' EQUITY	410
24.2 Costs Recognized as Profit or Loss	408	26.1 Capital Management	410
24.3 Other Disclosures	409	26.2 Subscribed and Paid-in Capital	411
		26.3 Dividend Policy	411
		26.4 Retained Earnings (Losses)	412
		26.5 Other Interest in the Shareholders' Equity	412
		26.6 Other Reserves	413
		26.7 Restrictions on Disposition of Funds from Subsidiaries	414
		NOTE 27. REVENUES	414
		NOTE 28. COMPOSITION OF RELEVANT INCOME	415
		28.1 Expenses by Nature	415
		28.2 Staff Costs	415
		NOTE 29. OTHER INCOME (LOSSES)	416
		NOTE 30. FINANCIAL PROFIT OR LOSS	417
		NOTE 31. EARNINGS PER SHARE	417
		NOTE 32. CONTINGENCIES AND COMMITMENTS	418
		32.1 Litigation and/or Administrative Procedures	418
		32.2 Financial Commitments	421
		32.3 Contingencies due to COVID-19	426
		NOTE 33. GUARANTEES	427



NOTE 34. PROFIT OR LOSS BY INDEXATION UNIT	434
NOTE 35. ENVIRONMENTAL EXPENDITURES	435
NOTE 36. ASSETS AND LIABILITIES IN FOREIGN CURRENCY	436
NOTE 37. ALTO MAIPO DE CONSOLIDATION	440
NOTE 38. SUBSEQUENT EVENTS	440

7.2 SUMMARY FINANCIAL STATEMENTS OF AFFILIATES

Norgener Foreign Investments SpA	442
Norgener Renovables SpA	444
Norgener Inversiones SpA	446
Gener Argentina S.A.	448
Andes Solar SpA	450
Andes Solar II SpA	452
Mesamávida SpA	454
Los Olmos SpA	456
Campo Lindo SpA	458
Chile Renovables SpA	460
Empresa Eléctrica Angamos SpA	462
Empresa Eléctrica Cochrane SpA	464

REFERENCES

UNITED STATES DOLLARS	US\$
THOUSANDS OF UNITED STATES DOLLARS	THUS\$
PESOS CHILENOS	\$
MILES DE PESOS CHILENOS	M\$
COLOMBIAN PESOS	COL\$
THOUSANDS OF COLOMBIAN PESOS	THCOL\$
ARGENTINE PESO	AR\$
THOUSANDS OF ARGENTINE PESOS	THAR\$
UNIDAD DE FOMENTO	U.F.





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Independent Auditor's Report

(Translation of the report originally issued in Spanish – See note 2)

To Shareholders and Directors
AES Andes S.A. and its Subsidiaries

We have audited the accompanying consolidated financial statements of AES Andes S.A. and its subsidiaries ("the Company"), which comprise the consolidated statements of financial position as of December 31, 2021 and 2020, and the related consolidated statements of comprehensive income, changes in shareholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Generally Accepted Auditing Standards in Chile. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of AES Andes S.A. and its subsidiaries as of December 31, 2021 and 2020, and the results of their operations and their cash flows for the years then ended in accordance with International Financial Reporting Standards.

Santiago, February 28, 2022

Gastón Villarroel O.
EY Audit SpA

Classified Consolidated Statements of Financial Position

As of December 31, 2021 and December 31, 2020

(Amounts are expressed in thousands of United States dollars, unless otherwise stated)

	Note	December 31, 2021	December 31, 2020
CURRENT ASSETS			
Cash and Cash Equivalents	8	111,733	271,203
Other Current Financial Assets	9	14,822	3,490
Other Current Non-Financial Assets	11	2,446	3,189
Trade and Other Receivables	12	451,957	493,284
Related Party Receivables	13	33,709	21,886
Inventory	14	230,070	138,279
Taxes Receivables	15	41,802	22,655
Total Current Assets		886,539	953,986
NON-CURRENT ASSETS			
Other Non-Current Financial Assets	9	24,688	12,846
Other Non-Current Non-Financial Assets	11	28,581	36,217
Trade and Other Receivables	12	21,971	37,279
Intangible Assets	17	83,232	117,341
Property, Plant and Equipment	18	3,101,963	6,674,891
Right-of-use assets	19	48,780	53,648
Deferred Taxes	15	281,028	233,798
Total Non-Current Assets		3,590,243	7,166,020
TOTAL ASSETS		4,476,782	8,120,006

The accompanying notes are an integral part of these consolidated financial statements

Classified Consolidated Statements of Financial Position

As of December 31, 2021 and December 31, 2020

(Amounts are expressed in thousands of United States dollars, unless otherwise stated)

	Note	December 31, 2021	December 31, 2020
CURRENT LIABILITIES			
Other Current Financial Liabilities	20	283,548	186,146
Lease liabilities, Current	21	4,223	4,691
Trade and Other Payables	22	359,072	366,280
Related Party Payables	13	15,127	38,882
Provisions	23	181	174
Taxes Payable	15	36,743	225,104
Employee Benefits	24	4,788	5,455
Other Current Non-Financial Liabilities	25	28,034	427,091
Total Current Liabilities		731,716	1,253,823
NON-CURRENT LIABILITIES			
Other Non-Current Financial Liabilities	20	2,110,085	3,757,681
Lease liabilities, Non- Current	21	50,026	57,412
Non-Current Related Party Payables	13	—	378,611
Provisions	23	192,549	150,685
Deferred Taxes	15	125,771	406,507
Employee Benefits	24	25,344	36,265
Other Non-Current Non-Financial Liabilities	25	83,717	47,652
Total Non-Current Liabilities		2,587,492	4,834,813
TOTAL LIABILITIES		3,319,208	6,088,636
EQUITY			
Issued Capital		2,349,806	2,049,329
Retained Earnings	26	(1,090,505)	12,308
Share Premium		48,812	49,908
Other Components of Equity	26	10,673	45,559
Other Comprehensive Income	26	(352,627)	(295,979)
Equity Attributable to Shareholders of Parent		966,159	1,861,125
Non-Controlling Interests	3.b	191,415	170,245
Total Equity		1,157,574	2,031,370
TOTAL EQUITY AND LIABILITIES		4,476,782	8,120,006

The accompanying notes are an integral part of these consolidated financial statements

Consolidated Statements of Comprehensive Income Classified by Cost Function

For the years ended December 31, 2021 and 2020

(Amounts are expressed in thousands of United States dollars, unless otherwise stated)

	Note	2021	2020
Operating Revenues	27	2,771,088	2,507,484
Cost of Sales	28	(1,794,550)	(1,615,630)
Gross Profit		976,538	891,854
Other Operating Income		284	2,274
Administrative Expenses	28	(87,124)	(90,882)
Other Operating Expenses		(11,660)	(10,840)
Other Income (Loss)	29	(2,224,681)	(847,612)
Finance Income	30	31,662	7,972
Finance Expenses	30	(106,268)	(122,192)
Equity Participation in Net Income of Associates	16	—	(79,658)
Foreign Currency Exchange Differences	30	17,139	(31,071)
Profit or loss by indexation units	34	(15,615)	(2,141)
Net Income (Loss) before Taxes		(1,419,725)	(282,296)
Income (loss) Tax Expense	15	351,933	30,642
Net Income (Loss)		(1,067,792)	(251,654)
Income (Loss) Attributable to:			
Attributable to Shareholders of the Parent		(1,090,505)	(271,444)
Attributable to Non-Controlling Interests	3.b	22,713	19,790
Net Income (Loss)		(1,067,792)	(251,654)
Basic Earnings (Losses) per Share			
Basic Earnings (Losses) per Share from Continuing Operations	31	(0.105)	(0.032)
Basic Earnings (Losses) per Share from Discontinued Operations			
Basic Earnings (Losses) per Share		(0.105)	(0.032)
Diluted Earnings (Losses) per Share			
Diluted Earnings (Losses) per Share from Continuing Operations		(0.105)	(0.032)
Diluted Earnings (Losses) per Share from Discontinued Operations			
Diluted Earnings (Losses) per Share		(0.105)	(0.032)

The accompanying notes are an integral part of these consolidated financial statements

Consolidated Statements of Comprehensive Income Classified by Cost Function

For the years ended December 31, 2021 and 2020

(Amounts are expressed in thousands of United States dollars, unless otherwise stated)

	Note	2021	2020
Net Income (loss)		(1,067,792)	(251,654)
Components of Other Comprehensive Income that will not be Reclassified to Net Income			
Other Comprehensive Income from Actuarial Gains (Losses) on Defined Benefit Plans		6,542	(3,953)
Income Tax Related to Cash Flow Hedges of Other Comprehensive Income		(1,809)	1,021
Components of Other Comprehensive Income that will be Reclassified to Net Income			
Income (Loss) from Foreign Currency Translation Adjustments		(11,838)	(12,213)
Unrealized Income (Loss) for Cash Flow Hedges		127,690	(31,174)
Income Tax Related to Actuarial Gains (Losses) on Defined Benefit Plans		(4,956)	5,756
Total Other Comprehensive Income (Loss)		115,629	(40,563)
Total Comprehensive Income (Loss)		(952,163)	(292,217)
Comprehensive Income (Loss) Attributable to:			
Comprehensive Income (Loss) Attributable to Shareholders of the Parent		(977,794)	(308,904)
Comprehensive Income (Loss) Attributable to Non-Controlling Interest		25,631	16,687
Total Comprehensive Income (Loss)		(952,163)	(292,217)

The accompanying notes are an integral part of these consolidated financial statements

Consolidated Statements of Changes in Shareholders' Equity

For the years ended December 31, 2021 and 2020

(Amounts are expressed in thousands of United States dollars, unless otherwise stated)

	Issued Capital	Share Premium	Other Components of Equity	Total Other Comprehensive Income	Retained Earnings	Equity Attributable to Shareholders of Parent	Equity Attributable to Non-Controlling Interests	Total Equity
Opening Balance, January 1, 2021	\$2,049,329	\$ 49,908	\$ 45,559	\$ (295,979)	\$ 12,308	\$ 1,861,125	\$ 170,245	\$ 2,031,370
Changes in Equity								
Net Income	\$ —	\$ —	\$ —	\$ —	\$ (1,090,505)	\$ (1,090,505)	\$ 22,713	\$ (1,067,792)
Other Comprehensive Income	\$ —	\$ —	\$ —	\$ 112,711	\$ —	\$ 112,711	\$ 2,918	\$ 115,629
Issued Capital	\$ 298,636	\$ (1,096)	\$ —	\$ —	\$ —	\$ 297,540	\$ —	\$ 297,540
Dividends	\$ —	\$ —	\$ (35,397)	\$ —	\$ (12,308)	\$ (47,705)	\$ (41,473)	\$ (89,178)
Increases (Decreases) for Transfers and Other Changes	\$ 1,841	\$ —	\$ 511	\$ (169,359)	\$ —	\$ (167,007)	\$ 37,012	\$ (129,995)
Ending Balance, December 31, 2021	\$2,349,806	\$ 48,812	\$ 10,673	\$ (352,627)	\$ (1,090,505)	\$ 966,159	\$ 191,415	\$ 1,157,574
Opening Balance, January 1, 2020	\$2,052,076	\$ 49,864	\$ 239,300	\$ (259,515)	\$ 364,801	\$ 2,446,526	\$ 100,870	\$ 2,547,396
Changes in Equity								
Net Income	\$ —	\$ —	\$ —	\$ —	\$ (271,444)	\$ (271,444)	\$ 19,790	\$ (251,654)
Other Comprehensive Income	\$ —	\$ —	\$ —	\$ (37,460)	\$ —	\$ (37,460)	\$ (3,103)	\$ (40,563)
Issued Capital	924	\$ —	\$ —	\$ —	\$ —	\$ 924	\$ —	\$ 924
Stock buy-back	\$ (3,627)				\$ —	\$ (3,627)	\$ —	\$ (3,627)
Dividends	\$ —	\$ —	\$ (194,214)	\$ —	\$ (81,049)	\$ (275,263)	\$ (9,311)	\$ (284,574)
Increases (Decreases) for Transfers and Other Changes	\$ (44)	\$ 44	\$ 473	\$ 996	\$ —	\$ 1,469	\$ 61,999	\$ 63,468
Ending Balance, December 31, 2020	\$2,049,329	\$ 49,908	\$ 45,559	\$ (295,979)	\$ 12,308	\$ 1,861,125	\$ 170,245	\$ 2,031,370

The accompanying notes are an integral part of these consolidated financial statements

Consolidated Statements of Direct Cash Flows

For the years ended December 31, 2021 and 2020

(Amounts are expressed in thousands of United States dollars, unless otherwise stated)

	December 31, 2021	December 31, 2020
Proceeds from Operating Activities:		
Collections from sales of goods and Services	2,710,201	3,140,918
Collections from premiums and benefits, annuities and other benefits from purchased policies	—	—
Payments to Suppliers for Goods and Services	(1,864,740)	(1,499,758)
Payments to Employees	(74,272)	(71,551)
Other Payments for Operating Activities	(160,992)	(192,467)
Dividends Received	755	2,573
Interest Received	11,427	4,847
Income Taxes Paid	(287,823)	(114,921)
Other Cash Outflows	(11,275)	(21,944)
Net Cash Flows Provided by Operating Activities	323,281	1,247,697
Cash Flows Provided by (Used in) Investing Activities		
Proceeds from loss of control of associates	18,462	—
Cash flows used to obtain control of subsidiaries or other businesses	—	(4,808)
Other receipts for the sale of joint venture interests	53,510	—
Purchases of Property, Plant and Equipment	(675,584)	(563,746)
Sales of Intangible Assets	129	2,000
Purchases of intangible assets	—	(5,871)
Other Cash Inflows (Outflows)	52,424	49,596
Net Cash Flows Provided by (Used in) Investing Activities	(551,059)	(522,829)

The accompanying notes are an integral part of these consolidated financial statements

Consolidated Statements of Direct Cash Flows

For the years ended December 31, 2021 and 2020

(Amounts are expressed in thousands of United States dollars, unless otherwise stated)

	December 31, 2021 "Unaudited"	December 31, 2020 "Unaudited"
Cash Flows Provided by (Used in) Financing Activities		
Collections for changes in interests in subsidiaries not resulting in a loss of control	—	112,219
Payments for purchase or redemption of shares of the entity	—	(3,626)
Amounts from issue of shares	298,636	924
Amounts from the issuance of other equity instruments	1,841	
Payments for other components of Equity	1,120	
Proceeds from Long-Term Borrowings	105,142	629,903
Proceeds from Short-Term Borrowings	149,868	193,716
Loan Payments	(188,981)	(1,158,007)
Payment of Financial Lease Obligations	(3,071)	(5,942)
Payments to non-controlling interest	(41,473)	(59,176)
Dividends Paid	(47,704)	(310,001)
Interest Paid	(168,384)	(192,396)
Other Cash Outflows	(28,994)	8,379
Net Cash Flows Provided by (Used in) Financing Activities	78,000	(784,007)
Net Cash and Cash Equivalent Decrease , before Foreign Exchange Difference	(149,778)	(59,139)
Net Foreign Exchange Differences on Cash and Cash Equivalents		
Net Foreign Exchange Differences on Cash and Cash Equivalents	(9,692)	(10,519)
Decrease in Cash and Cash Equivalents	(159,470)	(69,658)
Cash and Cash Equivalents at Beginning of Period	271,203	340,861
Cash and Cash Equivalents at End of Period	111,733	271,203

The accompanying notes are an integral part of these consolidated financial statements

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 created 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 Official Gazette No. 31,023 dated July 23, 1981. The Company is registered with the Commercial Registry of the Real Estate Conservator of Santiago in pages 13,107, No. 7,274 of 1981.

AES Andes is an open corporation 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 four run-of-the-river hydroelectric power plants, two coal-fired plants and a cogeneration plant, all of them owned by AES Andes. In addition, it serves the SEN through three coal-fired plants owned by the subsidiaries Empresa Eléctrica Ventanas S.A., Empresa Eléctrica Angamos S.A. and Empresa Eléctrica Cochrane SpA, in addition to two photovoltaic solar plants owned by the subsidiary Andes Solar and Andes Solar II SpA and a wind plant owned by the subsidiary Los Cururos.

In response to the opportunities offered by the Chilean market, the Company has currently completed the construction of the 531 MW Alto Maipo SpA run-of-river hydroelectric power plant. In addition, in the Antofagasta region, the Company is close to completing the expansion of the 180 MW Andes Solar IIb photovoltaic solar farm and has begun construction of the 237 MW Andes Solar IV photovoltaic solar farm. Also, the Mesamávida (68 M.W.) and Campo Lindo (73 M.W.) wind farms in the Bío-Bío region are under construction, and the 110 MW Los Olmos wind farm has been completed and will start commercial operation in January 2022.

The Company is the leader in the Chilean market in the construction and operation of storage systems. It currently has 62 M.W. of batteries in operation at the Cochrane and Angamos power plants, the Andes substation and the 10 M.W. "Virtual Reservoir" energy storage system adjacent to Alfalfal I power plant. Additionally, a 112 MW 5-hour storage system is in an advanced construction stage at the Andes IIb Solar complex, and 5-hour expansions have started for the 148 MW at the Andes Solar IV complex and a 40 M.W. of the "Virtual Reservoir II" energy storage system.

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, commune of Providencia, Región Metropolitana, Santiago.

AES Corporation controls the Company through its subsidiary Inversiones Cachagua SpA. with an equity share of 66.98% as of December 31, 2021. After year-end, Inversiones Cachagua SpA increased equity share to approximately 99% after acquiring shares through a tender offer and subsequent purchases in the market.

These consolidated financial statements were approved by the Company's Board of Directors on February 28, 2022.

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 the 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, 2021 and December 31, 2020, the consolidated statements of comprehensive income classified by cost function for the fiscal years ended December 31, 2021 and 2020, the statements of changes in shareholders' equity and cash flows presented using the direct method for the years ended December 31, 2021 and 2020 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 hypothesis 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 financial statements and their accompanying notes have been translated from Spanish to English.

2.2.- New Accounting Pronouncements

a. Impact of the application of new standards and amendments in 2021

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
Standards and Interpretation		
IFRS 9, IAS 39, IFRS 7, IFRS 4 & IFRS 16	Interest Rate Benchmark Reform - "Phase 2"	January 1, 2021
IFRS 16	Covid-19 - related rent concessions beyond June 30, 2021	April 1, 2021

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 2021 have not changed with respect to the previous period.

b. Impact of the application of new standards and amendments in 2021

The Company applied certain standards, interpretations, and amendments for the first time, which are effective for periods beginning on or after January 1, 2021. The current standards, interpretations, and amendments to IFRS that came into effect as of the date of the financial statements, their nature and impacts are shown below:

IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, Interest Rate Benchmark Reform - Phase 2

In August 2020, the IASB published the second phase of the Interest Rate Benchmark Reform comprising amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. With this publication, the IASB completes its work to respond to the effects of the Interbank Offered Rate Reform (IBOR) in financial reporting.

The amendments provide temporary exceptions that address the effects on financial reporting when an interest rate benchmarks (IBOR) is replaced by an alternative near-risk-free interest rate.

Amendments are required and early application is permitted. A hedging ratio must be reinstated if the hedge ratio was discontinued solely because of the changes required by the interest rate benchmark reform, which would not have been discontinued if the second phase of amendments had been applied at that time. Although its application is retrospective, an entity is not required to restate prior periods.

IFRS 16 COVID-19 - related rent concessions beyond June 30, 2021

In March 2021, the IASB issued an amendment to IFRS 16 Leases to extend the availability of the practical expedient that considers the assessment of Covid-19 related rent concessions.

As a practical expedient, a lessee may elect not to assess whether a Covid-19-related rent concession granted by a lessor is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from Covid-19-related rent concession the same way that it would account for the change applying to IFRS 16 if the change were not a lease modification.

Also, the practical expedient now applies to leases in which any reduction in lease payments affects only payments originally due on or before June 30, 2022, provided that the other conditions for applying the practical expedient are met.

A lessee shall apply this practical solution retrospectively by recognizing the cumulative effect of the initial application of the amendment as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of the annual reporting period in which the lessee first applies the amendment. A lessee is not required to disclose the information required by paragraph 28(f) of IAS 8.

In accordance with paragraph 2 of IFRS 16, a lessee is required to apply the relief consistently to eligible leases with similar characteristics and in similar circumstances, regardless of whether the lease became eligible for the practical expedient before or after the modification.

The Company is currently evaluating the effects of the application of these amendments.

c. Accounting pronouncements applicable as of January 1, 2022

Standards, interpretations, and amendments to IFRS that have been issued, but have not come into force as of the date of these financial statements, are detailed below. The Company has not applied these standards early:

Standards & Interpretations		Date of Mandatory Application
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 1	Classification of liabilities as current or non-current	January 1, 2023
IAS 12	Deferred taxes related to assets and liabilities arising from a single transaction	January 1, 2023
IFRS 3	Reference to the Conceptual Framework	January 1, 2022
IAS 16	Property, Plant and equipment: Proceeds before intended use	January 1, 2022
IAS 37	Onerous Contracts – Cost of fulfilling a contract	January 1, 2022
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 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 will be effective for periods beginning on or after January 1, 2023, and comparative figures are required. Early application is permitted as long as the entity also applies IFRS 9 Financial Instruments on or before the first application of IFRS 17.

The Company estimates that this new standard will not significantly affect the 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 will be effective for annual periods beginning on or after January 1, 2023.

IAS 1 "Presentation of Financial Statements - Classification of liabilities as current or non-current"

In June 2020, the Board amended paragraphs 69 to 76 of IAS 1 to specify the requirements to classify liabilities as current or non-current.

The amendments are effective for periods starting on or after January 1, 2023. Entities must carefully consider whether there are any aspects of the amendments that may suggest that the terms of their loan agreements should be renegotiated. It is important to highlight that the amendments must be applied retrospectively.

The Company will assess the impacts of this amendments once it comes into force.

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
- 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 will be effective for annual periods beginning on or after January 1, 2023. Earlier application of the amendments to IAS 1 is permitted provided that this fact is disclosed.

The Company will assess the impact of the amendment once it becomes effective.

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, under the amendments issued, the initial recognition exception 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 will be effective for annual periods beginning on or after January 1, 2023.

The Company will assess the impact of the amendment once it becomes effective.

IFRS 3 Reference to the Conceptual Framework

In May 2020, the IASB amended IFRS 3 Business Combinations – Reference to the Conceptual Framework. This amendment is meant to replace the reference, so it refers instead to the latest version of the Conceptual Framework issued in March 2018 (the 1989 Framework) without significantly changing the requirements.

The amendment is effective for annual periods beginning on or after January 1, 2022, and must be applied retrospectively. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework issued in March 2018).

The amendment is to offer consistency of the financial information and prevent confusions resulting from having more than one version of the existing Conceptual Framework.

The Company will assess the impact of this amendment once it is effective.

IAS 16 Property, Plant and Equipment: Proceeds Obtained Before the Intended Use

This amendment prohibits deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and in the condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss, according to the applicable standards.

The amendment is effective for annual periods beginning on or after January 1, 2022. Early application is permitted only to items of property, plant and equipment available for operation on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The Company will assess the impact of this amendment once it is effective.

IAS 37 Onerous Contracts – Cost of Fulfilling a Contract

In May 2020, the IASB proposed to amend IAS 37 Provisions, Contingent Liabilities and Contingent Assets to specify the costs an entity needs to include in determining the 'cost of fulfilling' a contract for the purpose of assessing whether a contract is onerous or generates losses.

This amendment is effective for annual periods beginning on or after January 1, 2022. It retrospectively applies to existing contracts at the beginning of the annual reporting period in which the entity first applies the amendments. Early application is permitted and must be disclosed.

The amendments are intended to provide clarity and guarantee a consistent application of the standard. Entities that had previously applied the incremental cost approach will see an increase in the provisions to reflect the cost directly related to the contract activities. Meanwhile, entities that recognized provisions by the contractual losses using the guidelines from the previous standard (IAS 11 – Construction Contracts) should exclude indirect costs from their provisions.

The Company will assess the impact of this amendment once it is 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 and IAS 28 (2011) aim at solving a recognized inconsistency between the requirements of IFRS 10 and IAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The amendments, issued in September 2014, determined that whenever the transaction involves a business (either in a subsidiary or not), the full gain or loss should be recognized. A partial gain or loss should be recognized in accounting for the sale or contributions of assets or subsidiaries that do not constitute a business, even if the assets are in a subsidiary.

The mandatory application of these amendments is to be determined because the IASB is waiting for the results of a research project about the equity method accounting. They should be applied retrospectively, and early adoption is permitted, which must be disclosed.

The Company will assess the impact of this amendment once it is effective.

NOTE 3 - BASIS OF CONSOLIDATION

The Consolidated Financial Statements include the financial statements of AES Andes S.A. and subsidiaries as of December 31, 2021 and December 31, 2020, 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, 2021 and 2020.

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 period 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.

Below is a detail of the subsidiaries included in the consolidation:

Tax payer ID (R.U.T.)	Ref.	Name of the Company	Country of origin	Functional Currency	Interest Percentage			
					December 31, 2021			December 31, 2020
					Direct	Indirect	Total	Total
96.678.770-8	NFI	Norgener Foreign Investment S.p.A.	CHILE	US\$	100.00 %	— %	100.00 %	100.00 %
96.814.370-0	Ventanas	Empresa Eléctrica Ventanas S.A.	CHILE	US\$	0.01 %	99.99 %	100.00 %	100.00 %
Foreign	AES Colombia	AES Colombia	COLOMBIA	COL\$	— %	99.99 %	99.99 %	99.99 %
Foreign	JK	Jemeiwaa KA'I S.A.S. E.S.P.	COLOMBIA	COL\$	— %	100.00 %	100.00 %	100.00 %
76.803.700-0	NI	Norgener Inversiones S.p.A	CHILE	US\$	100.00 %	— %	100.00 %	100.00 %
Foreign	GASA	Gener Argentina S.A.	ARGENTINA	AR\$	92.04 %	7.96 %	100.00 %	100.00 %
Foreign	Termoandes	Termoandes S.A.	ARGENTINA	AR\$	8.82 %	91.18 %	100.00 %	100.00 %
Foreign	Interandes	Interandes S.A.	ARGENTINA	AR\$	13.00 %	87.00 %	100.00 %	100.00 %
76.004.976-K	Angamos	Empresa Eléctrica Angamos S.A.	CHILE	US\$	5.18 %	94.82 %	100.00 %	100.00 %
Foreign	Energen	Energen S.A.	ARGENTINA	AR\$	29.52 %	70.48 %	100.00 %	100.00 %
Foreign	-	AES Chivor S.A.	COLOMBIA	COL\$	47.50 %	51.88 %	99.38 %	99.38 %
76.085.254-6	Cochrane	Empresa Eléctrica Cochrane S.p.A.	CHILE	US\$	— %	57.00 %	57.00 %	57.00 %
76.170.761-2	Alto Maipo	Alto Maipo S.p.A.	CHILE	US\$	— %	93.11 %	93.11 %	93.11 %
76.680.114-5	-	Cía. Transmisora Angamos S.p.A	CHILE	US\$	— %	100.00 %	100.00 %	100.00 %
76.786.355-1	NR	Norgener Renovables 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 %
77.423.682-1	Andes Solar II	Andes Solar II S.p.A	CHILE	US\$	100.00 %	— %	100.00 %	100.00 %
76.868.988-1	Los Olmos	Energía Eólica Los Olmos 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 %
76.917.669-1	Punta del Sol	Punta del Sol S.p.A.	CHILE	US\$	— %	100.00 %	100.00 %	100.00 %
76.917.677-2	Quebrada Seca	Quebrada Seca S.p.A.	CHILE	US\$	— %	100.00 %	100.00 %	100.00 %
76.363.072-2	Campo Lindo	Parque Eólico Campo Lindo S.p.A	CHILE	US\$	100.00 %	— %	100.00 %	100.00 %
76.975.746-5	Nolana	Parque Eólico Nolana 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 %
76.954.837-8	Litueche	Parque Eólico Litueche S.p.A	CHILE	US\$	— %	100.00 %	100.00 %	100.00 %
78.178.599-0	Los Cururos	Parque Eólico los Cururos Spa	CHILE	US\$	— %	51.00 %	51.00 %	100.00 %
76.729.711-4	La Cebada	Compañía Transmisora La Cebada S.A.	CHILE	US\$	99.99 %	0.01 %	100.00 %	100.00 %
77.116.491-9	San Matias	Energía Eólica San Matias S.p.A.	CHILE	US\$	— %	100.00 %	100.00 %	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 %
77.201.526-7	Inv Cochrane	Inversiones Cochrane S.p.A.	CHILE	US\$	— %	95.00 %	95.00 %	95.00 %
77.371.671-4	Chile Renovables	Chile Renovables S.p.A	CHILE	US\$	51.00 %	— %	51.00 %	— %
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 %	— %
77.197.853-3	Rinconada	Parque Eólico Rinconada S.p.A	CHILE	US\$	— %	100.00 %	100.00 %	— %

3.2.- Change of functional currency for Argentine subsidiaries

The developments in the Argentine electricity market led the management to reassess during the fiscal year ended December 31, 2020 the functional currency of its operations in Argentina.

In this regard, it should be taken into account that the Secretary of Energy, under the Ministry of Production Development, issued Resolution 31/2020 on February 27, 2020, under the framework of Law No. 27,541, which declared the public emergency in economic, tariff and energy matters, and empowered the Executive Branch to freeze electricity and natural gas tariffs under federal jurisdiction and to start a process to renegotiate the current comprehensive tariff review or initiate an extraordinary review process. This resolution intended to convert to pesos the remuneration of generators that have not entered into a power purchase agreement, and that are incorporated at a time when demand exceeds the energy supply, replacing the system established by Resolution 1/2019 issued by the former Secretary of Renewable Resources and Electricity Market.

On May 21, 2021, the Energy Secretariat updated, through Resolution 440/2021, the price scheme of the electric energy marketed in the regulatory framework "Energía Base". The Resolution entered into force retroactively from the economic transaction of February 2021 and the remuneration of the generators continues to be denominated in Argentine pesos, updated by 29% with respect to the remuneration concepts established by Resolution 31/2020.

Additionally, in July 2020, the Company was informed of an administrative decision issued by the Secretary of Energy where it was established that all contracts entered into under the Energy Plus program created in 2006 would expire on October 31, 2020, based on the expiration of the 10-year term set forth in the original project. This program led to the creation and existence of a market for dollar-denominated contracts between generators and large industrial users. Termoandes submitted a note to CAMMESA so that it may consider the effectiveness of the Energy Plus program. During the last quarter of 2020, a notice was received confirming the effectiveness of the contracts already entered into and authorizing those starting on November 1, 2020. Moreover, it is allowed to continue entering into agreements on a conditional basis until the Secretary of Energy renders a final decision on the effectiveness of the program. While the program remains in effect, it is important to mention that both the quantities sold and the sales prices under this program have been decreasing in recent years, thus bringing about an increase in the exposure to local currency of the transaction margins.

As a result of these changes in the Argentine electricity market and their impact on the operations of AES Andes's Argentine subsidiaries, Management has decided that the Argentine peso is the currency of the main economic environment in which these subsidiaries do business and should therefore be considered as their functional currency.

3.3.- Alto Maipo deconsolidation

On November 17, 2021, AES Andes issued a Subsequent Event informing that AES Andes became aware of the decision of its subsidiary Alto Maipo SpA ("Alto Maipo") to initiate a reorganization process in the United States of America following Chapter 11 of Title 11 of the United States Code. The form was filed on the same date by Alto Maipo on a pre-arranged basis to achieve a capital structure that is sustainable in the long term for Alto Maipo.

Considering the Chapter 11 proceeding and the characteristics of Alto Maipo's capital structure, according to paragraph 8 of International Financial Reporting Standard No. 10 ("IFRS 10"), the Company ceased to control Alto Maipo.

Therefore, as per paragraph 25 of IFRS 10, it no longer consolidates this subsidiary, proceeding to derecognize the assets and liabilities of the entity in its Consolidated Statement of Financial Position.

Note 37 provides more information in relation to the above.

3.4.- 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, 2021, is presented below:

	Interest %	Current Assets	Non-current Assets	Current Liabilities	Non-current Liabilities	Ordinary Revenue	Ordinary Expenses	Net gain (loss)
Eléctrica Cochrane	40.0%	154,427	955,186	(140,190)	(866,893)	409,724	(58,105)	27,187
Inversiones Cochrane	5.0%	63	61,541	(67)	—	—	—	16,265
Chile Renovables S.p.A	49.0%	18	112,836	(54)	—	—	(45)	(272)

Accumulated balances attributed to non-controlling interest of the shareholders' equity are:

	December 31, 2021	December 31, 2020
Eléctrica Cochrane	41,012	51,499
Alto Maipo	—	15,917
Inversiones Cochrane (1)	95,097	102,574
Chile Renovables S.p.A (2)	55,272	—
Others	34	255
Total	191,415	170,245

(1) On September 4, 2020, the subsidiary Norgener Inversiones SpA sold to TIF Inversiones SpA (TIF), a noncontrolling interest of the shares issued by the subsidiary of Norgener, Inversiones Cochrane SpA, which in turn owns 60% of Empresa Eléctrica Cochrane SpA ("Cochrane"), at US\$113,469.

(2) On July 15, 2021, Global Infrastructure Partners (GIP) became a partner of the company Chile Renovables SpA, owner of the company Parque Eólico Los Cururos SpA, with a non-controlling interest of 49% of the shares of the Company.

Income or (loss) attributed to non-controlling interest are detailed as follows :

	For the period of twelve months		For the period of three months	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Eléctrica Cochrane	10,875	17,267	2,310	6,421
Alto Maipo	2,357	(753)	3,060	354
Inversiones Cochrane	9,645	2,626	2,202	2,626
Chile Renewable S.p.A	(133)		366	
Others	(31)	650	(54)	338
Total	22,713	19,790	7,884	9,739

Comprehensive income attributed to non-controlling interest is detailed as follows:

	For the period of twelve months		For the period of three months	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Eléctrica Cochrane	12,674	18,338	2,700	6,505
Alto Maipo	3,476	(4,927)	3,373	95
Inversiones Cochrane	9,645	—	2,202	—
Chile Renewable S.p.A	(133)	—	366	—
Others	(31)	650	(54)	338
Total	25,631	14,061	8,587	6,938

Dividend payments and capital reductions attributed to non-controlling interest are detailed as follows:

	December 31, 2021	December 31, 2020
Eléctrica Cochrane	23,160	46,907
Inversiones Cochrane	17,333	12,269
Chile Renewable SpA	980	—
Total	41,473	59,176

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..

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 due to the fact that 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, 2021	December 31, 2020	December 31, 2019
Chilean Pesos	\$	844.69	710.95	748.74
Argentine pesos	Ar\$	102.72	84.15	59.89
Colombian pesos	Col\$	3,981.16	3,432.50	3,277.14
Euro	€	0.88	0.81	0.89
Unidad de Fomento	UF	0.03	0.02	0.03

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:

- The assets and liabilities are translated at the closing exchange rate as of the closing date.
- 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.
- 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 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.

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). Considering these indexes, accumulated inflation was 50.9% for the years ended December 31, 2021 and 14.1% for the quarter.

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.

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

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 18.

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, 2021, 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 17).

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 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 17).

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 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.

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).

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 covers this credit risk through the request for financial guarantees, which are stipulated in accordance with the respective power purchase agreements (see Note 33).

As of December 31, 2021, the Company holds guarantees received from customers as detailed in Note 33 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, 2021 amounts to a loss of ThUS\$95.

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

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 periods.

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.

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.

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 open 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
- 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.

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.

Currently, the Company uses a Black-Scholes model to estimate the fair value of the stock options granted to employees.

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

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.

No provisions for future operating losses are recognized.

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:

- i. 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 clients 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.

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 clients before they are transferred to the spot market.

b. Assets and Liabilities under Contracts

The timing for revenue recognition, billing and collection results in contractual liabilities and accounts receivable. Accounts receivable represent an unconditional right to a consideration and consist of billed and unbilled amounts typically resulting from long-term contracts when the recognized revenues exceed the amounts billed to the customer.

The Company has not recognized assets or liabilities associated with contracts with customers, since it uses the “right of billing” method for revenue recognition. There are no amounts associated with transferred compensations that have not been billed as of the year-end date.

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, 2021, the Company has no committed and unsatisfied or partially unsatisfied performance obligations.

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:

- i. 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 periods 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.

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.

Liquid earnings (losses) are equal to the Income (Loss) attributable to the parent..

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 the 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, 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:

- i. 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.

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.

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.

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:

- a. 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.
- a. 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 at 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, 2021, 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, 2021, given the net liabilities of the Company in Chilean pesos, the impact of a 10% devaluation in the Chilean peso to U.S. dollar exchange rate as of period-end would have resulted in a positive realized impact of approximately ThUS\$2,373 in the results of AES Andes. In the year ended December 31, 2021, approximately 83% of the ordinary revenues and 81% of the sales costs of the Company were denominated in US dollars, whereas in the year ended December 31, 2020, approximately 84% of the ordinary revenues and 92% 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, 2021, the contract and spot sales in Colombia accounted for 14% of the consolidated income, as compared with the 14% recorded during 2020. 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\$411 in the results of AES Andes, considering the net liability position in US dollars held by AES Colombia as of that date.

In relation to Argentina, as of the last quarter of 2020, the Companies changed their functional currency from dollar to Argentine peso, considering the application of Resolution 31/2020 where Spot prices are denominated in Argentine pesos, in addition to the reductions in quantity and sales prices for contracts under the Energía Plus program in 2020. It is expected that, as of December 31, 2021, 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\$1,719 in the results of AES Andes, considering the net asset position in Dollars held by Termoandes as of that date.

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, 2021, 54% of the investments and balances in current accounts are expressed in US dollars, 10% in Chilean pesos, 16% in Colombian pesos, and 20% in Argentine pesos. The cash balances denominated in Argentine pesos are subject to the exchange rate volatility inherent in the Argentine market. As of December 31, 2021, 73% of the investments and balances in current accounts are expressed in US dollars, 5% in Chilean pesos, 11% in Colombian pesos, and 11% in Argentine pesos.

With respect to bank loans and bonds denominated in any currency other than US dollars, AES Andes has entered into hedges in the form of currency swaps to reduce the exchange risk.

The global spread of COVID has had an impact on currency volatility in the countries where the Company does business. Nevertheless, the Company mitigates the risks associated with this volatility through its hedging strategy with foreign exchange derivative instruments.

The following table shows the debt composition per currency based on owed capital as of December 31, 2021 and December 31, 2020:

Currency	December 31, 2021	December 31, 2020
US\$	94.0 %	96.0 %
UF	1.0 %	1.0 %
Col\$	5.0 %	3.0 %

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. It is expected that a 10% increase in the variable interest rates would not generate a significant impact on results, since 94% of the corporate indebtedness is at a fixed rate or hedged by an interest rate swap.

The global spread of COVID has not had a significant impact on the assessment of financial creditors with respect to the credit risk of their debt contracts with the Company due to the resilience of the operations, the liquidity and the ability to meet their financial commitments. Finally, if there is a change in this credit risk assessment, the Company mitigates any possible increases in interest rates through financial instruments and maintains a large percentage of its debt at a fixed rate.

The following table shows the debt composition per type of rate as of December 31, 2021 and December 31, 2020:

Rate	December 31, 2021	December 31, 2020
Fixed rate or with interest rate	94.00 %	86.00 %
Variable rate	6.00 %	14.00 %

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. It should be noted that, in Argentina, Termoandes purchases natural gas under fixed price short-term agreements that are reflected at the time of setting the sales price of energy under contracts.

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, 2021, 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.

The spread of COVID has not negatively impacted the credit assessment with respect to supply agreements with customers in Chile, as a result of their high solvency with local and/or international investment grade ratings. Regarding Colombia and Argentina, any change in the credit rating continues to be mitigated through an internal assessment on a case-by-case basis, which has not been modified so far, involving in some cases the enforcement of guarantees by our customers.

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, 2021, AES Andes had a balance in liquid available funds of ThUS\$111,733 recognized as cash and cash equivalents. Moreover, on December 31, 2020, AES Andes had a balance in liquid available funds of ThUS\$271,203, 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, 2021, AES Andes has committed and unused credit lines for approximately ThUS\$250,000 in addition to non-committed and unused credit lines for approximately ThUS\$4,781.

For details regarding contractual restrictions to use the funds, see Note 8 of the Financial Statements, "Cash and Cash Equivalents".

The chart and table below show the maturity schedule, based on outstanding principal, in million United States dollars as of December 31, 2021:

	Principal Balance	Average interest rate	Due rates as of December 31, 2021								
			2021	2022	2023	2024	2025	2026	2027	2028	2029 +
AES Andes US\$ 550 M Junior Bond 2079	550.00	7.13%	—	—	—	—	—	—	—	—	550.00
AES Andes US\$ 450 M Junior Green Bond 2079	450.00	6.35%	—	—	—	—	—	—	—	—	450.00
AES Andes US\$ 409 M Senior Bond 2025	117.49	5.00%	—	—	—	117.49	—	—	—	—	—
AES Andes UF\$ 1.0 M Senior Bond 2024	26.00	7.41%	3.59	8.77	13.64	—	—	—	—	—	—
AES Andes Loans	141.00	1.19%	141.00	—	—	—	—	—	—	—	—
Angamos US\$ 600 M Senior Secured Bond 2029	64.62	4.88%	8.62	8.62	8.62	8.62	8.62	8.62	8.62	4.28	—
Cochrane US\$ 430 M Secured Bond 2027	340.73	5.50%	55.38	59.90	60.11	65.58	67.38	32.38	—	—	—
Cochrane US\$ 485 M Local Bond 2034	485.00	6.25%	—	—	—	—	—	11.95	67.42	72.09	333.54
AES Colombia US\$ 100 M Loans due 2027	57.77	5.62%	—	11.55	11.55	11.55	11.56	11.56	—	—	—
Total Fixed Rate	2,232.61	6.43%	208.59	88.84	93.92	203.24	87.56	64.51	76.04	76.37	1,333.54
	94.40 %										
AES Andes Loans	75.00	1.81%	11.25	11.25	11.25	15.00	26.25	—	—	—	—
AES Colombia US\$100 LT due 2027	30.15	5.62%	—	6.03	6.03	6.03	6.03	6.03	—	—	—
Tunjita	27.40	7.98%	3.27	3.27	3.27	3.27	3.27	3.27	3.27	3.27	1.24
Total Variable Rate	132.55	6.84%	14.52	20.55	20.55	24.30	35.55	9.30	3.27	3.27	1.24
	5.60 %										
Total	2,365.16	5.83%	223.11	109.39	114.47	227.54	123.11	73.81	79.31	79.64	1,334.78

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 24)
- Assessment as to whether an agreement contains a lease (Note 19)
- Useful lives and residual values of property, plant and equipment, and intangible assets. (Note 17 and Note 18)
- 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 23 and Note 33)
- Future disbursements due to dismantling and asset removal obligations, including the discount rate. (Note 23)
- Determination of the existence of finance or operating leases based on the transfer of risks and rewards, in contracts where the Group is the lessor.
- Allocation of intangible assets and goodwill to Cash Generating Units (CGU) and the determination of recoverable value in tests for impairment. (Note 17)

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.

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.

The 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, 2021					December 31, 2020				
	Chile	Colombia	Argentina	Elim.	Total	Chile	Colombia	Argentina	Elim.	Total
Cash and cash equivalents	69,851	18,493	23,389	—	111,733	211,854	28,351	30,998	—	271,203
Trade receivables and other accounts receivable ⁽¹⁾	412,018	57,410	44,268	(6,059)	507,637	494,237	47,928	30,208	(19,924)	552,449
Property, Plant and Equipment	2,492,741	425,481	183,741	—	3,101,963	6,068,796	449,036	157,059	—	6,674,891
Financial liabilities ⁽²⁾	2,277,695	115,938	—	—	2,393,633	3,836,613	107,214	—	—	3,943,827
Trade payables and other accounts payable ⁽³⁾	291,154	43,387	33,599	6,059	374,199	350,756	39,683	34,647	(19,924)	405,162
Total current assets by segment	743,177	79,522	69,899	(6,059)	886,539	815,456	95,922	62,532	(19,924)	953,986
Total non-current assets by segment	2,957,066	448,888	184,289	—	3,590,243	6,538,569	469,933	157,518	—	7,166,020
Total current liabilities by segment	608,503	81,696	35,458	6,059	731,716	1,186,177	49,159	38,411	(19,924)	1,253,823
Total non-current liabilities by segment	2,372,183	174,500	40,809	—	2,587,492	4,625,967	173,446	35,400	—	4,834,813

⁽¹⁾ 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".

⁽²⁾ Financial Liabilities include both the current and non-current item.

⁽³⁾ 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, 2021 and 2020, are detailed as follows:

	December 31, 2021					December 31, 2020				
	Chile	Colombia	Argentina	Elim.	Total	Chile	Colombia	Argentina	Elim.	Total
Results:										
Income from ordinary activities	2,304,454	383,146	84,583	(1,095)	2,771,088	\$ 2,075,801	\$ 356,479	\$ 76,995	\$ (1,791)	\$ 2,507,484
Sales cost	1,534,990	181,999	78,134	(573)	1,794,550	\$ 1,322,748	\$ 236,257	\$ 56,624	\$ 1	\$ 1,615,630
Gross Margin	769,464	201,147	6,449	(522)	976,538	\$ 753,053	\$ 120,222	\$ 20,371	\$ (1,792)	\$ 891,854
Income before tax	(1,485,392)	177,889	4,796	(117,018)	(1,419,725)	\$ (319,145)	\$ 100,349	\$ 13,993	\$ (77,493)	\$ (282,296)
Net income for the years	(1,067,659)	121,486	(4,601)	(117,018)	(1,067,792)	\$ (252,229)	\$ 70,520	\$ 7,548	\$ (77,493)	\$ (251,654)
Adjusted EBITDA	856,586	190,650	27,896	—	1,075,132	\$ 891,125	\$ 115,476	\$ 38,913	\$ —	\$ 1,045,514
Financial income	17,867	1,163	13,016	(384)	31,662	\$ 2,009	\$ 857	\$ 5,962	\$ (856)	\$ 7,972
Financial costs	(100,097)	(6,426)	(129)	384	(106,268)	\$ (117,779)	\$ (5,337)	\$ (9)	\$ 933	\$ (122,192)
Investment in Guacolda	—	—	—	—	—	\$ (79,658)	\$ —	\$ —	\$ —	\$ (79,658)
Depreciation and amortization for the year	(173,250)	(11,003)	(24,967)	—	(209,220)	\$ (215,766)	\$ (9,739)	\$ (22,380)	\$ —	\$ (247,885)
Property, Plant and Equipment										
Capital Expenditures	656,645	48,653	17,688	—	722,986	\$ 693,184	\$ 29,855	\$ 21,867	\$ —	\$ 744,906
Cash Flow:										
Flow of operations	283,137	160,916	25,094	(145,866)	323,281	\$ 1,233,330	\$ 56,561	\$ 35,610	\$ (77,804)	\$ 1,247,697
Flow of investments	(470,366)	(48,041)	(25,342)	(7,310)	(551,059)	\$ (499,640)	\$ (20,376)	\$ 20,363	\$ (23,175)	\$ (522,828)
Flow of funding	49,785	(124,913)	(48)	153,176	78,000	\$ (820,763)	\$ (37,207)	\$ (27,015)	\$ 100,979	\$ (784,006)

Consolidated Adjusted EBITDA

The table below details the items being considered for the calculation of the Adjusted EBITDA.

	December 31, 2021	December 31, 2020
Income from ordinary activities	2,771,088	2,507,484
Sales cost	(1,794,550)	(1,615,630)
Gross Margin	976,538	891,854
Depreciation and amortization	209,220	247,885
Operating margin	1,185,758	1,139,739
Dismantling provision	6,531	5,911
Other income, by function	284	2,274
Other expenses, by function	(11,660)	(10,840)
Sales and administration expenses	(87,124)	(90,882)
Valuation of derivative instruments	(18,657)	(688)
TOTAL ADJUSTED EBITDA	1,075,132	1,045,514

NOTE 8 - CASH AND CASH EQUIVALENTS

	December 31, 2021	December 31, 2020
Cash	38	708
Bank balances	88,904	231,120
Short-term deposits	7,030	26,572
Other cash and cash equivalents	15,761	12,803
Total	111,733	271,203

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, 2021 and December 31, 2020 are detailed as follows:

	December 31, 2021	December 31, 2020
\$	11,451	14,243
Ar\$	22,383	29,978
Col\$	18,011	28,047
US\$	59,888	198,935
Total	111,733	271,203

As of December 31, 2020, as part of cash and cash equivalents, there are balances in bank accounts that have certain use or disposal restrictions; however, they are being used by the Company for Construction Project financing purposes, as detailed below:

Company	Class of cash	December 31, 2021	December 31, 2020
Alto Maipo	Bank balances	—	22,775
Total		—	22,775

The restrictions are due to requirements associated to the financing agreement with several banking institutions, leaded by Banco Itaú as facility agent. As of December 31, 2021, no balance is recorded, since Alto Maipo ceased to be part of the group's consolidation (see Note 37)

NOTE 9 - OTHER FINANCIAL ASSETS

As of December 31, 2021 and December 31, 2020, other financial assets are detailed as follows:

	Current		Non Current	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Hedging assets ⁽¹⁾	8,452	3,482	—	7,110
Assets at fair value through profit or loss ⁽¹⁾	5,868	3	19,355	—
Investment in Gasoducto Gasandes S.A. ⁽²⁾	—	—	2,353	2,353
Investment in Gasoducto Gasandes (Argentina) ⁽²⁾	—	—	2,200	2,200
Restricted investments	—	—	780	1,183
Other	502	5	—	—
Total	14,822	3,490	24,688	12,846

⁽¹⁾ 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).

⁽²⁾ 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 and Note 29 Other Income (Loss)).

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, 2021	Cash and cash equivalents	Financial assets at amortized cost	Assets at fair value through profit and loss	Hedging derivatives	Total
Cash and Cash Equivalents	111,733	—	—	—	111,733
Other current financial assets	—	—	6,370	8,452	14,822
Trade receivables and other accounts receivable	—	343,679	43,508	—	387,187
Other non-current financial assets	—	—	24,688	—	24,688
Accounts receivable from related entities	—	33,709	—	—	33,709
Total	111,733	377,388	74,566	8,452	572,139

December 31, 2020	Cash and cash equivalents	Financial assets at amortized cost	Assets at fair value through profit and loss	Hedging derivatives	Total
Cash and Cash Equivalents	271,203	—	—	—	271,203
Other current financial assets	—	—	8	3,482	3,490
Trade receivables and other accounts receivable	—	332,953	84,821	—	417,774
Other non-current financial assets	—	—	5,736	7,110	12,846
Accounts receivable from related entities	—	21,886	—	—	21,886
Total	271,203	354,839	90,565	10,592	727,199

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.

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, 2021	Financial Liabilities at Fair Value through Profit or Loss	Hedging derivatives	Financial liabilities at amortized cost	Total
Other current financial liabilities/current lease liabilities	700	19,543	263,305	283,548
Trade payables and other accounts payable	—	—	283,118	283,118
Other non-current financial liabilities/Non-current lease liabilities	—	11,199	2,098,886	2,110,085
Accounts payable to related entities	—	—	15,127	15,127
Total	700	30,742	2,660,436	2,691,878

December 31, 2020	Financial Liabilities at Fair Value through Profit or Loss	Hedging derivatives	Financial liabilities at amortized cost	Total
Other current financial liabilities/current lease liabilities	13,503	46,346	126,297	186,146
Trade payables and other accounts payable	—	—	271,550	271,550
Other non-current financial liabilities/Non-current lease liabilities	7,801	194,608	3,555,272	3,757,681
Accounts payable to related entities	—	—	417,493	417,493
Total	21,304	240,954	4,370,612	4,632,870

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, 2021 and December 31, 2020, 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:

	December 31, 2021		December 31, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Interest-bearing Loans	2,362,191	2,601,692	3,681,569	4,479,195

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:

- Market assumptions, such as spot prices and other price projections, credit risk (both own and counterparty credit risk) and interest rates.
- Discount rates, such as risk-free rates, sovereign and counterparty spread (based on risk profiles and information available in the market).
- 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, 2021	Note	Level 1	Level 2	Level 3	Total
Assets					
Assets at fair value through profit or loss					25,725
Foreign Exchange Forward	10.4 (b)	—	25,223	—	
Other Investments	—	502	—	—	
Hedging derivatives					8,452
Cross currency swap	10.4 (a.2)	—	—	—	
Interest Rate Swap	10.4 (a.1)	—	1,669	—	
Foreign Exchange Forward	10.4 (a.3)	—	6,783	—	
Total Assets		502	33,675	—	34,177
Liabilities					
Financial liabilities at fair value through profit or loss					700
Foreign Exchange Forward	10.4 (b)	—	700	—	
Hedging derivatives					30,742
Cross currency swap	10.4 (a.2)	—	—	—	
Interest Rate Swap	10.4 (a.1)	—	—	—	
Foreign Exchange Forward	10.4 (a.3)	—	30,742	—	
Total Liabilities		—	31,442	—	31,442

December 31, 2020	Note	Level 1	Level 2	Level 3	Total
Assets					
Assets at fair value through profit or loss					5,744
Foreign Exchange Forward	10.4 (b)	—	3	—	
Other Investments		5,741	—	—	
Hedging derivatives					10,592
Cross currency swap	10.4 (a.2)	—	4,910	—	
Foreign Exchange Forward	10.4 (a.3)	—	5,682	—	
Total Assets		5,741	10,595	—	16,336
Liabilities					
Financial liabilities at fair value through profit or loss					21,304
Foreign Exchange Forward	10.4 (b)	—	21,304	—	
Hedging derivatives					240,954
Cross currency swap	10.4 (a.2)	—	2,448	—	
Interest Rate Swap	10.4 (a.1)	—	115	230,436	
Foreign Exchange Forward	10.4 (a.3)	—	7,955	—	
Total Liabilities		—	31,822	230,436	262,258

The amount described in level 3 includes interest rate swap contracts of the subsidiary Alto Maipo, which are instruments executed in previous years.

The valuation of these derivatives has unobserved variables in the market, mainly related to the credit risk of Alto Maipo. The credit risk used in the valuation of these instruments considers the spread on LIBOR rate used in the financing of Alto Maipo. The Company has conducted sensitivity analyses with regard to these unobservable inputs, and their impact on the valuation at market value of the instruments included in level 3.

The changes in balance valued at Level 3 fair value hierarchy are detailed as follows:

	Interest Rate Swap Liability
Balance as of January 1, 2021	(230,436)
Revaluations recognized in Other Reserves	4,184
Settlements	214,393
(+) Transfers within level 3	—
(-) Transfer out of level 3	—
December 31, 2021	—

e. **Master Netting Agreements**

The following table shows the derivative instruments as of December 31, 2021 and December 31, 2020 that are subject to Master Netting Agreements where there is a contractual right to compensate for assets and liabilities under these financial instruments.

	December 31, 2021		December 31, 2020	
	Assets	Liabilities	Assets	Liabilities
Current and Non-Current Derivative Instruments				
Current	14,279	(19,875)	3,484	(59,841)
Non-current	2,926	(11,199)	7,110	(199,870)
Total	17,205	(31,074)	10,594	(259,711)
Gross amounts of derivative instruments subject to netting				
Gross amount (equal to net) recognized in the balance sheet	17,205	(31,074)	10,594	(259,711)
Unnetted derivative instruments	(8,279)	8,279	(2,103)	2,103
Unnetted posted collateral	—	—	—	15,000
Total Net Amount	8,926	(22,795)	8,491	(242,608)

As of December 31, 2021 and December 31, 2020, 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 to 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 represent significant credit risk given that its commercial transactions are mainly concentrated with CAMMESA and clients of the Wholesale Electricity Market denominated "Grandes Usuarios (GUME/GUMA)" that operates under the regulation of Energy Plus.

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, 2021 and December 31, 2020 is detailed as follows:

a. Derivative Instruments for Cash Flows Hedge Accounting

1. Interest Rate Swaps

These swap contracts partially cover the syndicated credits associated with the subsidiary Chivor as of December 31, 2021 and Alto Maipo as of December 31, 2020. The fair values of these instruments are included in the following table:

Interest rates	December 31, 2021				December 31, 2020			
	Assets		Liabilities		Assets		Liabilities	
	Current	Non Current	Current	Non Current	Current	Non Current	Current	Non Current
2.80% - 5.77%	1,669	—	—	—	—	—	36,335	194,216
Total	1,669	—	—	—	—	—	36,335	194,216

Alto Maipo

In January 2014, Alto Maipo entered into ten 19-year interest rate swap agreements with KfW IPEX Bank, DNB Bank ASA, Banco Itaú and Chile, in the amount of ThUS\$973,578, to convert variable interest rates at a fixed rate during the plant construction and operation period.

In March 2017, Alto Maipo conducted a financial restructuring, which included a change of interest rate swaps with the banks BCI and Itaú (including Corpbanca). The modification consisted in reducing the original fixed rate of the interest rate swap since the restructuring date until the first quarter of year 2020. This reduction will be offset with partial increases in the fixed rate until the reduction initially applied to the original fixed rate of the hedging instruments is matched. The increase in the fixed rate of the interest rate swap will be made from the

first quarter of 2020 as of this date up to the original maturity of these instruments. From the point of view of hedge accounting, the modified instruments were referred to as new instruments as of the restructuring date and reappointed as hedging instruments since they had been considered highly effective as of that date.

In May 2018, the Company entered into the second refinancing of Alto Maipo, thus bringing to an end the technical default related to the termination of the construction contract with CNM. As a result of the resolution of this event of default, the Company reallocated the interest rate swaps under a new hedge relationship, thus allowing the accounting for changes in the fair value of these instruments in the shareholders' equity of the Company

As of December 31, 2021, the Company does not register balances for these instruments, regarding the deconsolidation of Alto Maipo (see Note 37).

Chivor

In December 2020, AES Chivor celebrated an interest rate swap contract with Bancolombia for 2 years and MCOP\$230,000 to hedge the volatility risk of the IBR rate in the loans with Scotiabank Colpatría S.A. y Bancolombia S.A.

2. Cross-currency Swaps - Currency Swaps

		December 31, 2021				December 31, 2020			
		Assets		Liabilities		Assets		Liabilities	
Counterparty	Bank	Current	Non Current	Current	Non Current	Current	Non Current	Current	Non Current
AES Andes	Credit Suisse-Deutsche Bank	—	—	—	—	—	4,910	2,448	—
TOTAL		—	—	—	—	—	4,910	2,448	—

AES Andes

In December 2007, AES Andes entered into two currency swap agreements with Credit Suisse International to redenominate the debt currency from *Unidad de Fomento* to United State Dollars, in relation to a new obligation originating from the placement of two series of notes in the local market (N and O), for an amount of UF 5.6 million, approximately equivalent to ThUS\$217,000 as of the date of issuance with maturities in 2015 and 2028.

In September 2009, the swap agreement related to a long series of notes (N-series) was modified and one part was novated to Deutsche Bank. In relation to the swap agreement with Credit Suisse International, it includes provisions requiring from AES Andes to grant guarantees when the market value of the swap exceeds the limit set in the contracts.

Together with the early settlement of the N-Series, on July 30, 2021, the Company unwound the Cross Currency Swap that was active since December 2007.

Foreign Exchange Forward

	December 31, 2021				December 31, 2020			
	Assets		Liabilities		Assets		Liabilities	
	Current	Non Current	Current	Non Current	Current	Non Current	Current	Non Current
Fixed Costs - AES Andes	—	—	11,674	11,199	1,941	2,200	3,994	392
Regulated customers - AES Andes	—	—	—	—	—	—	492	—
Currency forwards (Projects - AES Colombia)	—	—	—	—	—	—	1,855	—
Coal Forward - AES Andes	5,913	—	5,543	—	1,541	—	—	—
Forward Customers capacity - AES Andes	870	—	2,326	—	—	—	911	—
VAT Credit Forward	—	—	—	—	—	—	311	—
TOTAL	6,783	—	19,543	11,199	3,482	2,200	7,563	392

In May 2019, AES Andes entered into foreign exchange forward contracts, associated with fixed costs, with Scotiabank for a total nominal amount of ThUS\$26,484, with the last due date falling in April 2022. The nominal values as of December 31, 2021 amount to ThUS\$15,978.

In August 2019, AES Andes entered into foreign exchange forward contracts, associated with fixed costs, with Banco de Chile for a total nominal amount of ThUS\$11,603, with the last due date falling in July 2022. The nominal values as of December 31, 2021 amount to ThUS\$6,125.

In February 2020, AES Andes entered into foreign exchange forward contracts, associated with fixed costs, with Banco de Chile, Banco Estado, Itau, JP Morgan and Scotiabank, for a total nominal amount of ThUS\$51,738, with the last due date falling in December 2022. The current nominal values as of December 31, 2021 amount to ThUS\$17,949.

During the first quarter of 2021, AES Andes entered into forward currency contracts, associated with fixed costs, with JP Morgan, Scotiabank, Banco de Chile and BCI, for a total face value of ThUS\$57,020, with a last maturity in July 2023. The nominal values in force as of December 31, 2021 amount to ThUS\$39,598.

During the second quarter of 2021, AES Andes entered into forward currency contracts, associated with fixed costs, with JP Morgan, Scotiabank, Banco de Chile Banco Estado and BCI, for a total face value of ThUS\$26,368, with a final maturity in October 2023. Nominal values in effect as of December 31, 2021 amount to ThUS\$20,041.

During the third quarter of 2021, AES Andes entered into forward currency contracts, associated with fixed costs, with JP Morgan, Scotiabank, Banco de Chile and Banco Estado, for a total face value of ThUS\$62,935, with a final maturity in June 2024. The nominal values in force as of December 31, 2021 amount to ThUS\$62,935.

During the fourth quarter of 2021, AES Andes entered into forward currency contracts, associated with fixed costs, with Banco de Chile, Scotiabank y Banco Estado, for a total face value of ThUS\$12,783, with a final maturity in October 2024. The nominal values in force as of December 31, 2021 amount to ThUS\$12,783.

During the first quarter of 2021, AES Andes entered into a forward currency contract, associated with coal prices with Macquarie, for a total face value of ThUS\$9,276, with the last maturity in December 2022. The nominal values in force as of December 31, 2021 amount to ThUS\$4,020.

During the second quarter of 2021, AES Andes entered into a forward currency contract, associated with coal prices with Bofa, for a total face value of ThUS\$5,307, with last maturity in December 2022. The nominal values in force as of December 31, 2021 amount to ThUS\$5,307.

During the third quarter of 2021, AES Andes entered into a forward currency contract, associated with coal prices with JP Morgan and Goldman Sach, for a total face value of ThUS\$29,067, with the last maturity in December 2022. Nominal values in effect as of December 31, 2021 amount to ThUS\$25,545.

During the second quarter of 2021, AES Andes entered into a currency forward contract, associated with accounts receivable per power with JP Morgan, for a total face value of ThUS\$7,677, with a final maturity in April 2022. Nominal values in effect as of December 31, 2021 amount to ThUS\$5,112.

During the fourth quarter of 2021, AES Andes entered into a currency forward contract, associated with accounts receivable per power with Scotiabank for a total face value of ThUS\$9,077, with a final maturity in October 2022. Nominal values in effect as of December 31, 2021 amount to ThUS\$9,077.

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.

The ineffectiveness of cash flow hedges resulted in a loss of ThUS\$1,198 and a profit of ThUS\$1,162 for the years ended December 31, 2021 and 2020, respectively.

The changes recognized in other reserves (see note 26.6 c) during the years 2021 and 2020, include:

	December 31, 2021	December 31, 2020
Profit/loss from derivatives recorded in other reserves	44,889	(21,975)
Profit/loss from derivatives reclassified from other reserves to profit or loss	82,801	(7,062)
Profit/loss from derivatives of Associates recorded in other reserves	—	(2,137)
Total	127,690	(31,174)

b. Derivatives Not Designated as Hedges

Derivative instruments	Classification	December 31, 2021				December 31, 2020			
		Assets		Liabilities		Assets		Liabilities	
		Current	Non Current	Current	Non Current	Current	Non Current	Current	Non Current
Derivative Power Supply Agreement (AES Andes)	Financial instrument at fair value through profit or loss	—	13,142	—	—	—	—	—	—
Currency forwards (capital increase) AES Andes	Financial instrument at fair value through profit or loss	—	—	—	—	—	—	123	—
Derivative Power Supply Agreement (AES Colombia)	Financial instrument at fair value through profit or loss	72	3,287	362	—	3	—	—	2,540
AES Andes Currency forwards (non-regulated customers)	Financial instrument at fair value through profit or loss	—	—	—	—	—	—	210	—
Currency forwards (dividends subsidiary Colombia) AES Andes	Financial instrument at fair value through profit or loss	5,796	2,926	338	—	—	—	13,170	5,261
Total		5,868	19,355	700	—	3	—	13,503	7,801

Other subsidiaries - FX currency forwards

During the fourth quarter of 2019, AES Andes entered into foreign exchange forward contracts related to dividends receivable of AES Colombia with Banco de Chile, JP Morgan, Scotiabank and Goldman Sachs, respectively, for a total nominal amount of ThUS\$125,168, with the last due date falling in March 2022. Part of these contracts were settled in the first quarter of 2020, the nominal values as of December 31, 2021 amount to ThUS\$19,154.

During the first quarter of 2020, AES Andes entered into foreign exchange forward contracts related to dividends receivable of AES Colombia with Banco de Chile, JP Morgan, Scotiabank, and Goldman Sachs, respectively, for a total nominal amount of ThUS\$110,744, with the last due date falling in September 2022. The nominal values as of December 31, 2021, amount to ThUS\$8,630.

During the third quarter of 2020, AES Andes entered into foreign exchange forward contracts related to dividends receivable of AES Colombia with Banco de Chile, JP Morgan, and Scotiabank, respectively, for a total nominal amount of ThUS\$35,883, with the last due date falling in September 2022. The nominal values as of December 31, 2021 amount to ThUS\$11,632.

During the fourth quarter of 2020, AES Andes entered into foreign exchange forward contracts related to dividends receivable of AES Colombia with Scotiabank, Banco Estado, Banco de Chile, and JP Morgan London, respectively, for a total nominal amount of ThUS\$49,194, with the last due date falling in September 2023. The nominal values as of December 31, 2021 amount to ThUS\$30,735.

During the third quarter of 2021, AES Andes entered into forward currency contracts, associated with dividends to be received from the subsidiary AES Colombia with Scotiabank, Banco de Chile and JP Morgan, respectively, for a total nominal value of ThUS\$49,135, with a last maturity in December 2022. The nominal values in force as of December 31, 2021 amount to ThUS\$38,452.

During the third quarter of 2021, AES Andes entered into forward currency contracts, associated with dividends to be received from the subsidiary AES Colombia with Scotiabank, Banco de Chile, Banco Estado and JP Morgan, respectively, for a total nominal value of ThUS\$14,463, with a last maturity in November 2023. Nominal values in effect as of December 31, 2021 amount to ThUS\$14,463.

In December 2021, AES Andes executed a power purchase agreement with Microsoft Datacenter Chile Limitada (Microsoft) for a period of fifteen years from the entry into commercial operation of San Matias and Andes Solar IV projects event scheduled for 2023. The contract contains a clause that allows the parties to receive or pay the net amount of the agreement, calculated as a differential between the contract price versus the marginal cost of energy multiplied by the amount agreed in the contract. Since the clause does not relate to the physical delivery of energy during the contract period, it was impossible to apply the exception of paragraph 2.4 in IFRS 9. The specific contract clause is measured at fair value through profit or loss.

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.

a. Implicit derivatives (through profit and loss)

As of December 31, 2021 and 2020, there are no implicit derivatives.

NOTE 11 - OTHER NON-FINANCIAL ASSETS

As of December 31, 2021 and December 31, 2020, other non-financial assets are detailed as follows:

	Current		Non Current	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Insurance paid in advance	356	1,391	—	—
Taxes to be recovered (1)	—	—	25,359	27,984
Delivered guarantees	828	493	150	7,972
Advance payment from purchases of energy	255	651	2,286	—
Advance payment for other purchases	1,007	608	—	—
Others	—	46	786	261
Total	2,446	3,189	28,581	36,217

⁽¹⁾ 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, 2021 and 2020, are detailed as follows:

	Current		Non Current	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Trade receivables, gross	370,932	387,944	17,724	31,323
Bad debt allowance	(1,126)	(1,493)	(343)	—
Trade receivables, net	369,806	386,451	17,381	31,323
Remaining tax credit, gross	52,899	93,642	—	—
Other accounts receivable, gross	29,252	13,191	4,590	5,956
Total	451,957	493,284	21,971	37,279

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 clients shall be temporarily assumed by the generators that supply such agreements, who will finance a maximum amount of US\$1,350 million. As of December 31, 2021, current and non-current trade receivables include accounts receivable for ThUS\$34,203 and ThUS\$9,304, respectively, associated with the fair value of the stabilization fund (see Note 32.2.1 h).

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		Non-regulated Customers		Totals		
	N° Clients	Gross portfolio	N° Clients	Gross portfolio	Gross portfolio	Bad debt allowance	Net Portfolio
December 31, 2021							
No past due payments	15	107,880	239	244,897	352,777	(346)	352,431
1 to 30 Days	6	703	642	28,547	29,250	—	29,250
31 to 60 Days	2	647	116	2,132	2,779	—	2,779
61 to 90 Days	—	173	51	440	613	—	613
91 to 120 Days	—	35	30	371	406	(24)	382
121 to 150 Days	—	—	5	1	1	—	1
151 to 180 Days	—	—	112	57	57	—	57
181 to 210 Days	—	—	2	28	28	—	28
211 to 250 Days	—	—	1	—	—	—	—
>250 Days	9	310	365	2,435	2,745	(1,099)	1,646
Total trade receivables	32	109,748	1,563	278,908	388,656	(1,469)	387,187

	Regulated Customers		Non-regulated Customers		Totals		
	N° Clients	Gross portfolio	N° Clients	Gross portfolio	Gross portfolio	Bad debt allowance	Net Portfolio
December 31, 2020							
No past due payments	16	117,415	741	220,778	338,193	—	338,193
1 to 30 Days	9	17,244	593	57,841	75,085	—	75,085
31 to 60 Days	3	107	144	766	873	—	873
61 to 90 Days	1	—	86	789	789	—	789
91 to 120 Days	1	—	76	465	465	(180)	285
121 to 150 Days	1	—	46	24	24	—	24
151 to 180 Days	1	—	120	373	373	—	373
181 to 210 Days	1	—	6	535	535	—	535
211 to 250 Days	1	—	34	495	495	—	495
>250 Days	6	967	1,059	1,468	2,435	(1,313)	1,122
Total trade receivables	40	135,733	2,905	283,534	419,267	(1,493)	417,774

The amounts for impaired trade receivables and other accounts receivable are detailed as follows:

Balances as of January 1, 2020	1,487
Increase (decrease) for the years	6
Write-offs	—
Balances as of December 31, 2020	1,493
Increase (decrease) for the years	(24)
Write-offs	—
December 31, 2021	1,469

NOTE 13 - BALANCES AND TRANSACTIONS WITH RELATED ENTITIES

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							Current	
Tax payer ID (RUT) Number	Company	Country	Transaction description	Nature of the relationship	Currency	Maturity	December 31, 2021	December 31, 2020
Foreign	AES Corporation	United States	Other reimbursements	Parent	US\$	On demand	1,036	2,290
Foreign	AES Maritza East Ltd.	Bulgaria	Cost reimbursements	Common Parent	US\$	On demand	67	68
Foreign	AES Panamá Limitada	Panama	Project Consultancy	Common Parent	US\$	On demand	29	29
Foreign	Compañía de Alumbrado Eléctrico	El Salvador	Cost reimbursements	Common Parent	US\$	On demand	53	53
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	2,316	4,633
Foreign	AES Global Insurance Co.	United States	insurance receivables	Common Parent	US\$	On demand	27,750	—
Foreign	AES Energy Storage	United States	Cost reimbursements	Common Parent	US\$	On demand	28	13
76.418.918-3	Guacolda Energía SpA	Chile	Sales of energy and power	Ex - Associate	US\$	On demand	5	2,139
76.418.918-3	Guacolda Energía SpA	Chile	Sales of coal	Ex - Associate	US\$	On demand	—	6,873
76.418.918-3	Guacolda Energía SpA	Chile	Management Fee	Ex - Associate	US\$	On demand	—	1,030
76.418.918-3	Guacolda Energía SpA	Chile	Others related to the sale of coal	Ex - Associate	US\$	On demand	—	1,518
76.236.918-4	Strabag SpA	Chile	Construction project services	Subsidiary Shareholder (Note 27)	US\$	On demand	—	1,023
Foreign	AES Holdings Brasil Lt	Brazil	Management Fee	Common Parent	US\$	On demand	1,771	955
Foreign	Energética Argentina S.A.	Argentina	Management Fee	Common Parent	US\$	On demand	197	418
Foreign	Vientos Neuquinos I S.A.	Argentina	Management Fee	Common Parent	US\$	On demand	289	628
	Other minor						41	89
Total							33,709	21,886

There are no accounts receivable with related parties classified in non-current assets.

The balances of accounts payable between the Company and its non-consolidated related companies are detailed as follows:

Accounts payable with related entities							Current	
Tax payer ID (RUT) Number	Company	Country	Transaction description	Nature of the relationship	Currency	Maturity	December 31, 2021	December 31, 2020
Foreign	AES Corporation	United States	Remuneration of foreign staff	Parent	US\$	On demand	\$ 3,987	\$ 8,956
Foreign	AES Servicios América	Argentina	Administrative services and system support	Common Parent	US\$	On demand	\$ 1,564	\$ 530
Foreign	Compañía de Alumbrado Eléctrico	El Salvador	Cost reimbursements	Common Parent	US\$	On demand	\$ 113	\$ 113
Foreign	AES Panamá Limitada	Panama	Cost reimbursements	Common Parent	US\$	On demand	\$ —	\$ 38
Foreign	AES Big Sky, LLC	United States	Technology Services	Common Parent	US\$	On demand	\$ 8,935	\$ 9,071
Foreign	AES Electric Ltd	Great Britain	Cost reimbursements	Common Parent	US\$	On demand	\$ —	\$ 302
Foreign	AES Argentina	Argentina	Cost reimbursements	Common Parent	US\$	On demand	\$ 119	\$ 55
Foreign	AES NA Central, LLC	United States	Cost reimbursements	Common Parent	US\$	On demand	\$ 24	\$ 24
Foreign	Dominican Power Part	Dominican Republic	Cost reimbursements	Common Parent	US\$	On demand	\$ 78	\$ 72
Foreign	AES Hawaii	United States	Cost reimbursements	Common Parent	US\$	On demand	\$ 48	\$ 48
Foreign	AES Latinoamerica, S De RL	Panama	Cost reimbursements	Common Parent	US\$	On demand	\$ 38	\$ 40
Foreign	AES Holdings Brasil Lt	Brazil	Cost reimbursements	Common Parent	US\$	On demand	\$ 165	\$ —
76.418.918-3	Guacolda Energía SpA	Chile	Purchase of energy and power	Ex - Associate	US\$	On demand	\$ —	\$ 13,466
76.236.918-4	Strabag SpA	Chile	Construction project services	Associate Shareholder (note 27)	US\$	On demand	\$ —	\$ 5,950
	Other minor						\$ 56	\$ 217
Total							15,127	38,882

The effects in the income statement of transactions with non-consolidated related parties for years ended December 31, 2021 and 2020, are detailed as follows:

Maturity

Accounts payable with related entities								Non-Current	
Tax payer ID (RUT) Number	Company	Country	Transaction description	Nature of the relationship	Currency	Amortization		December 31, 2021	December 31, 2020
76.236.918-4	Strabag SpA	Chile	Loans	Associate Shareholder	US\$	Libor + 3.4%	Start of operation	\$ —	\$ 378,611
Total								\$ —	\$ 378,611

Tax payer ID (RUT) Number	Company	Country	Nature of the relationship	Transaction description	December 31, 2021	Effect in Income	December 31, 2020	Effect in Income
76.418.918-3	Guacolda Energía SpA	Chile	Associate (Note 16)	Sale of energy and power	10,843	10,843	16,009	16,009
76.418.918-3	Guacolda Energía SpA	Chile	Associate (Note 16)	Sale of Coal	85,588	85,588	106,810	106,810
76.418.918-3	Guacolda Energía SpA	Chile	Associate (Note 16)	Management fee and technical	2,052	2,052	3,451	3,451
76.418.918-3	Guacolda Energía SpA	Chile	Associate (Note 16)	Miscellaneous services	130	130	53	53
Foreign	Gasoducto Gasandes Argentina	Argentina	Investment	Dividends	300	300	1,403	1,403
Foreign	AES Argentina Generación S.A.	Argentina	Common Parent	Management fee and technical advice	1,752	1,752	1,053	1,053
Foreign	AES Holdings Brasil Lt	Brazil	Common Parent	Management fee and technical advice	815	815	767	767
Foreign	Energética Argentina S.A.	Argentina	Common Parent	Management fee and technical advice	44	44	18	18
Foreign	Vientos Neuquinos I S.A.	Argentina	Common Parent	Management fee and technical advice	13	13	201	201
96.721.360-8	Gasoducto Gasandes Chile S.A.	Chile	Investment	Dividends	455	455	1,170	1,170
Total revenues					101,992	101,992	130,935	130,935
76.418.918-3	Guacolda Energía SpA	Chile	Associate (Note 16)	Purchase of energy and power	10,849	(10,849) \$	75,808	(75,808)
Foreign	AES Corporation	United States	Parent	Staff costs and several services	3,025	(3,025) \$	2,853	(2,853)
Foreign	AES Servicios América S.R.L.	Argentina	Common Parent	Administrative services and system support	5,801	(5,801) \$	2,506	(2,506)
Foreign	AES Big Sky, LLC	United	Common Parent	Technology services	20,181	(20,181) \$	21,756	(21,756)
Total costs					39,856	(39,856)	102,923	(102,923)

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.

The related party due, unpaid and unimpaired accounts receivable and accounts payable are detailed as follows:

	Accounts Receivable		Accounts Payable	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
No past due payments	33,406	21,582	13,104	28,577
1 to 180 days of delay	109	109	1,809	751
181 to 250 days of delay	194	195	—	9,071
More than 250 days of delay	—	—	214	483
Total	33.709	21.886	15.127	38.882

13.2.- Key Staff

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 Annual General Shareholders' Meeting dated April 23, 2021, 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 2020. The remunerations paid to the members of the Committee of Directors and the Directors of subsidiaries during the periods covered by these financial statements are listed in the next tables.

Name	Position	December 31, 2021	December 31, 2020
Juan Ignacio Rubiolo (3)	Chairman	—	—
Julián Nebreda (3)	Director	—	—
Bernerda Santos	Director	—	—
Arminio Borjas	Director	—	—
Gustavo Pimenta (2)	Ex Director	—	—
Gonzalo Parot Palma	Director	144	127
Radovan Roque Razmilic Tomicic	Director	144	127
Daniel Mauricio Fernandez Koprach	Director	143	127
TOTAL		431	381

At the Annual General Shareholders' Meeting dated April 26, 2019, the Company approved the appointment of the following Directors, who will have their terms extended until 2022:

Chief Directors	Alternate Directors
Julián Nebreda	Leonardo Moreno
Arminio Borjas ⁽¹⁾	—
Bernerda Santos	Madelka McCalla
Gustavo Pimenta ⁽²⁾	Juan Ignacio Rubiolo
Radovan Razmilic Tomicic	—
Gonzalo Parot Palma	Luis Hernán Palacios C.
Daniel Fernández Koprach	Antonio Kovacevic B.

(1) On January 7, 2020, the Company's Board of Directors was informed of Andrés Gluski's resignation from his position as Chief Director, who was replaced by his alternate director, Arminio Borjas.

(2) On September 24, 2021, the Company's Board of Directors became aware of the resignation presented by Mr. Gustavo Pimenta from the position of Chief Director of the Company, who was replaced by his alternate Mr. Juan Ignacio Rubiolo.

(3) On February 24, 2022, the Company's Board of Directors became aware of the resignation presented by Mr. Julián Nebreda from the position of Chairman of the Board of Director of the Company. Mr. Nebreda will continue to be a member of Chief Directors for the statutory period for which he was elected.

At the Company's Board of Directors meeting held on this date, the Board of Directors agreed to appoint Mr. Juan Ignacio Rubiolo as the new Chairman of the Board of Directors and of the Company.

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, 2021 and 2020, amounted to ThUS\$5,698 and ThUS\$5,268, respectively.

NOTE 14 - INVENTORY

Inventories have been valued according to the provisions of Note 4.11 and are detailed as follows:

	December 31, 2021	December 31, 2020
Coal	111,754	29,619
Oil	3,117	2,757
Materials	32,531	44,723
Coal in transit	77,622	46,083
Imported materials in transit	666	1,060
Other inventories	4,380	14,037
Total	230,070	138,279

Inventory costs recognized as expenses in the years ended December 31, 2021 and 2020 are detailed as follows:

	December 31, 2021	December 31, 2020
Coal	659,098	445,686
Oil	3,575	2,837
Others ⁽¹⁾	20,365	22,934
Total	683,038	471,457

⁽¹⁾ 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.

NOTE 15 - TAXES

Current Taxes

Current tax receivables as of December 31, 2021 and December 31, 2020, which include group companies with an asset position at the net current tax level, are detailed as follows:

	December 31, 2021	December 31, 2020
Monthly provisional payments	37,153	5,050
Colombian income tax advance payment	95	47,644
Argentine standard credit	690	—
Overpaid PPM	6,014	1,110
Other	—	27
Minus:	—	—
Provision First Category Tax	3,526	31,176
Argentine standard tax	69	—
Total	41,802	22,655

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, 2021	December 31, 2020
Provision for disallowed tax expenditure	—	248
Provision First Category Tax	69,198	232,837
Argentine Standard Tax	645	2,738
Minus:		
Monthly provisional payments	7,342	5,530
Advance payment and self withholding of Colombian income	25,758	—
Overpaid PPM	—	4,813
Others	—	376
Total	36,743	225,104

Income Taxes

Income tax charged to income for the years ended December 31, 2021 and 2020, is detailed as follows:

Current and Deferred Income Tax Expense (Benefit)	2021	2020
Current tax expense	82,237	273,784
Other current tax expense	—	250
Current tax expense, net	82,237	274,034
Deferred expense (benefit) due to:		
Taxes relating to the creation and reversal of temporary differences	(434,170)	(304,676)
Deferred tax expense (benefit), net	(434,170)	(304,676)
Income tax expense (benefit)	(351,933)	(30,642)

Foreign and local income tax expense (benefit)	2021	2020
Current tax expense, net:		
Foreign	58,000	38,804
Local	24,237	235,230
Current tax expense, net	82,237	274,034
Deferred tax expense, net:		
Foreign	7,800	(2,529)
Local	(441,970)	(302,147)
Deferred tax expense, net	(434,170)	(304,676)
Income tax expense (benefit)	(351,933)	(30,642)

The reconciliation between the income tax that would result from applying the effective rate in the years ended December 31, 2021 and 2020 is detailed as follows:

	December 31, 2021	December 31, 2020
Financial result before tax	(1,419,725)	(282,296)
Current tax rate	27%	27%
Expense for taxes at the statutory rate	(383,326)	(76,220)
Tax effect for:		
Rates in other jurisdictions (1)	3,275	7,327
Non-taxable ordinary income		21,508
Non-Deductible Tax Expenses	(2,255)	3,162
Tax effect resulting from the tax benefit not previously recognized in the income statement		
Tax effect associated to reorganizations	27,400	—
Change in tax rates (2)	3,935	(3,243)
Tax effect of taxes excessively provided for in previous periods	1,352	1,551
Tax effect for absorbing losses without receivable		
Exchange differences	(3,666)	(1,341)
Effect of available-for-sale assets		15,917
Other increase (decrease) in charges for legal taxes	1,352	697
Adjustment to expense for taxes at the statutory rate, total	31,393	45,578
Expense (benefit) for taxes at the effective rate	(351,933)	(30,642)

(1) It includes the differences originating between the current rate in Chile (27%) and in other jurisdictions where the foreign subsidiaries are domiciled (Argentina, 35% in 2021 and 30% in 2020 and Colombia, 31% in 2021 and 32% in 2021).

(2) It refers to the reduction in the tax legal rate in Argentina and Colombia.

The balances relating to taxes recognized in other comprehensive income are detailed as follows:

	2021	2020
Added deferred taxation concerning items charged to Shareholder's Equity	6,765	(6,777)
Taxes recognized in Other Comprehensive Income, Total	6,765	(6,777)

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.

Deferred Taxes

The balances of assets and liabilities for deferred taxes as of December 31, 2021 and December 31, 2020, are detailed as follows:

	December 31, 2021		December 31, 2020	
	Assets	Liabilities	Assets	Liabilities
Depreciation	55,876	(352,856)	—	(648,076)
Amortization	—	(160)	167	(13,621)
Accruals	333,937	—	—	—
Provisions	—	(40,165)	15,917	(12,953)
Obligations for post-employment benefits	7,481	(216)	10,291	(5,951)
Revaluation of Financial Instruments	—	(14,678)	5,418	(17,727)
Tax losses	95,596	—	328,396	—
Deferred income	6,763	(467)	105,582	—
Debts (difference between effective and cover rate)	718	—	465	(1,675)
Financial leasing obligations	12,499	(421)	26,716	(1,328)
Financing costs	5,630	(17,023)	20,005	(40,861)
Others	70,193	(7,450)	64,718	(8,192)
Subtotal	588,693	(433,436)	577,675	(750,384)
Netting at the level of financial statements	(307,665)	307,665	(343,877)	343,877
Balances according to the financial statement	281,028	(125,771)	233,798	(406,507)

The most significant deferred asset is related to the tax losses of those companies that are in the construction stage, or that have started their operations a little time ago: Cochrane and Renewable Projects. The origin of these losses mainly results from financial expenses that were not capitalized in the project and accelerated depreciation of those projects that started their operation.

There is positive evidence that these losses will be reversed in the near future as a result of taxable income associated with power purchase agreements (PPAs) that these companies have entered into with their parent AES Andes, and therefore, no valuation allowance needs to be accounted for.

As of December 31, 2021, the item "Others" includes mainly the difference related to the fixed asset retirement obligation.

Law 21,210 on Tax Modernization, which was passed and published on February 24, 2020, and represents some relevant amendments on income tax matters, has not had material impacts on the taxes and financial statements of AES Andes as of December 31, 2021.

Changes in deferred tax assets and liabilities for the years ended December 31, 2021 and December 31, 2020, are detailed as follows:

	Balances as of January 1st, 2021	Increase (decrease) in profit (loss)	Increase (decrease) in comprehensive income	Foreign currency translation differences	Other increases (decreases)	Balances as of December 31, 2021
Depreciation	(648,076)	257,836	—	(5,668)	98,928	(296,980)
Amortization	(13,454)	13,919	—	(625)	—	(160)
Accruals	—	333,937	—	—	—	333,937
Provisions	2,964	(45,329)	—	1,550	650	(40,165)
Obligations for post-employment benefits	4,340	2,953	(1,353)	1,255	70	7,265
Revaluation of Financial Instruments	(12,309)	5,804	(5,412)	(5,600)	2,839	(14,678)
Tax losses	328,396	(7,859)	—	—	(224,941)	95,596
Deferred Income	105,582	(99,286)	—	—	—	6,296
Debts (difference between effective and cover rate)	(1,210)	1,928	—	—	—	718
Financial leasing obligations	25,388	(13,829)	—	519	—	12,078
Financing costs	(20,856)	(6,763)	—	—	16,226	(11,393)
Others	56,526	(9,141)	—	18,912	(3,554)	62,743
Subtotal	(172,709)	434,170	(6,765)	10,343	(109,782)	155,257

	Balances as of January 1st, 2020	Increase (decrease) in profit (loss)	Increase (decrease) in comprehensive income	Foreign currency translation differences	Other increases (decreases)	Balances as of December 31, 2020
Depreciation	(825,952)	170,713	—	7,163	—	(648,076)
Amortization	(16,001)	2,769	—	(222)	—	(13,454)
Provisions	8,061	(5,686)	—	589	—	2,964
Obligations for post-employment benefits	3,026	1,512	504	(702)	—	4,340
Revaluation of Financial Instruments	(1,396)	(17,798)	6,273	612	—	(12,309)
Tax losses	308,478	19,918	—	—	—	328,396
Deferred Income	171	105,411	—	—	—	105,582
Debts (difference between effective and cover rate)	(2,138)	928	—	—	—	(1,210)
Financial leasing obligations	29,560	(680)	—	(3,492)	—	25,388
Financing costs	(25,064)	4,208	—	—	—	(20,856)
Others	33,984	23,381	—	(839)	—	56,526
Subtotal	(487,271)	304,676	6,777	3,109	—	(172,709)

NOTE 16 - INVESTMENTS IN ASSOCIATES

On July 14, 2021, AES Andes obtained approval by the National Economic Prosecutor's Office (Fiscalía Nacional Económica) of the sale agreement celebrated on February 23, 2021 for the sale of its 50% stake in the Guacolda associate. Therefore, Capital Advisors, through El Aguila Energy II SpA now owns and controls 100% of Guacolda Energía. The sale was executed for US\$34 million on July, 20, 2021

The information of the associate as of December 31, 2020 is detailed as follows:

	Funcional Currency	Interest	Voting power	January 1st 2020	Equity in Earnings (Loss)	Other Increase (Decrease)	Impairment adjustment	December 31, 2020
Guacolda	US\$	50,00%	50,00%	81,714	(79,658)	(2,056)	—	—
Total				81,714	(79,658)	(2,056)	—	—

As of September 2020, the associate Guacolda Energía SpA accounted for the recognition of a loss (net of taxes) for impairment of Property, Plant, and Equipment for a total of ThUS\$406,460. AES Andes assumed losses up to the value of the investment as of September 30, 2020. From that date onwards, the Company interrupted the recognition of interest in the results of the Associate.

As of December 31, 2020, despite of being zero the carrying amount of the investment of AES Andes, the summarized information of the financial statements of the Associate is detailed as follows:

	December 31, 2020						Net (Loss) income
	Current Assets	Non Current assets	Current Liabilities	Non Current Liabilities	Ordinary Income	Ordinary Expense	
Guacolda	260,374	519,600	(82,286)	(607,605)	464,149	(346,911)	(317,087)
Total	260,374	519,600	(82,286)	(607,605)	464,149	(346,911)	(317,087)

NOTE 17 - INTANGIBLE ASSETS

17.1.- 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, 2021			
	Gross Value	Accumulated Depreciation	Net Value
Finite lived intangible assets	103,303	(47,282)	56,021
Indefinite lived intangible assets	27,211	—	27,211
Intangible assets	130,514	(47,282)	83,232
Computer programs	47,527	(33,271)	14,256
Easements	27,180	(717)	26,463
Water rights	46	—	46
Other identifiable intangible assets	55,761	(13,294)	42,467
Identifiable intangible assets	130,514	(47,282)	83,232

December 31, 2020			
	Gross Value	Accumulated Depreciation	Net Value
Finite lived intangible assets	123,757	(38,784)	84,973
Indefinite lived intangible assets	32,368	—	32,368
Intangible assets	156,125	(38,784)	117,341
Computer programs	39,887	(25,385)	14,502
Easements	34,155	(607)	33,548
Water rights	16,014	—	16,014
Other identifiable intangible assets	66,069	(12,792)	53,277
Identifiable intangible assets	156,125	(38,784)	117,341

Balances of and changes in Intangible Assets as of December 31, 2021 and December 31, 2020 are detailed as follows:

	Computer programs	Easements	Water Rights	Other identifiable intangible assets	Intangible assets, net
Balances as of January 1, 2021	14,502	33,548	16,014	53,277	117,341
Additions	4,396	220	1	1,390	6,007
Withdrawals	—	(155)	(1,021)	(4,728)	(5,904)
Amortization	(4,984)	(109)	—	(3,942)	(9,035)
Impairment losses	—	(900)	—	(17)	(917)
Alto Maipo deconsolidation (1)	—	(6,141)	(14,948)	(626)	(21,715)
Increase (decrease) due to exchange differences	342	—	—	(2,887)	(2,545)
Balances as of December 31, 2021	14,256	26,463	46	42,467	83,232

(1) On November 17, 2021, AES Andes ceased to consolidate the company Alto Maipo SpA (see Note 37)

	Computer programs	Easements	Water Rights	Other identifiable intangible assets	Intangible assets, net
Balances as of January 1, 2020	12,965	15,500	16,014	43,192	87,671
Additions	6,487	20,325	—	13,407	40,219
Amortization	(4,705)	(72)	—	(559)	(5,336)
Impairment losses	(211)	(2,205)	—	(2,012)	(4,428)
Increase (decrease) due to exchange differences	(34)	—	—	(751)	(785)
Balances as of December 31, 2020	14,502	33,548	16,014	53,277	117,341

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	5	3
Easements	Years	Indefinite	27
Water rights	Years	Indefinite	29
Life or rate for other identifiable intangible assets	Years	12	3

The most significant individually identifiable intangible assets of the Company are detailed as follows:

	Carrying amount	Remaining amortization period
Software	3,976	5 years

17.2.- Impairment of intangible assets

Within the context of the assessment of the recoverable value of assets, as described in Note 18.2, the Company has recognized impairment losses during 2020 and 2021 of ThUS\$4,428 and ThUS\$917 respectively, directly related to the aforementioned assets.

As of December 31, 2021, there were no other losses recorded for impairment of intangible assets or at CGU level.

NOTE 18 - PROPERTY, PLANT AND EQUIPMENT

18.1.- Property, Plant and Equipment

The balances of the various categories of fixed assets during the years ended December 31, 2021 and December 31, 2020, are detailed as follows:

	December 31, 2021		
	Gross Value	Accumulated Depreciation	Net Value
Constructions in Progress (2)	596,778	—	596,778
Plots of lands	23,645	—	23,645
Buildings	32,141	(10,268)	21,873
Plant and equipment	3,795,043	(1,423,832)	2,371,211
IT equipment	28,920	(19,868)	9,052
Fixed facilities and accessories	14,612	(12,355)	2,257
Motor vehicles	4,714	(3,494)	1,220
Other property, plant and equipment (1)	84,648	(8,721)	75,927
Total	4,580,501	(1,478,538)	3,101,963

	December 31, 2020		
	Gross Value	Accumulated Depreciation	Net Value
Constructions in Progress (2)	3,289,788	—	3,289,788
Plots of lands	25,901	—	25,901
Buildings	28,260	(8,311)	19,949
Plant and equipment	4,872,551	(1,607,818)	3,264,733
IT equipment	28,533	(18,426)	10,107
Fixed facilities and accessories	14,470	(11,937)	2,533
Motor vehicles	5,528	(4,598)	930
Other property, plant and equipment (1)	77,518	(16,568)	60,950
Total	8,342,549	(1,667,658)	6,674,891

⁽¹⁾ The asset made up of the cost of Dismantling Obligations is included within "Other property, plant and equipment".

⁽²⁾ The amount of construction in progress mainly corresponds to investments related to renewable projects currently under construction (Mesamávida, Los Olmos, and Andes Solar). As of December 31, 2020 mainly corresponds to Alto Maipo

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 transactions of property, plant and equipment during the years ended December 31, 2021 and December 31, 2020, are detailed as follows:

	Construction work in progress	Lands	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, 2021	3,289,788	25,901	19,949	3,264,733	10,107	2,533	930	60,950	6,674,891
Additions	662,572	429	—	17,333	48	53	635	41,916	722,986
Divestiture	—	—	—	—	—	—	(14)	—	(14)
Alto Maipo deconsolidation (3)	(3,045,918)	(1,065)	—	(11,390)	—	—	—	—	(3,058,373)
Withdrawals	(145,098)	—	—	(5,455)	—	—	(32)	(5,555)	(156,140)
Amortization	—	—	(1,466)	(189,079)	(2,269)	(563)	(345)	(2,933)	(196,655)
Foreign currency exchange (1)	(9,369)	(458)	(702)	(79,560)	(741)	(68)	(20)	(137)	(91,055)
Hyperinflationary Economy	747	129	1,002	64,007	152	29	66	—	66,132
Impairment losses	(13,696)	(1,291)	—	(826,417)	(84)	(7)	—	(18,314)	(859,809)
Finished works	(142,248)	—	3,090	137,039	1,839	280	—	—	—
As of December 31, 2021	596,778	23,645	21,873	2,371,211	9,052	2,257	1,220	75,927	3,101,963

	Construction work in progress	Lands	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, 2020	2,698,775	29,452	12,384	4,163,781	8,188	3,041	1,180	117,492	7,034,293
Additions	707,195	644	7,071	17,250	675	18	180	11,873	744,906
Withdrawals	—	—	—	(1,394)	—	—	(38)	(42,558)	(43,990)
Amortization	—	—	(1,115)	(230,872)	(2,443)	(973)	(281)	(3,318)	(239,002)
Foreign currency exchange (1)	(2,057)	(164)	(296)	(31,712)	(255)	(26)	(10)	—	(34,520)
Hyperinflationary Economy	103	31	244	15,540	36	6	12	—	15,972
Impairment losses	(1,261)	(4,062)	(606)	(773,691)	(59)	(438)	(110)	(22,541)	(802,768)
Finished works	(112,967)	—	2,267	105,831	3,965	905	(3)	2	—
As of December 31, 2020	3,289,788	25,901	19,949	3,264,733	10,107	2,533	930	60,950	6,674,891

(1) It consists of the effects due to translation of the subsidiaries AES Colombia and Termoandes, that have the Colombian peso and Argentine Peso as functional currency, respectively.

(2) It consists of the effects due to the adjustment for inflation applied to the Argentine Subsidiaries

(3) On November 17, 2021, AES Andes ceased to consolidate the company Alto Maipo SpA (see Note 37)

The costs for capitalized interest during the years and the capitalization rate for financial costs of the Company are detailed as follows:

	December 31, 2021	December 31, 2020
Amount of costs for capitalized interest	143,060	181,863
Capitalization rate of costs for capitalized interest	57.38 %	59.81 %

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, 2021	December 31, 2020
Amount of Commitments for the Acquisition of Property, Plant and Equipment	408,843	1,029,245

18.2.- 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.

AES Andes accelerated the retirement plans of its coal-fired units Ventanas 1 and Ventanas 2. Since December 29, 2020, the Ventanas 1 plant has been authorized by the National Electricity Coordinator to invoke this new operational status. At the same time, AES Andes requested the closure of its Ventanas 2 plant as soon as possible. The closure of Ventanas 2 and the transition to ERE is pending the resolution of transmission system restrictions to secure the stability of the electric power system and ensure a responsible energy transition. CEN has indicated that the retirement of the unit to ERE would be postponed until at least September 1, 2022, so that it can adjust to the entry into service of the second 220/110 kV - 300 MVA transformer of the Agua Santa substation.

On July 6, 2021, AES Andes agreed with the Ministry of Energy of Chile to modify the agreement to disconnect and cease operations signed on June 4, 2019. By virtue of this amendment, the Company has made available Ventanas 3 and 4 generation units (both owned by the subsidiary Eléctrica Ventanas SpA) of the Ventanas Complex; and Angamos 1 and 2 units (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.

AES Andes and its subsidiaries have committed to cease coal-fired operations for a total of 1,419 MW, which include the Ventanas power generation complex located in the commune of Puchuncaví, Fifth Region and the Angamos Power Plant located in the commune of Mejillones, Second Region.

Considering the early termination of the contracts that Angamos has with Minera Escondida and Minera Spence during August 2020 and considering the Company's intention to accelerate the disconnection of Laguna Verde, Ventanas 1 and Ventanas 2, the Company assessed the recoverable value of these assets, concluding that it corresponded to record impairment losses of Properties, Plant and Equipment for ThUS\$816,740 during the year 2020. Also, per the agreement dated July 2021, AES Andes recorded an impairment loss of Property, Plant and Equipment, which affected the net result for the year 2021 by approximately ThUS\$870,452.

These non-recurring accounting adjustments had no impact on the Company's cash flow.

As indicated in Note 4.7, the recoverable amount of property, plant and equipment is measured whenever there is an indication that the asset may be impaired.

NOTE 19 - RIGHT-OF-USE ASSETS

The information as of December 31, 2021 and December 31, 2020 regarding leases under which the group is lessee are detailed as follows:

	Buildings and Land	Plant and Equipment	IT equipment	Other Property, Plant and Equipment	Total
Balance as of January 1,	26,602	21,716	—	5,330	53,648
Additions	1,205	—	—	—	1,205
Depreciation for the year	(2,040)	(3,019)	—	—	(5,059)
Derecognitions	(761)	—	—	—	(761)
Others	(253)	—	—	—	(253)
Transfers	5,330	—	—	(5,330)	—
Balance as of December 31, 2021	30,083	18,697	—	—	48,780

	Buildings and Land	Plant and Equipment	IT equipment	Other Property, Plant and Equipment	Total
Balance as of January 1,	1,849	42,260	382	5,691	50,182
Additions	26,391	—	—	42	26,433
Depreciation for the year	(1,638)	(2,903)	—	(403)	(4,944)
Derecognitions	—	(17,641)	(382)	—	(18,023)
Balance as of December 31, 2020	26,602	21,716	—	5,330	53,648

As of December 31, 2021, 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.

The amount recognized for the right to use property, plant and equipment, pursuant to the application of IFRS 16 as of January 1, 2019, amounted to ThUS\$46,182.

NOTE 20 - OTHER FINANCIAL LIABILITIES

As of December 31, 2021 and December 31, 2020, the other financial liabilities are detailed as follows:

	Current		Non-current	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Interest-bearing loans (Note 20.1)	263,305	126,297	2,098,886	3,555,272
Hedging derivatives (Note 10.1)	19,543	46,346	11,199	194,608
Non-hedging derivatives	700	13,503	—	7,801
Total	283,548	186,146	2,110,085	3,757,681

20.1.- Interest-bearing Loans

The interest-bearing loans are detailed as follows:

	Current		Non-current	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Bank loans	159,458	14,072	179,644	1,458,299
Bonds payable	103,847	112,225	1,920,328	2,098,444
Financing deferred expenses (1)	—	—	(1,086)	(1,471)
Total	263,305	126,297	2,098,886	3,555,272

(1) They are deferred costs associated with unused lines of credit.

a. Bank Loans

The bank loans by debtor company, financial institution, currency, cover rate, and due dates as of December 31, 2021, 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	Banco BCI	US\$	Monthly	0.73%	0.73%	2022	25,068	—
94.272.000-9	AES Andes S.A	Chile	Banco de Chile	US\$	Monthly	1.12%	1.12%	2022	25,099	—
94.272.000-9	AES Andes S.A	Chile	Scotiabank Chile	US\$	Monthly	1.39%	1.39%	2022	26,107	—
94.272.000-9	AES Andes S.A	Chile	Banco del Estado	US\$	Monthly	1.20%	1.20%	2022	25,108	—
94.272.000-9	AES Andes S.A	Chile	Banco del Estado	US\$	At maturity	1.20%	1.20%	2022	25,108	—
94.272.000-9	AES Andes S.A	Chile	Scotiabank Chile	US\$	At maturity	1.68%	1.68%	2022	15,003	—
94.272.000-9	AES Andes S.A	Chile	Banco del Estado	US\$	At maturity	2.48%	2.48%	2022	5,872	—
94.272.000-9	AES Andes S.A	Chile	Banco de Chile	US\$	At maturity	0.15%	0.15%	2022	3,133	—
94.272.000-9	AES Andes S.A	Chile	Sumitomo Mitsui Banking Corp	US\$	Quarterly	2.64%	1.81%	2026	5,178	67,849
Foreign	Chivor	Colombia	Leasing Bancolombia S.A.	Col\$	Quarterly	10.26%	10.26%	2030	3,273	24,123
Foreign	Chivor	Colombia	Scotia Bank	Col\$	At maturity	4.90%	4.90%	2027	—	9,745
Foreign	Chivor	Colombia	Scotia Bank	Col\$	At maturity	4.88%	4.88%	2027	—	19,010
Foreign	Chivor	Colombia	Bancolombia	Col\$	At maturity	4.11%	4.11%	2027	105	10,006
Foreign	Chivor	Colombia	Bancolombia	Col\$	At maturity	5.26%	5.26%	2027	244	18,766
Foreign	Chivor	Colombia	Scotia Bank	Col\$	At maturity	4.00%	4.00%	2027	—	5,338
Foreign	Chivor	Colombia	Scotia Bank	Col\$	At maturity	5.15%	5.15%	2027	—	942
Foreign	Chivor	Colombia	Bancolombia	Col\$	At maturity	4.00%	4.00%	2027	55	5,338
Foreign	Chivor	Colombia	Bancolombia	Col\$	At maturity	5.15%	5.15%	2027	12	942
Foreign	Chivor	Colombia	Scotia Bank	Col\$	At maturity	5.15%	5.15%	2027	—	5,024
Foreign	Chivor	Colombia	Bancolombia	Col\$	At maturity	5.15%	5.15%	2027	56	5,024
Foreign	Chivor	Colombia	Scotia Bank	Col\$	At maturity	5.18%	5.18%	2027	—	3,768
Foreign	Chivor	Colombia	Bancolombia	Col\$	At maturity	5.18%	5.18%	2027	37	3,769
Total									159,458	179,644

Payments of principal and interest not discounted as of December 31, 2021, are detailed as follows:

Company	Creditor	Current			Non-current					
		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	Banco BCI	25,091	—	25,091	—	—	—	—	—	—
AES Andes S.A	Banco de Chile	—	25,283	25,283	—	—	—	—	—	—
AES Andes S.A	Scotiabank Chile	—	26,357	26,357	—	—	—	—	—	—
AES Andes S.A	Banco del Estado	25,152	—	25,152	—	—	—	—	—	—
AES Andes S.A	Banco del Estado	—	25,276	25,276	—	—	—	—	—	—
AES Andes S.A	Scotiabank Chile	—	15,125	15,125	—	—	—	—	—	—
AES Andes S.A	Banco del Estado	5,874	—	5,874	—	—	—	—	—	—
AES Andes S.A	Banco de Chile	3,133	—	3,133	—	—	—	—	—	—
AES Andes S.A	Sumitomo Mitsui Banking Corp	354	5,995	6,349	11,234	11,054	20,820	30,406	—	73,514
AES Colombia	Leasing Bancolombia S.A.	819	2,454	3,273	3,273	3,273	3,273	3,273	11,031	24,123
AES Colombia	Scotia Bank	—	—	—	2,009	2,009	2,009	2,009	1,709	9,745
AES Colombia	Scotia Bank	—	—	—	3,768	3,768	3,768	3,768	3,938	19,010
AES Colombia	Bancolombia	105	—	105	2,009	2,009	2,009	2,009	1,970	10,006
AES Colombia	Bancolombia	252	—	252	3,768	3,768	3,768	3,768	3,694	18,766
AES Colombia	Scotia Bank	—	—	—	1068	1068	1068	1068	1066	5,338
AES Colombia	Scotia Bank	—	—	—	188	188	188	188	190	942
AES Colombia	Bancolombia	55	—	55	1068	1068	1068	1068	1066	5,338
AES Colombia	Bancolombia	12	—	12	188	188	188	188	190	942
AES Colombia	Scotia Bank	—	—	—	1005	1005	1005	1005	1004	5,024
AES Colombia	Bancolombia	66	—	66	1005	1005	1005	1005	1004	5,024
AES Colombia	Scotia Bank	—	—	—	754	754	754	754	752	3,768
AES Colombia	Bancolombia	47	—	47	754	754	754	754	753	3,769
Total		60,960	100,490	161,450	32,091	31,911	41,677	51,263	28,367	185,309

The bank loans by debtor company, financial institution, currency, cover rate, and due dates as of December 31, 2020, 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
76.170.761-2	Alto Maipo (1)	Chile	Syndicate of Banks - Corpbanca	US\$	Monthly	5.15%	5.15%	2033	10,272	1,359,395
Foreign	Chivor	Colombia	Leasing Bancolombia S.A.	Col\$	Quarterly	9.51%	9.51%	2030	3,800	31,814
Foreign	Chivor	Colombia	Scotia Bank	Col\$	At maturity	3.39%	3.39%	2027	—	11,669
Foreign	Chivor	Colombia	Scotia Bank	Col\$	At maturity	4.55%	4.55%	2027	—	21,876
Foreign	Chivor	Colombia	Bancolombia	Col\$	At maturity	3.40%	3.40%	2027	—	11,669
Foreign	Chivor	Colombia	Bancolombia	Col\$	At maturity	4.55%	4.55%	2027	—	21,876
Total									14,072	1,458,299

Payments of principal and interest not discounted as of December 31, 2020, are detailed as follows::

Company	Creditor	Current			Non-current					
		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
Alto Maipo (1)	Syndicate of Banks - Corpbanca	2,400	7,872	10,27	31,508	15,960	29,213	37,576	1,296,734	1,410,991
Chivor	Leasing Bancolombia S.A.	950	2,850	3,80	7,600	7,601	16,613	31,814	—	63,628
Chivor	Scotia Bank	—	—		2,334	7,001	2,334	11,669	—	23,338
Chivor	Scotia Bank	—	—		4,375	13,126	4,375	21,876	—	43,752
Chivor	Bancolombia	—	—		2,334	7,001	2,334	11,669	—	23,338
Chivor	Bancolombia	—	—		4,375	13,126	4,375	21,876	—	43,752
Total		3,350	10,722	14,07	52,526	63,815	59,244	136,480	1,296,734	1,608,799

(1) On November 17, 2021, AES Andes ceased to consolidate the company Alto Maipo SpA (see Note 37)

b. Bonds payable

Bonds payable per debtor company, series, currency, cover rate, and due dates as of December 31, 2021, 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 (2)	US\$ Bonds	US\$	7.13%	7.27%	3/26/2079	19,120	541,511
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	116,921
94.272.000-9	AES Andes	Chile	US\$ 450 M Senior Notes due 2079	US\$ Bonds	US\$	6.47%	6.35%	10/7/2079	6,694	443,454
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	4,011	22,145
76.004.976-K	Angamos	Chile	US\$ 600 M Senior Secured Notes 2029	US\$ Bonds	US\$	5.23%	4.88%	5/25/2029	8,870	55,199
76.085.254-6	Cochrane	Chile	144A/Res S Bond	US\$ Bonds	US\$	6.80%	5.50%	5/14/2027	58,301	272,537
76.085.254-6	Cochrane	Chile	Local Bond Series "A" \$485 2034	US\$ Bonds	US\$	6.90%	6.27%	11/14/2034	4,060	468,561
Total									103,847	1,920,328

Payments of principal and interest not discounted as of December 31, 2021, are detailed as follows:

Name	Instrument Registration and Identification	Current			Non-current					
		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
94.272.000-9	AES Andes	19,594	19,594	39,188	39,188	39,188	39,188	39,188	2,616,159	2,772,911
94.272.000-9	AES Andes	2,937	2,937	5,874	5,874	5,874	123,364	—	—	135,112
94.272.000-9	AES Andes	—	28,575	28,575	28,575	28,575	28,575	28,575	1,964,475	2,078,775
94.272.000-9	AES Andes	—	5,441	5,441	10,268	14,430	—	—	—	24,698
76.004.976-K	Angamos	—	3,243	3,243	11,248	10,828	10,407	9,987	23,373	65,843
76.085.254-6	Cochrane	—	73,404	73,404	74,851	71,708	73,791	71,957	33,269	325,576
76.085.254-6	Cochrane	—	29,853	29,853	32,150	31,054	31,139	31,231	631,092	756,666
Total		22,531	163,047	185,578	202,154	201,657	306,464	180,938	5,268,368	6,159,581

(2) On August 2, 2021, the total prepayment of this debt was made. Likewise, on July 30, 2021, the Company dismantled the current Cross Currency Swap that set the debt from ThUS\$172,264 to 7.34%

Bonds payable per debtor company, series, currency, cover rate, and due dates as of December 31, 2020 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	UF\$ 4.4 M Senior Notes due 2028	SERIES N	U.F.	7.92%	7.34%	12/1/2028	17,146	112,234
94.272.000-9	AES Andes	Chile	US\$ 550 M Junior Notes due 2079	US\$ Bonds	US\$	7.13%	7.27%	3/26/2079	19,010	541,366
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	116,779
94.272.000-9	AES Andes	Chile	US\$ 450 M Senior Notes due 2079	US\$ Bonds	US\$	6.47%	6.35%	10/7/2079	6,614	443,341
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	2,726	28,548
76.004.976-K	Angamos	Chile	US\$ 600 M Senior Secured Notes 2029	US\$ Bonds	US\$	5.23%	4.88%	5/25/2029	9,197	65,060
76.085.254-6	Cochrane	Chile	144A/Res S Bond	US\$ Bonds	US\$	6.80%	5.50%	5/14/2027	50,704	323,743
76.085.254-6	Cochrane	Chile	Local Bond Series "A" \$485 2034	US\$ Bonds	US\$	6.90%	6.27%	11/14/2034	4,037	467,373
Total									112,225	2,098,444

Payments of principal and interest not discounted as of December 31, 2020, are detailed as follows:

Name	Instrument Registration and Identification	Current			Non-current					
		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	UF\$ 4.4 M Senior Notes due 2028	—	24,692	24,692	23,52	22,361	21,211	20,030	53,100	140,228
AES Andes	US\$ 550 M Junior Notes due 2079	19,594	19,594	39,188	39,18	39,188	39,188	39,188	2,655,240	2,811,992
AES Andes	US\$ 409 M Senior Notes due 2025	2,937	2,937	5,874	5,87	5,874	5,874	123,362	—	140,984
AES Andes	US\$ 450 M Senior Notes due 2079	—	28,575	28,575	28,57	28,575	28,575	28,575	1,993,050	2,107,350
AES Andes	UF\$ 1.0 M Senior Notes due 2024	—	4,485	4,485	6,06	11,445	16,084	—	—	33,594
Angamos	US\$ 600 M Senior Secured Notes 2029	—	3,545	3,545	12,36	11,936	11,506	11,076	40,925	87,809
Cochrane	144A/Res S Bond	—	68,220	68,220	73,40	74,851	71,708	73,791	105,227	398,981
Cochrane	Local Bond Series "A" \$485 2034	—	29,853	29,853	31,87	30,973	31,054	31,139	662,435	787,476
Total		22,531	181,901	204,432	220,87	225,203	225,200	327,161	5,509,977	6,508,414

C.

d. 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, 2021 and December 31, 2020, are detailed as follows:

Conciliation at December 31, 2021	Balance as of January 01, 2021	Changes in Financing Activities				Other changes					Other (3)	Balance as of December 31, 2021
		New Obligations	Payment of Obligations	Interest Payment	Deferred Expenses	Accrued Interest	Capitalized Accrued Interest	Exchange Differences	Amortization of Deferred Costs	Change in Fair Value		
Bank Loans	1,472,371	255,010	(3,273)	(4,996)	(3,703)	6,719	39,181	(14,648)	2,996	—	(1,410,506)	339,151
AES Andes	—	224,868	—	(100)	(2,150)	791	—	138	—	—	—	223,547
Alto Maipo (1)	1,369,667	—	—	—	(1,292)	—	39,181	—	2,950	—	(1,410,506)	—
AES Colombia	102,704	30,142	(3,273)	(4,896)	(261)	5,928	—	(14,786)	46	—	—	115,604
Bonds payable	2,210,669	—	(185,708)	(135,842)	—	141,648	—	(8,320)	1,728	—	—	2,024,175
AES Andes (2)	1,290,555	—	(127,972)	(81,691)	—	82,347	—	(8,320)	1,728	—	—	1,156,647
Angamos	74,257	—	(10,264)	(3,550)	—	3,626	—	—	—	—	—	64,069
Cochrane	845,857	—	(47,472)	(50,601)	—	55,675	—	—	—	—	—	803,459
Deferred costs	(1,471)	—	—	—	—	—	—	—	385	—	—	(1,086)
AES Andes	(1,471)	—	—	—	—	—	—	—	385	—	—	(1,086)
Hedging derivative instruments (Note 10.1)	240,954	—	—	(47,414)	—	47,414	—	—	—	(32,034)	(178,233)	30,687
AES Andes	8,548	—	—	—	—	—	—	—	—	22,139	—	30,687
Alto Maipo (1)	230,436	—	—	(47,414)	—	47,414	—	—	—	(52,203)	(178,233)	—
AES Colombia	1,970	—	—	—	—	—	—	—	—	(1,970)	—	—
Non-hedging derivative instruments	21,304	—	—	—	—	—	—	—	—	(20,598)	—	706
AES Andes	18,764	—	—	—	—	—	—	—	—	(18,419)	—	345
AES Colombia	2,540	—	—	—	—	—	—	—	—	(2,179)	—	361
Total	3,943,827	255,010	(188,981)	(188,252)	(3,703)	195,781	39,181	(22,968)	5,109	(52,632)	(1,588,739)	2,393,633

(1) The amounts included in Accrued Interest are associated with derivatives and are imputed in Other Reserves in the Equity

(2) The Interest payments include ThUS\$17,203 for capitalized interest that is included as an investment flow in the cash flow statement.

(3) The Other correspond to Alto Maipo deconsolidation (see Note 37).

Conciliation at December 31, 2020	Balance as of January 01, 2020	Changes in Financing Activities				Other changes					Balance as of December 31, 2020
		New Obligations	Payment of Obligations	Interest Payment	Deferred Expenses	Accrued Interest	Capitalized Accrued Interest	Exchange Differences	Amortization of Deferred Costs	Change in Fair Value	
Bank Loans	1,807.937	338.619	(758.596)	(31.024)	(1.870)	37.740	63.111	8.870	7.584	—	1,472.371
AES Andes	—	90.000	(90.000)	(1.667)	—	1.667	—	—	—	—	—
Cochrane	441.602	—	(445.000)	(18.293)	—	19.008	—	—	2.683	—	—
Angamos	126.373	—	(142.281)	(5.271)	—	4.909	—	14.751	1.519	—	—
Alto Maipo	1,152.799	144.903	—	—	(1.870)	7.342	63.111	—	3.382	—	1,369.667
Chivor	87.163	103.716	(81.315)	(5.793)	—	4.814	—	(5.881)	—	—	102.704
Bonds payable	2,122.872	485.000	(393.329)	(148.457)	(2.935)	145.168	—	13.005	3.555	(14.210)	2,210.669
AES Andes	1,304.965	—	(16.467)	(97.846)	—	86.898	—	13.005	—	—	1,290.555
Angamos	405.708	—	(335.066)	(16.968)	—	16.236	—	—	4.347	—	74.257
Cochrane	412.199	485.000	(41.796)	(33.643)	(2.935)	42.034	—	—	(792)	(14.210)	845.857
Deferred costs	(500)	—	—	—	(1.204)	—	—	—	233	—	(1.471)
AES Andes	(500)	—	—	—	(1.204)	—	—	—	233	—	(1.471)
Hedging derivative instruments (Note 10.1)	226.202	—	(6.082)	(25.775)	—	26.499	—	(19.220)	—	39.330	240.954
AES Andes	33.357	—	—	—	—	—	—	(9,917)	—	(14.892)	8.548
Angamos	11.406	—	(6.082)	724	—	—	—	(9,303)	—	3.255	—
Alto Maipo	181.439	—	—	(26.499)	—	26,499	—	—	—	48.997	230.436
Chivor	—	—	—	—	—	—	—	—	—	1.970	1.970
Non-hedging derivative instruments	11.867	—	—	—	—	—	—	—	—	9.437	21.304
Alto Maipo	—	—	—	—	—	—	—	—	—	—	—
AES Andes	8.299	—	—	—	—	—	—	—	—	10.465	18.764
Chivor	3.568	—	—	—	—	—	—	—	—	(1.028)	2.540
Total	4,168.378	823.619	(1,158.007)	(205.256)	(6.009)	209.407	63.111	2.655	11.372	34.557	3,943.827

NOTE 21 - LEASE LIABILITY

The analysis of the expiration of lease liabilities as of December 31, 2021 and December 31, 2020 is detailed as follows:

	December 31, 2021			December 31, 2020		
	Gross ThUS\$	Interest ThUS\$	Present Value ThUS\$	Gross ThUS\$	Interest ThUS\$	Present Value ThUS\$
Less than a year	6,286	(2,063)	4,223	6,195	(1,504)	4,691
Between one and five years	25,705	(7,055)	18,650	25,162	(5,642)	19,520
More than 5 years	41,123	(9,747)	31,376	49,647	(11,755)	37,892
Total	73,114	(18,865)	54,249	81,004	(18,901)	62,103

During the years ended December 31, 2021, the amount recognized as financial cost amounts to ThUS\$1.273.

The financial and operating lease liabilities by expiration date as of December 31, 2021 and December 31, 2020 are detailed as follows:

December 31, 2021	Accounting Balances		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
Financial	315	9,095	218	764	982	1,008	1,051	1,091	1,136	10,149	14,435
Operating	3,908	40,931	2,264	3,040	5,304	5,310	5,317	5,362	5,430	30,974	52,393
Total	4,223	50,026	2,482	3,804	6,286	6,318	6,368	6,453	6,566	41,123	66,828

December 31, 2020	Accounting Balances		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
Financial	976	13,180	243	942	1,185	1,237	966	707	790	13,281	16,981
Operating	3,715	44,232	2,267	2,743	5,010	5,347	5,352	5,359	5,404	36,366	57,828
Total	4,691	57,412	2,510	3,685	6,195	6,584	6,318	6,066	6,194	49,647	74,809

The leases by debtor company, financial institution, currency, and expiration dates as of December 31, 2021, are detailed as follows:

Acreedor	Description	Currency	Rate	Accounting Balances		Payments of Interest and Principal		
				Current	Non-current	Less than 90 days	More than 90 days	Total current
Banco de Crédito e Inversiones	Matta building	UF	2.89 %					—
Edelnor Transmisión S.A.	Substation installation	UF	2.81 %	125	541	35	106	141
BICE SEGUROS DE VIDA	Nueva Santa María	UF	2.82 %	408	12,618	189	566	755
Hidroeléctrica El Paso S.P.A.	PPA El Paso	USD	4.44 %	2,820	15,708	1,784	1,783	3,567
Regional Ministerial Secretary	Andes Solar land	UF	2.82 %	12	310	—	21	21
Regional Ministerial Secretary	Andes Solar II land	UF	2.82 %	18	388	—	22	22
Regional Ministerial Secretary	Andes Solar II land	UF	2.82 %	66	1,421	—	79	79
Regional Ministerial Secretary	Andes Solar II land	UF	2.82 %	52	1,201	—	67	67
Sociedad Agrícola Huancara Limitada	Los Olmos land	UF	2.82 %	—	1,626	79	—	79
Inmobiliaria Obreque y Compañía Limitada	Los Olmos land	UF	2.82 %	—	1,569	73	—	73
Agrícola Forestal e Inversiones Fundo Las Trancas SpA	Campo Lindo land	UF	2.82 %	90	2,651	40	121	161
Agrícola y Forestal Las Trancas Ltda	Campo Lindo land	UF	2.82 %	46	1,326	20	61	81
Azcar S.A.	Campo Lindo land	UF	2.82 %	13	379	6	17	23
Victor Alberto Rios Santander	Campo Lindo land	UF	2.82 %	26	758	12	35	47
Agrícola Rios Ltda	Campo Lindo land	UF	2.82 %	33	947	14	43	57
Adelina Jara Soto y Otros	Campo Lindo land	USD	4.71 %	20	684	12	37	49
Fernando Stevens Alegría y Otros	Campo Lindo land	USD	4.71 %	29	423	—	27	27
Carmen Lidia Lobos Puente	Campo Lindo land	USD	4.71 %	29	423	—	27	27
MC Energia SpA	Paposo land	USD	4.71 %	94	77	—	60	60
MC Energia SpA	Paposo land	USD	4.71 %	97	—	—	60	60
Darío Prado Pino	Litueche land	USD	4.71 %	13	—	—	15	15
Claudio Antonio Cornejo	Litueche land	USD	4.71 %	13	—	—	15	15
Intercolombia SA ESP	ISA Leasing	Col\$	9.52 %	174	6,976	205	642	847
Berkley International Seguros SA	Carlos Pellegrini building	USD	11.73 %	45	—	13	—	13
Total				4,223	50,026	2,482	3,804	6,286

Acreedor	Description	Payment of Interest and Principal					Total Non-current
		1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	
Banco de Crédito e Inversiones	Matta building		—	—	—	—	—
Edelnor Transmisión S.A.	Substation installation	140	140	140	140	12	572
BICE SEGUROS DE VIDA	Nueva Santa María	755	755	755	755	13,965	16,985
Hidroelectrica El Paso S.P.A.	PPA El Paso	3,642	3,729	3,774	3,842	2,347	17,334
Regional Ministerial Secretary	Andes Solar land	21	21	21	21	346	430
Regional Ministerial Secretary	Andes Solar II land	22	22	22	22	471	559
Regional Ministerial Secretary	Andes Solar II land	79	79	79	79	1,735	2,051
Regional Ministerial Secretary	Andes Solar II land	67	67	67	67	1,462	1,730
Sociedad Agrícola Huancara Limitada	Los Olmos land	79	79	79	79	2,149	2,465
Inmobiliaria Obreque y Compañía Limitada	Los Olmos land	73	73	73	73	2,058	2,350
Agricola Forestal e Inversiones Fundo Las Trancas SpA	Campo Lindo land	162	162	162	162	2,909	3,557
Agricola y Forestal Las Trancas Ltda	Campo Lindo land	81	81	81	81	1,458	1,782
Azcar S.A.	Campo Lindo land	23	23	23	23	417	509
Victor Alberto Rios Santander	Campo Lindo land	46	46	46	46	833	1,017
Agricola Rios Ltda	Campo Lindo land	58	58	58	58	1,041	1,273
Adelina Jara Soto y Otros	Campo Lindo land	50	50	50	50	901	1,101
Fernando Stevens Alegría y Otros	Campo Lindo land	27	27	27	27	711	819
Carmen Lidia Lobos Puente	Campo Lindo land	27	27	27	27	711	819
MC Energia SpA	Paposo land	80	—	—	—	—	80
MC Energia SpA	Paposo land	—	—	—	—	—	—
Darío Prado Pino	Litueche land	—	—	—	—	—	—
Claudio Antonio Cornejo	Litueche land	—	—	—	—	—	—
Intercolombia SA ESP	ISA Leasing	886	929	969	1,014	7,597	11,395
Berkley International Seguros SA	Carlos Pellegrini building	—	—	—	—	—	—
Total		6,318	6,368	6,453	6,566	41,123	66,828

The leases by debtor company, financial institution, currency, and expiration dates as of December 31, 2020, are detailed as follows:

Acreedor	Description	Currency	Rate	Accounting Balances		Payments of Interest and Principal		
				Current	Non-current	Less than 90 days	More than 90 days	Total current
Banco de Crédito e Inversiones	Matta building	UF	2.89 %	640	993	169	508	677
Secretaria Regional Ministerial	Andes Solar land	UF	2.82 %	60	1,389	—	74	74
Secretaria Regional Ministerial	Andes Solar land	UF	2.82 %	71	1,646	—	88	88
Edelnor Transmisión S.A.	Substation	UF	2.81 %	136	740	39	118	157
Ministerio de Bienes Nacionales	Andes Solar land	UF	2.82 %	14	375	—	24	24
Bice Seguros de vida	Nueva Santa María	UF	2.82 %	444	14,500	210	631	841
Hidroeléctrica El Paso S.P.A.	PPA El Paso	USD	4.44 %	2,633	18,527	1,750	1,750	3,500
Sociedad Agrícola Huancara Limitada	Los Olmos land	UF	2.82 %	53	—	53	—	53
Inmobiliaria Obreque y Cía. Ltda	Los Olmos land	USD	4.71 %	1	—	—	1	1
Soc. Agrícola y Forestal Santa Edith Ltda	Los Olmos land	UF	2.82 %	80	1,671	80	—	80
Alejandro de la Maza	Los Olmos land	UF	2.82 %	74	1,575	74	—	74
Inversiones Fundo Las Trancas SpA	Campo Lindo land	UF	2.82 %	74	2,384	18	56	74
Inversiones Fundo Las Trancas SpA	Campo Lindo land	UF	2.82 %	45	1,378	14	31	45
Azcar S.A.	Campo Lindo land	UF	2.82 %	13	394	4	9	13
Victor Alberto Rios Santander	Campo Lindo land	UF	2.82 %	26	788	8	18	26
Agrícola Rios Ltda	Campo Lindo land	UF	2.82 %	32	985	9	23	32
Adelina Jara Soto y Otros	Campo Lindo land	USD	4.71 %	19	701	7	12	19
Fernando Stevens Alegría y Otros	Campo Lindo land	USD	4.71 %	11	423	—	11	11
Carmen Lidia Lobos Puente	Campo Lindo land	USD	4.71 %	11	423	—	11	11
MC Energía SpA	Paposo land	USD	4.71 %	33	131	1	32	33
MC Energía SpA	Paposo land	USD	4.71 %	36	57	—	36	36
Darío Prado Pino	Litueche land	USD	4.71 %	1	13	—	1	1
Claudio Antonio Cornejo	Litueche land	USD	4.71 %	1	13	—	1	1
Intercolombia SA ESP	Leasing ISA	Col\$	9.52 %	144	8,306	63	222	285
Berkley International Seguros SA	Carlos Pellegrini	USD	— %	39	—	11	28	39
Total				4,691	57,412	2,510	3,685	6,195

Acreeedor	Description	Payment of Interest and Principal					Total Non-current
		1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	
Banco de Crédito e Inversiones	Matta building	677	339	—	—	—	1,016
Secretaria Regional Ministerial	Andes Solar land	74	74	74	74	1,706	2,002
Secretaria Regional Ministerial	Andes Solar land	88	88	88	88	2,022	2,374
Edelnor Transmisión S.A.	Substation	157	157	157	157	170	798
Ministerio de Bienes Nacionales	Andes Solar land	24	24	24	24	407	503
Bice Seguros de vida	Nueva Santa María	841	841	841	841	16,405	19,769
Hidroeléctrica El Paso S.P.A.	PPA El Paso	3,567	3,642	3,729	3,774	6,189	20,901
Soc. Agrícola Y Forestal Santa Edith Ltda	Los Olmos land	88	88	88	88	2,484	2,836
Alejandro de la Maza	Los Olmos land	82	82	82	82	2,373	2,701
Agrícola Forestal e Inversiones Fundo Las Trancas SpA	Campo Lindo land	156	156	156	156	2,966	3,590
Agrícola y Forestal Las Trancas Ltda	Campo Lindo land	90	90	90	90	1,715	2,075
Azcar S.A.	Campo Lindo land	26	26	26	26	490	594
Victor Alberto Rios Santander	Campo Lindo land	52	52	52	52	980	1,188
Agrícola Rios Ltda	Campo Lindo land	64	64	64	64	1,225	1,481
Adelina Jara Soto y Otros	Campo Lindo land	50	50	50	50	962	1,162
Fernando Stevens Alegría y Otros	Campo Lindo land	27	27	27	27	737	845
Carmen Lidia Lobos Puente	Campo Lindo land	27	27	27	27	737	845
MC Energía SpA	Paposo land	60	80	—	—	—	140
MC Energía SpA	Paposo land	60	—	—	—	—	60
Darío Prado Pino	Litueche land	15	—	—	—	—	15
Claudio Antonio Cornejo	Litueche land	15	—	—	—	—	15
Intercolombia SA ESP	Leasing ISA	344	411	491	574	8,079	9,899
Total		6,584	6,318	6,066	6,194	49,647	74,809

NOTE 22 - TRADE PAYABLES AND OTHER ACCOUNTS PAYABLE

As of December 31, 2021 and December 31, 2020, trade payables and other accounts payable are detailed as follows:

	Current		Non-current	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Trade payables	95,924	93,863	—	—
Unbilled trade payables	187,194	177,687	—	—
Other accounts payable (1)	75,954	94,730	—	—
Total	359,072	366,280	—	—

(1) As of December 31, 2021 and December 31, 2020, 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, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Up to 30 days	49,830	49,460	25,187	38,544
31 to 60 Days	—	—	7,101	2,750
61 to 90 Days	—	—	7,078	526
91 to 120 Days	—	1,455	408	35
121 to 365 Days	—	—	6,303	919
From 365 days onwards	—	—	17	174
Total	49,830	50,915	46,094	42,948

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 23 - PROVISIONS

As of December 31, 2021 and December 31, 2020, the balances for provisions are detailed as follows:

	Current		Non-current	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Provision for legal claims	122	115	—	—
Dismantling and restructuring costs	59	59	192,549	150,685
Total	181	174	192,549	150,685

1. Provision for legal claims

Current balances primarily consist of provisions for legal contingencies. A detail of the main contingencies is provided in Note 32.

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 30 to 45 years, depending on the laws, regulations or contracts giving rise to the liability.

3. Movements in provisions

	Legal claims	Dismantling and restructuring costs	Other provisions	Total
Opening Balance as of January 1,	127	175,902	392	176,421
Dismantling, restructuring and rehabilitation costs	—	5,959	—	5,959
Increase (decrease) in existing provisions	(12)	(31,117)	(392)	(31,521)
Balance as of December 31, 2020	115	150,744	—	150,859
Dismantling, restructuring and rehabilitation costs	—	6,529	—	6,529
Increase (decrease) in existing provisions	—	35,335	—	35,335
Incremento (decremento) en provisiones existentes	7	—	—	7
Balance as of December 31, 2021	122	192,608	—	192,730

NOTE 24 - 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 (b) and (d).

As of December 31, 2021 and December 31, 2020, the balance of post-employment obligations is detailed as follows:

	December 31, 2021	December 31, 2020
Current	4,788	5,455
Non-current	25,344	36,265
Total	30,132	41,720

24.1.- Present Value of Post-Employment Obligations

The changes in post-employment obligations for defined benefits in the years ended December 31, 2021 and December 31, 2020, are detailed as follows:

	December 31, 2021	December 31, 2020
Initial balance	40,337	35,060
Current service cost of obligation	2,127	2,131
Interest cost of obligation	1,545	1,536
Actuarial losses (gains) - demographic assumptions	(2,730)	2,808
Actuarial losses (gains) - financial assumptions	(3,929)	902
Increase (decrease) due to exchange differences	(5,035)	1,487
Contributions paid under obligations	(2,183)	(2,204)
Final Balance	30,132	41,720

24.2.- 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, 2021 and 2020, are detailed as follows:

	December 31, 2021	December 31, 2020
Current service cost of defined benefit plan	2,266	1,305
Interest cost of defined benefit plan	1,403	926
Loss (gain) for defined benefit plan reduction and settlement	1,049	1,861
Total impact in profit or loss	4,718	4,092

24.3.- Other Disclosures

a. Actuarial Assumptions

The assumptions used in the actuarial calculation are detailed as follows:

	Chile		Colombia	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Nominal discount rate used	7.65 %	3.22 %	8.75 %	6.50 %
Average job turnover rate	7.49 %	7.49 %	— %	— %
Expected rate of salary increases	7.00 %	4.86 %	4.00 %	4.00 %
Mortality table	Tables issued according to joint standards of the Financial Market Commission and the Superintendency of Pension Fund		Tables issued according to 1971 GAM from US agencies	

b. Awareness:

As of December 31, 2021, 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%	508	(491)
Salary increase sensitivity	0.25%	(291)	300
Turnover rate sensitivity	1.00%	(72)	61

NOTE 25 - OTHER NON-FINANCIAL LIABILITIES

As of December 31, 2021 and December 31, 2020, the balances of other non-financial liabilities are detailed as follows:

	Current		Non-current	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Deferred income (Note 25.1)	154	390,721	47,466	2,724
Accrued liabilities (Note 25.2)	25,996	26,618	4,267	187
Other liabilities (Note 25.3)	1,884	9,752	31,984	44,741
Total	28,034	427,091	83,717	47,652

25.1.- Deferred Income

As of December 31, 2021 and December 31, 2020, deferred income is detailed as follows:

	Current		Non-current	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Escondida anticipated income	48	48	192	240
Grace anticipated income	80	26	324	350
Helio anticipated income	26	80	2,053	2,134
BHP anticipated income ⁽¹⁾	—	390,567	—	—
Alto Maipo anticipated income			44,897	
Total	154	390,721	47,466	2,724

⁽¹⁾ On August 7, 2020, the subsidiary Angamos entered into an agreement with the subsidiaries of BHP, Minera Escondida and Minera Spence for the early termination of the PPAs then in force. According to this agreement, PPAs will expire in August 2021.

As a result of the agreements, the subsidiary Angamos received funds in the amount of ThUS\$720,000, which will be recognized in profit or loss during the remaining term of the agreement. Balances recorded as deferred income represent the portion of income pending recognition.

25.2.- 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.

25.3.- Other Liabilities

They primarily consist of contingent liabilities and other liabilities related to the acquisition of easements for new projects under development.

NOTE 26 - SHAREHOLDERS' EQUITY

26.1.- 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.

After year-end, on January 5, 2022, the sale of all 24,836,382 shares purchased under the program above was completed.

Except as set forth in the previous paragraph, during the years ended December 31, 2021 and December 31, 2020, no changes were made in the capital-related goals, policies or procedures of the Company.

26.2.- Subscribed and Paid-in Capital

As of December 31, 2021, the capital stock of the Company is made up of 10,376,645,776 subscribed and paid in shares. As mentioned in paragraph 26.1 with respect to the share buy-back program, the Company owns 8,546,352 shares of treasury stock as of the date of these Financial Statements.

Although there are no changes in the number of shares during the period 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.

The capital increase process was completed on February 5, 2021. 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.

26.3.- Dividend Policy

In the Ordinary Shareholders' Meeting held on April 23, 2021, it was agreed that the purpose of the Company is to distribute as dividend among its shareholders up to 100% of the earnings generated during 2021, subject to the earnings actually obtained, the results of the projections periodically carried out by the Company, and the need to contribute their own resources to finance investment projects, among others.

Likewise, at the Extraordinary Shareholders' Meeting, held on April 23, 2021, it was agreed to pay an eventual dividend of US\$47,705,038, equivalent to US\$0.0046083 per share, charged to the "Future Dividend Reserves" and "Accumulated Profits", respectively. The dividend was paid as of May 31, 2021.

26.4.- Retained Earnings (Losses)

Earnings for each years are detailed as follows:

	December 31, 2021	December 31, 2020
Initial balance	12,308	364,801
Result for the years	(1,090,505)	(271,444)
Definitive dividends	(12,308)	(81,049)
Final balance	(1,090,505)	12,308

26.5.- Other Interest in the Shareholders' Equity

Other interest in the shareholders' equity is detailed as follows:

	Stock Option Plans	Reserve for proposed dividends	Total
Balance as of January 01, 2020	9,689	229,611	239,300
Stock Option Plan	473	—	473
Dividends	—	(194,214)	(194,214)
Balance as of December 31, 2020	10,162	35,397	45,559
Dividends	—	(35,397)	(35,397)
Stock Option Plan	511	—	511
Balance as of December 31, 2021	10,673	—	10,673

26.6.- Other Reserves

Other reserves as of December 31, 2021 and December 31, 2020, 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 1, 2020	(171,926)	(263,674)	(17,904)	(134,202)	328,191	(259,515)
Movement of derivatives recognized in profit or loss	—	(19,627)	—	—	—	(19,627)
Movement of derivatives recognized in other reserves	—	(21,975)	—	—	—	(21,975)
Impairment property, plant and equipment and intangible	—	12,565	—	—	—	12,565
Movement of derivatives of associate	—	(2,137)	—	—	—	(2,137)
Deferred tax	—	5,756	1,021	—	—	6,777
Non-controlling interests (net of taxes)	—	3,110	(7)	—	—	3,103
Exchange difference of subsidiary	(12,213)	—	—	—	—	(12,213)
Other variations	—	—	(3,953)	996	—	(2,957)
Balance as of December 31, 2020	(184,139)	(285,982)	(20,843)	(133,206)	328,191	(295,979)
Movement of derivatives recognized in profit or loss	—	82,801	—	—	—	82,801
Movement of derivatives recognized in other reserves	—	44,889	—	—	—	44,889
Deferred tax	—	(4,956)	(1,809)	—	—	(6,765)
Non-controlling interests (net of taxes)	—	(2,965)	47	—	—	(2,918)
Exchange difference of subsidiary	(11,838)	—	—	—	—	(11,838)
Other variations	—	—	6,542	—	(169,359)	(162,817)
Balance as of December 31, 2021	(195,977)	(166,213)	(16,063)	(133,206)	158,832	(352,627)

(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.

26.7.- 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 32.2 for more details of compliance with the ratios associated with the financial commitments.

NOTE 27 - REVENUE

Operating revenues for the years ended December 31, 2021 and 2020 are detailed as follows:

	December 31, 2021	December 31, 2020
Contract Energy and Capacity Sales ⁽¹⁾	2,095,570	2,029,623
Spot Market Energy and Capacity Sales	319,421	231,294
Transmission income	116,730	118,952
Other Operating Revenue ⁽²⁾	239,367	127,615
Total	2,771,088	2,507,484

⁽¹⁾ 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.

Besides, as of December 31, 2021 and 2020, it includes partial revenue recognition derived from the termination of MEL and Spence contracts with the subsidiary Angamos.

⁽²⁾ Other operating revenue mainly includes income from coal sales.

NOTE 28 - COMPOSITION OF RELEVANT RESULT

28.1.- Expense by nature

The main operating and administration costs and expenses for the years ended December 31, 2021 and 2020, within sales cost and administrative expenses in the statement of comprehensive income are detailed as follows:

	2021	2020
Fuel consumption	461,928	357,177
Fuel sales cost	203,188	106,613
Energy and Capacity Purchases	423,662	424,328
Other fuel costs	91,873	94,471
Transmission Tolls	147,289	140,248
Production and other sales costs	53,251	62,773
Production staff costs	57,990	60,916
Other fixed costs	146,149	121,219
Depreciation	202,217	241,053
Amortization	7,003	6,832
Sales Cost	1,794,550	1,615,630
Administrative staff costs	31,183	28,949
Other administrative costs	55,941	61,933
Administrative expenses	87,124	90,882

28.2.- Staff Cost

Staff costs for the years ended December 31, 2021 and 2020, are detailed as follows:

	2021	2020
Wages and salaries	52,127	48,227
Short-term employee benefits	23,304	26,799
Employment termination benefits	4,761	6,597
Stock-based compensation transactions	1,332	1,110
Other staff costs	7,649	7,132
Total	89,173	89,865

NOTE 29 - OTHER INCOME / (LOSSES)

Other income (losses) for the years ended December 31, 2021 and 2020, is detailed as follows:

	2021	2020
Deconsolidation loss Alto Maipo (1)	(1,440,498)	—
Impairment property, plant and equipment and intangible (2)	(870,452)	(819,762)
Costs for debt termination and restructuring	(13,751)	(5,964)
Fair value adjustment for sale of accounts receivable	(9,788)	(20,414)
Recoverable tax write-offs	(1,446)	(1,526)
Discontinued projects	—	(6,691)
Gasandes dividend	755	2,572
Result for sale/withdrawal of fixed and intangible assets	6,086	(2,696)
Settlement of legal disputes	52,783	
Gain (Loss) for sale of Guacolda	33,288	
Insurance recovery	13,639	2,000
Other several revenues (expenses)	4,703	4,869
Total	(2,224,681)	(847,612)

(1) See Note 37

(2) Effect includes write-off of Properties, plants and equipment and adjustment of other reserves.

NOTE 30 - FINANCIAL RESULTS

Financial results for the years ended December 31, 2021 and 2020, are detailed as follows:

	2021	2020
Income from financial assets	\$ 16,023	\$ 7,908
Other financial income	\$ 15,639	\$ 64
Total financial income	\$ 31,662	\$ 7,972
Interest on bank loans	\$ (60,309)	\$ (97,700)
Interest on notes	\$ (135,472)	\$ (140,126)
Income/(loss) for assessment of financial derivatives. net	\$ (18,827)	\$ (19,468)
Other Expenses	\$ (34,720)	\$ (46,761)
Capitalized financial expenses	\$ 143,060	\$ 181,863
Total financial expenses	\$ (106,268)	\$ (122,192)
Foreign Currency Exchange Differences, net	\$ 17,139	\$ (31,071)
Total financial profit (loss)	\$ (57,467)	\$ (145,291)

NOTE 31 - EARNINGS FOR 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.

	2021	2020
Profit or loss attributable to the equity holders of the parent entity	(1,090,415)	(271,444)
Available profit or loss for ordinary shareholders, basic	(1,090,415)	(271,444)
Weighted average number of shares, basic	10,376,646	8,400,319
Basic earnings (loss) per share	(0.105)	(0.032)

There are no transactions or items generating dilutive effects. The shares have no par value.

NOTE 32 - CONTINGENCIES AND COMMITMENTS

32.1.- Litigation and/or Administrative Procedures

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 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.

On June 8, 2021, the Second Environmental Court delivered to the parties the proposed Bases for Conciliation. AES Andes expressed its willingness to agree to conciliation, but with observations on the content of some measures proposed by the Court. On January 11 and 12, 2022, the Court inspected Quintero Bay and its surroundings.

ii) Summary Administrative Investigations by Gobernación Marítima de Valparaíso (Valparaíso Maritime Authority)

Fiscalía Marítima de Valparaíso (Valparaíso Maritime Public Prosecutor) is conducting two investigations. The first of them (File No. 12,050/10/19) was resolved by means of Public Prosecutor Opinion dated October 24, 2017, which proposed, among other measures, the payment of a fine of 52,000 gold pesos (ThUS\$553), as a result of unauthorized discharges of burned and unburned coal particles between November 8, 2012 and November 8, 2013.

AES Andes challenged that decision and, in May 2021, was notified of a new penalty proposal extending the liability to another company (not just AES Andes), reducing the proposed fine to 35,000 gold pesos (ThUS\$372). On August 18, 2021, the Maritime Governor issued a resolution confirming the proposed fine. On January 17, 2022, an appeal was filed.

The second investigation (File No. 12,050/10/21) was instructed on January 23, 2019, and to date, several requests for information have been made in relation to the operation of the Ventanas Thermoelectric Complex, as well as a field visit by the maritime Prosecutor. Additionally, reports have been requested from experts and academic institutions to prove the origin of the strandings of coal particles on the Ventanas beach. This second investigation is still in a preliminary stage, awaiting the opinion of the Prosecutor, so there is still no proposal for a sanction by the maritime authority.

iii) International Arbitration between Constructora Nuevo Maipo S.A., AES Andes S.A. and The AES Corporation before the International Chamber of Commerce ("ICC").

In May 2017, following the first restructuring of the Alto Maipo project, one of its main contractors, Constructora Nuevo Maipo S.A. (hereinafter "CNM"), a subsidiary of Hochtief and CMC di Ravenna, halted construction in the Volcán area, citing safety concerns based on new studies related to the tunnels. In response, Alto Maipo claimed that the action led to the contract termination and collected the ThUS\$73,405 of performance bond set out in that contract. CNM counterclaimed that Alto Maipo's contract termination was not justified and qualified as voluntary early termination by Alto Maipo.

In August 2018, CNM initiated arbitration against AES Andes and The AES Corporation, in which it requested the arbitration panel hearing the arbitration with Alto Maipo SpA to establish that AES Andes and The AES Corporation would be jointly and severally liable with Alto Maipo SpA for the damages claimed by CNM on account of the termination of the construction contract by Alto Maipo SpA. The action is based on the theory of "piercing the corporate veil". This action was processed together, before the same Court, with the main arbitration proceeding between Alto Maipo and CNM to terminate the construction contract.

In November 2021, the Court issued a partial award in favor of Alto Maipo, also declaring the arbitration against AES Andes and The AES Corporation in their favor. This Partial Award entitles Alto Maipo to collect ThUS\$106,889 in damages. The decision is legally binding and final.

The Court reserved its decision on both the quantification of pre-and post-award interest payable to AM and the allocation of legal and arbitration fees for the Final Award. The Court established a procedure to determine the costs incurred by the parties to be reimbursed by CNM, a determination necessary to issue a final judgment in the case, which is expected before December 31, 2022.

On January 25, 2022, filed a request to review the Arbitration Award, which, to date, is pending judgment.

iv) 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 has submitted "Compliance Program" proposals to the SMA, being the last version submitted on May 26, 2021

The resolution approving the Compliance Program was notified on December 30, 2021. However, resulting from the complaint of the TERRAM organization, an action was added ex officio that imposes the obligation to compensate the over-generated emissions (PM, NOx and SO2). Considering the complexity of this action, on January 6, 2022, an appeal was filed to change it.

After the successful execution of the Compliance Program, it is expected that the process will conclude without fines and no further action.

v) Arbitration with Compañía General de Electricidad S.A.

On October 8, 2019, AES Andes sued for specific performance Compañía General de Electricidad S.A. ("CGE") before the Arbitration and Mediation Center of the Santiago Chamber of Commerce (from now on, "CAM Santiago"). The action includes four power supply agreements signed in 2007 for which CGE has assigned less power until December 30, 2019, concerning other contracts signed by CGE in the same bidding process. To date, both the discussion period and the trial period have ended, pending the expert's report for the Court to summon the parties and hear the ruling.

vi) AES Andes-CGE Arbitration for non-payment of regulated customers.

On November 20, 2020, AES Andes filed a lawsuit before CAM Santiago for forced contract compliance plus compensation for damages so that Compañía General de Electricidad S.A. ("CGE") pay the undue discounts it made during April, May and June 2020 for lower collection from its regulated customers, which amounted to a total of ThCh\$1,006,000 (ThUS\$1,191), plus interest. CGE answered the complaint requesting that it be dismissed in its entirety, and submitted a counterclaim against AES Andes. The arbitrator called the parties to settle, but there was no agreement.

vii) Complaints under the Navigation Law (files 2-2020 and 7-2020)

On November 26, 2020 and January 12, 2021, notice of two lawsuits filed under the Navigation Law, under files 2 and 7 of the year 2020, for alleged coal strands, filed by lawyers Rafael González and Felipe Altamirano, was served to the Company. The first of them, on behalf of 40 fishermen of El Manzano vessel, who claim a total of ThCh\$1,720,000 (ThUS\$2,036) due to the coal strands that have occurred since 2017 on Ventanas beach, which would have affected the fishing activities of the area. The second lawsuit was filed on behalf of 19 fishermen, also from El Manzano vessel, who claim a total of ThCh\$817,000 (ThUS\$967), also due to the coal strands that have occurred since 2017 on Ventanas beach, which would have affected the fishing activities of the area.

In both proceedings, the claim has been answered and a conciliation hearing has been summoned, which have been suspended by mutual agreement. Now the claims have been joined and a new conciliation hearing has been set for February 09, 2022.

viii) Civil lawsuit for damages against AES Andes and Alto Maipo

On May 16, 2017, a lawsuit for damages was filed in the 28th Civil Court of Santiago by seven defendants against Constructora Nuevo Maipo SpA (CNM), Alto Maipo SpA and AES Andes S.A., as a result of a traffic accident occurred in the road to Alto Maipo project, in which a worker of CNM, contractor of Alto Maipo SpA, lost his life. The purpose of the complaint is to cause CNM, Alto Maipo SpA and AES Andes to be jointly and severally ordered to pay to claimants, for pain and suffering, the total sum of ThCh\$560,000 (ThUS\$663).

On August 27, 2019, the court issued a final judgment where it acquitted AES Andes S.A. and ordered CNM and Alto Maipo SpA, on a jointly and severally basis, to pay ThCh\$210,000 (ThUS\$249) to seven plaintiffs, plus adjustments and interest. Both CNM and Alto Maipo SpA appealed the judgment on September 16, 2019. No provision has been made for these amounts since they are covered by the insurance purchased for Alto Maipo project

b) Legal processes related to Empresa Eléctrica Cochran SpA ("Cochrane")

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. SQM answered the lawsuit on December 10, 2021. 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. Cochrane must answer the claim filed by SQM within 30 business days.

32.2.- Financial Commitments**32.2.1 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, 2021, 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 December 2007, AES Andes placed the issuance of notes for UF 5,600,000 (ThUS\$219,245), made up of two series, which were registered with the Register of Securities of Chile under numbers 516 and 517 on November 9, 2007. This issuance included 4.30% Series N Notes for UF 4,400,000 (ThUS\$172,264) due 2028 and 3.10% Series O Notes for UF 1,200,000 (ThUS\$46,981) due 2015. The Series O was prepaid in its entirety on July 14, 2014. On July 2, 2021, the Company issued a prepayment notice to series N bondholders for the total debt. The prepayment was made on August 2, 2021, extinguishing the debt completely.

To finance this prepayment, the Company issued as December 31, 2021 short-term debt to a total of ThUS\$141,000

In conjunction with the Series N prepayment, on July 30, 2021, the Company disarmed the Cross Currency Swap in force since December 2007.

On April 8, 2009, AES Andes made a second issuance of notes against the line of notes registered with the Registry of Securities under No. 517 on November 9, 2007. This issuance consisted of 8.0% Series Q notes for ThUS\$196,000 due 2019. On April 1, 2019, the current principal of ThUS\$24,540 was fully prepaid and the debt was fully cleared.

b) 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.

c) 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\$33,200 financed with available funds. The bonds redeemed were liquidated.

The remaining capital at the issuance of these Financial Statements was ThUS\$516,500.

d) 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\$59,714 financed with available funds. The bonds redeemed were liquidated.

The remaining capital at the issuance of these Financial Statements was ThUS\$390,286.

e) On December 21, 2020, the committed credit arrangement entered into with a syndicate of banks was closed for ThUS\$250,000 for up to 4 years. Moreover, on December 21, 2020, the committed credit arrangement entered into with a syndicate of banks for Th\$250,000 in 2017 and 2018 was canceled.

On December 28, 2021, the current lenders and AES Andes modified the existing covenants of the committed credit facility. 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, 2021, was 2.00 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, 2021, this indicator amounted to 47,594,981,529 times.

As December 31, 2021, the line was still undrawn.

f) Sociedad Eléctrica Santiago ("ESSA") was bound, in its capacity as issuer, under an bond issue contract (notional initial amount of UF 1,086,000 (ThUS\$39,845)), registered with the Registry of Securities of the Commission for the Financial Market, under number 214.

As a result of the execution of the stock purchase agreement between ESSA and Generadora Metropolitana SpA in December 2017, the bond issue contract of ESSA 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, 2021, was 2.00 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, 2021, this indicator amounted to 47,594,981,529 times.

The outstanding principal as of December 31, 2021 is UF 708,615 (ThUS\$25,999).

g) 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\$34,439 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.

On June 30, 2021, AES Andes received the funds for the sale of group 3 of accounts receivable from the application of the Electricity Tariff Stabilization Law for a nominal amount of ThUS\$16,078.

h) On November 23, 2021, AES Andes closed a green credit agreement with three international banks for a total amount of ThUS\$150,000.

The first disbursement under this facility was made on November 26, 2021, for ThUS\$75,000 and the second on January 11, 2022. The total amount disbursed at the issuance of these Financial Statements is 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.

32.2.2 Commitments related to AES Colombia

On January 22, 2018, the credit granted by Bancolombia for Tunjita Plant for a total value of ThCOP\$157,925,927 (ThUS\$39,668) in 48 quarterly installments for a principal of ThCOP\$3,257,222 (ThUS\$818), at an IPC+5.5% interest rate and a 1% purchase option for ThCOP\$1,579,259 (ThUS\$397) upon the end of the credit due January 22, 2030 was capitalized. As of December 31, 2021, a debt in the amount of ThCOP\$109,067,593 (ThUS\$27,933) is still outstanding.

On December 17, 2020, a credit agreement of up to ThCOP\$350,000,000 (ThUS\$91,272) was entered into with Scotiabank Colpatría 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, 2021 was 0.54 times.

On December 21, 2020 the first disbursement of this loan was made for ThCOP\$230,000,000 (ThUS\$57,772), which was used for the novation of all the debts outstanding as of that date with Scotiabank Colpatría and Citibank.

The total amount disbursed at the date of issuance of these Financial Statements is ThCOP\$350,000,000 (ThUS\$91,272).

32.2.3 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 June 17, 2019, Angamos made a partial prepayment of the credit of ThUS\$200,000 for an amount of ThUS\$23,281, which was financed with available funds.

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. As of September 30, 2020, the total notional amount of the debt related to the Angamos bond is ThUS\$70,517.

On September 3, 2020, Angamos made a partial prepayment of the ThUS\$200,000 loan for a total amount of ThUS\$50,980, which was funded out of the advance payment for the termination of the agreement with Minera Escondida and Minera Spence (Subsidiaries of BHP). Subsequently, on October 7 and 9, 2020, Angamos made a total prepayment of the loan for a total of ThUS\$83,808, which was funded out of the advance payment for the termination of the agreement with Minera Escondida and Minera Spence (Subsidiaries of BHP), and the debt was fully cleared.

Between December 2021 and February 2022, Angamos has made repurchases of this bond for a total of ThUS\$8,623 financed with available funds. The bonds redeemed were liquidated.

The remaining capital at the issuance of these Financial Statements was ThUS\$57,484.

32.2.4 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, 2021, 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, 2021, the debt is outstanding in the amount of ThUS\$340,732.

Both the international bond and the local bonds share guarantees on assets and land.

32.2.5 Other Commitments related to Norgener Renovables

On December 9, 2013, Norgener Renovables entered into a commercial pledge on the shares issued by Alto Maipo in favor of the creditors to secure the obligations associated with the financing for Alto Maipo Plant.

32.3.- Contingencies due to COVID-19

On January 30, 2020, the World Health Organization declared that the outbreak of the novel coronavirus 2019 constitutes a Public Health Emergency of International Concern. On March 11, 2020, the WHO confirmed that COVID-19 is characterized as a pandemic, which could significantly affect Chile and our local and international partners.

To face this global public health emergency resulting from COVID-19, since March 2020 the Chilean government has implemented containment measures aimed at restricting the freedom of movement including curfews, mandatory lockdowns. It has also restricted the freedom of assembly and sports events; temporary shutdown of businesses and others.

Similarly, the Company adopted other preventive measures such as:

- 100% of non-essential personnel, administrative staff and high-risk employees are working remotely.
- 77% of sub-contracted essential personnel of Operations continue to provide services on site. The Company has followed all prevention protocols recommended by the authorities
 - Additional contingency plans have been defined in the event of a possible worsening of the situation and a tightening of movement restrictions that could affect operations or progress in our construction projects.
 - Health and well-being programs have been launched to collaborate and help all associates to cope with this contingency.
 - Early management of fuel supply has been considered to strengthen the stock levels in to secure continuous operations for, at least, thirty (30) days.
 - Management of short-term loans to strengthen the Company's liquidity in case of potential disruptions in the payment chain.

All Company efforts continue to focus on securing our proper and safe operation while at the same time, protecting the health and safety of our associates.

As for the level of uncertainty resulting from the macroeconomic and financial environment of AES Andes and its effects on the results as December 31, 2021, The Company estimates that there have been no significant impacts for the Company nor the estimation of the impairment loss of the trade accounts.

NOTE 33 - GUARANTEES

Guarantees granted

Below there is a detail of the guarantees granted to AES Andes as of December 31, 2021.

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.

On December 15, 2021, AES Andes S.A signed an energy supply agreement with Microsoft Datacenter Chile Limitada (a subsidiary of Microsoft Corporation). AES Andes issued a guarantee for ThUS\$9,800 to secure the construction phase of the projects.

Other Guarantees

AES Andes granted guarantees in favor of Bradley Arant Boult Cummings LLP for legal fees of the affiliate Alto Maipo SpA.

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 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 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 Paposó 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.

Other Guarantees granted by Norgener Renovables SpA

On May 9, 2018, Norgener 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 Mesamávida SpA in favor of Inversiones Bosquemar Limitada in order to secure the payment of the second milestone for the asset purchase agreement of Mesamávida Project.

On May 9, 2018, Norgener 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 Los Olmos SpA in favor of Inversiones Bosquemar Limitada in order to secure the payment of the second milestone for the asset purchase agreement of Los Olmos Project.

On November 6, 2018, Norgener 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 Litueche SpA in favor of Plan 8 Energía Infinita Limitada in order to secure the payment of the second milestone for the asset purchase agreement of Litueche Project.

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\$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 December 11, 2019, Norgener 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 Eólico Project.

On December 11, 2019, Norgener 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, Norgener 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.

On July 2, 2020, Norgener 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, Norgener 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.

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.

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 "*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 Los Olmos SpA, under the terms of the "*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 "*Contractor Parent Company Guarantee*" to secure compliance with the obligations of its subsidiary Prodiel Agencia en Chile, in favor of Andes Solar SpA, under the terms of the "*Lump Sum, Turnkey, Engineering, Procurement and Construction Contract*" dated November 15, 2019.

On October 06, 2020, Vestas Wind Systems A/S granted a "*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 25, 2021, Empresa Eléctrica Cochrane SpA certified the release of the guarantees granted by Sierra Gorda's Sponsors that secured compliance with the obligations under the power contract between Sierra Gorda and Empresa Eléctrica Cochrane SpA for a total of ThUS\$250,000.

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 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.

Delivered guarantees

Beneficiary	Guarantee description	Date		ThUS\$
		Start Date	Due Date	
Terminal Graneles del Norte S.A.	Secure contract compliance by Terminal Graneles del Norte S.A.	10/22/2019	12/21/2022	10,000
Anglo American Sur S.A (1)	Secure the seriousness of the offer presented for the supply of desalinated water.	04/23/2021	01/03/2022	5,000
Vestas Chile Turbinas Eólicas Limitada (1)	Secure terms and conditions of the contract "Turbine Supply and Installation Agreement"	01/08/2021	01/03/2022	3,863
Secretaría Regional Ministerial de Bienes Nacionales	Secure Bidding Terms and Conditions for the concession of State-owned Land for renewable energy projects.	09/03/2021	08/11/2022	2,710
Enel Distribución Chile S.A	Secure compliance with electricity supply agreement	08/03/2021	07/30/2022	2,311
Secretaría Regional Ministerial de Bienes Nacionales	Secure Bidding Terms and Conditions for the concession of State-owned Land for renewable energy projects.	09/06/2021	08/11/2022	1,617
Secretaría Regional Ministerial de Bienes Nacionales (1)	Secure Bidding obligations for Fiscal Land concession	03/03/2021	02/03/2022	1,463
Secretaría Regional Ministerial de Bienes Nacionales	Secure Bidding Obligations Concession of Fiscal Land	11/22/2021	12/18/2023	1,263
Aguas Andinas S.A	Secure compliance with electricity supply agreement	12/30/2019	02/01/2024	1,247
Ministerio de Bienes Nacionales	Secure the seriousness of the concession contract granted by Decrees	04/16/2021	05/08/2023	1,212
Secretaría Regional Ministerial de Bienes Nacionales	Secure Bidding Terms and Conditions for the concession of State-owned Land for renewable energy projects.	11/18/2021	10/24/2022	823
Ministerio de Bienes Nacionales	Secure Bidding Obligations Concession of Fiscal Land	03/30/2021	04/10/2023	661
Secretaría Regional Ministerial de Bienes Nacionales	Secure Bidding Obligations Concession of Fiscal Land	02/25/2021	02/03/2022	512
Tolchen Transmisión SpA	Secure toll contract payments	06/07/2021	06/07/2022	427
Aguas Andinas S.A	Secure compliance with electricity supply agreement	12/15/2017	04/01/2022	367
Transelec Holdings Rentas Ltda	Secure Obligations	09/30/1905	09/20/2022	154
Ministerio de Obras Públicas, Dirección General de Aguas.	Secure Obligations	03/03/2021	03/06/2023	93
	Other minor warranties			833
Total				34,556

(1) Not renewed

Guarantees Received

Grantor	Guarantee description	Date		ThUS\$
		Start Date	Due Date	
Teck	Payment of Single Compensation - LC Guaranteed Amount and other payments (122mw PPA)	11/08/2017	11/08/2022	317,179
Sumitomo Metal Mining Co. Ltd.	Payment of Single Compensation - LC Guaranteed Amount and other payments (122mw PPA)	03/29/2021	03/29/2022	132,142
Teck PCG	Payment of Single Compensation - LC Guaranteed Amount and other payments (38 mw PPA-80mw Renewable PPA)	01/16/2021	01/16/2023	52,780
Sumitomo Metal Mining Co. Ltd.	Payment of Single Compensation - LC Guaranteed Amount and other payments (80mw PPA)	03/29/2021	03/29/2022	46,283
Sumitomo Corporation	Payment of Single Compensation - LC Guaranteed Amount and other payments (122mw PPA)	03/29/2021	03/29/2022	26,457
Sumitomo Metal Mining Co. Ltd.	Payment of Single Compensation - LC Guaranteed Amount and other payments (38 mw PPA-80mw Renewable PPA)	03/29/2021	03/29/2022	21,985
Vestas Chile Turbinas Eólicas Limitada	Secure compliance with the contract.	12/21/2021	06/30/2022	11,475
Teck PCG	Payment of Single Compensation - LC Guaranteed Amount and other payments (21mw PPA)	10/29/2013	10/29/2022	11,283
Parque Eólico Atacama (1)	Secure obligations of the Atacama Wind Farm	02/19/2021	02/05/2022	10,000
Humboldt Renewable Power SpA.	Secure the financing, construction and energy supply contract.	08/03/2021	11/15/2022	10,000
Sumitomo Corporation	Payment of Single Compensation - LC Guaranteed Amount and other payments (80mw PPA)	03/29/2021	03/29/2022	9,267
Standby LC	Secure contract	09/24/2021	03/21/2022	8,193
Compañía Portuaria Mejillones	Secure compliance with the dry bulk transfer contract	04/21/2021	04/21/2022	6,000
Standby LC	Secure contract	12/06/2021	06/30/2022	4,734
Sumitomo Metal Mining Co. Ltd.	Payment of Single Compensation - LC Guaranteed Amount and other payments (21mw PPA)	03/29/2021	03/29/2022	4,700
Global Energy Services Siemsa S.A., Chile Limitada.	Secure all the obligations of the Campo Lindo Wind Farm Construction Contract.	07/15/2021	09/15/2022	4,542
Sumitomo Corporation	Payment of Single Compensation - LC Guaranteed Amount and other payments (38 mw PPA-80mw Renewable PPA)	03/29/2021	03/29/2022	4,402
Andritz Hydro SRL	Secure compliance with the contract.	09/22/2021	11/01/2025	2,857
Isotron Chile S.A	Secure compliance with the contract.	04/09/2021	05/25/2022	2,362
Prodiel Agencia en Chile S.A.	Secure Andes solar contract - Prodiel	10/29/2021	06/26/2022	1,646
DNB Bank ASA	Secure energy purchase and sale contract	06/25/2020	10/31/2022	1,500
Standby LC	Secure compliance with the contract.	10/28/2021	02/28/2022	1,079
Fotovoltaica Norte Grande 1 spa	Secure activities for Connection	06/08/2021	06/01/2022	1,000

Otorgador	Descripción de la garantía	Fecha		ThUS\$
		Inicio	Vencimiento	
Fotovoltaica Norte Grande 1 spa	Secure activities for Connection	09/16/2019	03/30/2022	1,000
Sumitomo Corporation	Payment of Single Compensation - LC Guaranteed Amount and other payments (21mw PPA)	03/29/2021	03/29/2022	941
Abengoa Chile S.A.	Secure the correct construction and assembly and electrical connection Los Olmos Wind Project	09/21/2021	07/28/2022	584
Abengoa Chile S.A.	Secure the correct construction and assembly and electrical connection Los Olmos Wind Project	09/21/2021	07/28/2022	275
Ansaldo Energía S.P.A.	Secure contract	09/13/2021	03/31/2022	228
Global Energy Services Siemsa S.A., Chile Limitada.	Secure all the obligations of the Campo Lindo Wind Farm Construction Contract.	07/21/2021	09/15/2022	258
Conix ingeniería y construcción SpA (2)	Secure compliance with the contract.	01/14/2021	01/01/2022	247
Andritz AG	Secure compliance with the contract.	11/11/2020	05/04/2022	207
	Other minor warranties			2,244
Total				697,850

(1) Renewed.

(2) Not renewal

NOTE 34 - 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 3.2, as of the last quarter of 2020, the subsidiaries in Argentina changed their functional currency from United States dollars to Argentine pesos. In accordance with IAS 21, companies have applied the translations procedures to the new functional currency prospectively.

For consolidation purposes and as a result of the application of IAS 29, the results of subsidiaries in Argentina were translated at the closing exchange rate as of December 31, 2021, in accordance with the provisions of IAS 21 "Effects of Changes in Foreign Exchange Rates", when it is a hyperinflationary economy (see Note 4.3.d.). Considering that the functional and reporting currency of AES Andes fails to qualify as a currency of a hyperinflationary economy, according to the guidelines established in IAS 29, no restatement of comparative results is no required to be made in the Group's consolidated financial statements.

The general price indexes used at the end of the reported years are:

	December 31, 2021	December 31, 2020 (*)
General Price Index	50.73 %	10.92 %

(*) Variation of the last quarter 2020

The effects on the consolidated income statement are detailed as follows:

Profit or loss by indexation units	December 31, 2021 ThUS\$	December 31, 2020 ThUS\$
Inventory	496	93
Property, plant and equipment	72,154	16,251
Deferred taxes	(16,040)	(3,152)
Shareholders' Equity (not including profit/loss for the year)	(71,717)	(14,602)
Effect of restatement of equity items	(15,107)	(1,410)
Operating income	(20,268)	(6,780)
Variable costs	6,872	2,027
Fixed costs - Administration and sales expenses	4,643	1,408
Depreciation - amortization	5,160	1,910
Other profit/loss items	3,085	704
Effect from restatement of the income statement	(508)	(731)
Total of profit or loss by readjustment units	(15,615)	(2,141)

NOTE 35 - 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, 2021 and 2020 are detailed as follows:

	December 31, 2021	December 31, 2020
Ash deposit and handling	4,973	4,900
Marine monitoring (oceanographic monitoring and control of LIW)	1,741	2,255
Miscellaneous expenses, Law 99 Environmental Commission - Colombia	7,254	5,233
River and road transport	—	1,490
Waste management and other related services	259	187
Reforestation, irrigation and maintenance	1,129	885
Audits and reports	1,770	321
Others	153	137
Total	17,279	15,408

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 36 - ASSETS AND LIABILITIES IN FOREIGN CURRENCY

	Foreign Currency	December 31, 2021		December 31, 2020	
		Until 90 days	From 91 days to 1 year	Until 90 days	From 91 days to 1 year
Cash and cash equivalents	Pesos	11,451	—	14,243	—
	Other Currencies	40,394	—	58,025	—
Other financial assets	Other Currencies	—	2,245	—	—
Other non-financial assets	Pesos	—	589	409	543
	UF	—	155	—	—
	Other Currencies	726	46	860	—
Trade receivables and other accounts receivable	Pesos	122,666	4,745	96,430	9,147
	UF	1,519	40,715	6,068	82,739
	Other Currencies	62,675	155	57,102	14
Accounts receivable from related entities	Pesos	—	—	180	—
Inventory	Other Currencies	—	2,903	—	2,563
Assets for current taxes	Pesos	—	35	—	—
	Other Currencies	—	690	—	17,372
Total Current Assets		239,431	52,278	233,317	112,378

		December 31, 2021			December 31, 2020		
	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 assets	Pesos	312	—	—	1,014	—	—
	Other Currencies	453	—	—	170	—	—
Other non-financial assets	UF	2	—	25,508	—	35,067	—
	Other Currencies	2,286	—	—	—	—	—
Claims receivable	Pesos	997	—	—	1,956	—	—
	Other Currencies	819	—	—	722	—	—
Intangible assets other than goodwill	Other Currencies	—	—	15,666	—	—	18,681
Property, plant and equipment	Other Currencies	—	—	609,222	—	—	606,094
Right-of-use assets	Other Currencies	44	—	1,373	—	—	1,736
Deferred tax assets	Other Currencies	—	—	—	—	—	—
Total Non-Current Assets		4,913	—	651,769	3,862	35,067	626,511

	Foreign Currency	December 31, 2021		December 31, 2020	
		Until 90 days	From 91 days to 1 year	Until 90 days	From 91 days to 1 year
Other financial liabilities	UF	—	4,011	—	2,727
	Other currencies	1,689	2,454	950	4,706
Current lease liabilities	UF	128	758	532	1,230
	Other currencies	36	139	28	116
Trade payables and other accounts payable	Pesos	103,180	—	133,630	70
	UF	6,580	824	9,737	—
	Other currencies	51,276	356	37,839	455
Accounts payable to related entities	Pesos	—	—	22	—
Other current provisions	Other currencies	—	122	—	115
Tax Liabilities	Pesos	98	17	—	—
	Other currencies	—	24,023	2,738	—
Current provisions for employee benefits	Pesos	2,830	—	3,397	—
	Other currencies	1,933	25	2,027	31
Other non-financial liabilities	Pesos	9,778	7,926	17,013	7,437
	Other currencies	1,300	8,585	3,001	804
Total Current Liabilities		178,828	49,240	210,914	17,691

		December 31, 2021			December 31, 2020		
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	22,146	—	—	13,764	14,785	—
	Other currencies	41,714	41,714	28,367	21,019	47,855	32,684
Non-current lease liabilities	UF	1,899	1,925	23,440	3,109	1,974	23,735
	Other currencies	534	830	—	474	783	7,049
Deferred tax liabilities	Other currencies	—	—	87,491	—	—	78,103
Non-current provisions for employee benefits	Pesos	3,246	3,248	15,965	3,265	3,241	26,068
	Other currencies	2,885	—	—	3,691	—	—
Other non-financial liabilities	Pesos	—	—	11,250	—	—	—
	UF	—	—	—	1,429	1,012	5,549
	Other currencies	4,214	—	5,600	9	—	—
Total Non-Current Liabilities		76,638	47,717	172,113	46,760	69,650	173,188

NOTE 37 - DECONSOLIDATION OF AFFILIATE ALTO MAIPO

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.

Due to 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), as per paragraph 8 of International Financial Reporting Standard No. 10 ("IFRS 10"), the Company ceased to control Alto Maipo. Therefore, based on paragraph 25 of IFRS 10, it ceased to consolidate this subsidiary, so it derecognized in its Consolidated Financial Statements the assets and liabilities of such subsidiary and recognized in the Consolidated Statements of Comprehensive Income for the fourth quarter of 2021, an extraordinary net accounting loss associated with the loss of control attributable to the former controlling interest, amounting to ThUS\$1,106,558 approx., corresponding mainly to the deconsolidation of the investment and the impairment of accounts receivable maintained with Alto Maipo.

NOTE 38 - SUBSEQUENT EVENTS

There are no other relevant subsequent events as of the date of issuance of these Consolidated Financial Statements.

SUMMARY FINANCIAL STATEMENTS OF SUBSIDIARIES



Norgener Foreign Investments SpA	442
Norgener Renovables SpA	444
Norgener Inversiones SpA	446
Gener Argentina S.A.	448
Andes Solar SpA	450
Andes Solar II SpA	452
Mesamávida SpA	454
Los Olmos SpA	456
Campo Lindo SpA	458
Chile Renovables SpA	460
Empresa Eléctrica Angamos SpA	462
Empresa Eléctrica Cochrane SpA	464

Norgener Foreign Investment SpA

Summary Financial Statements

Assets	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Current	86,736	103,763
Non-current	462,010	480,809
Total Assets	548,746	584,572

Shareholders' Equity and Liabilities	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Current	81,170	117,442
Non-current	245,277	173,944
Shareholders' Equity	222,299	293,186
Total shareholders' equity and liabilities	548,746	584,572

Statement of Comprehensive Income	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Gross Margin	200,519	121,601
Income (loss) before taxes	260,524	97,306
Income tax expense (gain)	56,403	29,834
Net Income (loss)	204,121	67,472

Statement of Comprehensive Income	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Income (loss)	204,121	67,472
Total Other Income and Costs Charged or Credited to Shareholders' Equity	-43,108	-14,531
Total Comprehensive Income and Costs	161,013	52,941

Shareholders' Equity

Statement of changes in Equity	Issued Capital ThUS\$	Additional Paid in Capital ThUS\$	Other Shareholding Interest ThUS\$	Other Reserves ThUS\$	Retained Earnings ThUS\$	Minority Interest ThUS\$	Total Shareholders' Equity ThUS\$
Opening Balance as of January 1, 2021	102,045	5,320	52,806	55,808	77,198	9	293,186
Changes in Shareholder's Equity	0	0	0	-129,222	58,335	0	-70,887
Final balance of current year as of December 31, 2021	102,045	5,320	52,806	-73,414	135,533	9	222,299

Statement of changes in Equity	Issued Capital ThUS\$	Additional Paid in Capital ThUS\$	Other Shareholding Interest ThUS\$	Other Reserves ThUS\$	Retained Earnings ThUS\$	Minority Interest ThUS\$	Total Shareholders' Equity ThUS\$
Opening Balance as of January 1, 2020	102,045	5,320	52,806	70,339	61,400	9	291,919
Changes in Shareholder's Equity	0	0	0	-14,531	15,798	0	1,267
Final balance of current year as of December 31, 2020	102,045	5,320	52,806	55,808	77,198	9	293,186

Cash Flows

Statement of Cash Flows	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Net cash flows from (used in) operating activities	160,352	57,402
Net cash flows from (used in) investment activities	-48,041	-20,376
Net cash flows from (used in) financing activities	-124,349	-38,049
Increase (decrease) in cash and cash equivalents, net	-12,038	-1,023
Effect of changes in exchange rates on cash and cash equivalents	2,757	-3,858
Cash and Cash Equivalents, Statement of Cash Flows, Opening Balance	27,776	32,657
Cash and Cash Equivalents, Statement of Cash Flows, Closing Balance	18,495	27,776

Norgener Renovables SpA

Summary Financial Statements

Assets Activos	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Current	3,289	123,210
Non-current	24,550	3,597,476
Total Assets	27,839	3,720,686
Shareholders' Equity and Liabilities	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Current	1,276	152,507
Non-current	49,463	3,323,943
Shareholders' Equity	-22,900	244,236
Total shareholders' equity and liabilities	27,839	3,720,686
Statement of Comprehensive Income	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Gross Margin	-882	-1,087
Income (loss) before taxes	-404,830	-31,935
Income tax expense (gain)	4,342	-6,236
Net Income (loss)	-409,172	-25,699
Statement of Comprehensive Income	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Income (loss)	-409,172	-25,699
Total Other Income and Costs Charged or Credited to Shareholders' Equity	119,303	-60,578
Total Comprehensive Income and Costs	-289,869	-86,277

Shareholders' Equity

Statement of changes in Equity	Issued Capital ThUS\$	Additional Paid in Capital ThUS\$	Other Shareholding Interest ThUS\$	Other Reserves ThUS\$	Retained Earnings ThUS\$	Minority Interest ThUS\$	Total Shareholders' Equity ThUS\$
Opening Balance as of January 1, 2021	109,612	4,587	45,530	-38,966	107,493	15,980	244,236
Changes in Shareholder's Equity	-5,047	-211	-2,064	175,185	-419,033	-15,966	-267,136
Final balance of current year as of December 31, 2021	104,565	4,376	43,466	136,219	-311,540	14	-22,900

Statement of changes in Equity	Issued Capital ThUS\$	Additional Paid in Capital ThUS\$	Other Shareholding Interest ThUS\$	Other Reserves ThUS\$	Retained Earnings ThUS\$	Minority Interest ThUS\$	Total Shareholders' Equity ThUS\$
Opening Balance as of January 1, 2020	109,612	4,587	45,530	16,426	132,439	20,851	329,445
Changes in Shareholder's Equity	0	0	0	-55,392	-24,946	-4,871	-85,209
Final balance of current year as of December 31, 2020	109,612	4,587	45,530	-38,966	107,493	15,980	244,236

Cash Flows

Statement of Cash Flows	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Net cash flows from (used in) operating activities	6,219	-13,983
Net cash flows from (used in) investment activities	-111,976	-417,033
Net cash flows from (used in) financing activities	76,503	400,582
Increase (decrease) in cash and cash equivalents, net	-29,254	-30,434
Effect of changes in exchange rates on cash and cash equivalents	-83	302
Cash and Cash Equivalents, Statement of Cash Flows, Opening Balance	29,394	59,526
Cash and Cash Equivalents, Statement of Cash Flows, Closing Balance	57	29,394

Norgener Inversiones SpA

Summary Financial Statements

Assets	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Current	499,792	484,102
Non-current	1,268,814	2,413,037
Total Assets	1,768,606	2,897,139
Shareholders' Equity and Liabilities	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Current	287,810	845,472
Non-current	1,205,433	1,442,086
Shareholders' Equity	275,363	609,581
Total shareholders' equity and liabilities	1,768,606	2,897,139
Statement of Comprehensive Income	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Gross Margin	565,598	513,718
Income (loss) before taxes	-152,359	-73,170
Income tax expense (gain)	-78,261	-4,826
Net Income (loss)	-74,098	-68,344
Statement of Comprehensive Income	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Income (loss)	-74,098	-68,344
Total Other Income and Costs Charged or Credited to Shareholders' Equity	12,845	14,880
Total Comprehensive Income and Costs	-61,253	-53,464

Shareholders' Equity

Statement of changes in Equity	Issued Capital ThUS\$	Additional Paid in Capital ThUS\$	Other Shareholding Interest ThUS\$	Other Reserves ThUS\$	Retained Earnings ThUS\$	Minority Interest ThUS\$	Total Shareholders' Equity ThUS\$
Opening Balance as of January 1, 2021	118,050	8,466	84,023	330,371	-84,439	153,110	609,581
Changes in Shareholder's Equity	25,464	0	0	-126,144	-216,548	-16,990	-334,218
Final balance of current year as of December 31, 2021	143,514	8,466	84,023	204,227	-300,987	136,120	275,363

Statement of changes in Equity	Issued Capital ThUS\$	Additional Paid in Capital ThUS\$	Other Shareholding Interest ThUS\$	Other Reserves ThUS\$	Retained Earnings ThUS\$	Minority Interest ThUS\$	Total Shareholders' Equity ThUS\$
Opening Balance as of January 1, 2020	162,370	8,466	84,023	317,185	31,035	83,887	686,966
Changes in Shareholder's Equity	-44,320	0	0	13,186	-115,474	69,223	-77,385
Final balance of current year as of December 31, 2020	118,050	8,466	84,023	330,371	-84,439	153,110	609,581

Cash Flows

Statement of Cash Flows	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Net cash flows from (used in) operating activities	161,968	924,262
Net cash flows from (used in) investment activities	-20,293	-348,178
Net cash flows from (used in) financing activities	-190,079	-582,431
Increase (decrease) in cash and cash equivalents, net	-48,404	-6,347
Effect of changes in exchange rates on cash and cash equivalents	-1,339	-871
Cash and Cash Equivalents, Statement of Cash Flows, Opening Balance	65,658	72,876
Cash and Cash Equivalents, Statement of Cash Flows, Closing Balance	15,915	65,658

Gener Argentina S.A.

Summary Financial Statements

Assets	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Current	69,850	62,506
Non-current	184,289	159,968
Total Assets	254,139	222,474
Shareholders' Equity and Liabilities	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Current	31,183	38,384
Non-current	40,869	32,950
Shareholders' Equity	182,087	151,140
Total shareholders' equity and liabilities	254,139	222,474
Statement of Comprehensive Income	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Gross Margin	6,466	20,729
Income (loss) before taxes	4,791	13,994
Income tax expense (gain)	9,397	6,445
Net Income (loss)	-4,606	7,549
Statement of Comprehensive Income	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Income (loss)	-4,606	7,549
Total Other Income and Costs Charged or Credited to Shareholders' Equity	32,187	1,001
Total Comprehensive Income and Costs	27,581	8,550

Shareholders' Equity

Statement of changes in Equity	Issued Capital ThUS\$	Additional Paid in Capital ThUS\$	Other Shareholding Interest ThUS\$	Other Reserves ThUS\$	Retained Earnings ThUS\$	Minority Interest ThUS\$	Total Shareholders' Equity ThUS\$
Opening Balance as of January 1, 2021	224,929	0	0	10,139	-98,268	14,340	151,140
Changes in Shareholder's Equity	0	0	0	32,187	-3,981	2,741	30,947
Final balance of current year as of December 31, 2021	224,929	0	0	42,326	-102,249	17,081	182,087

Statement of changes in Equity	Issued Capital ThUS\$	Additional Paid in Capital ThUS\$	Other Shareholding Interest ThUS\$	Other Reserves ThUS\$	Retained Earnings ThUS\$	Minority Interest ThUS\$	Total Shareholders' Equity ThUS\$
Opening Balance as of January 1, 2020	224,929	0	0	9,045	-80,475	15,939	169,438
Changes in Shareholder's Equity	0	0	0	1,094	-17,793	-1,599	-18,298
Final balance of current year as of December 31, 2020	224,929	0	0	10,139	-98,268	14,340	151,140

Cash Flows

Statement of Cash Flows	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Net cash flows from (used in) operating activities	25,094	35,610
Net cash flows from (used in) investment activities	-25,342	20,363
Net cash flows from (used in) financing activities	-48	-27,015
Increase (decrease) in cash and cash equivalents, net	-296	28,958
Effect of changes in exchange rates on cash and cash equivalents	-7,313	-4,949
Cash and Cash Equivalents, Statement of Cash Flows, Opening Balance	30,998	6,989
Cash and Cash Equivalents, Statement of Cash Flows, Closing Balance	23,389	30,998

Andes Solar SpA

Summary Financial Statements

Assets	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Current	4,762	20,794
Non-current	78,153	164,156
Total Assets	82,915	184,950
Shareholders' Equity and Liabilities	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Current	3,986	10,770
Non-current	58,124	147,189
Shareholders' Equity	20,805	26,991
Total shareholders' equity and liabilities	82,915	184,950
Statement of Comprehensive Income	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Gross Margin	-3,706	-1,214
Income (loss) before taxes	-8,616	-6,642
Income tax expense (gain)	-2,430	-1,793
Net Income (loss)	-6,186	-4,849
Statement of Comprehensive Income	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Income (loss)	-6,186	-4,849
Total Other Income and Costs Charged or Credited to Shareholders' Equity	0	0
Total Comprehensive Income and Costs	-6,186	-4,849

Shareholders' Equity

Statement of changes in Equity	Issued Capital ThUS\$	Additional Paid in Capital ThUS\$	Other Shareholding Interest ThUS\$	Other Reserves ThUS\$	Retained Earnings ThUS\$	Total Shareholders' Equity ThUS\$
Opening Balance as of January 1, 2021	33,247	0	0	0	-6,256	26,991
Changes in Shareholder's Equity	0	0	0	0	-6,186	-6,186
Final balance of current year as of December 31, 2021	33,247	0	0	0	-12,442	20,805

Statement of changes in Equity	Issued Capital ThUS\$	Additional Paid in Capital ThUS\$	Other Shareholding Interest ThUS\$	Other Reserves ThUS\$	Retained Earnings ThUS\$	Total Shareholders' Equity ThUS\$
Opening Balance as of January 1, 2020	33,247	0	0	0	-1,407	31,840
Changes in Shareholder's Equity	0	0	0	0	-4,849	-4,849
Final balance of current year as of December 31, 2020	33,247	0	0	0	-6,256	26,991

Cash Flows

Statement of Cash Flows	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Net cash flows from (used in) operating activities	-663	3,502
Net cash flows from (used in) investment activities	-98,792	-61,676
Net cash flows from (used in) financing activities	99,535	58,163
Increase (decrease) in cash and cash equivalents, net	80	-11
Effect of changes in exchange rates on cash and cash equivalents	-6	9
Cash and Cash Equivalents, Statement of Cash Flows, Opening Balance	1	3
Cash and Cash Equivalents, Statement of Cash Flows, Closing Balance	75	1

Andes Solar II SpA

Summary Financial Statements

Assets	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Current	5,106	0
Non-current	294,187	0
Total Assets	299,293	0
Shareholders' Equity and Liabilities	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Current	4,706	0
Non-current	293,718	0
Shareholders' Equity	869	0
Total shareholders' equity and liabilities	299,293	0
Statement of Comprehensive Income	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Gross Margin	1,892	0
Income (loss) before taxes	1,349	0
Income tax expense (gain)	481	0
Net Income (loss)	868	0
Statement of Comprehensive Income	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Income (loss)	868	0
Total Other Income and Costs Charged or Credited to Shareholders' Equity	0	0
Total Comprehensive Income and Costs	868	0

Shareholders' Equity

Statement of changes in Equity	Issued Capital ThUS\$	Additional Paid in Capital ThUS\$	Other Shareholding Interest ThUS\$	Other Reserves ThUS\$	Retained Earnings ThUS\$	Minority Interest ThUS\$	Total Shareholders' Equity ThUS\$
Opening Balance as of January 1, 2021	1	0	0	0	0	0	1
Changes in Shareholder's Equity	0	0	0	0	868	0	868
Final balance of current year as of December 31, 2021	1	0	0	0	868	0	869

Statement of changes in Equity	Issued Capital ThUS\$	Additional Paid in Capital ThUS\$	Other Shareholding Interest ThUS\$	Other Reserves ThUS\$	Retained Earnings ThUS\$	Minority Interest ThUS\$	Total Shareholders' Equity ThUS\$
Opening Balance as of January 1, 2020	0	0	0	0	0	0	0
Changes in Shareholder's Equity	0	0	0	0	0	0	0
Final balance of current year as of December 31, 2020	0	0	0	0	0	0	0

Cash Flows

Statement of Cash Flows	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Net cash flows from (used in) operating activities	-2,704	0
Net cash flows from (used in) investment activities	-83,510	0
Net cash flows from (used in) financing activities	86,310	0
Increase (decrease) in cash and cash equivalents, net	96 '	0
Effect of changes in exchange rates on cash and cash equivalents	0	0
Cash and Cash Equivalents, Statement of Cash Flows, Opening Balance	0	0
Cash and Cash Equivalents, Statement of Cash Flows, Closing Balance	96 '	0

Mesamávida SpA

Summary Financial Statements

Assets	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Current	5,872	4,245
Non-current	96,985	49,123
Total Assets	102,857	53,368
Shareholders' Equity and Liabilities	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Current	10,438	4,022
Non-current	96,003	51,963
Shareholders' Equity	-3,584	-2,617
Total shareholders' equity and liabilities	102,857	53,368
Statement of Comprehensive Income	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Gross Margin	-231	-542
Income (loss) before taxes	-1,321	-2,484
Income tax expense (gain)	-354	-650
Net Income (loss)	-967	-1,834
Statement of Comprehensive Income	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Income (loss)	-967	-1,834
Total Other Income and Costs Charged or Credited to Shareholders' Equity	0	0
Total Comprehensive Income and Costs	-967	-1,834

Shareholders' Equity

Statement of changes in Equity	Issued Capital ThUS\$	Additional Paid in Capital ThUS\$	Other Shareholding Interest ThUS\$	Other Reserves ThUS\$	Retained Earnings ThUS\$	Total Shareholders' Equity ThUS\$
Opening Balance as of January 1, 2021	410	0	0	0	-3,027	-2,617
Changes in Shareholder's Equity	0	0	0	0	-967	-967
Final balance of current year as of December 31, 2021	410	0	0	0	-3,994	-3,584

Statement of changes in Equity	Issued Capital ThUS\$	Additional Paid in Capital ThUS\$	Other Shareholding Interest ThUS\$	Other Reserves ThUS\$	Retained Earnings ThUS\$	Total Shareholders' Equity ThUS\$
Opening Balance as of January 1, 2020	410	0	0	0	-1,193	-783
Changes in Shareholder's Equity	0	0	0	0	-1,834	-1,834
Final balance of current year as of December 31, 2020	410	0	0	0	-3,027	-2,617

Cash Flows

Statement of Cash Flows	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Net cash flows from (used in) operating activities	0	0
Net cash flows from (used in) investment activities	-40,024	-37,648
Net cash flows from (used in) financing activities	39,296	38,368
Increase (decrease) in cash and cash equivalents, net	-728	720
Effect of changes in exchange rates on cash and cash equivalents	0	0
Cash and Cash Equivalents, Statement of Cash Flows, Opening Balance	732	12
Cash and Cash Equivalents, Statement of Cash Flows, Closing Balance	4	732

Los Olmos SpA

Summary Financial Statements

Assets	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Current	17,968	12,270
Non-current	150,972	101,317
Total Assets	168,940	113,587
Shareholders' Equity and Liabilities	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Current	11,397	11,728
Non-current	160,205	103,245
Shareholders' Equity	-2,662	-1,386
Total shareholders' equity and liabilities	168,940	113,587
Statement of Comprehensive Income	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Gross Margin	-318	-1,078
Income (loss) before taxes	-1,743	-907
Income tax expense (gain)	-467	-208
Net Income (loss)	-1,276	-699
Statement of Comprehensive Income	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Income (loss)	-1,276	-699
Total Other Income and Costs Charged or Credited to Shareholders' Equity	0	0
Total Comprehensive Income and Costs	-1,276	-699

Shareholders' Equity

Statement of changes in Equity	Issued Capital ThUS\$	Additional Paid in Capital ThUS\$	Other Shareholding Interest ThUS\$	Other Reserves ThUS\$	Retained Earnings ThUS\$	Minority Interest ThUS\$	Total Shareholders' Equity ThUS\$
Opening Balance as of January 1, 2021	710	0	0	0	-2,096	0	-1,386
Changes in Shareholder's Equity	0	0	0	0	-1,276	0	-1,276
Final balance of current year as of December 31, 2021	710	0	0	0	-3,372	0	-2,662

Statement of changes in Equity	Issued Capital ThUS\$	Additional Paid in Capital ThUS\$	Other Shareholding Interest ThUS\$	Other Reserves ThUS\$	Retained Earnings ThUS\$	Minority Interest ThUS\$	Total Shareholders' Equity ThUS\$
Opening Balance as of January 1, 2020	710	0	0	0	-1,397	0	-687
Changes in Shareholder's Equity	0	0	0	0	-699	0	-699
Final balance of current year as of December 31, 2020	710	0	0	0	-2,096	0	-1,386

Cash Flows

Statement of Cash Flows	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Net cash flows from (used in) operating activities	-248	-666
Net cash flows from (used in) investment activities	-52,363	-86,120
Net cash flows from (used in) financing activities	52,613	86,785
Increase (decrease) in cash and cash equivalents, net	2	-1
Effect of changes in exchange rates on cash and cash equivalents	0	0
Cash and Cash Equivalents, Statement of Cash Flows, Opening Balance	9	10
Cash and Cash Equivalents, Statement of Cash Flows, Closing Balance	11	9

Campo Lindo SpA

Summary Financial Statements

Assets	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Current	3,872	117
Non-current	105,854	22,836
Total Assets	109,726	22,953

Shareholders' Equity and Liabilities	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Current	2,467	903
Non-current	106,774	20,008
Shareholders' Equity	485	2,042
Total shareholders' equity and liabilities	109,726	22,953

Statement of Comprehensive Income	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Gross Margin	-632	-433
Income (loss) before taxes	-2,090	-822
Income tax expense (gain)	-533	-222
Net Income (loss)	-1,557	-600

Statement of Comprehensive Income	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Income (loss)	-1,557	-600
Total Other Income and Costs Charged or Credited to Shareholders' Equity	0	0
Total Comprehensive Income and Costs	-1,557	-600

Shareholders' Equity

Statement of changes in Equity	Issued Capital ThUS\$	Additional Paid in Capital ThUS\$	Other Shareholding Interest ThUS\$	Other Reserves ThUS\$	Retained Earnings ThUS\$	Minority Interest ThUS\$	Total Shareholders' Equity ThUS\$
Opening Balance as of January 1, 2021	460	0	0	2,352	-770	0	2,042
Changes in Shareholder's Equity	0	0	0	0	-1,557	0	-1,557
Final balance of current year as of December 31, 2021	460	0	0	2,352	-2,327	0	485

Statement of changes in Equity	Issued Capital ThUS\$	Additional Paid in Capital ThUS\$	Other Shareholding Interest ThUS\$	Other Reserves ThUS\$	Retained Earnings ThUS\$	Minority Interest ThUS\$	Total Shareholders' Equity ThUS\$
Opening Balance as of January 1, 2020	460	0	0	2,352	-170	0	2,642
Changes in Shareholder's Equity	0	0	0	0	-600	0	-600
Final balance of current year as of December 31, 2020	460	0	0	2,352	-770	0	2,042

Cash Flows

Statement of Cash Flows	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Net cash flows from (used in) operating activities	-580	0
Net cash flows from (used in) investment activities	-85,241	-10,550
Net cash flows from (used in) financing activities	85,828	10,550
Increase (decrease) in cash and cash equivalents, net	7	0
Effect of changes in exchange rates on cash and cash equivalents	0	0
Cash and Cash Equivalents, Statement of Cash Flows, Opening Balance	0	0
Cash and Cash Equivalents, Statement of Cash Flows, Closing Balance	7	0

Chile Renovables SpA

Summary Financial Statements

Assets	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Current	3,060	0
Non-current	120,752	0
Total Assets	123,812	0
Shareholders' Equity and Liabilities	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Current	1,427	0
Non-current	9,584	0
Shareholders' Equity	112,801	0
Total shareholders' equity and liabilities	123,812	0
Statement of Comprehensive Income	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Gross Margin	1,889	0
Income (loss) before taxes	1,282	0
Income tax expense (gain)	423	0
Net Income (loss)	859	0
Statement of Comprehensive Income	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Income (loss)	859	0
Total Other Income and Costs Charged or Credited to Shareholders' Equity	0	0
Total Comprehensive Income and Costs	859	0

Shareholders' Equity

Statement of changes in Equity	Issued Capital ThUS\$	Additional Paid in Capital ThUS\$	Other Shareholding Interest ThUS\$	Other Reserves ThUS\$	Retained Earnings ThUS\$	Minority Interest ThUS\$	Total Shareholders' Equity ThUS\$
Opening Balance as of January 1, 2021	10	0	0	0	0	0	10
Changes in Shareholder's Equity	115,599	0	0	-3,749	859	82	112,791
Final balance of current year as of December 31, 2021	115,609	0	0	-3,749	859	82	112,801

Statement of changes in Equity	Issued Capital ThUS\$	Additional Paid in Capital ThUS\$	Other Shareholding Interest ThUS\$	Other Reserves ThUS\$	Retained Earnings ThUS\$	Minority Interest ThUS\$	Total Shareholders' Equity ThUS\$
Opening Balance as of January 1, 2020	0	0	0	0	0	0	0
Changes in Shareholder's Equity	0	0	0	0	0	0	0
Final balance of current year as of December 31, 2020	0	0	0	0	0	0	0

Cash Flows

Statement of Cash Flows	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Net cash flows from (used in) operating activities	3,957	0
Net cash flows from (used in) investment activities	822	0
Net cash flows from (used in) financing activities	-3,529	0
Increase (decrease) in cash and cash equivalents, net	1,250	0
Effect of changes in exchange rates on cash and cash equivalents	-128	0
Cash and Cash Equivalents, Statement of Cash Flows, Opening Balance	0	0
Cash and Cash Equivalents, Statement of Cash Flows, Closing Balance	1,122	0

Empresa Eléctrica Angamos SpA

Summary Financial Statements

Assets	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Current	152,243	107,184
Non-current	82,983	629,603
Total Assets	235,226	736,787
Shareholders' Equity and Liabilities	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Current	105,276	628,158
Non-current	125,980	131,382
Shareholders' Equity	3,970	-22,753
Total shareholders' equity and liabilities	235,226	736,787
Statement of Comprehensive Income	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Gross Margin	473,442	421,918
Income (loss) before taxes	265,561	-101,981
Income tax expense (gain)	71,661	-27,477
Net Income (loss)	193,900	-74,504
Statement of Comprehensive Income	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Income (loss)	193,900	-74,504
Total Other Income and Costs Charged or Credited to Shareholders' Equity	4,492	8,329
Total Comprehensive Income and Costs	198,392	-66,175

Shareholders' Equity

Statement of changes in Equity	Issued Capital ThUS\$	Additional Paid in Capital ThUS\$	Other Shareholding Interest ThUS\$	Other Reserves ThUS\$	Retained Earnings ThUS\$	Minority Interest ThUS\$	Total Shareholders' Equity ThUS\$
Opening Balance as of January 1, 2021	59,344	1,125	0	-8,717	-74,505	0	-22,753
Changes in Shareholder's Equity	-59,343	0	0	4,492	81,574	0	26,723
Final balance of current year as of December 31, 2021	1	1,125	0	-4,225	7,069	0	3,970

Statement of changes in Equity	Issued Capital ThUS\$	Additional Paid in Capital ThUS\$	Other Shareholding Interest ThUS\$	Other Reserves ThUS\$	Retained Earnings ThUS\$	Minority Interest ThUS\$	Total Shareholders' Equity ThUS\$
Opening Balance as of January 1, 2020	79,344	1,125	0	-17,046	10,812	0	74,235
Changes in Shareholder's Equity	-20,000	0	0	8,329	-85,317	0	-96,988
Final balance of current year as of December 31, 2020	59,344	1,125	0	-8,717	-74,505	0	-22,753

Cash Flows

Statement of Cash Flows	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Net cash flows from (used in) operating activities	-98,688	852,138
Net cash flows from (used in) investment activities	118,854	-299,504
Net cash flows from (used in) financing activities	-53,814	-538,566
Increase (decrease) in cash and cash equivalents, net	-33,648	14,068
Effect of changes in exchange rates on cash and cash equivalents	-208	-521
Cash and Cash Equivalents, Statement of Cash Flows, Opening Balance	39,297	25,750
Cash and Cash Equivalents, Statement of Cash Flows, Closing Balance	5,441	39,297

Empresa Eléctrica Cochrane SpA

Summary Financial Statements

Assets	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Current	154,425	111,675
Non-current	912,483	953,360
Total Assets	1,066,908	1,065,035
Shareholders' Equity and Liabilities	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Current	140,184	86,643
Non-current	824,193	849,644
Shareholders' Equity	102,531	128,748
Total shareholders' equity and liabilities	1,066,908	1,065,035
Statement of Comprehensive Income	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Gross Margin	100,928	111,546
Income (loss) before taxes	37,242	57,721
Income tax expense (gain)	10,055	14,555
Net Income (loss)	27,187	43,166
Statement of Comprehensive Income	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Income (loss)	27,87	43,166
Total Other Income and Costs Charged or Credited to Shareholders' Equity	4,496	2,679
Total Comprehensive Income and Costs	31,683	45,845

Shareholders' Equity

Statement of changes in Equity	Issued Capital ThUS\$	Additional Paid in Capital ThUS\$	Other Shareholding Interest ThUS\$	Other Reserves ThUS\$	Retained Earnings ThUS\$	Minority Interest ThUS\$	Total Shareholders' Equity ThUS\$
Opening Balance as of January 1, 2021	110,876	34,520	0	-59,814	43,166	0	128,748
Changes in Shareholder's Equity	0	0	0	4,496	-30,713	0	-26,217
Final balance of current year as of December 31, 2021	110,876	34,520	0	-55,318	12,453	0	102,531

Statement of changes in Equity	Issued Capital ThUS\$	Additional Paid in Capital ThUS\$	Other Shareholding Interest ThUS\$	Other Reserves ThUS\$	Retained Earnings ThUS\$	Minority Interest ThUS\$	Total Shareholders' Equity ThUS\$
Opening Balance as of January 1, 2020	204,868	34,520	0	-62,493	23,278	0	200,173
Changes in Shareholder's Equity	-93,992	0	0	2,679	19,888	0	-71,425
Final balance of current year as of December 31, 2020	110,876	34,520	0	-59,814	43,166	0	128,748

Cash Flows

Statement of Cash Flows	31-12-2021 ThUS\$	31-12-2020 ThUS\$
Net cash flows from (used in) operating activities	144,358	150,262
Net cash flows from (used in) investment activities	-2,225	-2,800
Net cash flows from (used in) financing activities	-156,838	-168,039
Increase (decrease) in cash and cash equivalents, net	-14,705	-20,577
Effect of changes in exchange rates on cash and cash equivalents	-1,236	-255
Cash and Cash Equivalents, Statement of Cash Flows, Opening Balance	26,286	47,118
Cash and Cash Equivalents, Statement of Cash Flows, Closing Balance	10,345	26,286

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