

# 2023 INTEGRATED REPORT



**NAME:**

ENGIE ENERGÍA CHILE S.A.

**REGISTERED OFFICES:**

LAS CONDES, SANTIAGO, CHILE.

**TAXPAYER IDENTIFICATION NUMBER:**

88.006.900-4

**TYPE OF ENTITY:**

OPEN CORPORATION.

**SECURITIES REGISTRATION NUMBER:**

273 OF JULY 23, 1985.

**EXTERNAL AUDITORS:**

EY SERVICIOS PROFESIONALES DE AUDITORÍA Y ASESORÍAS SPA.

**EXTERNAL LEGAL COUNSEL:**

PRIETO ABOGADOS SpA.

**OFFICES:****MAIN OFFICE:**

ISIDORA GOYENCHEA 2800, 16th FLOOR, LAS CONDES, SANTIAGO, CHILE.

**IN ANTOFAGASTA:**

RÓMULO PEÑA 4008, ANTOFAGASTA, CHILE. PHONE: (56-55) 642 900

FAX: (56-55) 642 979

**MEJILLONES THERMAL POWER COMPLEX:**

CAMINO A CHACAYA 3910, MEJILLONES, CHILE.

PHONE: (56-55) 658 100

FAX: (56-55) 658 099

**TOCOPILLA THERMAL POWER COMPLEX:**

AVDA. DR. LEONARDO GUZMÁN 0780, TOCOPILLA, CHILE.

PHONE: (56-55) 819 176

**ARICA DIESEL-FIRED PLANT:**

AVDA. SANTA MARÍA 2251, ARICA, CHILE. PHONE: (56-58) 241 109

**WEBSITE:**

[www.engie-energia.cl](http://www.engie-energia.cl)

**INVESTOR RELATIONS:****MARCELA MUÑOZ LAGOS**

[marcela.munoz@engie.com](mailto:marcela.munoz@engie.com)

[inversionistas@engie.com](mailto:inversionistas@engie.com)

**SUSTAINABILITY**

[matias.bernales@engie.com](mailto:matias.bernales@engie.com)



# ABOUT THIS REPORT

We want to use this report to share the main advancements in our growth and value creation strategy with our stakeholders and society in general, and how we are managing our social and environmental impacts.

This report was written in consideration of the opinion of our stakeholders so that we respond directly to their material *issues and* concerns. It also meets the requirements in General Rule (GR) 461 of the Financial Market Commission, including the indicator for Electric Utilities & Power Generators of the Sustainability Accounting Standards Board (SASB) and the Standards of the Global Reporting Initiative (GRI).

The different areas and units of the company responsible for providing and validating the contents have actively participated.

Additionally, we are publishing the 2023 Financial Statements in this document, which can also be found on our website: <https://engieenergia.cl/inversionistas/>.

## We recommend reading about:

- Progress in the Decarbonization Plan:** Our renewable energy installed capacity went from 1% to more than 30% in five years; our Coya BESS storage system began operation; we announced that our coal-fired IEM power plant in Mejillones will begin to use gas in 2026.
- New Strategic Balancing Plan:** This is a new proposal that prioritizes our efforts in the coming years to balance our portfolio hand in hand with the development of new renewable sources.
- Carbon Footprint:** We were again able to reduce it, which is progress toward our goal of reaching Net Zero Carbon by 2045.
- Green Financing:** These instruments, which reward the sustainability of businesses, accounted for 80% of our investments in renewable generation at the close of 2023.
- Proposals for a sustainable energy transition in Chile:** We designed and shared proposals on the conditions most appropriate for an energy market based on renewable energy.
- Diversity and Inclusion:** We incorporated short- and medium-term goals and launched innovative initiatives to increase the number of women in all roles.
- Occupational Health and Safety:** We launched a new strategy and have gone one year without any lost-time accidents.
- Suppliers:** We made an alliance with Huella Chile (translated as Chile's Footprint) to invite our suppliers to measure their carbon footprint.
- Territorial Management:** We launched a program to promote Science, Technology, Engineering and Mathematic (STEM) skills in Chiloé.



2016



2017



2018



2019



2020



2021



2022

# MESSAGE TO STAKEHOLDERS

This is our Integrated Report on the 2023 fiscal year. In this document, we explain the results of our economic performance and the progress in our ESG commitments that we strengthen each year by new initiatives that create value and contribute to the Sustainable Development Goals (SDGs). This year was one of great milestones for our company, which will be explained by Aníbal Prieto, Chairman of the Board of Directors of Engie Energía Chile, and by Rosaline Corinthien, our CEO.

## WHAT IS THE STATUS OF THE ENERGY TRANSITION IN CHILE?

**Aníbal Prieto.** The transition is being heavily impacted by the changes caused by the invasion of the generation market by renewable energy. Renewable energy must be urgently addressed if we want to move towards a sustainable, socially affordable and equitable energy transition in line with the major agreements adopted at the COP 28 in Dubai to become Carbon Neutral by 2050.

In 2023, because of our broad sense of responsibility, we proposed, as energy transition leaders, solutions to the authority and the different industry actors to accompany the transition, and we presented proposals for the planning and design of the new energy market taking shape in Chile.

## IN ITS PROPOSAL, ENGIE IS EMPHASIZING THE IMPORTANCE OF MAKING A SAFE ENERGY TRANSITION. WHAT DOES THAT MEAN?

**Rosaline Corinthien.** We have made three proposals to facilitate a responsible energy transition by the National Grid. The first proposal relates to gas, a fundamental element in flexible generation capable of providing stability and security to the system while renewable energy and energy storage are consolidating. We have requested studies that predict that as much as 12 TWh of natural gas-fired electricity generation will be needed each year to safely replace coal and simultaneously reduce greenhouse gas emissions (GHGs).

Our proposal is that specific regulatory signs be given to guarantee that gas assets fulfill their essential purpose over the next 10 years, and based on that, we can make the required investment decisions.

That same clarity is required to mobilize resources to build energy storage solutions, which is our second proposal. Solar and wind energy depend on the weather and time of the day, so it is indispensable to have battery systems that assure supply, which will move renewable generation to the nighttime when power generation is basically from fossil fuels. Our third proposal is on the need to speed up the expansion of the power transmission systems, so it is a priority to shorten the permit issuance times, among other solutions.

Additionally, we propose beginning the task of planning and designing as soon as possible the model of the future electricity market that the country needs. Using what is occurring in other countries as the benchmark and taking advantage of the ENGIE Group's experience, we are proposing moving towards an electricity market where the short-term sales model is based on supply, instead of the actual cost-based model that is more akin to a thermal generation market.

“Our Group has defined Chile as one of its countries strategic to the energy transition and it has committed to investing USD 1.8 billion here by 2027.”

**Rosaline Corinthien,**

CEO  
ENGIE Energía Chile





## HOW IS ENGIE ADVANCING IN THIS SCENARIO?

**Aníbal Prieto.** We proposed accelerating our investments in renewable energy.

As a result, after five years, renewable energy is, today, practically the second energy source in our installed capacity, going from 1% to 32%, from Arica to Region of Los Lagos. This expansion has been accompanied by a strengthening of our engagement plans so that we address the requirements of, and manage our impacts on, communities.

I believe it is important to highlight that we have accomplished a good part of this expansion via ESG-based financing that includes conditions on emission reductions, biodiversity and other social factors that guarantee our commitment to sustainability. In 2023, we closed the most recent loan for USD 400 million with the World Bank's IFC.

**Rosaline Corinthien.** The next five years will be even more intense. Our Group has defined Chile as one of its countries strategic to the energy transition and it has committed to investing USD 1.8 billion here by 2027, which accounts for around 15% of ENGIE's renewable energy investments worldwide.

Our ambition is to increase our renewable energy installed capacity to 2 GW by 2028. 342 MW are currently under construction, namely the Lomas de Taltal Wind Farm, to which we will add 1.3 GWh per day of energy storage backed by our battery energy storage systems (BESS) that will begin to operate in 2022 at Coya BESS (storage capacity of 638 MWh), followed by Tamaya BESS (storage capacity of 418 MWh), and Capricornio BESS (storage capacity of 264 MWh).

“In 2023, we presented proposals for the planning and design of the new energy market taking shape in Chile.”

**Aníbal Prieto,**

Chairman, Board of Directors of  
ENGIE Energía Chile

We will simultaneously begin to close the CTM1 and CTM2 units at Mejillones (334 MW), foreseen for December 31, 2025, and we will begin the work to convert coal-firing to gas-firing at the IEM Power Plant so that it is operative by 2026. We will do all this while maintaining the high availability of our gas-fired units to ensure the supply commitments to our customers.



To take on this grand deployment, we designed a new Strategic Adaptation Plan for the period 2023-2028 that we are internally calling the Balancing. This plan has an important organizational component so that we ensure that our teams have the knowledge and skills needed to handle the tasks, together with focusing our efforts toward balancing our portfolio.

### **THERE WERE ALSO ADVANCES IN ESG MATTERS. WHAT ARE THE MOST IMPORTANT ONES?**

**Anibal Prieto.** This year we began to implement the guidelines of our new Diversity Policy, Be.U@ENGIE. We added short- and medium-term goals to speed up the inclusion of more women to our organization – from the actual 23%, we want women to make up 30% of all employees by 2025 – and to expand their share of executive roles.

We set up our first Health and safety Vigilance Committee that forms part of our Duty of Vigilance Plan according to the highest standards of French law, and we have gone one year with no serious lost-time accidents. This work will be reinforced by the implementation of the

One Safety program that the Group is deploying globally to eradicate fatalities and serious accidents.

**Rosaline Corinthien.** We reduced close to 50% of our Scope 1 CO2 emissions compared to 2022, mainly by closing units 14 and 15 that year, by the improvement in hydrology and the unavailability of some of our thermal assets. We also designed a proposal to invite our suppliers and contractors to measure their emissions through an alliance with Huella Chile. And we received Sustainable Energy Transition (SET) Label certification, the first company in Latin America to receive it, which supports our way of working. Additionally, we were named for the first time one of the 100 companies with the best corporate reputation in





Chile according to the Merco ranking. We are closely managing our main ESG indicators using our Balanced Scorecard.

#### **WHAT ARE THE CHALLENGES ON THE HORIZON FOR 2024?**

**Rosaline Corinthien.** We will continue working towards our commitment to exit coal-based energy by 2025 and endeavoring to balance the portfolio through the development of new renewable energy projects, especially in the central-south zone of the country, with a specific emphasis on BESS and new technologies that make the grid flexible.

We will persevere in our diversity goals, and add new priority groups. We will continue progressing in our Fair Transition Plan, focused on Mejillones,

together with the teams working at our thermal units and with the community.

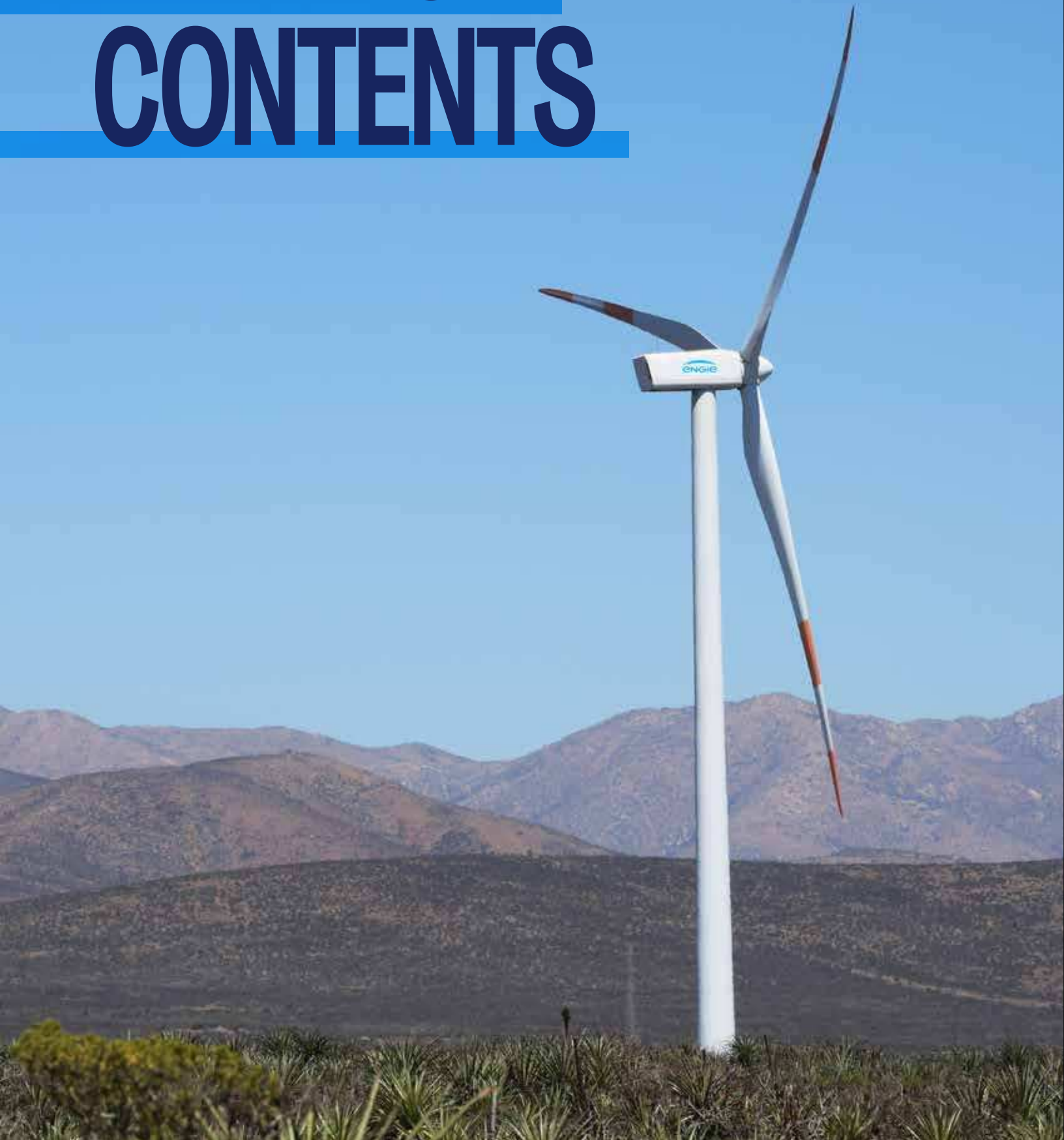
In 2024, we will also actively participate in regulatory discussions and debate on the design of an electricity market model that will lay the foundations for the transition to a completely renewable energy market in the future.

**Aníbal Prieto.** The energy transition will be a success only if a fair distribution of the associated benefits and costs is assured. It is essential that we pay attention to our stakeholders, employees, territories, customers, shareholders and suppliers. This objective will guide our efforts in 2024.

We would like to thank everyone working at ENGIE Energía Chile because we will achieve each of our goals thanks

to their professionalism. We also want to thank our suppliers and contractors who are joining our commitments to sustainability, and the communities with which we engage, who honor us with their trust. We will, therefore, continue moving forward to help Chile attain the most prosperous and sustainable development.

# TABLE OF CONTENTS





10

## WE ARE ENGIE ENERGÍA CHILE

1.1 ENGIE Energía Chile at a Glance **12** / 1.2 Goals, Certifications and Alliances **16**  
1.3 Our Operations **17** / 1.4 Creating Value **18** / 1.5 Our History and ESG Progress in 2023 **20**  
1.6 Our Industry **22**

24

## GOVERNANCE

2.1 Governance Structure **26** / 2.2 Corporate Ethics and Compliance **27** / 2.3 Human Rights and Due Diligence **30** / 2.4 Handling Conflicts of Interest and Internal Auditing **34** / 2.5 Sustainability Approach **35**  
2.6 Reputation Management **37** / 2.7 Stakeholders **38** / 2.8 Managing Our Impacts **40** / 2.9 Board of Directors and Senior Management **42**

52

## PERFORMANCE

3.1 Our Strategy **54** / 3.2 Business Performance **68**

86

## PEOPLE

4.1 Occupational Health and Safety **88** / 4.2 People Management **97** / 4.3 Community Engagement **114**  
4.4 Supplier Management **122**

126

## THE PLANET

5.1 Emissions **128** / 5.2 Biodiversity **133** / 5.3 Waste Management **136** / 5.4 Water **139**

142

## RISK MANAGEMENT

6.1 Risk Management Model **144** / 6.2 Risk Factors **148**

170

## LEGAL INFORMATION

7.1 Legal Information **172** / 7.2 Directors Committee Report **183** / 7.3 Material Disclosures **187**  
7.4 Summary of Comments and Proposals by Shareholders and the Directors Committee **187**  
7.5 Corporate Organization Chart **188** / 7.6 Subsidiaries and Associates **190**

198

## METHODOLOGY, INDICES AND APPENDICES

8.1 GRI Scope and Methodology **200** / 8.2 GRI Index **202** / 8.3 GR 461 Index **208**  
8.4 Legal and Regulatory Compliance Indicators **212** / 8.5 SASB Standards Index **214** / 8.6 Table Appendices **218**

232

## FINANCIAL STATEMENTS

Financial Statements **234** / Statement of Liability **349**



# CHAPIQUIÑA HYDROELECTRIC POWER PLANT

## LOCATION

Region of Arica and Parinacota

**10.2 MW**

Installed capacity







# WE ARE ENGIE ENERGÍA CHILE

**1.1** ENGIE Energía Chile at a Glance / **1.2** Goals, Certifications and Alliances  
**1.3** Our Operations / **1.4** Creating Value / **1.5** Our History and ESG Progress in 2023  
**1.6** Our Industry

# 1.1 ENGIE ENERGÍA CHILE AT A GLANCE

We have been contributing to the nation's energy development for more than 100 years through our main business units:

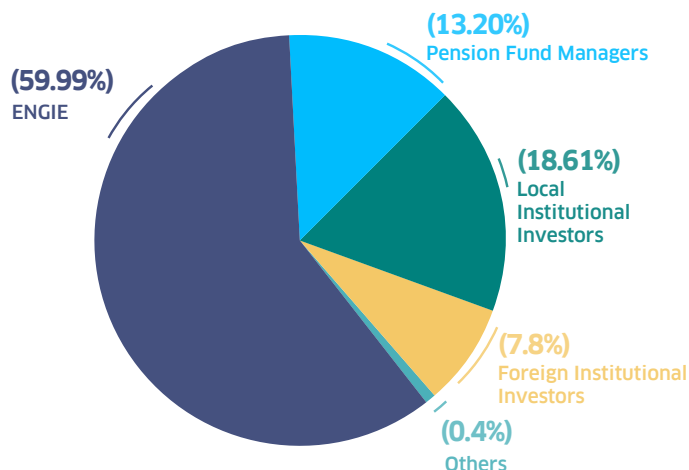
**power generation, transmission and supply, and natural gas transportation.**

ENGIE at Group level has set a goal of reaching Net Zero Carbon throughout its entire value chain (scope 1,2 and 3) by 2045, following a "well-below 2 degress" trajectory certified by Science Based Target initiative (SBTi) in february 2023. As part of this strategic goal we have proposed leading a responsible, affordable and reliable Energy Transition in Chile as part of that goal, in line with Climate Action (SDG 13) to combat the effects of climate change. We are part of the ENGIE Group, a global energy actor who is a driving force behind renewable energy and a pioneer in pushing for a safe Energy Transition in the world via an expansion in renewable energy and gas.

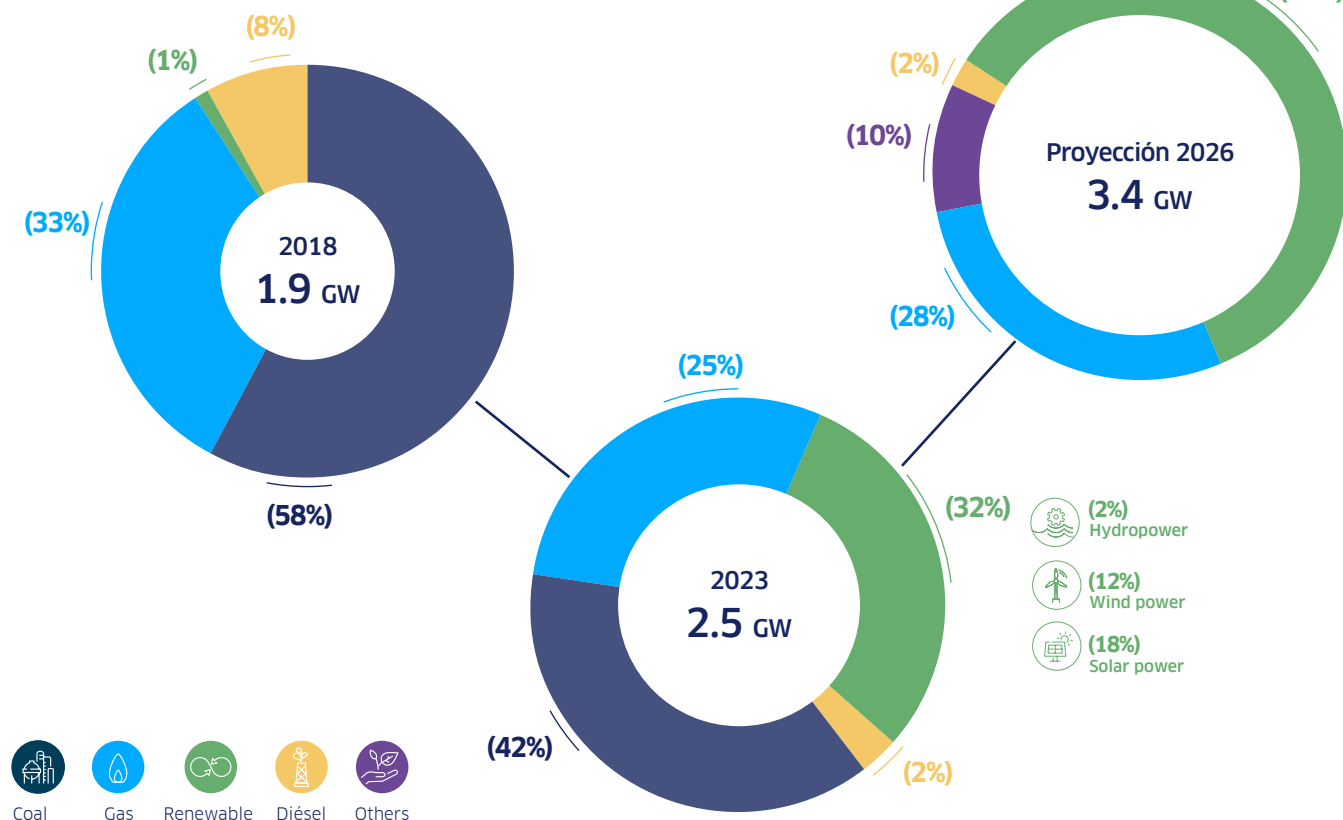
The ENGIE Group holds a 60% controlling interest. The remaining 40% is distributed among pension funds (AFP, as abbreviated in Spanish) and local and foreign institutional investors.

## OWNERSHIP INTERESTS

as of December 31, 2023



## OUR INSTALLED CAPACITY: 2018 TO 2026



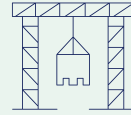



**4<sup>th</sup>**
**Largest Power Generator**

2.5 GW installed capacity  
0.9 GW renewable generation  
12 TWh in contracts  
5% market share


**3<sup>ed</sup>**
**Largest Power Transmitter**

2,409 kms of transmission lines  
32 substations -1,032 MVA  
600 km of TEN S.A


**2**
**Seaports**

Port Tocopilla  
Port Andino


**1,060 km**
**of natural gas pipelines**

### PERFORMANCE

**12,072 GWh**
**Energy sales**
**MUSD 2.193**
**Operating income**
**MUSD 403**
**EBITDA**
**MUSD (411)**
**Fiscal year loss**

### PEOPLE


**1,005**
**Employees**

231 Women  
774 Men


**27%**
**women in  
management position**

**96%**
**of employees received  
training in 2023.**
**0**
**Fatalities and  
serious lost-time  
accidents**
**MUSD 1.2**
**in social investment**
**+ 42,000**
**People directly  
benefitted**
**+200**
**Suppliers evaluated  
according to ESG  
standards**

### PLANET

**43%**

was the drop in our  
CO2eq emissions in  
2023 compared to  
2022

**1.9**

Mt CO2eq  
of direct emissions,  
-47% compared to 2022

**793**

hours of talks on  
ethics in 2023

### GOVERNANCE

Sustainable Energy  
**Transition (SET) Label  
Certification**

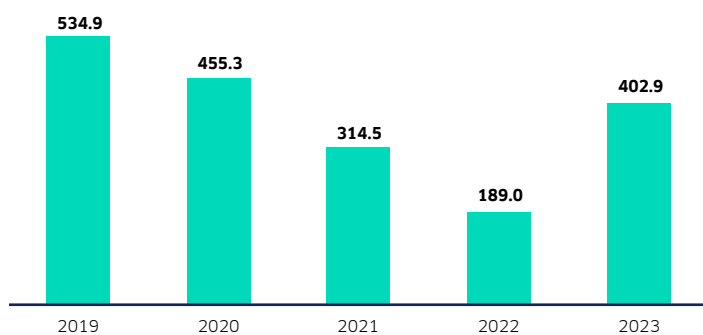
## 1.1.1 FINANCIAL PERFORMANCE

ENGIE Energía Chile held the following ratings as of December 31, 2023:

| INTERNATIONAL RISK RATING | SOLVENCY | OUTLOOK |                    |
|---------------------------|----------|---------|--------------------|
| Standard and Poor's       | BBB      | Stable  |                    |
| Fitch Ratings             | BBB      | Stable  |                    |
| INTERNATIONAL RISK RATING | SOLVENCY | OUTLOOK | SHARES             |
| Feller - Rate             | AA-      | Stable  | 1st Class, Level 2 |
| Fitch Ratings             | AA-      | Stable  | 1st Class, Level 2 |

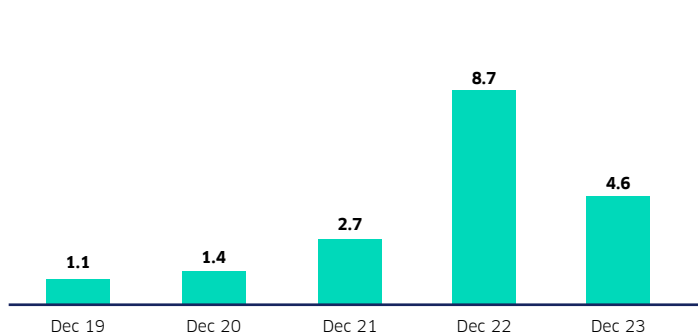
### EBITDA

IN MUSD



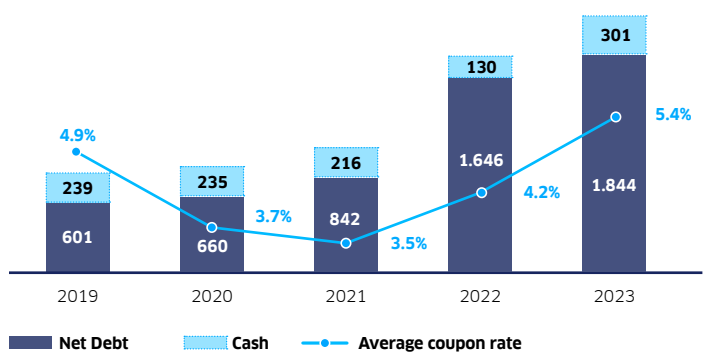
### NET DEBT / EBITDA

EXCLUDING IFRS 16-LEASES

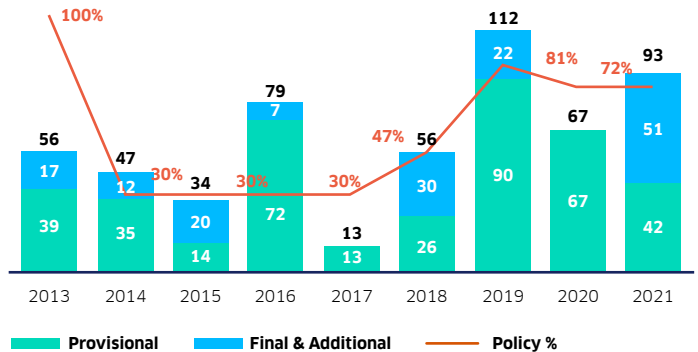


### INDEBTEDNESS

IN MUSD as of 12/31/2023

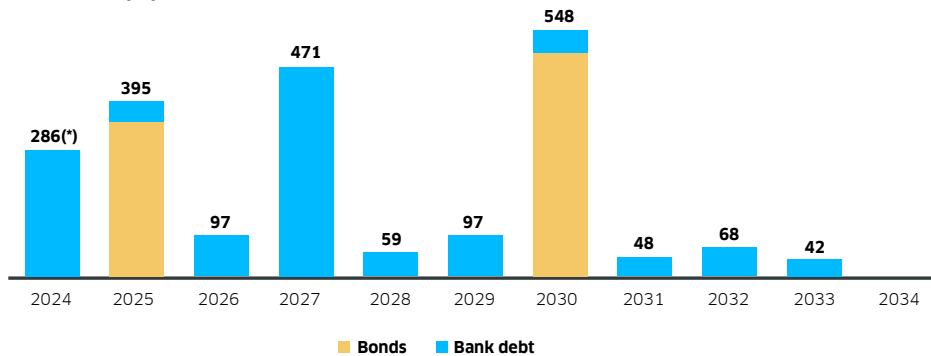


### DIVIDENDS PAID (MUSD)



## DEBT MATURITY PROFILE

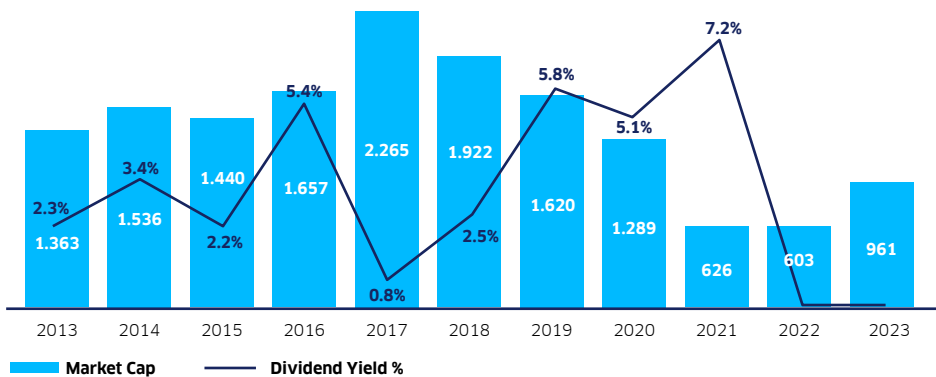
IN MUSD as of 12/31/2023



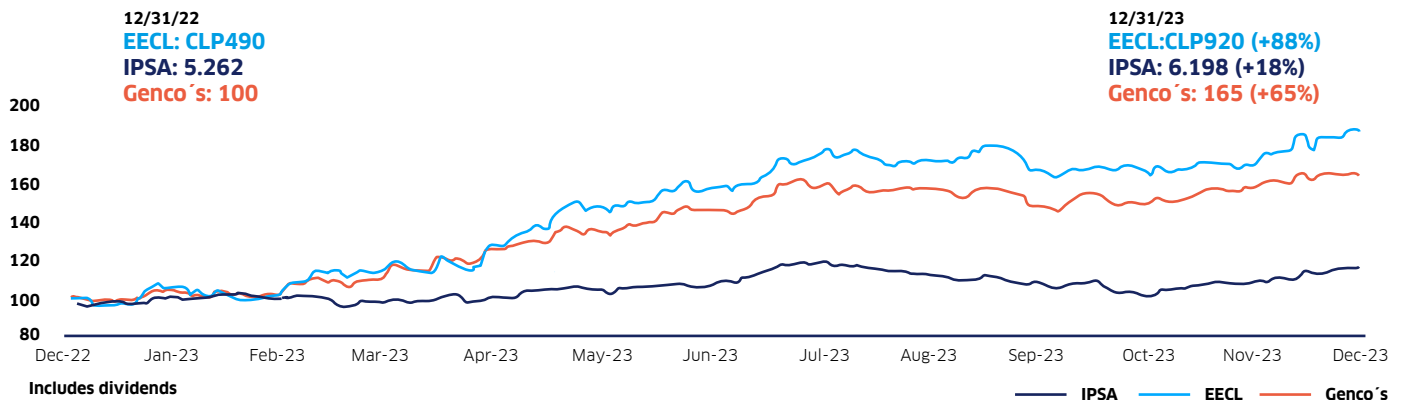
(\*)A loan for MUSD 50 was received in January 24, expiring in 2026, and a prepayment of MUSD 30 was made.



## MARKET CAPITALIZATION/PROFIT PER DIVIDEND



## STOCK PRICE TREND



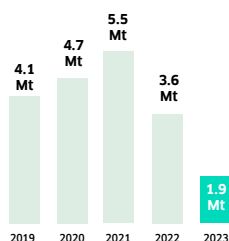
# 1.2 ESG GOALS, CERTIFICATIONS AND ALLIANCES

## ESG GOALS

### MITIGATE CLIMATE CHANGE

**GHG Emissions**  
from energy production (Scope 1)

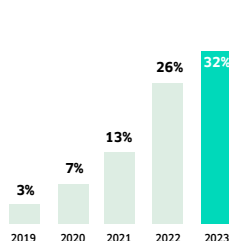
**2030**  
GOAL OF THE  
ENGIE GROUP  
43 Mt



### RENEWABLE ENERGY

**Renewable energy share**  
of total installed capacity

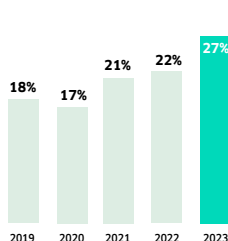
**2030**  
GOAL OF THE  
ENGIE GROUP  
58%



### GENDER BALANCE

**Gender Diversity**  
% of women in managerial positions

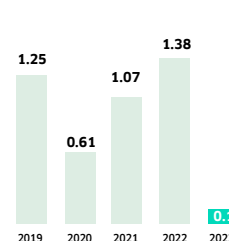
**2030**  
GOAL OF THE  
ENGIE GROUP  
40%



### OCCUPATIONAL HEALTH AND SAFETY

**Frequency Rate**  
Lost-time accidents

**2030**  
GOAL OF THE  
ENGIE GROUP  
≤2.3



## CERTIFICATIONS AND ALLIANCES

### CORPORATE COMMITMENTS



The Group's Goal of Net Zero Carbon by 2045 is certified by the **Science Based Target Initiative (SBTi)**



EECL's risk assessments adopts **TCFD Recommendations** (Task Force on Climate-Related Financial Disclosures)



ENGIE Group is part of the **UN Global Compact**, an assessment platform for businesses' sustainability rating

### EECL "ESG" CERTIFICATIONS



**SET Label** certified that our project development and operation is aligned with our sustainable energy transition goal



**EDGE Certification** sets the leading global standard for Workplace Diversity, Equity, and Inclusion



**ECOVADIS** is the largest global sustainability rating platform  
**2023:** Gold Medal 75/100 97th percentile



**ISO 40001** Environmental Management Systems  
**ISO 50001** Energy Management

### EECL "ESG" RANKINGS & INITIATIVES IN LOCAL INDUSTRY



Assessment platform that measures the sustainable development level of **acción empresas** members  
**2023:** EECL 63.99% > Avg. 61.58%



Sustainability Index for companies based on 6 criteria  
**2023:** 95% compliance with the IDES standard



Ranking of 100 businesses with best reputation in Chile, focusing on ESG responsibility  
**2023:** EECL placed 90th (first time making it into the ranking)

### SUSTAINABLE PROCUREMENT



**Sustainable Procurement<sup>1</sup>**  
+25 local strategic suppliers participate in the program with focus on raising awareness on sustainability and climate change matters



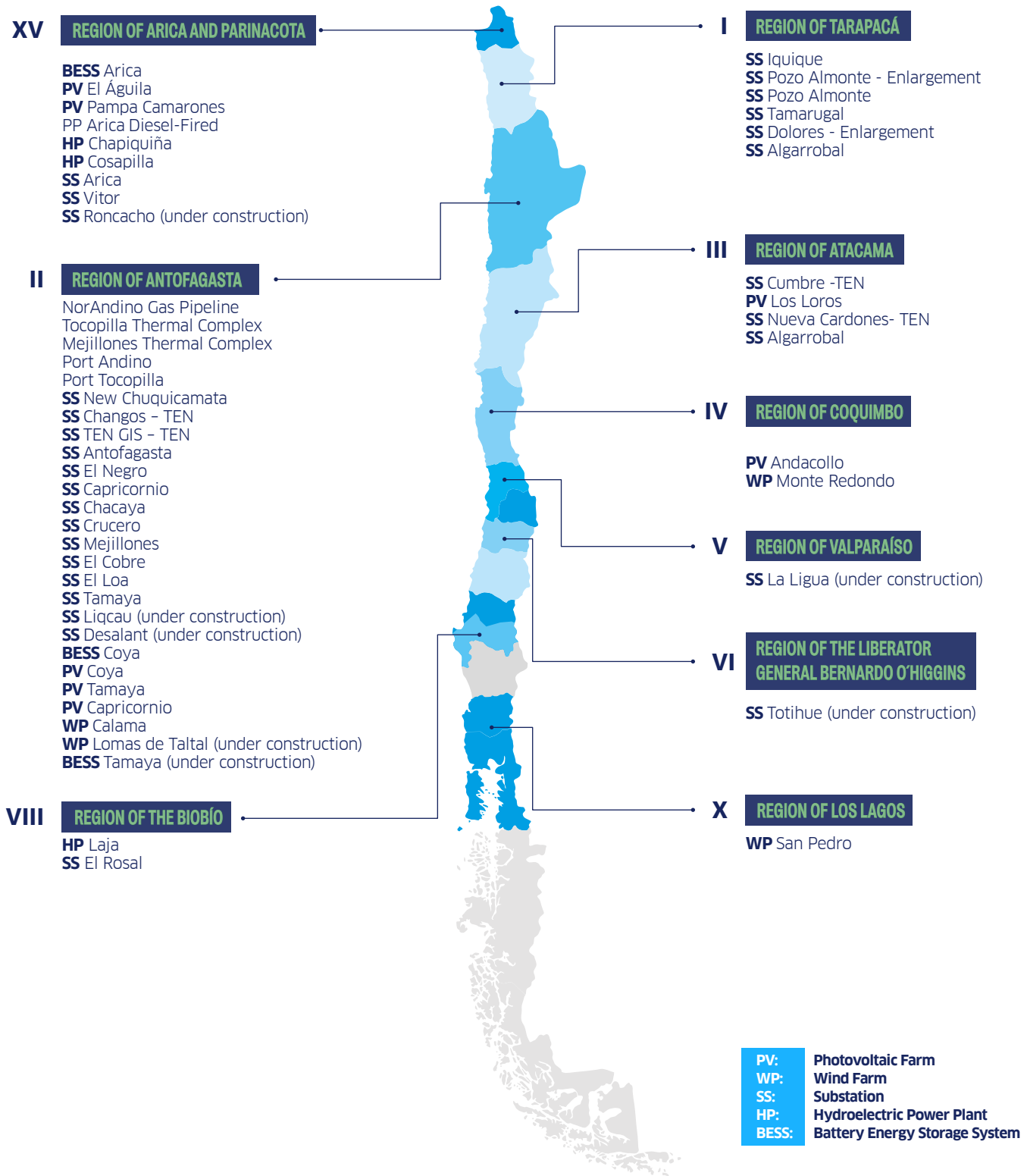
**Carbon footprint accounting training**  
Local suppliers trained in carbon footprint accounting. Commitment led by EECL obtaining the label of HuellaChile for 2022

(1) ENGIE is committed to supporting its top 250 preferred suppliers (excluding energy purchase) on their decarbonization pathway.



# 1.3 OUR OPERATIONS

Our installed capacity of 2.5 GW and transmission services are deployed from the Region of Arica and Parinacota to the Region of Los Lagos. Port Andino and Port Tocopilla are located in the Region of Antofagasta, as is the NorAndino gas pipeline.



# 1.4 CREATING VALUE

We have designed a growth strategy aligned to our purpose of creating value for all our stakeholders.

## OUR RESOURCES

At the close of the 2023 fiscal year

### Financial capital (in MUSD)

- **USD 1.386** equity.
- **USD 301.3** cash and cash equivalents
- **USD 1.844** net debt.
- **4.6 ratio of** net debt/EBITDA.
- **USD 945** of ESG-based loans that have financed 80% of the investment in renewable energy.

### Industrial capital (in MUSD)

- **USD 534.6** total investment in fixed assets.
- **USD 37.9** maintenance CAPEX.
- **2.5 GW** installed capacity.

### Human and social capital

- **1,005** employees.
- **MUSD 1.2** social investment in 2023.

## OUR WAY OF WORKING

**Simplify**  
and refocus our organization toward our three business units.

**Adapt**  
our organization via a strengthened industrial approach.

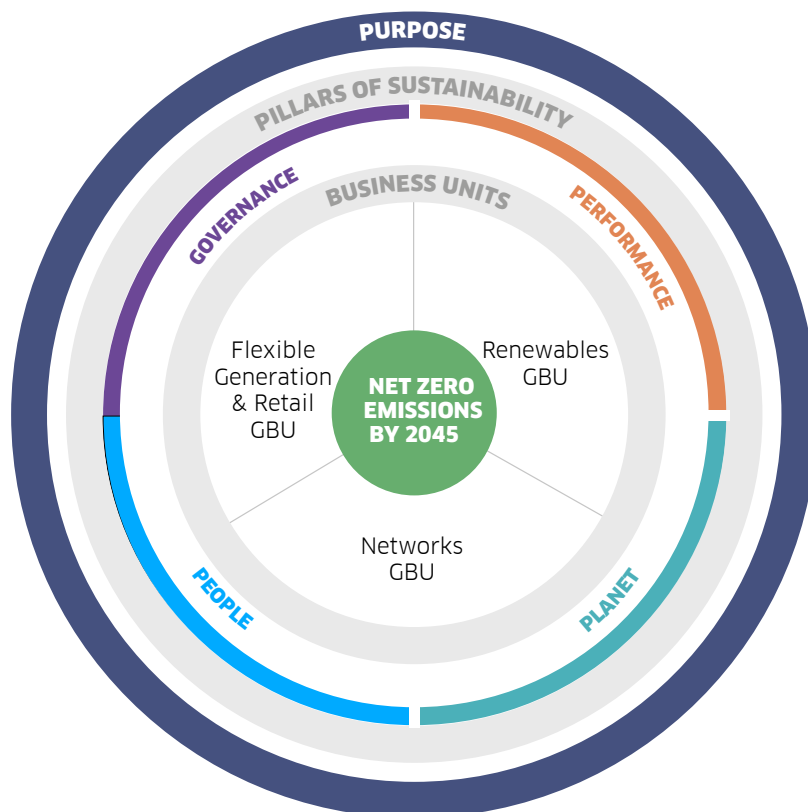
**Strengthen**  
our commitment to the energy transition to achieve Net Zero Carbon by 2045.










**Accelerate**  
our investments in renewable energy and energy infrastructure.

## PURPOSE

Take action to accelerate the transition to a carbon-neutral economy by reducing energy consumption and providing solutions more respectful of the environment.

## OUR SUSTAINABILITY-FOCUSED



| CREATING VALUE  | OUR GOALS   | SDG   |
|---|---|---|
| <b>People</b><br><b>Diversity</b> <ul style="list-style-type: none"> <li>• 22% of employees are women</li> <li>• 27% of women are in leadership positions</li> <li>• 45% of managerial positions have been filled by women.</li> <li>• First female CEO of our company.</li> <li>• Policies that promote Diversity and Inclusion – Be.U@ENGIE – and protect equal pay</li> <li>• Benefits plans include initiatives that promote co-responsibility in families</li> </ul> | 30% of employees are women as of 2025;<br>45% of recruits in hiring processes must be women | <br><br> |
| <b>Occupational Safety</b> <ul style="list-style-type: none"> <li>• Frequency Rate: 0.1 (number of injured per million hours worked by all employees) in 2023</li> <li>• Plans to safeguard mental health</li> </ul>  | No fatalities or serious accidents  |   |
| <b>Community Engagement</b> <ul style="list-style-type: none"> <li>• Engagement Model</li> <li>• Presence in 16 municipalities</li> </ul>   | 100% of operations and projects have a social engagement strategy                           | <br>  |
| <b>Supply Chain</b> <ul style="list-style-type: none"> <li>• System of supplier evaluation according to ESG standards</li> <li>• Promotion of sustainability</li> <li>• Preferential terms of payment for SMBs</li> </ul>   |   |   |
| <b>Planet</b> <ul style="list-style-type: none"> <li>• Total emissions of MtCO2eq in 2023: 3.2 (tCO2 eq), -55% compared to 2022</li> </ul>  | Net Zero Emissions by 2045 (target certified by Science Based Target Initiative, SBTi)      |    |
| <ul style="list-style-type: none"> <li>• 32% of installed capacity is renewable energy</li> </ul>   | 2 GW of installed capacity is green energy by 2026-2027                                     |    |
| <ul style="list-style-type: none"> <li>• More than 400 MW of coal-fired installed capacity have been disconnected</li> </ul>  | 100% of the coal-fired units are disconnected by 2025                                       |   |
| <ul style="list-style-type: none"> <li>• Biodiversity plans for operative renewable energy units</li> </ul>   |   |    |
| <ul style="list-style-type: none"> <li>• Program encouraging suppliers to measure their carbon footprint</li> </ul>   | Abordar el 100% de los contratos estratégicos   |   |
| <b>Performance</b> <ul style="list-style-type: none"> <li>• Operating income: MUSD 2.193</li> <li>• Energy sales: MUSD 12.072</li> <li>• 9 years is the average period remaining of power purchase agreements</li> </ul>  |   |   |
| <b>Governance</b> <ul style="list-style-type: none"> <li>• Human Rights, Occupational Safety, Environment and Supply Chain Duty of Vigilance Plan</li> <li>• Due Diligence Policies</li> <li>• Training and development of business ethics and high standards of regulatory compliance.</li> <li>• Whistleblower channels available on our website</li> <li>• Annual Ethics Talk: more than 500 people attended in 2023, 49% more than in 2022</li> </ul>                 |   |    |

# 1.5 OUR HISTORY

2009

**E-CL, formerly Edelnor**, merged with Inversiones Tocopilla I S.A. As a result, E-CL acquired other electricity generation and distribution assets as well as gas transportation assets in the Far North region of Chile, including Electroandina, CTA, CTH, GNAC, GNAA and Distrinor. Distrinor was sold to Solgas S.A., a subsidiary of the ENGIE Group, in December 2013.

2011

**Electroandina was split into two companies:** Electroandina, that continued to own all port facilities, and Electroandina Two, that acquired ownership of all of Electroandina's generating facilities, including the Tocopilla Thermal Power Plant. This split also merged Electroandina II with E-CL and the latter took over control of all of Electroandina's generating assets.

2014

**E-CL was awarded a maximum of 5,040 GWh in 84 sub-blocks of electric capacity and energy within Block 3** in the power supply tender called "SIC 2013/03 - Second Call," held by SIC power distribution concessionaires. This enabled the company to deliver energy to the Central Grid (abbreviated as SIC in Spanish) for 15 years as of 2018. The bid required investments of close to US\$1.8 billion.

2018

**The Company began its decarbonization plan.** It announced a plan to invest US\$1 billion in renewable energy projects and requested authorization from the authority to close Units 12 and 13 (173 MW) of the Tocopilla Thermal Power Plant by 2021, subject to the start-up of the last segment of Interchile's Cardones-Polpaico power line. It also renegotiated PPAs with three of its main customers in the mining sector as a result of which periods were extended and the plan to invest in renewable energy became viable.

**ENGIE Energía Chile started up the Transmisora Eléctrica del Norte (TEN)** power line that connected the Far North Grid (abbreviated as SING in Spanish) and the Central Grid (SIC) into one single National Grid (abbreviated as SEN in Spanish). ENGIE Energía Chile changed the focus of its business strategy to integrate the new challenges and opportunities resulting from Chile's Energy Transition.

2017

**E-CL changed its name to ENGIE Energía Chile S.A.**, thus adopting a globally supported brand that reflects a new strategic vision of the Group both worldwide and in Chile.

2016

**The Transmisora Eléctrica del Norte (translated as North Power Transmission Company) Project (abbreviated as TEN in Spanish), in operation since 2017, was declared to be a trunk** transmission project to interconnect the SING and the SIC.

2015

2019

**ENGIE Energía Chile announced the closing of units 14 and 15 of the Tocopilla Complex and units CTM1 and CTM2 of the Mejillones Complex by 2024**, as part of its Decarbonization Plan. We also began to implement the plan to invest US\$1 billion in renewable energy by the purchase of two solar farms, Los Loros and Andacollo, with a combined capacity of 55 MWp, and the construction of the Calama wind farm and Capricornio and Tamaya solar farms, with a combined capacity of 362 MW.

2020

**The company acquired the Monte Redondo Wind Farm and the Laja Hydroelectric Power Plant** that combined, represent 82 MW. After this purchase, the renewable energy installed capacity reached 156 MW. In 2020, ENGIE Energía Chile renegotiated the PPA with Minera Centinela, owned by Antofagasta Minerals, as part of its PPA decarbonization program. In addition, it received the first "green loan" for MUSD 125 from the International Development Bank (IDB), which would be used to fund the construction of the Calama wind farm. In November, ENGIE LATAM S.A., the majority shareholder in ENGIE Energía Chile S.A., acquired 76,155,000 shares in the company, thus increasing its equity interest by 7.23%. This transaction brought its total equity interest to 59.99%.



2023

**We disconnected the last two coal-fired units** under the Decarbonization Plan and we added more than 300 MW to our renewable installed capacity.

**We purchased the San Pedro Wind Farm in Chiloé** (101 MW) and we approved construction of the Lomas de Taltal Wind Farm (342 MW).

**We announced the construction of a battery energy storage system (Coya BESS)**, the largest in Latin America. To do so, we approved a MUSD 650 Investment Plan to finance the Lomas de Taltal Wind Farm and Coya BESS.

**Our Capricornio PV Solar Farm (88 MWac) began commercial operation** and the construction of the Coya PV Solar Farm (180 MWac) was completed and it was energized. In the area of transmission, we were awarded the construction of the Totihue Substation.

2022

**The Company announced that it would retire all of its coal-fired units by 2025 (800 MW);** that it would convert three coal-fired units to gas and biomass (700 MW) and that it would inject an additional 1,000 MW of renewable energy in the medium term to raise its capacity to 2 GW.

2021

## OUR MAIN MILESTONES

### ENVIRONMENTAL (PLANET)

- Our Mt CO<sub>2</sub>eq emissions fell 43% in 2023 compared to 2022.
- We signed an alliance with Huella Chile to invite our suppliers to measure their GHG emissions.

### SOCIAL (PEOPLE)

**Health and safety:** No lost-time accidents nationwide.

#### Diversity:

- We proposed goals to increase the number of women among employees and of women in management positions in the company.
- We implemented initiatives to attract women – Women in Operations Program – and to retain women – Job Retraining Program.
- We launched a new Paternity Leave benefit extending paternity leave from the legal period of 5 days to 4 weeks.

**Communities:** We doubled our social investment in communities, channeling MUSD 1.2 to 188 initiatives.

**Suppliers:** We drafted the first Sustainable and Inclusive Procurement Policy to promote ESG matters among suppliers and contractors, and we held the second Supplier Day.

### PERFORMANCE

- We designed and presented our new Strategic Balancing Plan.
- We signed a new green loan for MUSD 400 with International Finance Corporation (IFC) of the World Bank Group.
- At the close of 2023, we held MUSD 945 in green loans, equal to 80% of the MUSD 1.184 in loans..
- After a hiatus of 14 years, gas began to be imported once again from Argentina through the NorAndino gas pipeline.
- We began to operate the Coya Photovoltaic (PV) Farm.
- We put our battery energy storage system, COYA BESS, into operation at the Coya Farm.
- Construction of the Lomas de Taltal Wind Farm progressed 45%.

### GOVERNANCE

- We launched a new whistleblowing system.
- We received Sustainable Energy Transition (SET) certification.
- We set up the first Duty of Vigilance Committee.
- We received a gold medal in the sustainability evaluation by EcoVadis.

# 1.6 OUR INDUSTRY

The industry in which we engage is comprised of three large markets:

- Power generators, who operate in a competitive setting and can do business on the spot (wholesale) market and/or via power purchase agreements to supply unregulated customers and power distribution companies.
- Transmission companies, who operate within a natural monopoly and transmit high-voltage electricity produced by power generators or the electricity that is needed by large-scale customers. Transmission involves all lines and transforming substations that operate at a nominal voltage greater than 23 kV.
- Distribution companies, who operate within a natural monopoly and supply power to end customers in a concession zone at a voltage less than or equal to 23 kV.

The main grid in Chile is the National Grid (SEN, as abbreviated in Spanish), which was created in November 2017 by the unification of the Interconnected System of the Far North (SING, the acronym in Spanish), where most of the mining industry in the country is, and the Central Grid (SIC, acronym in Spanish), where 93% of the population resides.



**The SEN runs 3,300 km** and covers a large part of the nation, from Arica in the north to Chiloé in the south. In addition to the National Grid, there is the Aysén Grid and the Magallán Grid.

Since January 1, 2017, the National Electric Coordinator (CEN, as abbreviated in Spanish) is in charge of coordinating operation of the SEN. Its goal is to preserve power supply with the required security in the most economical way possible while guaranteeing open access to transmission systems.

## TYPES OF CUSTOMERS

**a) Regulated customers:** These are residential and commercial consumers and small and mid-sized industries with a connected capacity less than or equal to 500 kW.

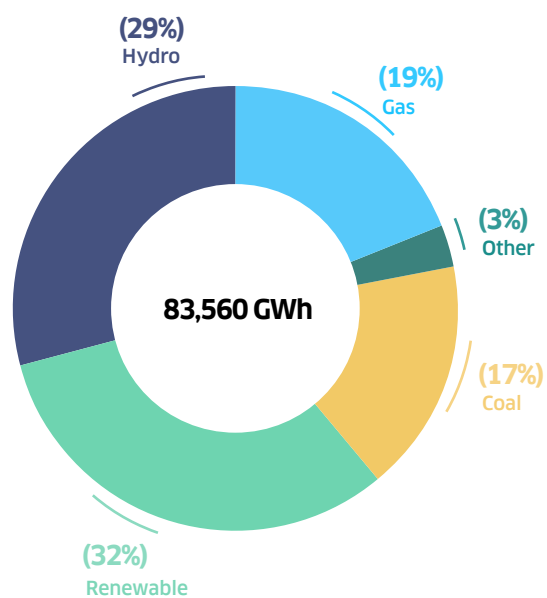
This definition includes customers who require a power supply of 500 to 5000 kW, are located in the concession area of a distribution company, and choose the regulated rate system, which they must keep for a minimum of four years. The transfer price between power generators and distribution companies is the result of tenders that are held by distribution companies.

**b) Unregulated customers:** These customers represent a demand that has a connected power greater than 5,000 kW or require a power supply of 500 kW to 5,000 kW and have opted for the unregulated rates, which they must keep for a minimum of four years. These customers are mostly industrial and mining companies and they can freely negotiate their power supply prices with power generators and/or power distributors.

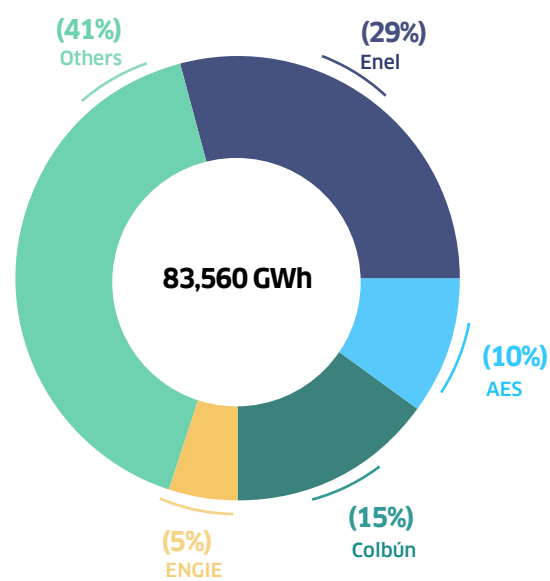
**c) Spot or short-term market:** These are energy and capacity transactions among power generators resulting from the coordination by the CEN to attain an economic operation of the grid. Production surpluses or deficits as compared to their commercial commitments are transferred by sales to, or purchases from, other members of the CEN. Energy transfers are appraised at the marginal cost. Transfers of capacity are, on the other hand, appraised at the applicable node price, set semi-annually by the authority.



## GENERATION BY SOURCE



## GENERATION BY COMPANY



Source: National Electric Coordinator



# TAMAYA PHOTOVOLTAIC FARM

## LOCATION

Region of Antofagasta

## 114 MWAC

Installed capacity

## 298,980

Photovoltaic panels

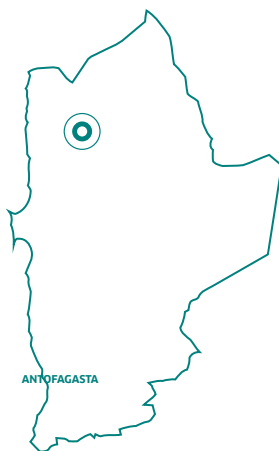
## RANGE

50,000 homes in the north of Chile are supplied

## ENVIRONMENTAL IMPACT

Avoids the emission of

210,000 tons/CO<sub>2</sub>eq per year







# GOVERNANCE

**2.1** Governance Structure / **2.2** Corporate Ethics and Compliance / **2.3** Human Rights and Due Diligence  
**2.4** Handling Conflicts of Interest and Internal Auditing / **2.5** Sustainability Approach / **2.6** Reputation Management  
**2.7** Stakeholders / **2.8** Managing Our Impacts / **2.9** Board of Directors and Senior Management



## 2.1 GOVERNANCE STRUCTURE

The corporate governance of ENGIE Energía Chile is comprised of an internal regulatory structure that sets down the guidelines, conduct and business practices supporting everyday strategic and operating decisions. This structure consists of policies, procedures and internal regulations that include our Code of Corporate Governance, Code of Ethics and Business Conduct, Manual on Managing Information of Interest to the Market, Crime Prevention Manual and Competition Manual. This set of statements contains the commitments that we have assumed to manage our business daily according to high standards of ethics and sustainability and to protect human rights in compliance with the regulations applicable to us.

We train and sensitive our employees in all these subjects so that these principles translate into clear conduct and behavior in the goal that the organization's actions as a whole are aligned to the corporate values and the benchmarks we have set. We also conduct a continuous control of how well the corporate governance works and of compliance with internal and external regulations governing us. We have internal authorities and methods to complete this task, the most notable being the Ethics Committee, the Compliance Officer, the Internal Auditing Committee and a whistleblower system that we updated and reinforced in 2023 and is available to all our employees, the community, contractors, suppliers, NGOs and society in general.

We also have the support of our main shareholder, the ENGIE Group, that contributes its experience and knowledge in these matters.

### OUR VISION

ENGIE Energía Chile wants to develop its business in a way that has a positive impact on people and the environment. So, our sustainability model is focused on three courses of action: **People, Planet and Profitability.**

### CORPORATE VALUES

- Professionalism
- Internal relations
- Team spirit
- Creation of value
- Respect for the environment
- Respect for human rights
- Ethics
- Principle of action
- Respect for communities and at-risk populations.



## 2.2 CORPORATE ETHICS AND COMPLIANCE



We promote ethical behavior by everyone working at ENGIE and by the companies that provide us with inputs and services. We do this internally by means of an Annual Training and Development Plan on business ethics, compliance and legislation. We address this goal for our suppliers and contractors via our contractual relationships, by putting clauses on ethics, sustainable development, and the criminal liability of legal entities in contracts and via sensitization talks. We also have supplier selection processes based on ESG standards; systems that monitor fulfillment of employer obligations; and we impart sensitization talks.

Our Due Diligence Policy provides the guidelines on retaining advisory services and individuals who will hold positions or perform duties potentially exposed to the risk of corruption. We screen potential candidates in this Ethical Due Diligence process to ensure that they are not linked to situations of harassment, corruption or other crimes.

For compliance, we rely on a **Crime Prevention Model** that is certified by an external company. It helps us identify and prevent emerging risks of crimes of corruption and other offenses under Law 20,393 on the Criminal Liability of Legal Entities. We have a Crime Prevention Officer and a whistleblower channel hosted on the website and the intranet. We give talks annually to the entire organization to keep people abreast of changes in the law. This year our Crime Prevention Model was again recertified through May 2025.

We maintain **Free Competition** through several mechanisms that ensure that our work is consistent with the directives we have applied in this respect and with the law. These guidelines are set down in the Competition Manual and are overseen by the company's Competition Officer. We give a talk annually to everyone working at ENGIE, which is mandatory.

### OBSERVATION OF CODES

We follow the guidelines in the Code of Ethics and Conduct and the ENGIE Group's Ethics Policy ([www.engie.com/en/group/ethics-and-compliance](http://www.engie.com/en/group/ethics-and-compliance)) to ensure that our corporate governance works well. These guidelines support everyday strategic decisions, management and professional practices of everyone working at ENGIE around the world. The same holds true for the privacy and protection of personal information – an area for which the Group has adopted a strategy and deployed a proactive plan also adopted by our company – and for compliance, for which there is a set of procedures and policies to defend and promote the Group's principles.

All our internal policies are hosted on the corporate intranet so that they can be viewed by everyone working in the company. Some of these statements are hosted on our website ([www.engie.cl/gobierno-corporativo](http://www.engie.cl/gobierno-corporativo)).

- Code of Ethics and Business Conduct
- Code of Corporate Governance
- Crime Prevention Manual
- Competition Manual
- Manual on Information of Interest to the market
- Policy on Directors in Subsidiaries
- General Conflicts of Interest Policy.
- Gifts and Presents Policy
- Embargo Policy
- Code of Supplier Conduct
- Conflicts of Interest Prevention Policy
- Tax Policy

## OUR FOCUSES IN 2023

In 2023, we focused on reinforcing preventing corruption, on protecting free competition and on disseminating the ENGIE Group's ethics policy. We also paid special attention to implementing the Duty of Vigilance Plan effectively.

We can highlight, among our main initiatives:

### I. ETHICS AND COMPLIANCE TRAINING

This fiscal year, we kept the cycle of general talks on business ethics and compliance active throughout the company as well as specific talks on subjects to groups that need them because of the duties they perform.

Our Annual Ethics and Compliance Talk was attended by more than 500 people, 49.8% more than in 2022. Some of the matters discussed were: how to address conflicts of interest, the Harassment Policy and the ENGIE Group's Ethics Policy, preventing crimes, and the new economic crimes law. We also launched a campaign to get all teams to take the ENGIE Group's online ethics course, which was a success: participation was 100%.

The specific issues we focused on this year related to the new Economic Crimes Law 21,595. We gave talks to different teams targeting their scope of action:

- to managers and managing directors.
- to the Corporate Affairs Business Unit and Legal Business Unit, focused on environmental offenses.
- to the Risk Unit.

We worked with the Human Resources team to identify individuals in positions exposing them to a great risk of crimes of corruption. This group, which numbers close to 200, attended and completed four special courses. Attendance was 100%.

We also gave our annual Free Competition talk on two occasions to the entire organization.

### II. NEW WHISTLEBLOWING SYSTEM

In 2023, we designed a new Whistleblowing System that, like the previous one, is hosted on our website and intranet so that it is readily available to everyone working at the company and to stakeholders (suppliers, contractors, NGOs, etc.).

The new system has all the reporting channels we currently have available and it guarantees the confidentiality of the whistleblowers. Those channels are: the Community Line, which receives all messages sent by locals (congratulatory, complaints or any other type of information they request); the Ethics Channel and Channel for Reporting Workplace and Sexual Harassment; and the Crime Prevention Model Whistleblowing Channel (Law 20,393). It is available at <https://denuncias.engie.cl>.



## ANNUAL ETHICS TALKS PLAN

  
**547**  
attendees

  
**793**  
Hours of Training





### III. THE CHALLENGES OF NEW LAW 21,595

The new Economics Crime Law 21,595, which entered into force in 2023, broadens the criminal liability of legal entities, among other rules, and made changes to Law 20,393 that will take effect in September 2024. We will be amending the company's Crime Prevention Model as a result, in particular the risk matrix, and we will be reviewing internal policies, procedures and regulations, among others. We are addressing this challenge by retaining a law firm to help us in this adjustment process.

### ETHICS COMMITTEE IN 2023

All complaints received through the Whistleblowing System are reviewed by the Ethics Committee, which handles the pertinent investigations. The Ethics Officer can also use the INFORM' Ethics platform of the ENGIE Group to report any ethical incident based on the law and internal regulations.

The Ethics Committee received 26 complaints in 2023. None of the accusations related to cases linked to Law 20,393 on the Criminal Liability of Legal Entities.

| CLAIMS RECEIVED                        | 2023 |
|--|------|
| <b>Total number of claims received</b> | 26   |
| <b>Claims under Law 20,393</b>         | 0    |
| <b>External claims</b>                 | 6    |
| <b>Internal claims</b>                 | 20   |
| <b>Types of internal claims</b>        |      |
| Workplace harassment                   | 10   |
| Sexual harassment                      | 3    |
| Unethical conduct                      | 2    |
| Other claims                           | 5    |
| <b>Investigations begun</b>            | 20   |
| <b>Investigations closed</b>           | 22   |
| <b>Investigations in process</b>       | 4    |



## 2.3 HUMAN RIGHTS AND DUE DILIGENCE

### I.COMMITMENT TO HUMAN RIGHTS

ENGIE Energía Chile publicly asserts its total support to a respect for Human Rights. Our Code of Ethics and Business Conduct express the commitments we have adopted according to the principles and guidance of the International Bill of Human Rights, comprised of the Universal Declaration of Human Rights of 1948, International Covenant on Civil and Political Rights of 1966, and the International Covenant on Economic, Social and Cultural Rights of 1966.

We also are committed to operating according to the guidelines of the

International Labour Organization (ILO) contained in:

- Conventions 29 and 105 on the Abolition of Forced Labour.
- Conventions 138 and 182 on the abolition of child labor.
- Conventions 100 and 111 on non-discrimination.
- Conventions 87 and 98 on freedom of association and the right to organize collective bargaining, to the extent consistent with Chilean law.

We also support the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy of the ILO because we have become involved in respecting those rules.

Our observance and support of these global principles can be seen in our seven human rights commitments.

### SUMMARY OF OUR HUMAN RIGHTS COMMITMENTS

**COMMITMENT N° 1** ENGIE ENERGÍA CHILE conducts its business in respect for internationally recognized human rights, wherever it operates.

**COMMITMENT N° 2** ENGIE ENERGÍA CHILE will ensure a respect for the fundamental rights of its employees according to the conventions of the International Labour Organization. This means in particular:

- rejecting all forms of forced or mandatory labor.
- rejecting all forms of child labor.
- recognizing the freedom of association and the right to collective bargaining.
- guaranteeing the highest standards of workplace safety and hygiene

(including lodging, if provided) and that working hours and holidays are set and respected according to international standards.

**COMMITMENT N° 3** ENGIE ENERGÍA CHILE rejects any form of harassment and violence in the workplace and will ensure that its employees have a work environment where their individual freedoms and privacy are respected.

**COMMITMENT N° 4** ENGIE ENERGÍA CHILE will ensure that its activities do not violate the rights of local communities and communities near its sites.

**COMMITMENT N° 5** ENGIE ENERGÍA CHILE will ensure that the tasks related to the safety of its employees and

assets are performed in respect for human rights.

**COMMITMENT N° 6** ENGIE ENERGÍA CHILE includes a provision in its contracts with suppliers, contractors and partners stipulating that they must respect the human rights commitments of ENGIE ENERGÍA CHILE. The company also asks its main suppliers and contractors to make the same commitments with their respective suppliers and contractors.

**COMMITMENT N° 7** ENGIE ENERGÍA CHILE respects internationally recognized human rights in its relations with government authorities.



## II. DUTY OF VIGILANCE PLAN

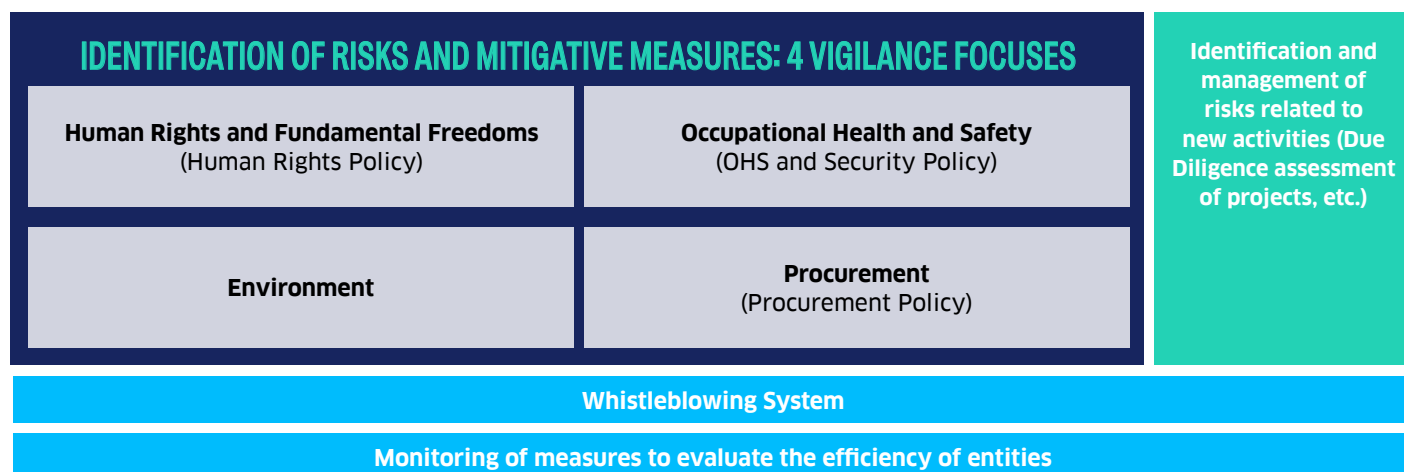
### A) DUTY OF VIGILANCE PLAN

We have a Duty of Vigilance Plan on Human Rights, Occupational Health and Safety, the Environment, Procurement and New Projects. This initiative is aligned to the ENGIE Group and French law, which requires a Duty of Vigilance by the parent companies in France and all their operations, in and outside of France.

The main objective of this plan is to establish a system of vigilance over the defined subjects, and its scope covers the work of the company and of its different contractors and suppliers. In 2023, we set up our first Vigilance Committee, whose members are from the critical areas covered by the

plan: Human Resources, Environment, Communities, Occupational Health and Safety, and Procurement. Two meetings were held in 2023 and it was agreed that three meetings will be scheduled annually as of 2024.

### Focuses of the Duty of Vigilance Plan:





## B ) HUMAN RIGHTS DUE DILIGENCE PROCESS

Each Business Unit must ensure a respect for the Human Rights commitments we have assumed. To that end, we have imposed the following measures:

- All contracts with suppliers, contractors and partners must contain a provision stipulating that they will respect the commitments of ENGIE Energía Chile.
- The risks of impacting Human Rights must be evaluated annually and a plan must be created to manage each risk identified.
- A violation of Human Rights must be evaluated for any new project, any new business relationship and any establishment in a new country by ENGIE Energía Chile, and the evaluation and preventive measures must be added to the project docket by filling in the pertinent form.
- All Human Rights incidents must be reported.
- The annual ethical compliance report must report on the action plans implemented in the year.

### PROCESSES REQUIRING DUE DILIGENCE

#### Retaining advisors

All business advisors with whom an employee plans to work must undergo a Due Diligence Level I to identify any potential sign that would lead to a Due Diligence Level II.

#### Hiring officers for critical positions

Everyone selected must undergo an Ethical Due Diligence prior to being hired.

#### Beginning new projects

We have an Early Engagement Model for territories to address social impacts and Human Rights involved in the emplacement of each new project. We also conduct an exhaustive assessment of the social and environmental risks and we make changes to the original design based on the results.

#### Decarbonization Plan

We manage and permanently monitor the social and environmental impacts of closing units via the Fair Transition Plan. The goal is to protect our employees working at the units we are closing as well as local inhabitants for whom we have programs to contribute to local economic development.




## III. RISK ASSESSMENT

Our Duty of Vigilance Plan says that the three most critical aspects to protect are: workers' rights, the rights of local communities, and the rights of suppliers and contractors.

Starting in 2024, we will begin the assessment of the risks of violating the

human rights of these three specific groups according to the pertinent measures stipulated in our Code of Ethics. This will be done directly by the areas comprising the Vigilance Committee. It was agreed that a system would be implemented to monitor the policies of ENGIE

Energía Chile S.A. related to the aspects covered by the Duty of Vigilance Plan, so each unit must survey the risks found within their scope of action and the mitigative measures, including the risk management done in 2023.

| RISK MAP  |   |   |
|---|---|---|
|    |    |    |
| WORKERS' RIGHTS   | DERECHOS DE COMUNIDADES LOCALES   | PROVEEDORES/SOCIOS  |
| <ul style="list-style-type: none"> <li>• Health and Safety Conditions.</li> <li>• Freedom to Unionize.</li> <li>• Non-Discrimination.</li> <li>• Working Hours.</li> <li>• Worker Facilities (housing).</li> <li>• Privacy (private life).</li> </ul> | <ul style="list-style-type: none"> <li>• Impact on the health of local communities.</li> <li>• Living conditions of local communities (food, water, housing, culture and the right to a healthy environment).</li> <li>• Displacement and resettlement of populations.</li> <li>• Repression of opponents to activities.</li> </ul> | <ul style="list-style-type: none"> <li>• Supplier health and safety.</li> <li>• Energy suppliers (coal, gas, other fuels).</li> <li>• Traceability and purchase of materials used by ENGIE.</li> <li>• Business practices of project partners.</li> </ul> |
| Safety of workers and facilities  |   |   |

## IV. PREVENTION AND TRAINING

This year we gave a specific talk to the Procurement Unit and to suppliers and contractors in which we discussed the Duty of Vigilance Plan, crime prevention and ethical behavior. These three topics form a part of the Clause on Ethics and the Criminal Liability of Legal Entities

present in all the contracts we sign.

In addition to acting responsibly and ethically, we ask that our providers of services and inputs extend their commitment to protecting Human Rights to their subcontractors.

## V. COMPLAINT AND REPARATION MECHANISMS

Accusations of human rights and other violations that we receive via our whistleblowing channels are investigated. The pertinent reparative measures are adopted according to the outcome of each investigation.



## 2.4 HANDLING CONFLICTS OF INTEREST AND INTERNAL AUDITING

### 2.4.1 CONFLICTS OF INTEREST

We have a General Conflicts of Interest Policy that identifies potential material issues and defines the actions to take if they arise. Our policy provides clear directives on handling and clarifying the situations defined or any other that raises doubts. This is an obligation of managers, senior officers and everyone working in the company and its subsidiaries.

We provide specific forms to help people make their statements. And we proactively send those forms once a year to all employees.

From our perspective, conflicts of interest not only entail the risk of impacting the integrity of people but also of causing an adverse impact on the company. For that reason, when a person joins the company, they are given a copy of the policy and must sign a statement of receipt and acknowledgement.

We also recurrently sensitize the organization to this subject in our internal press and through the ethics talk that we give every year.



### 2.4.2 INTERNAL AUDITING

ENGIE has an Internal Audit Committee whose main mission is to supervise completion of processes and certifications. It works according to the worldwide procedures of the ENGIE Group and the guidelines of the Internal Auditors Institute of Chile.

On a governance level, the Internal Audit Committee must report on its work semi-annually to the Board and monthly to the CEO.

Some of the matters that are reported to the Board include completion of the audit plan previously presented to the Board; the results of the monitoring of action plans; the statistics on claims received and discussed by the Ethics

Committee; and a report on crime prevention initiatives (certifications, training, changes in laws and regulations, etc.).

The action plans arising from audits are uploaded to an online platform (RADAR) where the progress in, and closing of, each can be tracked, its effectiveness measured. 171 actions plans were uploaded to RADAR in 2023.

The area also focused on reviewing project development and audits were made of compliance with ISO 9001 (Quality), ISO 14001 (Environmental Management), ISO 45001 (Occupational Health and Safety), and ISO 55001 (Asset Management Systems).

## 2.5 SUSTAINABILITY APPROACH

We conduct our businesses according to the guidelines in our sustainability strategy, which consists of four pillars grounded on ESG standards.



**PLANET:** This pillar concentrates all the initiatives we undertake to achieve our goal of being Net Zero Carbon by 2045 and to manage our impact on the environment and biodiversity.



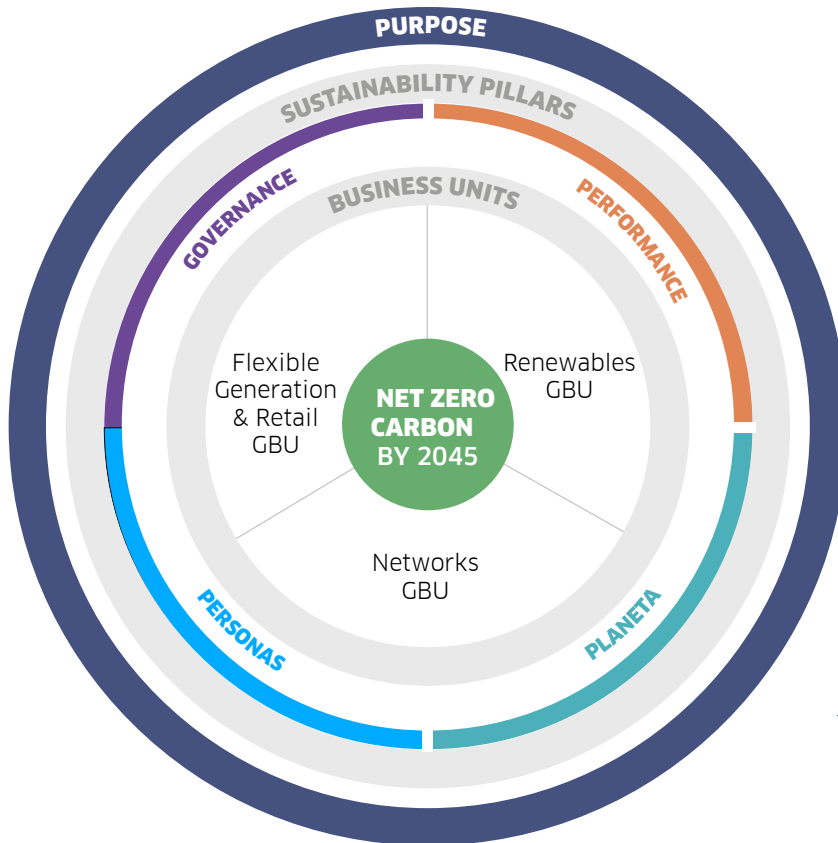
**PEOPLE:** This pillar entails all the work we do so that operation is free of accidents and fatalities. It also covers managing our goals and commitments to diversity and inclusion, with a special focus on women. It addresses the contribution that we make to the development and quality of life of the communities near our facilities, and the management of the impacts of stopping to use coal. Finally, it incorporates the safeguards that we adopt to guarantee a respect for the rights of the company's workers and those of our contractors and suppliers.



**PERFORMANCE:** This is the commitment we have to the sustainability of our results and a responsible management of the business.



**GOVERNANCE:** This covers all of our work in the management of business ethics and of compliance with the regulations governing us.



### I. SUSTAINABILITY IN THE BALANCED SCORECARD

Our sustainability strategy sets down the guidelines to meet the goals we proposed to combat Climate Change, eradicate fatalities and serious accidents, and provide women with more opportunities on the job market, among other commitments. Our advancements in these respects are reported to the Board and are added to the global efforts of the ENGIE Group in those areas. Although we have a Sustainability and Communities Unit, all business units actively contribute to meeting the goals and indicators, which are monitored using the Balanced Scorecard.



## ESG GOALS MONITORED FROM THE BALANCED SCORECARD

| PERFORMANCE   | PEOPLE   | PLANET  | GOVERNANCE  |
|---|--|---|---|
| <ul style="list-style-type: none"> <li>• EBITDA</li> <li>• Capex</li> <li>• Cybersecurity</li> <li>• Business unit management</li> <li>• Other factors</li> </ul> | <ul style="list-style-type: none"> <li>• Accident frequency rate</li> <li>• Percentage of women recruited for managerial positions</li> <li>• Percentage of women in managerial positions</li> <li>• Percentage of female employees</li> </ul> | <ul style="list-style-type: none"> <li>• Monthly CO2 emissions</li> </ul> | <ul style="list-style-type: none"> <li>• Percentage participation of the organization in the annual ethics and compliance talk</li> </ul> |

## II. ESG CRITERIA IN DECISION-MAKING

Sustainability standards are present in our decisions.

• **Conducting a due diligence before beginning relationships with others.**

The objective is to look into the ethical and legal behavior of our potential and future counterparties. If we find that we are in one of these situations, we do a more in-depth review to ensure that the process is fair.

• **ESG-based supplier evaluation.** A Clause on Ethics and the Criminal Liability of Legal Entities was added to the evaluation criteria of the company. Starting in 2023, we added a bonus

track to tenders for companies that have a Sustainability Policy and a formal commitment to diversity and inclusion.

• **Assessment of social and environmental risks before the start of each project.**

We have methods of dialogue and consultation with stakeholders and we implement preventive and corrective measures.

• **Hiring women.** We have a commitment to hiring more women, especially for managerial positions, and associated goals **(more information on Diversity and Inclusion on page 101).**

## III. MANAGING DIVERSITY AND BIAS

We promote several initiatives under the Diversity and Inclusion Policy so that our in-house culture is diverse, inclusive and discrimination-free. We have short- and medium-term goals and indicators that we manage on the basis of a plan that has three lines of work – recruitment

and selection, training and sensitization – where we are concerned about addressing the biases that may exist in these matters.

We made significant progress in this respect in 2023, which we discuss on page 101 of this report.

### ALLIANCES FOR SUSTAINABILITY

We are members of the following organizations where we collaborate to strengthen the sustainability of our industry.

**Acción Empresas**  
www.accionempresas.cl

**SOFOFA**  
www.sofofa.cl

**Asociación Chilena de Desalinización A.G.**  
www.acades.cl

**Asociación Chilena de Energías Renovables A.G.**  
www.acera.cl

**Asociación de Industriales de Mejillones**  
www.aimejillones.cl

**Asociación de Generadoras de Chile**  
www.generadoras.cl

**Asociación de Industriales de Antofagasta**  
www.aia.cl

**Asociación Transmisoras de Chile**  
www.transmisoras.cl

**EcoVadis**  
www.ecovadis.com

## 2.6 REPUTATION MANAGEMENT

Our corporate reputation is an asset that we must protect, administrate and manage, which also forms part of the ESG parameters because having a good reputation among stakeholders adds value to the different actions that we take. Along those lines, our challenge is to progress towards a design of systems that enable us to track those actions and measure the results.

This year we looked for objective measurements and rankings of outside validators to help identify our strengths and opportunities for improvement. We participated in the Merco (translated as Corporate Reputation Business Monitor) 2023 Ranking that takes surveys among business leaders and representatives of different stakeholders. The company ranked 154 last year and seventh on a sectoral level. For 2023, we were, for the first time, among the top 100 companies with the best corporate reputation, ranking 85 and second among power generators.

This year we were also a first-time candidate for the EIKON Awards, an initiative that recognizes excellence in corporate communication. The incentive is judged by a panel of communications directors from different companies. We participated with two projects: the “Stories of Safety” podcast and the communications plan that we implemented for the Fair Transition; and the program to disclose the closing of the Tocopilla coal-fired units. Both were awarded silver statuettes.



### EIKON AWARDS

The EIKONs are the first awards of the Spanish-speaking world to recognize the work of Corporate Communications professionals. They were created in Argentina in 1998 by Revista Imagen, founded by Diego Dillenberger, a renowned journalist, and Maria Curubeto, and since then, they have made known the work of the most talented professionals on the market year after year. The EIKON Chile Awards have come onto the local scene in the spirit of opening a door to the growth of corporate communications in Chile.

### MERCO SURVEY

Merco (translated as Corporate Reputation Business Monitor) is the benchmark corporate monitor in Ibero-America that has been evaluating the reputation of businesses since the year 2000. The survey is based on a multistakeholder method comprised of six evaluations and more than twenty sources of information. It is the first monitor audited by independent firms (KPMG and ISAE 3000). All the weightings are public and can be viewed on its website, as can the results of each edition.



## 2.7 STAKEHOLDERS

Our stakeholders are individuals or groups with interests that are or may be impacted by our activities. We have identified them and divided them into five categories based on their specific concerns.

The increase in renewable generation and transmission projects presents the challenge of keeping our stakeholder map up to date. Each time we enter a new territory, we apply the Territory Early Approach Model in which the first stage entails identifying the stakeholders and major actors.

We have permanently available platforms and employees are assigned to managing relationships, which helps us establish ties and provide quick responses.



### I. INVESTOR RELATIONS






We have an Investor Relations Area that keeps shareholders and investors properly apprised of the company's course of business. Its work is based on an annual activity plan (IR Plan) that contains activities such as: the shareholders meeting, a breakfast with investors and specialists from different areas of the company, conference and digital calls, and meetings on contingent topics of the electricity market. The ongoing meetings include in-person and virtual meetings to share all the material reported quarterly and to establish a fluid conversation on matters of interest to our investors. Our website has a specific page where all the information our different investors might need to be well-informed can be found. We also

participate in different conferences and seminars, we attend meetings and make one-on-one calls, in addition to the different communication channels available to ensure that there is ongoing contact with investors and minority shareholders.

#### CONTINUING IMPROVEMENT

We are systematically making improvements to the information we provide on the basis of opinions and topics of interest that we gather in the different meetings that we hold with investors and financial analysts. We complement this information by benchmarking the material that the IR Area of ENGIE Group provides. We also work in coordination with the Corporate

Affairs and Internal Communications area to disclose information activities and the results. This work is done internally because we do not retain outside advisors for this task. Our team's work has been recognized by investors on several occasions. In 2023, it was named one of the ten best teams and programs in the utilities sector in Latin America by Institutional Investor. Institutional Investor conducts an annual regional survey in Latin America among investors and analysts. The survey measures the investor relations programs, including aspects such as plans, activities, credibility, understanding and response capacity.

|  | Groups   | Work  |
|--|--|---|
| <br>INTERNAL      | <b>Employees</b><br><b>Unions</b><br><b>Joint Hygiene and Safety Committees</b>    | <p>The Human Resources Business Unit is mainly responsible for this relationship. It is in charge of internal means of communication and has tools to monitor commitment, the perception of leadership, occupational safety and internal culture, to name a few.</p> <p><b>Managers</b></p> <ul style="list-style-type: none"> <li>• We have Labor Relations officers in charge of handling the relationship with unions.</li> </ul> <p><b>Communication Channels:</b> intranet, internal campaigns, feedback meetings, ENGIE&amp;ME survey and other channels.</p>   |
| <br>SOCIAL        | <b>Communities</b><br><b>NGOs</b><br><b>Trade Associations</b><br><b>The Media</b> | <p>This relationship is managed by the Corporate Affairs Business Unit and its subdivisions.</p> <p><b>Managers</b></p> <ul style="list-style-type: none"> <li>• The Sustainability and Communities Unit handles the relationship with communities. It is comprised of a team deployed from north to south, responsible for gathering the concerns and suggestions from locals in a timely manner.</li> <li>• The External Communications Unit engages with the media and its main goal is to ensure the company's reputation and image.</li> <li>• The relationship with trade associations is led by the Institutional Relations Unit.</li> </ul> <p><b>Communication Channels.</b> Community Work Groups, Trade Association Work Committees, Leader Training and Development, Direct Line, Social Networks and other channels.</p> |
| <br>AUTHORITIES | <b>Local</b><br><b>National</b>  | <p>This relationship is managed by the Corporate Affairs Business Unit and its subdivisions.</p> <p><b>Managers</b></p> <ul style="list-style-type: none"> <li>• The Sustainability Unit and the territorial team are in charge of engaging with local authorities.</li> <li>• The Corporate Affairs Business Unit and the Regulation Unit are the main managers of the relationship with national authorities.</li> </ul> <p><b>Communication Channels.</b> Work groups, social programs, the Lobby platform and other channels.</p>   |
| <br>FINANCIAL   | <b>Shareholders</b><br><b>Analysts</b><br><b>Bondholders</b><br><b>Banks</b>       | <p>The Corporate Finance Business Unit is mainly responsible for this relationship.</p> <p><b>Managers</b></p> <ul style="list-style-type: none"> <li>• Our Investor Relations Officer leads the communications with investors.</li> </ul> <p><b>Communication Channels.</b> ENGIE AL DÍA (ENGIE TODAY) Newsletter, Ordinary Shareholders Meeting, conferences to report on results, ongoing meetings and events.</p>   |
| <br>BUSINESS    | <b>Customers</b>   | <p>The Chief Business Officer leads the relationship with customers.</p> <p><b>Managers</b></p> <ul style="list-style-type: none"> <li>• Our commercial officers endeavor to establish a close and trusting relationship.</li> </ul> <p><b>Communication Channels.</b> Monthly newsletter, Customer Day, Customer Portal, corporate website, site visits, forwarding of the Integrated Report.</p>  |
|  | <b>Suppliers</b>   | <p>The Procurement Unit handles this relationship that is intended to generate practices that create value for both parties.</p> <p><b>Communication Channels.</b> Supplier portal, internal contact, meetings, Supplier Day, forwarding of the Integrated Report.</p>  |
|  | <b>Industrial Partners</b>   | <p>Alliances and agreements.</p>  |













## 2.8 MANAGING OUR IMPACTS



One of our strategic objectives is to identify and manage material impacts, both real and potential, negative and positive, that are inherent to our industry, in addition to the risks. We aim to mitigate and reduce negative impacts. We want to amplify any



positive impacts. We identify impacts by requesting opinions from our stakeholders, with whom we have a relationship of trust and mutual support, following GRI Standard guidelines and the SASB indicator for Electric Utilities and Power Generators.

That is how we intend to create value and contribute to the goals in the Global Agenda by means of specific measures, especially to 8 of the 17 Sustainable Development Goals (SDGs).

|                        |    |    |    |
|---|---|---|---|
| PERFORMANCE   | PEOPLE  | PLANET  | GOVERNANCE  |
| <ul style="list-style-type: none"> <li>• Ensure that we meet our commitments to our customers.</li> </ul> | <ul style="list-style-type: none"> <li>• Occupational safety</li> <li>• Diversity</li> <li>• Contribution to the local economic development of neighboring communities</li> </ul>   | <ul style="list-style-type: none"> <li>• Achieve Net Zero Carbon by 2045.</li> </ul>  | <ul style="list-style-type: none"> <li>• Safeguard our business practices, our Ethics and our Compliance.</li> </ul>  |
|                        |    |   |   |

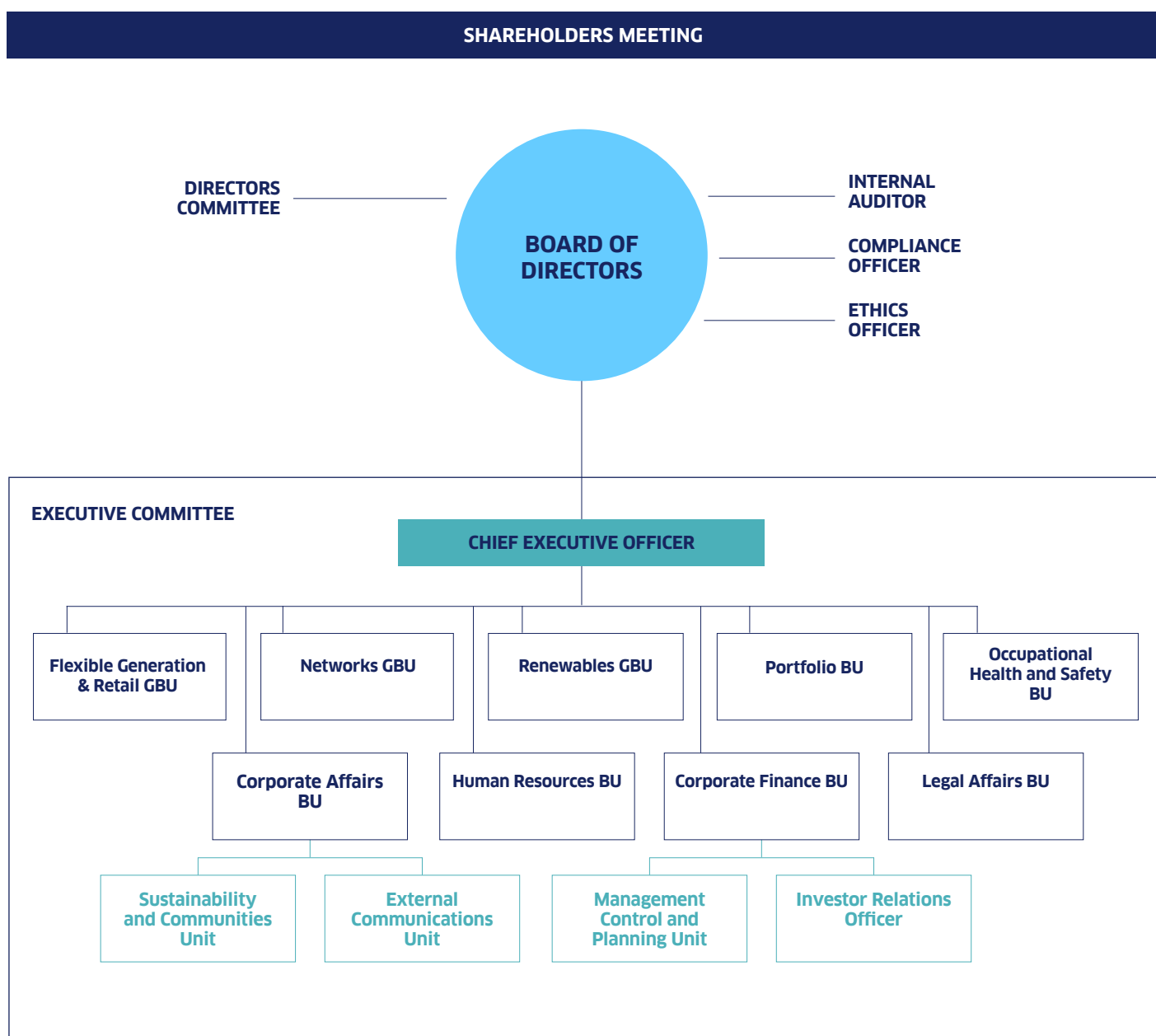


## MANAGING OUR POTENTIAL AND REAL MATERIAL IMPACTS

|  | Impacts  | Management   | Associated SDGs   |
|--|--|--|---|
| <br><b>PERFORMANCE</b>  | <b>Responsible investments profitable to shareholders</b>            | <ul style="list-style-type: none"> <li>Strategy to accelerate renewable energy projects.</li> <li>Energy storage system to ensure the dispatching of our renewable energy (BESS).</li> </ul>   |    |
|  | <b>Compliance with long-term power purchase agreements</b>           | <ul style="list-style-type: none"> <li>Signature of backup power purchase agreements.</li> </ul>   |    |
| <br><b>PLANET</b>       | <b>Access to renewable energy</b>                                    | <ul style="list-style-type: none"> <li>Closing of 1.5 GW of coal-fired units.</li> <li>Startup of 2.1 GW of renewable energy units.</li> </ul>   |    |
|  | <b>GHG Emissions</b>   | <ul style="list-style-type: none"> <li>Commitment to achieve net zero emissions by 2045.</li> </ul>  |    |
|  | <b>Gas emissions affecting air quality</b>                           | <ul style="list-style-type: none"> <li>Programs for the management and monitoring of emissions that affect air quality.</li> </ul>   |    |
|  | <b>Impact of disposal of our waste</b>                               | <ul style="list-style-type: none"> <li>Waste management, waste recovery and recycling plans.</li> </ul>  |    |
|  | <b>Water discharge into the ocean</b>                                | <ul style="list-style-type: none"> <li>Monitoring systems and measures to manage water discharges.</li> </ul>  |    |
|  | <b>Impacts of our renewable energy units on the ecosystem</b>        | <ul style="list-style-type: none"> <li>Biodiversity plans focused on renewable assets.</li> </ul>  |    |
| <br><b>PEOPLE</b>       | <b>Social impact of closing our coal-fired units</b>                 | <ul style="list-style-type: none"> <li>Fair Transition Plan.</li> </ul>  |    |
|  | <b>Impacts of arriving to the communities where we operate</b>       | <ul style="list-style-type: none"> <li>Policies and programs to foster local employability, entrepreneurship and local economic development.</li> <li>Programs that contribute to social cohesion.</li> </ul>  |   |
|  |  | <ul style="list-style-type: none"> <li>Access to clean energy in public spaces and community projects that add value.</li> </ul>   |   |
|  | <b>Fair working conditions</b>                                       | <ul style="list-style-type: none"> <li>Compensation policy based on equal pay.</li> </ul>  |    |
|  | <b>Low participation of women in the industry</b>                    | <ul style="list-style-type: none"> <li>We are part of the 50/50 Plan to increase the number of women in the ENGIE Group.</li> <li>Be.U@engie Diversity Policy.</li> <li>Corporate goal: increase the percentage of women in the company to 30%.</li> <li>Corporate goal: 45% of the candidates in hiring processes must be women.</li> <li>Initiatives to attract and retain women: Women in Operations Program and Job Retraining Program.</li> </ul> |    |
|  | <b>Promotion of diversity and inclusion</b>                          | <ul style="list-style-type: none"> <li>Unbiased selection processes.</li> <li>Certified inclusion promoter.</li> </ul>   |    |
|  | <b>Impact on occupational health and safety</b>                      | <ul style="list-style-type: none"> <li>Occupational safety system.</li> <li>One Safety Program.</li> </ul>   |    |
|  | <b>Ensuring that contractors respect the rights of their workers</b> | <ul style="list-style-type: none"> <li>System to monitor employer compliance.</li> </ul>   |    |
| <br><b>GOVERNANCE</b> | <b>Contribution to good business practices</b>                       | <ul style="list-style-type: none"> <li>Internal regulatory framework.</li> <li>Annual Corporate Ethics Training Plan.</li> </ul>   |    |
|  | <b>Anticorruption</b>  | <ul style="list-style-type: none"> <li>Crime Prevention Model.</li> <li>Complaints System.</li> <li>Annual Ethics Talk.</li> </ul>   |    |
|  | <b>Protection of free competition</b>                                | <ul style="list-style-type: none"> <li>Competition Manual and annual talk to sensitize the organization.</li> </ul>  |   |
|  | <b>Protection of human rights in the chain of value</b>              | <ul style="list-style-type: none"> <li>Duty of Vigilance Plan.</li> <li>Duty of Vigilance Committee.</li> <li>Due Diligence Processes and supplier evaluation system based on ESG standards.</li> </ul>  |   |

## 2.9 BOARD OF DIRECTORS AND SENIOR MANAGEMENT

### 2.9.1 ORGANIZATION CHART



## HOW WE WORK

**Shareholders Meeting:** The Shareholders Meeting is the highest decision-making body in the Company and it is where shareholders meet to learn about the company's management and to adopt resolutions within its purview of authority that is defined by law and our bylaws.

**Shareholders Meetings can be held securely and remotely so that shareholders can cast their votes without having to be present physically.**

**Board of Directors:** The Board of Directors is the main administrative body. Its principal work is to decide on the company's strategy, consider the risks and opportunities in the business and adaptation plan. It also defines the company's long-term objectives and strategic plan.

**Directors Committee:** It is comprised of independent directors who must perform the duties indicated in article 50-bis of Companies Law 18,046 and the duties in other laws and

administrative regulations. Its members hold office for two years and can be re-elected.

**Internal Auditing:** The Internal Audit Committee is in charge of monitoring compliance with internal control policies and procedures, the annual audit plan and programs, and any eventual serious weaknesses that have been found, in addition to reviewing and making recommendations in cases of irregularities or fraud.

The Internal Auditor and the Crime Prevention Officer must present their work to the Board of Directors (i) semi-annually and (ii) at the request of one of the board members. When there are materially irregular situations, either due to their severity, amount or risk involved, they must report the irregularity to the Board of Directors and to the Ethics Officer. The reports issued by the Internal Auditor are also sent to the Chief Executive Officer, the Ethics Officer and the pertinent area manager.

**Crime Prevention Officer:** This officer is in charge of monitoring and enforcing the Law 20,393 Crime Prevention Model. They must report their work to the Board quarterly. They must also keep the Board apprised of any potential changes to the law in this respect.

**Executive Committee:** The Company's daily work is led by the Chief Executive Officer and business unit managing directors. Their main functions are to ensure that the necessary parameters are met to guarantee an appropriate control environment and to effectively follow the strategy and attain business objectives.

**Ethics Committee:** The members of the Ethics Committee are the Chief Executive Officer, the Ethics Officer and the Crime Prevention Officer. This Committee evaluates any complaints received through our platforms, conducts the investigations and imposes penalties, when warranted

## 2.9.2 BOARD OF DIRECTORS

At the close of 2023, the Board of Directors was comprised of seven regular members, three of whom were independent.

The Board holds ordinary meetings at least once a month that are scheduled in advance for the entire year. Extraordinary meetings are also held

as needed. A quorum of four directors is required to hold a meeting according to the company's bylaws. 13 ordinary meetings were held in 2023.

Board members visit our operative facilities once a year in the company of the chief executive officer and officers of the unit to be visited, according to

the planned agenda. During these visits, directors review the condition and operation of the facilities and buildings and gather the views of the internal team, their recommendations and opinions on improvements. In 2023, they visited the Mejillones Power Plant.



**Aníbal Prieto (\*)**  
**Chairman**

- Chilean
- Lawyer
- Tax I.D.: 9.387.791-8
- Took office in: 2023
- Term ends: April 2024



**André Canguçu (\*\*)**

- Brazilian
- B.A. and M.A. in Business Administration
- Passport #YC013255
- Took office in: 2022
- Term ends: April 2024



**Pascal Renaud**

- French
- Engineer
- French Passport #19V16412
- Took office in: 2022
- Term ends: April 2024



**Mireille Van Staeyen**

- Belgian
- Economist
- Passport #EN351855
- Took office in: 2022
- Term ends: April 2024



**Claudio Iglesias**

- Chilean
- Electrical Engineer
- Tax I.D.: 7.289.154-6
- Took office in: 2018
- Term ends: April 2024
- Independent (\*\*\*)



**Mauro Valdés**

- Chilean
- Lawyer
- Tax I.D.: 7.011.106-3
- Took office in: 2016
- Term ends: April 2024
- Independent (\*\*\*)



**Cristián Eyzaguirre**

- Chilean
- Economist
- Tax I.D.: 4.773.765-6
- Took office in: 2010
- Term ends: April 2024
- Independent (\*\*\*)

### ALTERNATE DIRECTORS

**Alternate directors were elected for the term running from April 2022 to April 2024.**

#### **Guilherme Ferrari**

Brazilian / Mechanical engineer and business administrator / Brazilian Passport #GB197849 /

#### **Bernard Esselinckx**

Brazilian / Civil Engineer / Brazilian Passport #YC648242

#### **Juan Enrique Allard Serrano**

Chilean / Attorney / Tax I.D.: 10.895.601-1

#### **Ricardo Fischer Abeliuk**

Chilean / Engineer / Tax I.D.: 6.400.720-3

#### **Victoria Vásquez García**

Chilean / Business Engineer / Tax I.D.: 6.458.603-3

(\*) Aníbal Prieto Larraín took office in November 2023 in replacement of Frank Demaille, for whom he was alternate director.

(\*\*) André Canguçu left office in January 2024 and was replaced by Felisa Ros.

(\*\*\*) The independent directors presented their respective Independence statements in the manner provided in article 50-bis of the Companies Law.

**The career trajectory of Board members can be viewed at: [https://engie-energia.cl/wp-content/uploads/2022/09/2022\\_Biografias-Directorio-EECL.pdf](https://engie-energia.cl/wp-content/uploads/2022/09/2022_Biografias-Directorio-EECL.pdf).**





Visit by the Directors Committee to the San Pedro Farm in Chiloé, accompanied by our CEO, Rosaline Corinthien, and senior officers.

#### DIRECTORS BY TIME IN OFFICE

|           | Less than 3 years |       | From 3 to 6 years |       | More than 6 and less than 9 years |       | From 9 to 12 years |       | More than 12 years |       |
|-----------|-------------------|-------|-------------------|-------|-----------------------------------|-------|--------------------|-------|--------------------|-------|
|           | Men               | Women | Men               | Women | Men                               | Women | Men                | Women | Men                | Women |
| Regular   | 3                 | 1     | 1                 | 0     | 1                                 | 0     | 0                  | 0     | 1                  | 0     |
| Alternate | 3                 | 0     | 1                 | 1     | 0                                 | 0     | 0                  | 0     | 0                  | 0     |

#### DIRECTORS BY AGE RANGE

|           | Under 30 |       | From 30 to 40 |       | From 41 to 50 |       | From 51 to 60 |       | From 61 to 70 |       | Older than 70 |       |
|-----------|----------|-------|---------------|-------|---------------|-------|---------------|-------|---------------|-------|---------------|-------|
|           | Men      | Women | Men           | Women | Men           | Women | Men           | Women | Men           | Women | Men           | Women |
| Regular   | 0        | 0     | 0             | 0     | 1             | 0     | 3             | 1     | 1             | 0     | 1             | 0     |
| Alternate | 0        | 0     | 0             | 0     | 2             | 0     | 1             | 0     | 3             | 0     | 0             | 1     |

(\*) None of the Board members is disabled.

## KNOWLEDGE MATRIX

Our Board of Directors is comprised of individuals with ample experience in different sectors. We summarize this experience below:

|  | Aníbal Prieto | André Canguçu | Pascal Renaud | Mireille Van Staeyen | Cristián Eyzaguirre | Mauro Valdés | Claudio Iglesias |
|--|---------------|---------------|---------------|----------------------|---------------------|--------------|------------------|
| General administration   | •             | •             | •             | •                    | •                   | •            |                  |
| Administration of large companies                              |               | •             | •             | •                    | •                   | •            | •                |
| Industrial Sector  | •             |               |               |                      | •                   | •            | •                |
| Services Sector  | •             |               | •             | •                    | •                   |              | •                |
| Energy Sector  | •             | •             | •             | •                    |                     |              | •                |
| Public Sector  |               |               |               |                      | •                   |              |                  |
| Finance  |               | •             | •             | •                    | •                   |              |                  |
| Social responsibility, climate change and stakeholder dialogue |               |               |               |                      |                     | •            |                  |
| Digitalization, new technologies                               |               | •             |               |                      |                     |              |                  |
| Geostrategic challenges  |               |               |               |                      |                     | •            |                  |
| Corporate and environmental regulation                         | •             |               |               |                      | •                   | •            | •                |

## BOARD COMPENSATION

Board compensation is approved by the Ordinary Shareholders Meeting. The shareholders approved an allowance of 160 U.F. per meeting for each director for 2023, valid until the date of the next Ordinary Shareholders Meeting. The allowance is the same for all members, except for the chairperson, so there is no

gap in compensation received by female directors as compared to their male counterparts.

Shareholders approved an allowance of 320 U.F. per meeting for the Board chairperson. Alternate directors receive no compensation for their office unless they attend meetings in replacement of a regular director.

No other compensation (variable) is paid other than the compensation earned for directorships.

### PAY GAP

**2023**  
**100%**

### Board Compensation

|                                 | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD |
|---------------------------------|--------------------|--------------------|
| Cristian Eyzaguirre, Director   | 111                | 98                 |
| Mauro Valdes, Director          | 111                | 98                 |
| Claudio Iglesias, Director      | 111                | 98                 |
| <b>Total Board Compensation</b> | <b>333</b>         | <b>294</b>         |

## 2.9.3. HOW THE BOARD OF DIRECTORS WORKS

The Board of Directors must administrate, protect and give value to the Company's equity. The Board of Directors must set down the general directives on the risk management policies, including operating, financial, market, credit, occupational health and safety, labor, ethical, corruption, competition, human rights, cyber and environmental risks, according to national and international directives and recommendations.

### ADVISORY SERVICES

The company gives the Board several tools so that it can adopt fully informed decisions. The company does not have a specific policy on retaining advisors and experts, yet in practice, directors can request new reports, new studies or retain outside advisors for the matters that it deems pertinent. These and other requests must be channeled through the CEO.

Our Board has no formal system of collective and/or individual performance evaluation.

The needs and areas of training and development that the Board may require are addressed through refresher talks on regulatory changes and new regulations entering into force. Talks were given in 2023 on the new Economic Crimes Law and the plan that we will put into effect to incorporate the necessary changes that will have an impact, among other matters, on our crime prevention model.

In crises, the chief executive officer must report to, and keep active open lines of communication with, the Board on how the occurrence is developing. If necessary, directors have the means to hold meetings remotely to discuss these issues.

### DIGITAL PLATFORMS

Directors can make use of safe and reliable digital platforms to see relevant information remotely at any time, as often as needed. They can view minutes, all documents and presentations for each meeting on these platforms. The documents are kept there indefinitely.

The agenda, minutes, reports and presentations at the next meeting are uploaded to the virtual platform (Share Point and Teams) at least one week in advance. Directors receive the minutes of the meeting via DocuSign in a period prior to the next meeting.

All members of the Board can also access the complaint system on the company's website. There is no complaint system specifically for the board.

## APPOINTMENT OF THE BOARD

The company's Board is elected by the Shareholders Meeting. According to our Code of Corporate Governance, it must be elected every two years. The chief executive officer discloses the list of candidates to shareholders at least two days before the Ordinary Shareholders Meeting at which the board must be elected, who must have accepted their nomination and declared that they are fit for office. If provided, the list will also contain the professional experience and profile of each candidate, but this does not necessarily include a publication of their abilities, conditions and visions.

The ENGIE Group, our main shareholder, has been increasing the participation of women on the Board and in upper management as part of its commitment to gender equity and diversity.

## INDUCTION

Every member of the Board undergoes an induction to facilitate their understanding of the organization, its businesses, mission, vision, strategic goals, principles and values, benefits and risks, including all those related to sustainability, procedures, main

accounting standards and most relevant legal framework applicable to the company and the Board.

Below are the main aspects involved in the induction:

- The chief executive officer and managing directors give a general presentation to each new director in order to clear away any doubts and concerns and introduce them to strategic issues.
- The Chief Legal Officer delivers all relevant legal documents on the company, which include its bylaws, the Code of Corporate Governance and appendices, and any documents that explain its mission, vision, strategic goals, principles and values that must guide the work by the company, its directors and internal team.
- They are also given access to minutes of the last two years so that they can read the resolutions adopted and the background on those resolutions.
- They are also given access to quarterly and annual financial statements so that they can see the most relevant items and pertinent explanatory notes, as well as the accounting standards used in preparing them.

## MAIN TOPICS ADDRESSED

Following the company's strategic guidelines, the Board is constantly vigilant about matters of social and environmental sustainability, risks and internal auditing, which are the main topics. These subjects are reviewed at Board meetings and the senior officers are responsible for explaining them together with the Chief Executive Officer. The Chief Financial and Shared Services Officer actively participates in these meetings, who is responsible for risk management, as does the internal auditor, the Crime Prevention Officer, the Chief Institutional Relations Officer and the Chief Sustainability Officer, among others.

**a) Risks:** The Chief Financial and Shared Services Officer reports at least quarterly to the board on the following subjects:

- How the risk management process is working
- The risk matrix used, the main sources of risk and the methods of detecting emerging risks, and the probability and impact should the most relevant risks occur.
- Recommendations and improvements



that should be applied to better manage the company's risks.

- Contingency plans designed to react to the occurrence of critical events.

**b) Internal audits:** At least twice a year (in June and December) and upon request by the Board, the internal auditor presents the Annual Internal

Audit Plan, the annual regulatory compliance audit program, the results of audits and, if relevant, any potential serious weaknesses and irregularities found (more information on page 34, Governance Chapter).

**c) Climate Change:** The Board receives a monthly report on the social and

environmental actions being taken by the company. The Corporate Affairs Business Unit presents a report once a month to the Board on the trend in CO2eq emissions, and at least once a year on the main outcomes of the engagement plan, among other ESG considerations. It also reviews the progress in the Decarbonization Plan.

| MAIN ESG CONSIDERATIONS REVIEWED BY THE BOARD   | FREQUENCY DISCUSSED  | WHAT ARE THE MAIN TOPICS ADDRESSED AT MEETINGS?  |
|---|--|--|
| <b>Complaint System Management</b>  |  |  |
| <b>Presented by:</b> Ethics Officer/Chief Legal Affairs Officer.                              |  | <ul style="list-style-type: none"> <li>Sufficiently serious and probable complaints will be notified to the chief executive officer and/or the Board, notwithstanding the authority of the Ethics Committee.</li> </ul>  |
| <b>Risk Management</b>  |  |  |
| <b>Presented by:</b> Chief Financial and Shared Services Officer                              | At least quarterly   | <ul style="list-style-type: none"> <li><b>The significant risks</b> affecting business performance.</li> <li>Whether the <b>risk management process</b> is working adequately.</li> <li><b>The risk matrix used</b>, the main sources of risk, methods of detecting emerging risks and the probability of occurrence and impact of the most relevant ones.</li> <li>Recommendations to the Board <b>on the improvements that should be made to better manage the company's risks</b>.</li> </ul> |
| <b>Internal Auditing</b>  |  |  |
| <b>Presented by:</b> the Auditor  | At least twice a year ( <i>June and December</i> ), upon request by the Board, or whenever the auditor believes it necessary | <ul style="list-style-type: none"> <li>Approval of <b>the Annual Audit Plan</b>.</li> <li>Approval of the <b>annual regulatory compliance audit program</b>.</li> <li>Annual audit budget.</li> <li>Results of <b>audit management</b> and progress in the management of action plans.</li> </ul>  |
| <b>Social Sustainability Management</b>   |  |  |
| <b>Presented by:</b> Chief Corporate Affairs Officer / Sustainability and Communities Manager | At least once a year   | <ul style="list-style-type: none"> <li>Review of the <b>main initiatives taken in Territorial Management and the Fair Transition Plan</b> that covers the social impacts of closing the coal-fired units and territorial management.</li> </ul>  |
| <b>Climate Change</b>   |  |  |
| <b>Presented by:</b> Chief Corporate Affairs Officer / Sustainability and Communities Manager | Monthly  | <ul style="list-style-type: none"> <li>A presentation is given on the trend in the carbon footprint and factors that influence its measurement.</li> </ul>   |
| <b>Financial Statements</b>   |  |  |
| <b>Presented by:</b> the external auditing firm that audits the Financial Statements          | Annual   | <ul style="list-style-type: none"> <li>Presentation of the <b>Financial Statements</b>.</li> </ul>   |
| <b>Senior management compensation</b>   |  |  |
| <b>Presented by:</b> Chief Human Resources Officer  | Annual   | <ul style="list-style-type: none"> <li>A presentation is given to the Directors Committee, which must review and approve the proposal.</li> </ul>  |



## 2.9.4 DIRECTORS COMMITTEE

The Directors Committee is governed by article 50-bis of Law 18,046. It is comprised of independent directors whose main duties are to:

- 1 Examine the opinions of external auditors, the balance sheet and other financial statements to be presented to shareholders.
- 2 Propose to the board candidates for external auditors and risk rating agencies that will be suggested to the pertinent shareholders meeting.
- 3 Examine the information on related-party transactions.
- 4 Propose a general conflicts of interest policy to the board and decide on the typical general policies.
- 5 Examine the compensation systems and plans for officers, senior managers and employees of the company.
- 6 Prepare an annual report on their work that includes their main recommendations to shareholders.
- 7 Report to the board on whether or not it is convenient to retain an external auditing firm to provide services unrelated to the external audit.

The Directors Committee meets at least twice a year with the company's Internal Auditing Committee and once a year with the external auditors who audit



**Claudio Iglesias**

- Chilean
- Electrical engineer
- Tax I.D.: 7.289.154-6
- Took office in: 2018
- Term ends: 2024
- Independent



**Mauro Valdés**

- Chilean
- Lawyer
- Tax I.D.: 7.011.106-3
- Took office in: 2016
- Term ends: 2024
- Independent



**Cristián Eyzaguirre**

- Chilean
- Economist
- Tax I.D.: 4.773.765-6
- Took office in: 2010
- Term ends: 2024
- Independent

### DIRECTORS COMMITTEE BY TIME IN OFFICE

| From 3 to 6 years | More than 6 but less than 9 years | From 9 to 12 years | More than 12 years |
|-------------------|-----------------------------------|--------------------|--------------------|
| 1                 | 1                                 | 0                  | 1                  |

### DIRECTORS COMMITTEE BY AGE RANGE

| Under 30 | From 30 to 40 | From 41 to 50 | From 51 to 60 | From 61 to 70 | Older than 70 |
|----------|---------------|---------------|---------------|---------------|---------------|
| 0        | 0             | 0             | 1             | 1             | 1             |

the Financial Statements. At the end of each monthly meeting, it also issues one or two reports to the Board on the related-party transactions reviewed at the pertinent meeting.

The Directors Committee has a budget of 5,000 UF, approved by the Ordinary Shareholders Meeting, to retain

accounting consultants. It can also request, through the chief executive officer, that internal reports and studies be made. No expenses were defrayed against that budget in 2023.

**The Directors Committee's annual report is on page 181.**

## COMPENSATION OF THE DIRECTORS COMMITTEE

The Ordinary Shareholders Meeting approved all-events compensation of 55 U.F. monthly in accordance with Article 50-bis of Companies Law 18,046.

### BOARD COMPENSATION

|  | 2022 | 2023 |
|--|------|------|
| <b>Directors Committee allowance (in UF)</b> | 55   | 55   |

## 2.9.5 SENIOR MANAGEMENT

Senior Management is a diverse team of men and women who have different professions, are of different ages and

nationalities, led by Rosaline Corinthien, who has vast experience in the renewable energy industry. Juan Villavicencio,

Managing Director of the Renewables GBU, joined this team on July 31, 2023, in replacement of Mathieu Ablard.



- |   |   |   |  |   |
|---|---|---|--|---|
| <p><b>1 Gabriel Marcuz</b><br/>Managing Director,<br/>Flexible Generation &amp;<br/>Retail GBU</p> <ul style="list-style-type: none"> <li>• Engineer</li> <li>• Tax I.D.: 21.273.633-3</li> <li>• Argentine</li> <li>• Took office in 2021</li> </ul> | <p><b>2 Eduardo Milligan</b><br/>Chief Financial Officer</p> <ul style="list-style-type: none"> <li>• Economist</li> <li>• Tax I.D.: 25.672.615-7</li> <li>• Peruvian</li> <li>• Took office in 2017</li> </ul>           | <p><b>3 Diane de Galbert</b><br/>Head of Strategy and<br/>Digital Solutions</p> <ul style="list-style-type: none"> <li>• Lawyer</li> <li>• Tax I.D.: 28.150.058-9</li> <li>• French</li> <li>• Took office in 2024</li> </ul> | <p><b>4 Pablo Villarino</b><br/>Head of Corporate<br/>Affairs</p> <ul style="list-style-type: none"> <li>• Lawyer</li> <li>• Tax I.D.: 9.904.494-2</li> <li>• Chilean</li> <li>• Took office in 2019</li> </ul>      | <p><b>5 Rosaline Corinthien</b><br/>CEO ENGIE Energía Chile</p> <ul style="list-style-type: none"> <li>• Engineer</li> <li>• Tax I.D.: 28.103.791-9</li> <li>• French</li> <li>• Took office in 2022</li> </ul>         |
| <p><b>6 Juan Villavicencio</b><br/>Managing Director<br/>Renewables GBU</p> <ul style="list-style-type: none"> <li>• Engineer</li> <li>• Tax I.D.: 13.831.685-8</li> <li>• Chilean</li> <li>• Took office in 2023</li> </ul>                          | <p><b>7 Demián Talavera</b><br/>Managing Director<br/>Networks GBU</p> <ul style="list-style-type: none"> <li>• Engineer</li> <li>• Tax I.D.: 14.608.639-K</li> <li>• Argentine</li> <li>• Took office in 2022</li> </ul> | <p><b>8 Lucy Oporto</b><br/>Managing Director<br/>Human Resources</p> <ul style="list-style-type: none"> <li>• Psychologist</li> <li>• Tax I.D.: 15.378.645-3</li> <li>• Chilean</li> <li>• Took office in 2022</li> </ul>    | <p><b>9 Isak De Eskinazis</b><br/>Managing Director<br/>Portfolio</p> <ul style="list-style-type: none"> <li>• Economist</li> <li>• Tax I.D.: 27.732.473-3</li> <li>• Turk</li> <li>• Took office in 2022</li> </ul> | <p><b>10 Fernando Valdés</b><br/>Managing Director<br/>Legal Affairs</p> <ul style="list-style-type: none"> <li>• Lawyer</li> <li>• Tax I.D.: 13.038.373-4</li> <li>• Chilean</li> <li>• Took office in 2019</li> </ul> |



#### SENIOR OFFICERS BY TIME IN OFFICE (as of December 31, 2023)

| Less than 3 years |       | From 3 to 6 years |       | More than 6 and less than 9 years |       | From 9 to 12 years |       | More than 12 years |       |
|-------------------|-------|-------------------|-------|-----------------------------------|-------|--------------------|-------|--------------------|-------|
| Men               | Women | Men               | Women | Men                               | Women | Men                | Women | Men                | Women |
| 4                 | 2     | 3                 | 0     | 0                                 | 0     | 0                  | 0     | 0                  | 0     |

#### SENIOR OFFICERS BY AGE RANGE (as of December 31, 2023)

| Under 30 |       | From 30 to 40 |       | From 41 to 50 |       | From 51 to 60 |       | From 61 to 70 |       | Older than 70 |       |
|----------|-------|---------------|-------|---------------|-------|---------------|-------|---------------|-------|---------------|-------|
| Men      | Women | Men           | Women | Men           | Women | Men           | Women | Men           | Women | Men           | Women |
| 0        | 0     | 0             | 0     | 4             | 2     | 3             | 0     | 0             | 0     | 0             | 0     |

(\*) None of the Senior Officers is disabled.

## COMPENSATION

The compensation policy on senior officers and the chief executive officer considers a fixed salary that is comprised of a base salary and allowances, and a variable salary that is a combination of individual goals – evaluated on the basis of what they are and how they are achieved – and the results for the strategic indicators defined in the Balanced Scorecard (BSC).

In 2023, the main indicators that were used in defining the short-term incentives were financial, environmental and social. They included our Health and Safety Goals and the recruitment of women for leadership positions.

In connection with benefits, we have a Beneflex Program targeting leaders. This program allows them to choose the benefits offered by the Company most appropriate to their needs and to align them to their interests. In practice, the program provides a donation of money that can be distributed among allowances, protection benefits, school financial aid for children, education or retirement support, in addition to being flexible about buying or selling vacation days.

At the close of 2023, the individuals in these positions held no shares in the company.

#### COMPENSATION OF OFFICERS AND SENIOR MANAGERS (IN KUSD)

|                            | 2023         | 2022         |
|----------------------------|--------------|--------------|
| <b>Compensation</b>        | 3,144        | 2,832        |
| <b>Short-term benefits</b> | 1,002        | 236          |
| <b>Total</b>               | <b>4,146</b> | <b>3,068</b> |





# COYA PHOTOVOLTAIC FARM AND COYA BESS

## LOCATION

Region of Antofagasta

**181.25 MWAC**

Installed capacity

**369,432**

Photovoltaic panels

**638 MWH PER DAY**

BESS storage

**139 MW**

Battery installed capacity

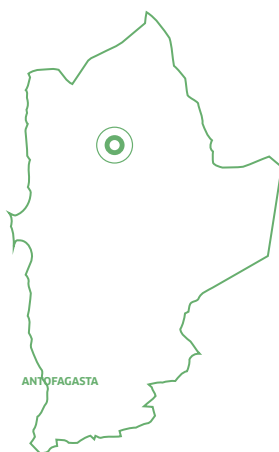
## RANGE

173,000 homes in the north of the country

## ENVIRONMENTAL

### IMPACT

Avoids the emission of  
**376,935 tons/CO2eq** per year







# PERFORMANCE

# 3.1 OUR STRATEGY

---

The main purpose of our corporate strategy is to be a driver in the energy transition, at the service of the decarbonization of Chile. Our business commitment is, therefore, to supply accessible, reliable energy to our customers engaging in different businesses and thereby support them in decarbonizing their own production processes.

---

# 3.1.1 STRATEGIC GOALS

Our strategy is focused on driving an affordable and safe Energy Transition that will help us achieve ENGIE Group's goal of Net Zero Carbon by 2045, certified by the Science Based Target Initiative (SBTi). In line with goal, we are, simultaneously moving forward with our decarbonization plan, pushing for a flexible production capacity where gas will play a key role, as will energy storage systems

## I. OUR CHALLENGES

In five years we injected 0.9 GW of renewable energy, becoming the second source of energy of our parent company in 2023 and accounting for 32% of installed capacity. We also expanded our generating units from the Far North – located in the Region of Arica and Parinacota and mainly in the Region of Antofagasta – to the south, in Region of Los Lagos.

Over the next five-year period, 2023-2027, we plan to add 1.4 GW to reach a clean energy installed capacity of 2 GW, to convert the IEM Power Plant from coal to gas, and to build 1.3 GWh of

Battery Energy Storage Systems (BESS) by which we will ensure that our energy can be dispatched and will contribute to the grid's security. Coya BESS will inject 638 MWh starting in 2024 and as of 2025, Tamaya BESS will contribute 419 MWh and Capricornio BESS 264 MWh.

While we grow, we must also maintain a high level of availability of our gas assets to meet the power grid's security needs.

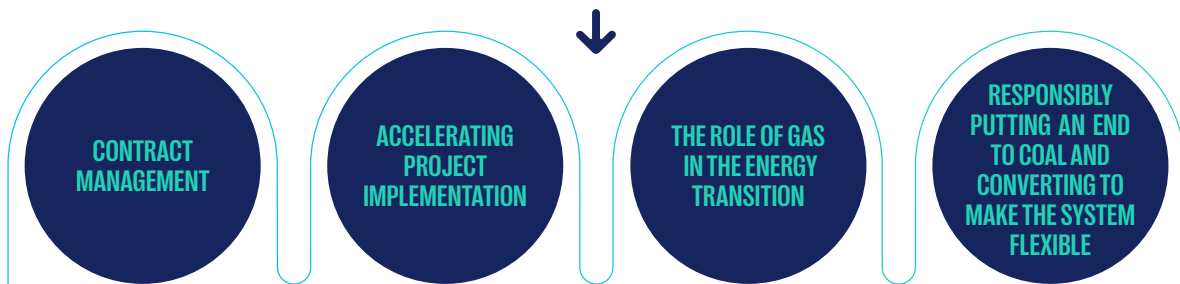
To address these challenges and those that will come in the short, medium and long term, the company asked professionals from different areas and

external advisors to make a strategic analysis of what we will need internally to complete the road map that we have prepared, and of the conditions that the new energy market now taking shape in Chile must have so that the industry's sustainability can be assured.

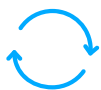
The outcome of this work is our new Strategic Balancing Plan for the period 2023-2028, proposals on the energy market model most suited to the country's new reality, and specific solutions to strengthen the Energy Transition and thus achieve the country's objectives.

## 2023-2028 STRATEGIC BALANCING PLAN

Balancing demand with our generation by:



## CUATRO PUENTES PARA TRANSITAR A BALANCE



Feedback



Decision-Making



Accountability



Delegation

## 3.1.2 STRATEGIC BALANCING PLAN

Our aim through our Strategic Balancing Plan is to improve our energy competitiveness in the medium and long term by increasing our generating capacity and minimizing the risk of our portfolio. This is accomplished by maintaining an equilibrium between production by our assets and the supply commitments we currently have with our customers.



### I. BALANCING GOALS

The company intends for the Balancing to achieve four strategic goals, each related to initiatives intended to attain them, namely:

#### 1 Accelerating the implementation of renewable power generation and transmission projects

- We plan to have a renewable capacity of 1.4 GW by 2027: 0.9 GW of wind energy, 0.3 GW of BESS and 0.1 GW of photovoltaic solar energy.
- WE will use BESS and gas generation at night to confront the intermittency and outages of renewable sources.

#### 2 Reinforcing our gas infrastructure

- We are adopting initiatives to assure a supply of liquefied natural gas (LNG) for gas generation at our own facilities and under toll agreements with other producers.
- By regasification, transportation, generation and sale.



#### 3 Responsible Portfolio Management

- We decided to postpone contract renewals until the portfolio is balanced in 2028.
- We also increased backup power purchase agreements (PPAs) to 3.3 TWh/year in 2023, compared to 2.2 TWh/year in 2022.
- We will endeavor to balance geographically in each of the different zones in the Chilean grid to ensure a leveling off of supply and demand.

#### 4 Operational excellence and flexibility in exiting coal

- We will continue to work towards exiting coal responsibly.
- We will keep our units highly available.
- We will work on converting some of the coal-fired units to gas.



## 3.1.3 CULTURE TO LEVERAGE OUR BALANCING STRATEGY

On an organizational level, achieving the Balancing goals entails challenges of adaptation and changes to the way we work, especially a greater capacity of teams and leaders to manage themselves. Our intent is for people who work in our company to orient their actions and decisions toward the goals of the business, from their sphere of action.

So, we are promoting four ways of working from our frame of reference -EWOW (ENGIE WORK OF WORKING) and EWOL (ENGIE WAY OF LEADING) -, which are: **Feedback, Accountability, Decision-Making and Delegation. More information on page 98.**



### 1. NEW GEM BUSINESS UNIT

We also reinforced our structure by creating the Global Energy Management & Sales Business Unit (GEMS), whose purpose is to build a successful, sustainable platform to administrate, optimize and reduce the risks in the company's energy management activities.

The new business unit is a transversal area that interacts with all key areas of the company. Among its goals is driving the entire company to continue with the work that was done in 2023, focused especially on implementing the different tools of the ENGIE Group in Chile and deepening personal data management and digitalization.

Of note among the activities being coordinated for the Balancing Strategy are:

- Optimizing the business margins.
- Managing the assets of ENGIE ENERGÍA Chile to improve results.
- Optimizing the procurement of fuels and assuring their logistics.
- Supporting a balancing of the company's portfolio in the aim of achieving low carbon emissions.
- Monitoring and reducing the risks through innovative hedging strategies and state-of-the-art commercial actions.
- Being a driving force behind the main regulatory debates on the market.
- Supporting decarbonization by our customers (the mining industry in particular).

## 3.1.4 SECTOR PROPOSAL FOR SECTOR'S SUSTAINABILITY

Our strategic goal of achieving Net Zero Carbon by 2045 entails driving an Energy Transition in Chile that is affordable and reliable, and to do that, it is indispensable for the grid's security to be strengthened. To that end, we have designed proposals that we have made available to the authorities and actors in the industry to make sustainability more systemically robust.

### I. A NEW MARKET

The Chilean energy market is facing the challenges inherent to a decarbonization of its energy matrix. The rapid penetration of renewable energy, the gradual phasing out of coal, the problems in accelerating the necessary investment in transmission, the weight of permitting and the country's own features have unleashed recurrent material issues: congestion, high reduction rates, highly volatile prices and marked differences between node prices, to name a few. These issues can only be addressed by structural changes to the design of the market.

From that premise, we made an internal analysis through an interdisciplinary team comprised of professionals from the different areas of the company, internal and external consultants. This group focused on drafting a set of proposals to strengthen the conditions of the Chilean energy market based on three principles: maintaining an energy transition affordable for end consumers; guaranteeing the security of the power grid at all times; and achieving the goals of the Decarbonization Plan of Chile and the ENGIE Group.

Studies were retained that brought to light important conclusions in relation to: the role that we should give natural gas in the transition, the structure of the market that we need and transmission. We prepared proposals with that information that we shared with trade associations of which we are members and with the authorities. We actively participated in the work groups of the Ministry of Energy that should lead



to a decarbonization road map of the government.

#### **A) ASSURING THE SECURITY OF THE POWER GRID THROUGH FLEXIBLE ASSETS**

We requested a study from Inodú, a consultant, that projected that, in some scenarios, as much as 12 TWh per year of natural gas-fired power generation will be needed in the country to replace coal safely and simultaneously reduce greenhouse gas emissions (GHGs). A specific policy is therefore needed that guarantees that gas assets fulfill their key purpose of moving towards a zero emissions matrix in which remuneration is fair, while maintaining the actual incentives and, if necessary, creating new ones. Although renewable

energy, BESS, synchronous condensers, management of demand and transmission systems are indispensable, for now, they cannot substitute, in an economically sustainable way, for the contribution of gas to the grid during decarbonization. So, the government must have a clear opinion on this subject.

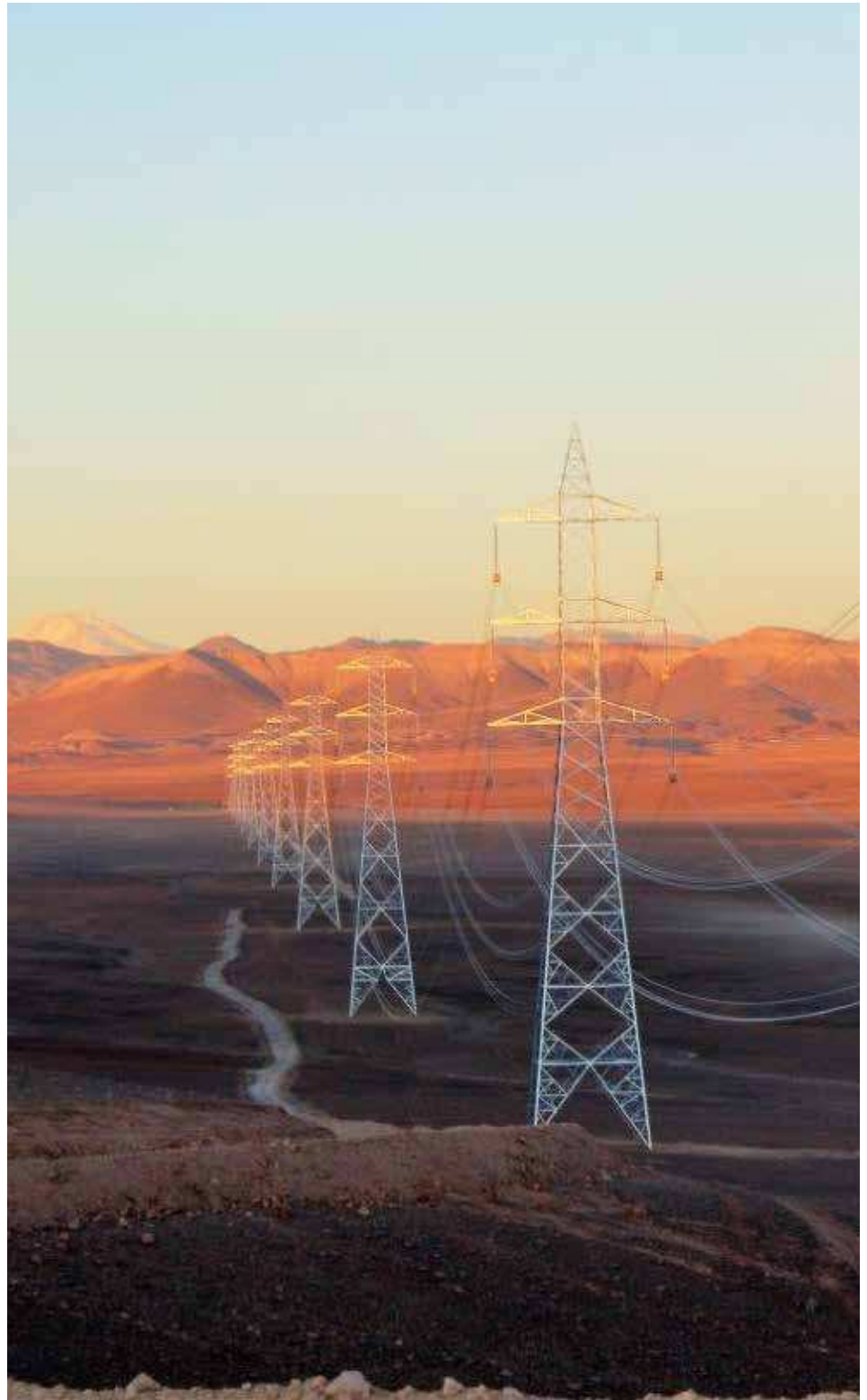
Another issue critical to the grid's security is energy storage. We are leading important projects and one of the priorities is to have capacity regulations that define the remuneration of storage systems. This can be complemented by regulatory, financial and even tax and legal incentives to speed the process up, for example, by encouraging their participation in the provision of complementary services.

## **B) IMPROVING THE CONDITIONS OF THE ACTUAL MARKET TO PREPARE FOR THE TRANSITION TO A SUPPLY-BASED MARKET**

The rapid influx of renewable energy has caused a change in the conditions of the energy market. It currently operates under an audited cost model that works for a hydrothermal generation market with a limited number of actors. However, in the future, renewable energy will be predominant, the number of participants will also be higher, so new technologies are needed that will be increasingly more difficult to incorporate. In order to be able to address these matters, the most appropriate thing is to move towards a supply market in which the need to audit each detail is eliminated and tools are provided for each operator to manage their own risks. With the support of Vinken, a consultant, we are proposing a gradual transition by 2030 where the first fundamental stage of improvement is in the conditions of the actual market, including the conditions of the distribution company tenders, to improve the situation of market agents, especially renewable energy suppliers.

## **C) ANTICIPATING TRANSMISSION NEEDS**

As concerns transmission, we believe that a more agile and resilient system is needed to reduce restrictions and price volatility. The main levers that we identified are improving the anticipation, simplifying permits, implementing flexibility and risk mitigation tools in the short term while still building the necessary additional lines. In the medium term, the conditions needed must be created to have and optimize the planning of transmission and accelerate permitting.



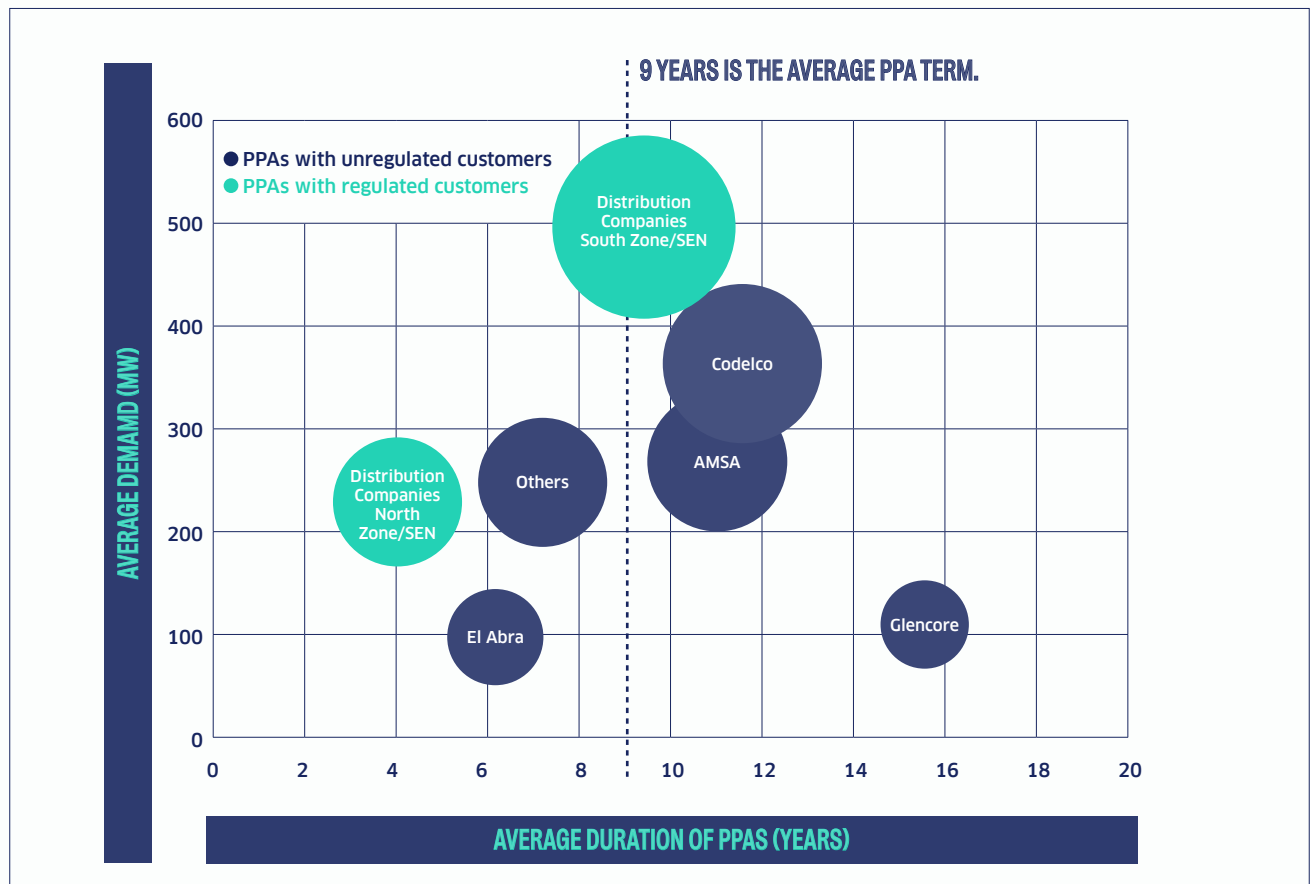
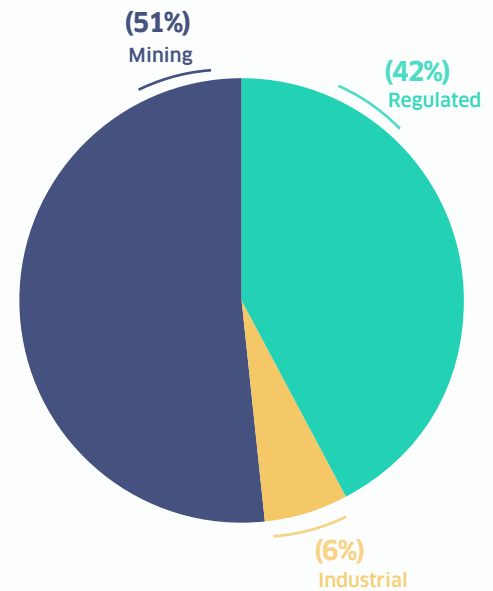
## CUSTOMERS

Our commercial strategy is centered on selling energy to companies in the mining and industrial sectors (unregulated) and services sector (regulated) through long-term relationships.

We overcame this challenge by making long-term power purchase agreements (PPAs) that represented 12 TWh/year at the close of 2023 and had an average term of 9 years. Regulated customers account for 42% of all customers, mining companies 51% and industrial customers 6%.

### Our main customers are:

- 1 **REGULATED CUSTOMERS:** CGE, Saesa, Enel.
- 2 **UNREGULATED CUSTOMERS: CODELCO,**  
Antofagasta Minerals, BHP Billiton, Glencore,  
CAP and Freeport- McMoran.





## 3.1.5 GREEN FINANCING

Part of our commitment to developing a sustainable business means using financing that entails greater social and environmental requirements to defray the costs of our renewable generation assets.

We started to use this type of debt instrument with the first green loan from IDB Invest to finance the Calama Wind Farm. It involved a credit structure requiring emissions reduction commitments, biodiversity protection plans, fostering local employability and entrepreneurship.

In the same respect, we have signed other ESG-based loans, the most recent being the one closed with International Finance Corporation (IFC), a member of the World Bank Group. It is a green loan for MUSD 400 to finance an expansion in our renewable energy portfolio and implement our BESS storage system. Like with IDB Invest, this is the first sustainability-linked loan granted by IFC in the energy sector in Chile.

**MUSD 945**  
Green Loans



The transaction for MUSD 400 is structured as follows: the first MUSD 200 was received July 28, 2023, MUSD 114.5 provided by investors under the co-financing portfolio program administrated by IFC; MUSD 35.5 by ILX Fund, an investor focused on SDGs that is a member of IFC's B Loan Program;

and MUSD 50 from DEG. The remaining MUSD 200 were received on December 19, 2023.

**At the close of 2023, we held green loans for MUSD 945, equal to 80% of the MUSD 1.184 invested in renewable generation as of December 2023.**











## ESG STANDARDS

The IFC loan was structured on the basis of ESG standards that include closing or converting to gas the company's remaining coal-fired generating assets. This will help mitigate climate change by reducing the greenhouse gas emissions by more than 800,000 tons. It also incorporates renewable energy installed capacity goals and gender considerations, specifically women in managerial positions.

## SUSTAINABILITY INDICATORS LINKED TO THE LOAN

| (AS OF THE CLOSE OF EACH YEAR)                             |    | 2020  | 2021  | 2022  | 2023  | 2024  | 2025  | 2026  |
|--|----|-------|-------|-------|-------|-------|-------|-------|
| <b>Dismantling and conversion of coal-fired units.</b>     |    |       |       |       |       |       |       |       |
| Coal-based gross power production capacity.                | MW | 1,334 | 1,334 | 1,066 | 1,066 | 1,066 | 732   | -     |
| <b>Renewable energy installed capacity</b>                 |    |       |       |       |       |       |       |       |
| Gross power production capacity based on renewable energy. | MW | 156   | 301   | 750   | 740   | 875   | 1,200 | 1,250 |
| <b>Gender (Potential alternative KPIs)</b>                 |    |       |       |       |       |       |       |       |
| Women in managerial positions.                             | %  | 19%   | 21%   | 24%   | 27%   | 29%   | 30%   | 31%   |

## OTHER GREEN FINANCING WE HAVE RECEIVED

| 2020   | 2022   | 2022  | 2023   |
|--|--|---|--|
| <br><b>Calama Wind Farm</b><br><br><b>MUSD 125</b> | <br><b>Expansion of the renewable asset portfolio</b><br><br><b>MUSD 250</b> | <br><b>San Pedro Wind Farm, Chiloé</b><br><br><b>MUSD 170</b> | <br><b>Expansion of the renewable asset portfolio</b><br><br><b>MUSD 400</b> |
| <b>TOTAL: MUSD 945</b>   |  |   |  |

## 3.1.6 INVESTMENT PLANS



In 2023, investment-related cash flows resulted in a net cash outlay of MUS\$ 512.7, mainly because MUS\$ 534.60 was invested in fixed assets, which

Included the Coya BESS project and the Lomas de Taltal Wind Farm as well as transmission substations and the major maintenance of generation and transmission assets.

In April of this year, on the other hand, we announced a MUS\$ 1.800 investment plan to inject 1.4 GW. This represents close to 15% of the company's global investment in renewable energy projected from now to 2027. We estimate an investment of around MUS\$ 950 from 2025-2027 in renewable energy projects.

### INVESTMENT PLANS DECARBONIZATION PLAN

**MUS\$ 422**  
Investments through 2023

**MUS\$ 380**  
Investment estimated in 2024

**MUS\$ 950**  
Investment projected from 2025-2027

**MUS\$ 2.500**  
Total approximate investment to have 2 GW of renewable energy

### HOW WE ARE ACCELERATING OUR INVESTMENTS IN RENEWABLE ENERGY

Our plan is to achieve an installed capacity of 2 GW of renewable energy, 0.9 GW of which are already in operation.

|                                       | 0.9 GW<br>In production        |               |                    |                              |                     | 0.5 GW<br>Under construction        | 0.7 GW(*)<br>Under development |
|---------------------------------------|--------------------------------|---------------|--------------------|------------------------------|---------------------|-------------------------------------|--------------------------------|
|                                       | 2019                           | 2020          | 2021               | 2022                         | 2023                | 2024 (e)                            | 2025-2027 (e)                  |
| <b>MW In operation</b>                | 46                             | 82            | 265                | 369                          | 139                 | 459                                 | 700                            |
| <b>Wind</b>                           | 48 MW<br>Monte redondo         |               | 151 MW<br>Calama   | 101 MW<br>San Pedro          |                     | 343 GW<br>Lomas de Taltal           |                                |
| <b>PV</b>                             | 46 MWac<br>Los Loros Andacollo |               | 114 MWac<br>Tamaya | 268 MWac<br>Coya Capricornio |                     |                                     |                                |
| <b>Water</b>                          |                                | 34 MW<br>Laja |                    |                              |                     |                                     |                                |
| <b>Batteries</b>                      |                                |               |                    |                              | 139 MW<br>Bess Coya | 116 MW<br>Bess Tamaya y Capricornio |                                |
| <b>CAPEX (MUS\$) and Acquisitions</b> | 64                             | 202           | 171                | 325                          | 422                 | 380                                 | 950                            |

(\*) The projects under development have not yet been approved (except for Tamaya BESS) and how they will be financed will be decided in due course.

## I. TIME HORIZON AND ASSETS

When considering the useful life of the company's assets and infrastructure, a distinction must be made between those that have a long, medium or short life. In the long-life category, with a range of 25 to 50 years, are the thermal generation units, renewable energy generation farms, transmission lines, gas pipelines and civil works. Medium-life assets, that have a useful life of 10 to 14 years, consist of control systems. Finally, among the short-life assets – with an estimated useful life of 3 to 10 years – are auxiliary systems, vehicles and tools. The useful life of property, plant and equipment is reviewed at the end of each fiscal year.

### ESTIMATED USEFUL LIVES OF THE COMPANY'S MAIN ASSETS

|                               |                      | Minimum | Maximum |
|-------------------------------|----------------------|---------|---------|
| Coal-Fired Power Plants       | Useful life in years | 25      | 40      |
| Combined-Cycle Power Plants   | Useful life in years | 25      | 25      |
| Wind Farms                    | Useful life in years | 25      | 45      |
| Photovoltaic Power Plants     | Useful life in years | 25      | 35      |
| Civil Works                   | Useful life in years | 25      | 50      |
| Hydraulic Works               | Useful life in years | 35      | 50      |
| Transmission Lines            | Useful life in years | 10      | 50      |
| Gas Pipelines                 | Useful life in years | 25      | 30      |
| Control Systems               | Useful life in years | 10      | 14      |
| Auxiliary Systems             | Useful life in years | 7       | 10      |
| Furniture, Vehicles and Tools | Useful life in years | 3       | 10      |
| Miscellaneous                 | Useful life in years | 5       | 20      |





# 3.1.7 DIGITAL STRATEGY



## DIGITAL STRATEGY

| Strategic Goal   | Actions   | 2023 Goals   |
|--|---|--|
| <b>ASSURE THE OPERATIONAL CONTINUITY OF THE BUSINESS</b> | <b>Improve the availability of critical services</b>              | <ul style="list-style-type: none"> <li>• &gt; 99.95%</li> </ul>  |
|  | <b>Strengthen the awareness of cybersecurity among employees</b>  | <ul style="list-style-type: none"> <li>• 100% of employees certified in the mandatory course defined by the Group</li> </ul>       |
| <b>INDUSTRIALIZATION OF PROCESSES</b>                    | <b>Proyecto SEZAME - Plataforma de Gestión del Capital Humano</b> | <ul style="list-style-type: none"> <li>• 100% of the Project is in line with the physical and financial progress plan</li> </ul>   |
| <b>CREATE VALUE VIA DIGITAL DATA</b>                     | <b>Have a digital project portfolio</b>                           | <ul style="list-style-type: none"> <li>• Efficiency (HH) &gt; 2,906 human hours</li> <li>• Savings in kUSD &gt; kUSD250</li> </ul> |

## I. MAIN ADVANCEMENTS IN 2023

The digital transformation has played a fundamental role in our company's development. So, early on, we designed a digital strategy aiming to ensure the company's operational continuity and create value for the business by standardizing processes and incorporating and/or adopting digital technology. To that end, our Digital & IT work led to an efficiency level of 3,300 human hours (HH) and a savings of kUSD 525.

During 2023, kUSD 735 were allocated to the company's digital CAPEX, equivalent to 18% of the budget, and kUSD 717 to operational continuity (OPEX), equal to 12% of the budget, for the purpose of fortifying the security of strategic assets like our renewable energy farms and substations.

In the 2023 fiscal year we developed initiatives within the framework of our strategic pillars:

- Assure the operational continuity of the business.** We focused on a greater IT reliability and security in asset operation and on access to digital services, done by complying with the ICS Framework and the Group's Cybersecurity Policy.
- Progress in industrialization of the business.** We standardized processes by adopting and implementing the Group's corporate platforms.
- Contribute to operational excellence via digitalization and data.** From that focus, we automated different company processes through Robotic Process Automation (RPA), Artificial

Intelligence + IoT and data analytics.

### d) Strengthen the One Engie IT culture.

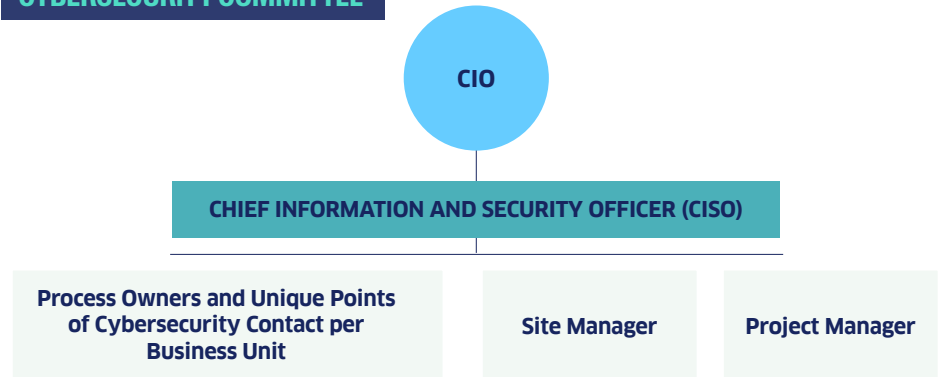
In this sphere, we consolidated the IT industrial cell, which consists of a polyfunctional team that was trained in different topics and standards of industrial IT. We also implemented the IT Business Partner model (advisors) in each of our business units, sites and projects in the goal of aligning the IT/ Digital strategy to the company's needs by means of an ongoing engagement with business units.

## II. CYBERSECURITY

The work by our cybersecurity is part of a global effort by the ENGIE Group that gives us the guidelines through its Cybersecurity Policy and Personal Data Protection Policy launched in March 2023.

Our governance is comprised of a Cybersecurity Committee that monitors and controls the progress in implementing the controls of the Industrial Control Systems (ICS) Framework to manage our risks. The members are the Chief Information and Security Officer (CISO), Unique Points of Cybersecurity Contact (advisors) for each business unit (GBU), Site Managers and Project Managers.

### CYBERSECURITY COMMITTEE



The committee meets monthly and part of its duties is to send a report on the degree of compliance with the ICS Framework to managing directors, area leaders and process owners. The report contains an explanation of cybersecurity progress and compliance.



### I. RISK MAP

Our main cybersecurity risks are: phishing, ransomware and information loss, which are integrated to the company's Enterprise Risk Management (ERM) model.

To mitigate these risks, we took the following actions this year:

- a) We launched local and group-level phishing campaigns to strengthen employees' commitment. This time we incorporated our suppliers to this communicational effort. Any suppliers accumulating three or more failures had to take an ad hoc phishing course in October.
- b) Supplier contract clauses. We amended the IT-TO cybersecurity clauses in all contracts.
- c) We held two drills on external attacks on our services and platforms (general Pentesting and Pentesting the SAP-HEC platform) to monitor our degree of vulnerability and be able to implement or strengthen controls.
- d) We tested the disaster recovery plans for critical systems and conducted tests of SAP, SCADAs and the ENGIE Chile Domain.
- e) We made an assessment of ISO 27001 in order to mitigate the risks of information loss during Q4 2023. This exercise helped us define a plan to receive ISO 27001 certification in 2024. We were not attacked, nor did we lose information, in 2023.
- f) We conducted two audits: Peer Reviews at the Mejillones Thermal Power Plant, in which employees from other countries participated, and an external audit by LABORELEC of the Renewables Control Center in Santiago.

### III. FOCUSES IN 2024

The main cybersecurity focuses in 2024 will be on:

- 1 Receiving ISO 27001 certification.
- 2 Compliance with the ICS Framework for sensitive and standard sites.

#### Industrialization and the standardization of Group processes will entail:

- 1 Implementing the Pilot One Safety Tool in our Flexible Generation & Retail, or FlexGen, GBU and then scaling it to the remaining business units.
- 2 Implementing the Anticipation-GET (Global Enterprise Transformation). This initiative of the ENGIE Group is intended for each country to progress autonomously in cleaning up data and the documentation of processes so that we can be better prepared for the start of the GET Project.

- 3 Advancing with the plan to adopt the Personal Data information Policy.
- 4 Progressing in the strategic data and digital focuses defined by the company's executive team for the period 2024-2025.
- 5 Creating value for the business via digital innovation, by incorporating Generative Artificial Intelligence (GenAI) and exploring, through specific uses, its potential in process optimization, automation, efficiency and changes in how we operate.

#### As concerns data & digital:

- 1 Advancing with the plan to adopt the Personal Data Information Policy.
- 2 Progressing in the strategic data and digital focuses defined by the company's executive team for the period 2024-2025.

- 3 Creating value for the business via digital innovation, by incorporating Generative Artificial Intelligence (GenAI) and exploring, through specific uses, its potential in process optimization, automation, efficiency and changes in how we operate.

#### As concerns One Engie IT:

- 1 Consolidating the roles of IT Business Partners.

### INNOVATION

Innovation and continuing improvement play a major role in the company's strategy. They contribute to operational excellence and the betterment of business processes, which has a positive impact on the availability of assets, digital solutions, process simplification and platform standardization, to name a few.

In this context, we oriented our innovation work toward the search for solutions that reinforce our

energy transition and toward an optimization of our business processes.

We also participated in the "ONE ENGIE Awards" innovation contest. Through this contest, the ENGIE Group rewards the best innovation projects in the world based on the value they contribute, the level of implementation, social and environmental impact and alignment with the strategy.

### DATA POLICY

In March 2023, we launched our Personal Information Policy defined by the Group in the aim of trying to assure that personal information rules and regulations are followed and of helping to efficiently protect the personal information of employees, customers, contractors and suppliers.

The DATAFRIEND forum was created, a community comprised of different areas that work with data.

The first stage involved an evaluation to identify our compliance with seven pillars, which was an average of 64%: Governance, Organization & Management (57%), Personal Data Security and Data Privacy (100%), Compliance & Ethics (89%), Access, Sharing & Storage (60%), Data Usage & Value Creation (100%), Data Culture & Literacy (60%), Technical Ecosystems Guidelines (50%).

We devised an adoption plan for the period 2023-2025 that enabled us to close 2023 with a 77% compliance that we will continue to improve until reaching 100%.

## 3.2 BUSINESS PERFORMANCE

---



## 3.2.1 REGULATORY FRAMEWORK

The electricity sector in Chile is regulated by the General Electricity Law contained in Statutory Decree 4/20018 of the Ministry of Economy that set the consolidated, coordinated and systematized text of Statutory Decree 1/1982, and by the corresponding Regulations to that decree contained in Executive Decree 327 of the Ministry of Mining, as amended.

The entities responsible for ensuring enforcement and compliance with the law are the:

- **Ministry of Energy (MEN)**, a first-level department that collaborates with the President of the Republic in government and administrative functions of the sector. It is responsible for policies, plans and standards for sector development.
- **National Energy Commission (CNE, as abbreviated in Spanish)**, which is in charge of the planning of transmission systems, price analyses, rates and technical standards so that there is a sufficient, secure and quality service consistent with the most economic operation.
- **Electricity and Fuels Commission (SEC, as abbreviated in Spanish)**, which controls and oversees compliance with the laws, regulations and technical standards for power generation, transmission and distribution, liquid fuels and gas.
- **National Electric Coordinator (CEN, as abbreviated in Spanish)**, an autonomous public association responsible for guaranteeing a coordinated, secure and the most economical operation of facilities, in addition to open access to transmission systems.
- **Panel of Experts**, whose primary function is to resolve disputes arising among electric utilities.



### I. HOW THE SECTOR WORKS

Under the Electricity Law, power generators in the National Grid must coordinate their operations through the CEN so that the grid is operated at the minimum cost while preserving a security of service. The CEN plans and implements grid operation, including the calculation of the hourly marginal cost, which is the price at which energy transfers among power generators are appraised. Therefore, the decision for each company to generate is subject to the CEN plan. Companies can freely decide to sell their energy to regulated and/or unregulated customers. Any surplus or deficit between their sales to customers and their production is sold

to, or bought from, other power generators at the marginal cost.

In Chile, the capacity for which each generator must be paid is calculated on a centralized basis by the CEN yearly, and that calculation provides the sufficiency capacity of each power plant. This value is separate from power plant dispatching. The price is also calculated by the CEN.

In addition, prices transferable to regulated customers continue to be stabilized at their level set in 2019 by the Temporary Stabilization Mechanism in Law 21,185 and by the Customer Protection Mechanism in Law 21,472.



## I. Renewable Energy Regulation

Law 20,257 was enacted in April 2008 and then amended by Law 20,698 that was enacted in October 2013. **Both laws encourage the use of Unconventional Renewable Energy (ERNC, as abbreviated in Spanish).** The main aspect of these laws is that generators were required, between 2010 and 2014, to have at least 5% of the energy they sold come from renewable sources. That percentage increased progressively at 0.5% per year from the 2015 fiscal year to 2024, when it will reach 10%, applicable to contracts made after August 31, 2007 and before July 1, 2013.

For contracts signed after July 1, 2013, the aforesaid obligation was 5% for 2013, increasing 1% starting in 2014 until reaching 12% in 2020, and then increasing 1.5% from 2021 until reaching 18% in 2024. After that, the increase will be 2% in 2025 to reach 20% that same year.



## II. Regulación Transmisión

**Four classifications of transmission lines were defined for Chile under Law 20,936 of 2016: National, Zonal, Poles of Development and Dedicated Lines.** The planning and expansion of transmission systems is a centralized, regulated process. The National Energy Commission (CNE) must prepare an expansion plan annually on the basis of technical reports to which observations can be made and which can be questioned before the Panel of Experts.

The National System interconnects the Zonal and Dedicated Systems so that the network is unified and there is a vast market throughout the country to which all generators can offer their energy at any point in the SEN. It also gives operation breadth, allowing for different options from which power supply can be received.

The Zonal Systems provide energy locally to distributors who then supply power to regulated customers. A Zonal System can also be connected to a Dedicated System, either of an unregulated customer or a power generator.

The Poles of Development arose from the Long-Term Energy Plan (PELP, as abbreviated in Spanish). The PELP sets certain areas of interest where a material generating capacity can be developed.

The Dedicated Systems are lines that connect an unregulated customer (mining companies, large-scale consumers) or a power plant to the National System or to a Zonal System.

The greatest change in the law in recent years affecting the transmission sector was Law 20,936 (an amendment to the General Electricity Law), which defined the current structure of the system (National, Zonal and Dedicated Transmission and Poles of Development) and the conditions in which the Transmission System can be expanded.

On a technical level, the Service Quality and Security Technical Standard establishes the conditions of operation and security. Appendices and regulations describe the variables not defined in the law or in the technical standard.

## II. 2023 AGENDA

### Regulated processes

#### Transmission pricing processes:

Executive Decree 7T of the Ministry of Energy of 2022 was published on February 16, 2023. It sets the price of national and zonal transmission facilities and of the dedicated transmission facilities used by regulated customers (Annual Transmission Price per Segment, or VATT, as abbreviated in Spanish) for the four-year period 2020-2023. The VATT for ENGIE's segments is MUS\$ 17.8, which will be complemented by the result of the between-period pricing process now under way in which facilities not considered in the pertinent four-year process are analyzed.

The 2024-2027 four-year process is also under way in which the Facility Rating System is being applied.

#### 2022 Transmission Expansion Plan:

Each year, the CNE must engage in transmission planning that must cover the expansion works needed for the National Transmission System, Poles of Development, Zonal Transmission and Dedicated Transmission used by public utility distribution concessionaires to supply price-regulated users or needed to provide that supply, as the case may be. The 2022 expansion plan was published on December 15, 2023 and it contained 42 construction projects for a referential investment of MUS\$ 1.053. The 2023 expansion plan is already being prepared.

#### 2023 Regulated Customer Supply

**Tender:** The CNE approved the Final Terms and Conditions of the National and International Public Tender for Electric Capacity and Energy Supply in its Exempt Resolution #284 issued July 7, 2023 for the supply of price-regulated customers. This Tender was known as Supply Tender 2023/01. Its terms and conditions have been amended in several ways and the most recent amendment is to the Tender Schedule, which set the submission of bids for April 2024.

### DECREES

**Rationing Decree.** The MEN made two amendments to ED #51 of 2021 in the context of the energy shortage carried over from previous years that imposed preventive measures. The two years of those measures have elapsed and the measures expired September 30, 2023.

**Decree 16T of the Ministry of Energy of 2022.** Decree 16T was published on April 12, 2023 that set the average node prices for the second semester of 2022, thus beginning the implementation of the customer protection mechanism in Law 21,472.

**Executive Decree 7T of the Ministry of Energy of 2022.** Decree 7T was published on February 16, 2023, which set the annual value of national and zonal transmission facilities and of dedicated transmission facilities used by price-regulated users, which commenced the enforcement of the rates for the four-year period 2020-2023.

### TECHNICAL STANDARDS

**Technical Standard on Coordination and Operation:** Variable Cost Declaration Chapter. The purpose of this chapter of the standard, published on June 27, 2023, is to set down the rules on the cost declarations that each member must present to CEN, both of their Thermal Generating Units and their Manageable Resources, as applicable. It also regulates the duties, obligations and attributions of the Coordinator to ensure, by means of verification of declarations and audits, that the information provided by members in cost declarations is complete, traceable and true.

### BILLS OF LAW

**Promoting Energy Transition Bill of Law.** At the end of 2022, MEN announced the Promoting Energy Transition Bill of Law in the course of the public-private committee discussing the short-term market. The bill, which was put before the Senate on July 10, 2023, considers the transmission segment to be key to the energy transition. The bill is still being debated.

**Bill of Law on Normalizing Rates.** Given the delays in the mechanism in Law 21,472 and the impact on customers and companies, in October 2023, MEN and the Mining and Energy Committee of the Senate signed an agreement to draft legislation based on three fundamental pillars: (i) making improvements to the electricity price stabilization mechanism, (ii) gradually normalizing distribution rates, and (iii) paying the debt assumed under the stabilization mechanisms in Laws 21,185 and 21,472. The bill of law was put before the Senate for debate on January 16, 2024.





## REGULATORY DEBATE

### **Capacity Regulations (ED 62/2006).**

In 2020, MEN began a review of the capacity market to discuss defining the concept of sufficiency in a scenario where there was a greater penetration of variable renewable energy. It created different forums with sector actors, and then submitted Decree 70 of 2023 to the Office of General Accountability of the Republic (CGR in Spanish) on November 30, 2023 containing its proposal on changes to the existing Capacity Regulations.

**Preliminary Draft of Stationary Source Noise Emission Standard, ED 38/11 of the Ministry of the Environment (MMA in Spanish).** The public consultation on the Preliminary Draft of Stationary Source Noise Emission Standard was open until July 6, 2023. The revision of ED 38/11 of the MMA is based on creating a standard that offers a greater technical and legal certainty in its implementation and broadens the possibility of controlling stationary

sources of noise. The changes are focused on clarifying and explaining criteria and concepts that are currently considered in the enforcement of the existing standard. It also proposes changes to the methods to determine the level of noise emissions and to the method to define the limit in rural zones, among other changes

**Preliminary Draft of the Thermoelectric Power Plant Emission Standard, ED 13/11 of the MMA.** The public consultation on the Preliminary Draft of Thermoelectric Power Plant Emission Standard was open until September 14, 2023. The purpose of the revision of ED 13/11 of the MMA is to set new standards to control the pollution of contaminating air emissions.

**Decarbonization Plan.** The Ministry of Energy is the driving force, with the support of the Inter-American Development Bank (IDB), behind the design of a road map for the decarbonization of Chile's energy

matrix. It includes the vision of diverse actors in the sector in the goal of facilitating a progressive reduction in emissions by the electricity sector.

Technical work began in the first half of 2023 to review studies and analyses of decarbonization prepared by different actors. Consensus and dissent were identified and classified. This Decarbonization Plan is especially relevant in generating debate and reaching agreements on the matters where there is dissent. Forums were created for dialogue with society, academia, consultants and experts, trade associations, the companies involved and government institutions. In August 2023, MEN presented a work meeting calendar for 2024 grouped into three fundamental pillars: (i) modernizing the grid, the electricity market and infrastructure, (ii) converting thermal electricity and transition fuels, and (iii) a fair energy transition and communities.



## 3.2.2 BUSINESS PERFORMANCE



### I. BUSINESS ENVIRONMENT

**Macro- and sectoral conditions.** The electricity sector gradually recovered during 2023 from the consequences of the Russia-Ukraine war. In comparison to 2022, fuel prices fell close to 50% on average, seen in a drop in marginal costs. Marginal costs at the Crucero, Quillota and Charrúa busbars declined an average of 22% in 2023 compared to 2022, falling to USD 79/MWh. On the other hand, the marginal cost of Puerto Montt reached USD 102/MWh on average, 46% lower than in 2022. There were periods of intensive rain starting in June 2023 that increased hydraulic generation and influenced the drop in the grid's marginal costs.

**Decoupling and transmission.** Despite the drop in the grid's marginal costs, transmission lines in the north of the country have become saturated due to the high availability of renewable energy. This is known as decoupling and makes the lack of transmissions lines available to transmit energy more acute. There were moments of high congestion at some nodes to which renewable units could not connect. Decoupling also occurred in the Araucanía zone because of congestion on the Cautín-Ciruelos line when temperatures and demand were high in the zone.

**Regulatory conditions.** On a regulatory note, the enforcement of certain public policies to stabilize prices is affecting the liquidity that the system needs to materialize the investments needed for the Energy Transition. Notable among these policies is the Price Stabilization Mechanism (PEC in Spanish) and delays in implementing the Temporary Customer Protection Mechanism (MPC in Spanish).

#### MAIN FIGURES FOR 2023

MUSD 2,193  
OPERATING INCOME

→ +14%  
COMPARED TO 2022

MUSD 403  
EBITDA

→ MUSD 214  
COMPARED TO 2022

18.4%  
EBITDA MARGIN

→ (9.8 pp)  
COMPARED TO 2022

MUSD (411)  
FISCAL YEAR LOSS

→ n/a  
COMPARED TO 2022

12,072 GWh  
ENERGY SALES

→ 0%  
COMPARED TO 2022

5.493 GWh  
NET POWER GENERATION

→ -2%  
COMPARED TO 2022

3,626 GWh  
SPOT MARKET POWER PURCHASES

→ -19%  
COMPARED TO 2022

3.289 GWh  
PPA POWER PURCHASES

→ +54%  
COMPARED TO 2022

## II. MAIN RESULTS IN 2023

The company's operating income totaled MUSD 2.193 in 2023, 14% higher than 2022, brought on by the recovery in regulated customer demand and higher average prices of the power sold, the result of the rise in power price indexes.

In 2023, EBITDA was MUSD 403, an increase of MUSD 214 compared to the previous year. This was mainly due to an increase in operating income that surpassed the increase in supply costs.

The year's result was a net loss of MUSD 411, influenced by non-recurrent impacts in the fourth quarter caused by recognizing the impairment to the carrying value of generating assets, the result of the decarbonization being implemented by the company. If those effects are excluded, the net profit in 2023 would have been MUSD 80.1.

Gross electricity generation fell 7% compared to 2022, in particular because of the reduction in coal-fired generation that was mainly caused by the breakdown in the IEM plant from February to May 2023, and by a drop in dispatching by order of merit of coal-fired plants starting in August as the contribution of hydroelectricity and Argentine gas-fired generation was greater. Gas-fired production rose 89%, which offset the drop in coal-fired generation mentioned above and allowed for generation at peak hours in the first half of 2023 when the extreme drought in the country still prevailed and made hydroelectric generation scarce. Renewable generation rose by 531 GWh (47%) after the startup of the Coya Photovoltaic Plant in the first quarter of 2023 and the purchase of the San Pedro I and II wind farms in December 2022.

## III. PEC

In 2023, the company monetized the first set of payment documents issued by the Treasury General of the Republic under the second Regulated Customer Price Stabilization Law (MPC Law or "PEC-2"), using the mechanisms agreed with the Inter-American Development Bank. The money from the first three monetizations totaled MUSD 232.1, interest included. The company expects to receive around MUSD 40 during 2024 under the PEC-2 program, and more than MUSD 250 more if the mechanisms of a third price stabilization program are approved and implemented. These resources are helping to (i) restore the liquidity impacted since 2020 by the price stabilization mechanisms, (ii) finance the investments needed for the energy transition, and (iii) extend the debt maturity profile.



## 3.2.3 THERMAL POWER GENERATION

A fundamental part of our company's strategy is to keep our thermal power plants highly available and adapt to a more variable operation given the growing penetration of renewable energy, while strictly meeting the occupational safety goals we have proposed.



### I. HIGH AVAILABILITY

In 2023, our thermal generation assets maintained levels of availability above the average for the Chilean market and improved compared to previous years. This put us in an advantageous position when we were needed by the National Grid (SEN in Spanish). We were able to reach that point because of persistent work of excellence by our Flex Gen & Retail GBU, mainly because the transformation of the country's energy matrix is, as it now stands, requiring a highly demanding management of thermal portfolios that requires intensive cycles of flexible operation that even exceed design conditions. For example, generation by our combined-cycle gas-fired plants was twice what was budgeted, which enabled us to play a

key role in the grid's security and in containing prices in the first semester. We were successful in meeting the demand levels because of the efforts by the individuals working in the Operations and Maintenance areas.

Another relevant aspect of continuity and flexibility is the contribution by cybersecurity. We applied the guidelines in this fiscal year that assure that our control systems are not vulnerable, and our use of the methods in the industrial systems cybersecurity policy was above 95%, which constitutes an improvement compared to previous years.

Also during 2023, the Electricity and Fuels Commission (SEC in Spanish) implemented ISO 55001 in Chile, on

asset management, which is, of course, in line with the strategy we began in 2021 to optimize operational and maintenance management of the thermal portfolio in preparation for the energy transition.

The Flex Gen & Retail GBU was also able to save MUSD 12 on a recurrent basis because of operational efficiency, the provision of complementary services, the optimization of fuel consumption and inputs to control emissions, which were added to the MUSD 30 saved in 2022.

### A) MAINTENANCE AND BREAKDOWNS

In the first quarter of 2023, our IEM Power Plant suffered major electrical damage to its auxiliary transformer that put it out of service for 111 days. The repair efforts, led by the Operations and Maintenance team at the Mejillones site, helped shorten that period by several months.

We performed 12 rounds of maintenance in the fiscal year on all of the thermal power generation assets that entailed a scheduled stop of units.

### B) RISK PREVENTION

We finished the assessment of risk prevention management of our assets, which was prepared by GRC, an independent insurance consultant, and we received the best result in the 12 years of annual auditing. Port Andino improved compared to the assessment made in 2022.

## II. ONE YEAR WITH NO LOST-TIME ACCIDENTS

We reinforced the initiatives to continue strengthening our safety culture. In October, we celebrated one year with no lost-time accidents. At Mejillones, where our main thermal power generation units are located, we completed two years without any incidents.

Our Safety Index was very positive and met the global goals set by the ENGIE Group in this respect. Along the same lines, in November, the Chilean Mutual Safety Association gave us notice that the company was recognized and rated a prominent organization in connection with health and safety based on the evaluation made according to Executive Decree 67. As a result, we received approval of a 100% reduction in the actual additional payment, which fell from 0.34% to 0%. The actions we are taking to encourage safe work include: Safety Walks, monthly meetings with contractors to address and improve related aspects, the implementation of One Safety, a global program of the ENGIE Group that has mobilized thousands of managers, heads and supervisors around the world to transform our culture of safety and eliminate serious and fatal accidents.



### • The role of gas in the energy transition:

We are working on different investments to strengthen and extend the life of our combined-cycle power plants, including actions to minimize breakdowns because of the frequent cycling of the units to assure power supply during shortages (seasonal or daily).

### • Implementation of new storage projects:

We are currently developing the Tocopilla Bess project (~110 MW) and projects at other operative sites and we are designing other alternatives to continue growing in this segment. Diverse initiatives were approved this year for the Tocopilla and Mejillones sites, in particular the Synchronous

Condenser project (Tocopilla and Mejillones) and the plan to withdraw and sell seawater at Mejillones. 10 professionals were hired to take on this robust list of conversions, BESS and other programs.

### • Portfolio management and bridges for the Balancing:

It is clear that leaving aside coal and the outbreak of new technologies like BESS require that we adapt to a relatively different electricity business. This scenario demands that the FlexGen GBU have teams that can implement projects while preserving our operational and maintenance skills. That will be the main challenge in team training and development in 2024.

## ➔ OUR CHALLENGES IN 2024

We will continue to be focused on operational excellence and on compliance with the KPIs for EFOF (Equivalent Forced Outage Factor) and total availability, and on safety indicators. We will also be working on the conversion of IEM and the CTM1/2 units to natural gas and on synchronous condensers to keep the implementation schedules on time, as planned.





### III. DECARBONIZATION PLAN

Our Decarbonization Plan began in 2018 at the Tocopilla Thermal Power Complex that houses the company's oldest coal-fired units that are no longer operative. The challenge now is the Mejillones Thermal Power Complex where our thermal power generation units are located.

In December, we gave the National Energy Commission (CNE in Spanish) notice that we will be converting the IEM power plant to natural gas and disconnecting coal-fired units 1 and 2 of the Mejillones Thermal Power Complex (CTM in Spanish).

We planned for IEM to begin gas-fired operation in July 2026 and to that end, we devised a work plan that entailed starting with minor construction works in 2024 possible to perform while the unit is in operation. The main construction works will begin January 1, 2026, after the unit is disconnected. On a company level, this drop in power generation will

be offset by the startup of the renewable power plants and the signature of backup PPAs.

We are participating in the tender of synchronous condensers that, if awarded, would allow us to give CTM1 and CTM2 continuity, especially to the employees working there. If we are not awarded, we will continue forward with our disconnection plan.

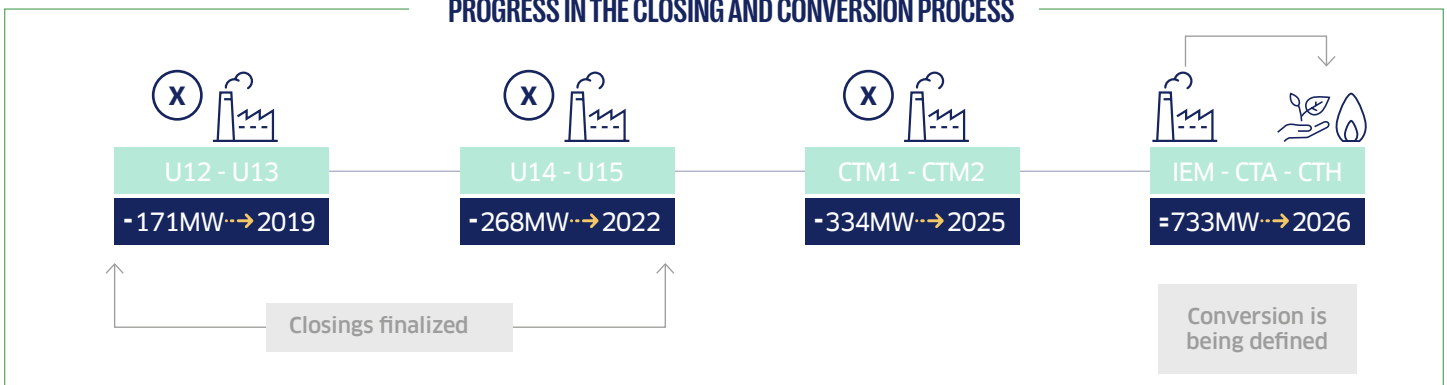
Unit 16 is a crucial asset in the company energy transition and in the country's energy matrix. It has been in operation for 23 years and has a predicted useful life of 25 years that we want to prolong. To do that, we decided to explore the options available. We approved an investment of MUSD 60 that we will make from June to September 2024, which will add 40 MW of generating capacity, in addition to increasing the efficiency of the unit in a combined-cycle setup.

### IV. FAIR TRANSITION

Aware of the social externalities implicit in the closing of coal-fired units, early on we convened a dialogue with workers and union leaders, local inhabitants and local representatives, and other stakeholders to discuss the social impacts of closing our coal-fired units.

This led to our Fair Transition Plan that we implemented at Tocopilla and that we will extend to Mejillones. In 2023, we set up a multidisciplinary task force comprised of the site business unit, External Communications, Sustainability and Communities, and Human Resource units and of other GBUs. It focused on creating a work map, and identified impacts and methods of mitigation in the possible scenarios of the Decarbonization Plan to anticipate the effects and offer tranquility to the people working in these units.

#### PROGRESS IN THE CLOSING AND CONVERSION PROCESS



## 3.2.4 RENEWABLE GENERATION

At the close of 2023, the company's installed renewable generation capacity was 0.9 GW, which accounts for 40% of the 2 GW that we plan to have by 2027. The goal is to accelerate our investments in renewable energy and to do so, we devised a strategy that entails both development by us and the purchase of projects. That meant strengthening the internal capacity of project assessment and retaining expert consultants to help us progress in the implementation of this strategy while controlling the risks.

### I. MAIN ADVANCEMENTS IN 2023

We are currently building three projects and in 2023, we presented five initiatives to the environmental assessment system. They include the largest wind farm project that we are building, the Lomas de Taltal Wind Farm, with a capacity of 342 MW. At the close of 2023, progress was 46%; the first wind turbine has been assembled, which is a material milestone given the logistical issues existing in the region.

Among the most relevant milestones in the year is bringing forward energization and completion of our first energy storage project, Coya BESS, which has the greatest storage capacity in South America. The operational startup of Coya BESS and of the Coya PV Farm is especially important because it will contribute security and stability to the national grid, will add to the company's

results, and help prove that we are capable of implementing large-scale investments in this type of project.

This year we had to manage the growth of our renewable assets because of the addition of the San Pedro I and II wind farms, Coya and the Capricornio PV Farm.

Given the significant increase in our geographic coverage and strategic adaptation planning, we doubled the number of people in the Renewables GBU.

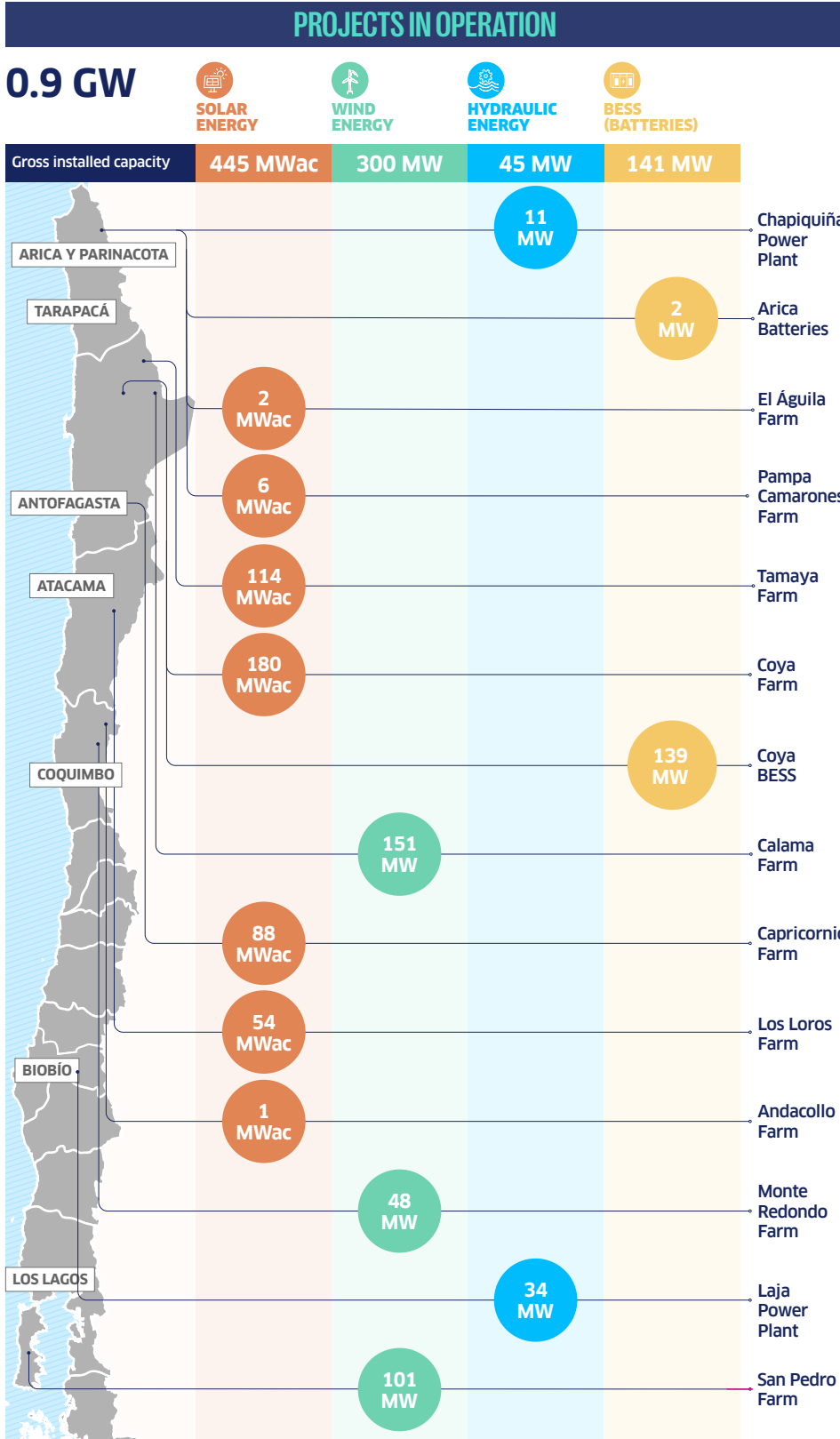
The increases were focused on implementation, where the challenge is to manage six investment projects in parallel in a multipackage mode. We are also expecting growth in the Operations and Maintenance and Asset Management areas to handle the new volume of projects and the geographic distribution of assets.



### ➔ 2024 CHALLENGES

Our efforts will be focused on closing the development of projects for 850 GW, which must have a sound profile in terms of implementation and operational risks and of expected profitability. To that end, we plan to energize the Lomas de Taltal Wind Firm in 2024 and we expect to significantly improve the operational availability of our wind assets.

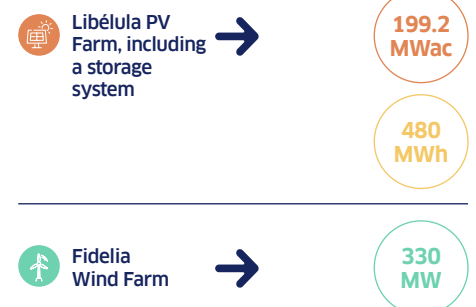
We also expect to make a decision on investment in the Libélula Farm in 2024 and to progress in the Pemuco and Pampa Philadelphia projects..



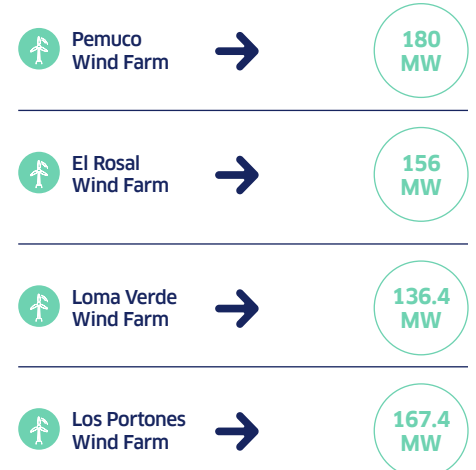
### PROJECTS UNDER CONSTRUCTION



### PROJECTS WITH ENVIRONMENTAL APPROVAL (RCA, IN SPANISH)



### PROJECTS SUBMITTED TO ENVIRONMENTAL ASSESSMENT



## 3.2.5 TRANSMISSION

Our Networks GBU actively participates in public tenders in the Ministry of Energy's National Plan on Transmission System Expansion and in providing private transmission services to companies requesting it, mainly mining and industrial companies.

In 2023, we focused on implementing transmission projects whose operation we were awarded in public tenders. Please recall that constructions works in the National Plan are publicly tendered separately. However, we reinforced with construction companies the importance of the planned delivery deadlines given how essential the transmission system is in transmitting decarbonized electricity to consumers. At the close of 2023, we were managing the development of 14 projects.

### I. MAIN PROGRESS IN 2023

- **We energized Albemarle's tap-off.** A tap-off is a connection to a transmission line where power can be withdrawn or injected. This project, which we finished at the end of March, allows Albemarle to receive power supply for its processes.
- **We began construction of the Roncacho Substation.** This project, located in the Region of Arica and Parinacota, is part of the Ministry of Energy's National Plan on Transmission System Expansion and entails a sectioning substation at the New Pozo Almonte-Parinacota 1x220 kV line on land use measuring a bit more than 3 hectares. The construction

will take approximately 12 months and require employing more than 100 people in the work. The estimated investment is MUSD 8.5, which includes all construction work, changes and tasks required for implementation and commissioning, such as communications, teleprotection, SCADA, civil works, assembly, grounding, and the testing of new equipment. The construction work began in April and the ceremony for the laying of the cornerstone was held in June with the local authority. Its useful life will be 30 years.

- **Enlargement of the Desalant Substation.** This year we received environmental approval of the new Desalant Substation (110/6.3 kV) that will facilitate power supply to the enlarged North Desalination Plant of Aguas de Antofagasta. The particularity of this new substation is that it will use GIS technology and have a simple busbar configuration with four walls: three walls for the connection of the North Desalination Plant, with three transformers, and an insulated cable line wall (110 kV) to the substation's tap-off.
- **Normalization of the Vitor Substation.** This project is part of an agreement with Pampa Camarones, the first copper project being developed in the Region of Arica and Parinacota, with which we have a certified national green power purchase agreement of 45 GWh/year for 20 years. We also signed a second agreement on payment of a toll for use of the transmission facilities in segment 1, Vitor Substation, to supply its mining operation located in the municipality of Camarones, Region of Arica and Parinacota.







• **La Ligua Substation.** We received approval in 2023 of the Environmental Impact Statement (DIA, as abbreviated in Spanish) for the construction of a new substation located in the municipality of La Ligua, Region of Valparaiso, where the Nogales-Los Vilos 2 x 220 kV line and the Quinquimo-Cabildo 1 x 110 kV line will be sectioned. The investment in the project is MUSD24.

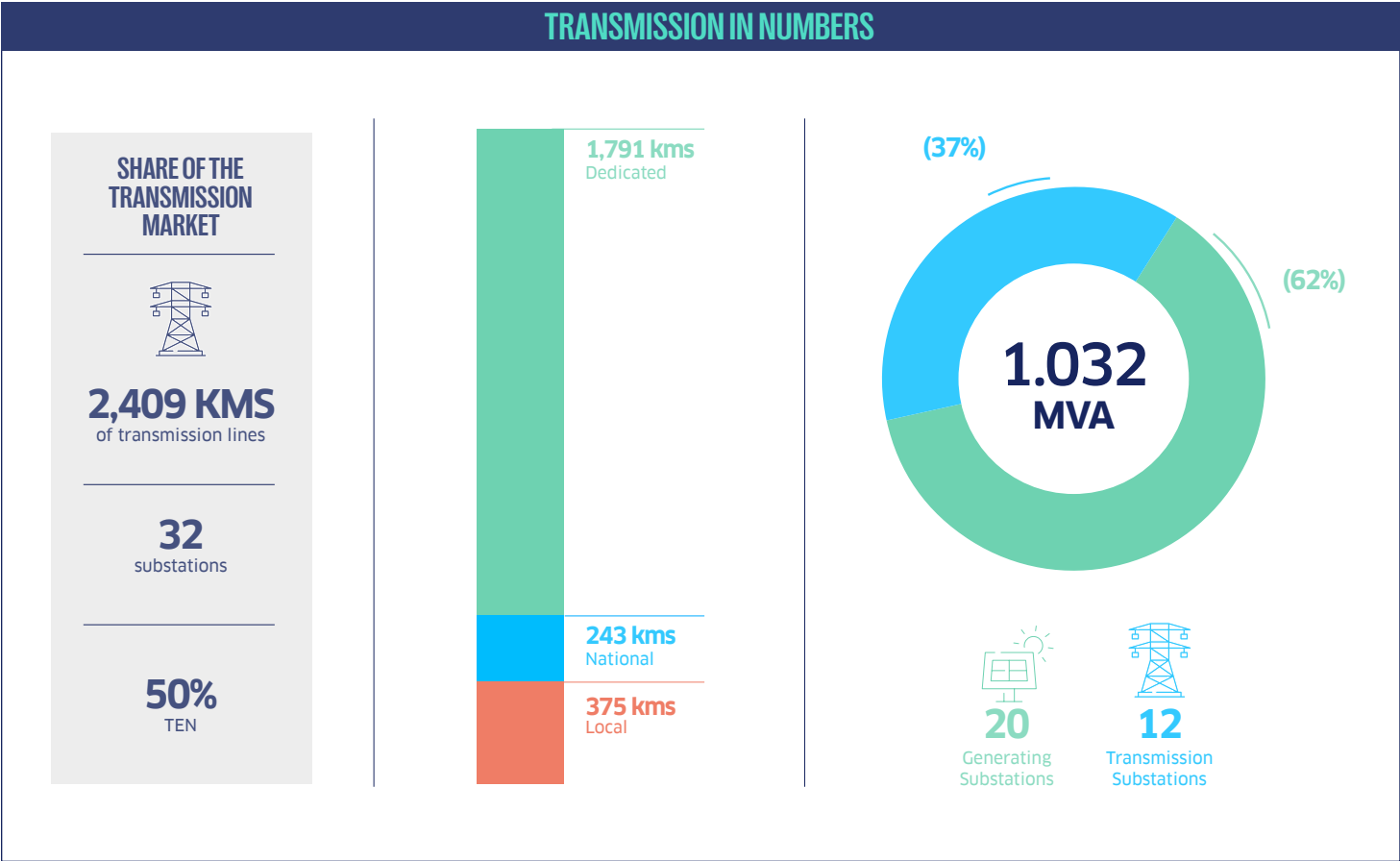
• **Totihue Substation and Line.** This year we began the citizen consultation process with the communities near the project that we will be building in that zone, consisting of the Totihue Sectioning Substation (220/66 kV), located in the municipality of Rengo, and the transmission line (66 kV) that will connect the Totihue and Rosario Substations in the O'Higgins Region. Once they are ready, these facilities will be connected to the National Grid and will strengthen and increase the reliability of the subtransmission system. The referential investment to develop and implement these works is MUSD 20.

• **New Chuquicamata – Calama Line.** We began this project in 2023 that entails stringing the second circuit of the New Chuquicamata-Calama 2 x 220 kV Line. The investment in this initiative is MUSD 6.5 and involves stringing the second circuit of the New Chuquicamata-Calama 2 x 220 kV Line between the substations for which the transmission line is named. It also entails building the walls for the second circuit at each substation.

## ➔ 2024 CHALLENGES

Our focus will be on commissioning the Roncacho Substation and Liqcau Substation (Liqcau means woman in Kunza), which was formerly called the New La Negra Substation.

We will also be awaiting the tender of the synchronous condensers by the National Electric Coordinator.





## NEW PROJECTS

**Liqcau**  
Substation  
(formerly La Negra)

COD: 2024

→ **36**  
MUSD  
CAPEX

**Roncacho**  
Substation

COD: 2024

→ **19**  
MUSD  
CAPEX

**Sectioning**  
substation  
La Ligua

COD: 2025

→ **24**  
MUSD  
CAPEX

**Substation  
+ Transmission  
Line**  
Totihue

→ **40**  
MUSD  
CAPEX

## PROJECT ENLARGEMENTS

**Second Circuit**  
**New**  
Chuquicamata  
Calama TL

COD: 2024

→ **8**  
MUSD  
CAPEX

**Charrúa**  
- Temuco Line

COD: 2025

→ **3**  
MUSD  
CAPEX

**Pozo Almonte**  
Substation

COD: TBD

→ **1**  
MUSD  
CAPEX

**Dolores**  
Substation

→ **1**  
MUSD  
CAPEX

**Tamarugal**  
Substation

→ **1**  
MUSD  
CAPEX

## BOOT AGREEMENTS

**Albermarle**  
Enlargement of the West  
Tap-Off SS and West Salar  
Tap-Off Line.

COD: 2023

**Algarrobal Substation**  
Construction of the COX  
Energy wall

COD: 2024

Enlargement of the  
**Desalant Substation**

COD: 2024

## 3.2.6 GAS PIPELINE AND PORTS

### I. GAS PIPELINE

Our NorAndino (North Andean) Gas Pipeline runs for 1,060 km: 680 km run through Chilean territory and are managed by Gasoducto NorAndino SpA, and the remaining 380 km are in Argentina and are managed by Gasoducto NorAndino Argentina S.A. Both companies are wholly-owned subsidiaries of our company. The pipeline starts at the Pichanal Station, located in the northwest of Argentina, and ends in the Region of Antofagasta. It has a permanent right of way measuring 15 meters in Chile and 30 meters in Argentina. Its maximum altitude is 4,950 meters above sea level and its main distribution points in Chile are in Tocopilla, Mejillones and Coloso, to the south of Antofagasta.

Gasoducto NorAndino began to import gas regularly again from Argentina in 2023 after an interruption of 14 years. Commercial operation began after the trade agreements reached by ENGIE Chile and two natural gas producers located in Argentina. ENGIE signed natural gas supply agreements with them in July 2023.

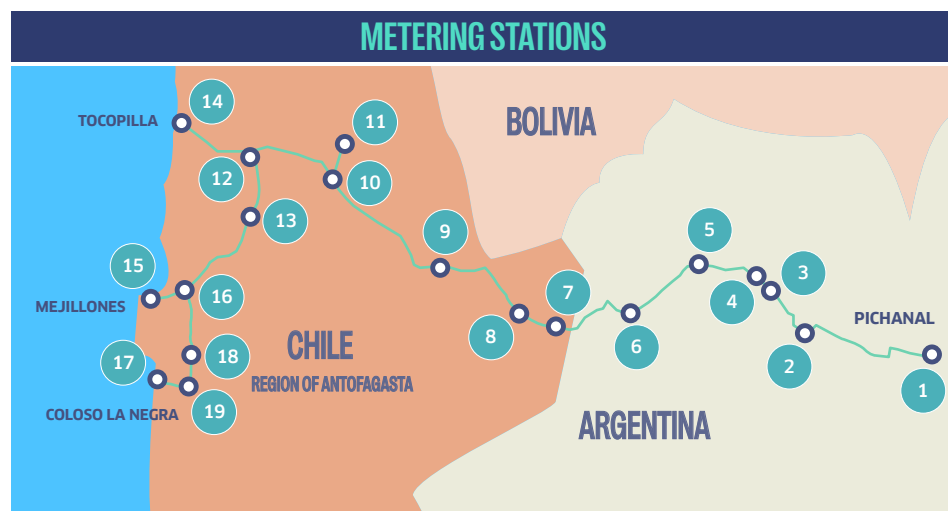
The two agreements combined total 400,000 cubic meters per day of gas starting in October 2023 using the infrastructure of Transportadora de Gas del Sur S.A. and Transportadora de Gas del Norte S.A.

#### MAXIMUM TRANSPORTATION CAPACITY



**4.6**

million cubic meters  
per day.



**1 Pichanal:** metering station

**2 Humahuaca:** connection point

**3 Tres Cruces:** compression station

**4 Minera Aguilar:** connection point

**5 Gasnor La Quiaca:**

**6 Minera Piriquitas:** connection point

**7 El Rosal:** metering station

**8 Estación de Medición de Frontera:**  
metering station.

**9 San Pedro de Atacama:** connection  
point

**10 Nueva Calama:** connection point

**11 Chuquicamata:** connection point

**12 María Elena:** connection point

**13 Pedro de Valdivia:** connection point

**14 Tocopilla:** connection point

**15 Mejillones:** connection point

**16 Moly Cop:** connection point

**17 GNLM:** connection point to GNL  
Mejillones

**18 Salar del Carmen:** connection point

**19 La Negra:** connection point





## PORT MANAGEMENT

The trade agreement signed by Puerto Ventanas (PVSA) through its subsidiary, Puerto Abierto S.A (PASA), and by ENGIE Chile entered into effect in 2023 whereby PASA will develop, operate and commercialize Port Andino – an historic port of ENGIE in Mejillones Bay – for the coming years.

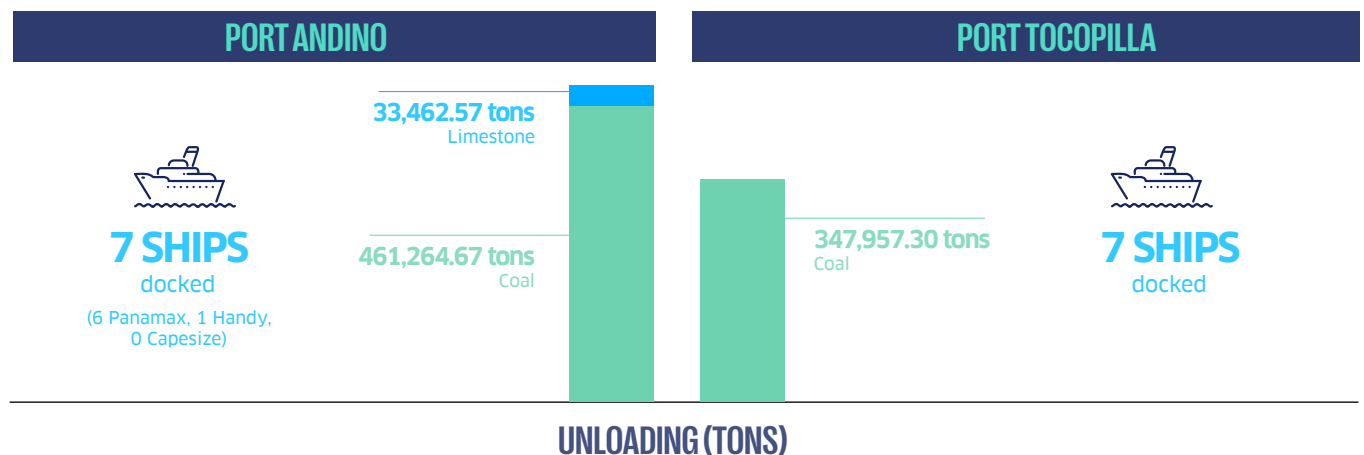
The strategic alliance aims to leverage the development of Port Andino and expand supply in Mejillones and in the region where there is a projection

of a high demand for port services given the development of mining projects and other industries in the zone, which would create new job alternatives in the future.

On April 3, 2023, PASA signed its first contract, with SQM, for unloading at Port Andino. The Port can thus begin to operate and develop business, specifically the receiving, loading and unloading of cargo, cargo transfers and storage of third-party cargo. The port will thus be able to

continue operating responsibly with communities, offer new uses, and extend the life, of the company's assets. This signifies a great opportunity for the development of Mejillones Bay.

At the close of 2023, the figures on port activity were:





## CALAMA WIND FARM

---

### LOCATION

Region of Antofagasta

### 151 MW

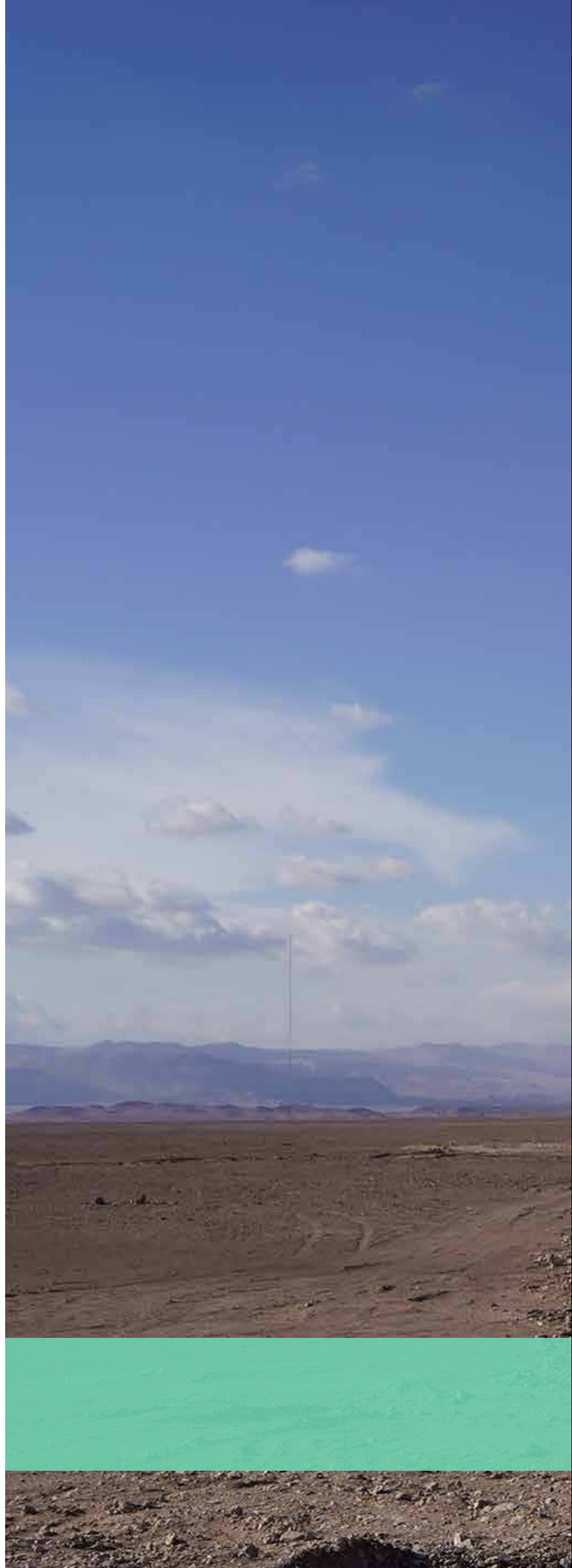
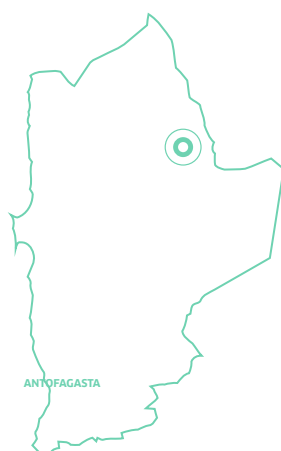
Installed capacity

### 36

Wind turbines

### REACH

It is injecting approximately  
**450 GWh**  
to the National Grid



A photograph of a wind farm in a dry, open landscape. A dirt road curves through the foreground. Several white wind turbines are visible, with the 'ENGIE' logo on the nacelle of the closest one. The sky is blue with some clouds.

# PEOPLE

**4.1** Occupational Health and Safety / **4.2** People Management  
**4.3** Community Engagement / **4.4** Supplier Management

# 4.1 OCCUPATIONAL HEALTH AND SAFETY

---

Providing safe work environments for everyone working at ENGIE is a transversal goal of the company and the ENGIE Group. We have an Integrated Occupational Health and Safety Management System and an annual action plan in which the company's officers play a primary role in sensitizing and by example.

We have goals and management indicators that are monitored via the Balanced Scorecard and by our CEO since the Occupational Safety Unit reports directly to her.

---



## 4.1.1 INTEGRATED HEALTH & SAFETY MANAGEMENT SYSTEM (+SIMPLE)



**We have completed one year with no lost-time accidents.**

Our occupational health and safety work is governed by an Integrated Occupational Health and Safety Management System (+Simple), based on ISO 9001, ISO 14001, ISO 45001, ISO 55001, ISO 27001 and ISO 37001. It is formalized in our +Simple Integrated System Policy: Quality, Environment, Ethics, Occupational Health and Safety, Asset Management and Information Security.

The central elements in our health and safety management system are the Safety Essentials, namely the directives that all ENGIE employees and contractors around the world must follow because the success of our management depends on that.

Our ongoing work resulted in significant achievements in 2023, among them completing one year with no lost-time accidents at operating sites or in projects under construction. This milestone was highlighted in the most recent accident evaluation by the mutual safety association system according to Executive Decree #67. Our results led to a reduction in our additional payment to the minimum under the law, which is 0.0%. None of our Operations, Maintenance or Construction Contractors recorded any lost-time accidents either.

ESENCIALES DE SEGURIDAD

Ninguna vida en Riesgo

Prevenir accidentes graves y mortales

one SAFETY

SAFETY ESSENTIALS

I know and follow the 9 Life-Saving Rules.

I stop work that I consider to be unsafe. I issue an alert and we only resume it when conditions are safe.

I apply the Minute that Saves Lives. One last check before beginning the job since there may be new risks.

I ensure my own safety and that of everyone else.

I report events and incidents to prevent and avoid the worst day ever from occurring.

## 4.1.2 ONE SAFETY CULTURE

We strengthened our management in 2023 by adopting the ENGIE One Safety Culture (EOSC) by which the ENGIE Group is aiming to fortify its commitment to eradicate serious and fatal accidents in all its operations around the world.

ONE Safety was proposed to begin a cultural transformation in regard to safety that reaches everyone working at its facilities, including the employees of suppliers and contractors. To attain its goals, the program covers the following aspects:

1. Promote a culture of safety.
2. Safety governance and organization.
3. Rules, standards, reports and tools.
4. On-site audits and accompaniment.
5. Health and safety personnel.
6. Contractors and projects.
7. Communication and change management.

To that end, we begin taking priority actions in 2023 that we must promote, designed on the basis of an assessment of our safety culture made in 2022.



### I. SAFETY LEADERSHIP

One of our initiatives was the Safety Management Rituals, which are the cornerstone of the EOSC. The company's leaders play a vital role in these Rituals.

They consist of five activities that are systematically implemented by the company's managers and site leaders. They promote safety as a fundamental value through work teams, and they provide the guidelines needed to achieve a safety performance of excellence.

To reinforce the One Safety Culture, in 2023 we decided to hold a safety leadership competition among our leaders to leverage the impact of their actions on the Safety Management Rituals.







## SAFETY RITUALS THAT EACH LEADER MUST APPLY IN THEIR RESPECTIVE OPERATIONAL CLUSTERS

| Ritual  | Description   | Goals   |
|---|---|---|
| <b>1</b><br><b>Managerial Safety Visit</b>      | <p>A leader visits an operational site during which the importance of safety in the work that employees are doing must be discussed. It is neither an inspection nor an audit; it is an act of leadership to demonstrate how relevant safety is to the company.</p>   | <ul style="list-style-type: none"> <li>• Improve the observational skills of managers.</li> <li>• Sensitize operators via debate.</li> <li>• Show by example and show managers' commitment to safe work.</li> </ul>   |
| <b>2</b><br><b>Check Life-Saving Rules</b>      | <p>This is an inspection to be made by leaders of how well the 9 life-saving rules are being followed in the company's daily activities. We want them to notice whether one of our nine rules is present and to analyze it at that moment with employees to gain a sense of their comprehension and the care they take.</p>   | <ul style="list-style-type: none"> <li>• Guarantee that safe conduct is adopted in daily activities by following safety directives.</li> <li>• Promote the best practices.</li> </ul>   |
| <b>3</b><br><b>Safety Walk with Contractors</b> | <p>This ritual consists of a safety walk led by the company's leaders together with the main managers of contractors working at our facilities. The purpose is to look collaboratively for alternatives to improve safety performance and to recognize companies that have good practices.</p>                                | <ul style="list-style-type: none"> <li>• Sensitize contractors to our main risks and safety culture.</li> <li>• Show that safety is of primary importance to ENGIE.</li> <li>• Encourage safe practices by our contractors.</li> </ul>  |
| <b>4</b><br><b>Performance Review</b>           | <p>Leaders must analyze the information gathered from the rituals in the field in order to issue directives on improvement or to bring attention to what the information gathered reveals in regard to trends, strengths and weaknesses, and to establish action plans to raise the level of, or maintain, work practices</p> | <ul style="list-style-type: none"> <li>• Guarantee that managing safety becomes a key routine for managers.</li> <li>• Guarantee that observations gathered from the site are taken into account and that consequent action is taken.</li> <li>• Focus on the main risks.</li> </ul>    |
| <b>5</b><br><b>Toolbox Talk</b>                 | <p>This ritual is used to propose topics of improvement or learning so that leaders can regularly discuss and debate with employees key issues in preventing serious and fatal accidents.</p>   | <ul style="list-style-type: none"> <li>• Openly and transparently share and discuss the key issues in preventing serious or fatal accidents specific to the entity's environment.</li> <li>• Guarantee that questions are asked and innovations are proposed about the site.</li> </ul> |

We had no lost-time accidents, but there were fatalities on an ENGIE Group level that we addressed locally. We held an activity that we called the Safety Stop, which implied bringing all of the company's activities to a complete stop at the same time in order to think about safety and the life-saving rules. This activity was held at all facilities, including projects under construction and plants in operation, for both our own employees and those of contractors.



*We held an activity that we called the Safety Stop.*

## II. NEW REQUIREMENTS FOR CONTRACTORS

Also as part of One Safety, this year we updated and implemented Group Rule #2 on Contractor and Subcontractor Health and Safety.

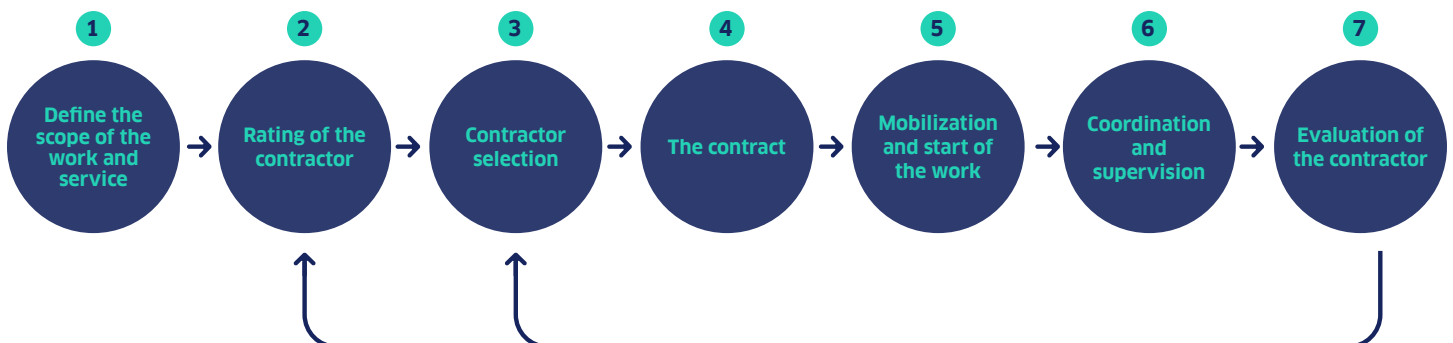
We made the following changes in this review:

- **We added seven new steps** to contractor selection and management.
- **We reinforced the contractual** requirements for contractors.
- **We adjusted the limits to the level of contracting** to guarantee that ENGIE has control over contracts and subcontracts.



The objectives of this rule are to set down the minimum health and safety requirements for each of the key stages in contractor management, namely:

### KEY STAGES IN CONTRACTOR MANAGEMENT





In each of the phases, the Health and Safety team and the Operations and Procurement teams must meet the requirements in this standard and any associated legal requirements.

Contractor accreditation at sites also entails confirming their qualifications and certifications and the induction training provided by the company.

Compliance audits are conducted while the services are ongoing to confirm compliance by contractors with safety conditions. Specific action plans are designed for each site and/or service.

One of the good practices is that managing directors of our three business units hold quarterly meetings on specific safety matters with the main contractors to confirm that the plans, programs and initiatives of each contract are being followed.

Our rules state the following about the contractual aspects of safety:

- The minimum health and safety requirements must be written into contracts.
- Level of contracting: no more than 2.
- No contractor may subcontract all the work without prior approval and ENGIE may not approve the designated subcontractors.
- The number of temporary workers compared to all workers will be set per contract, if temporary workers are allowed.
- The chain of communication at work sites must be guaranteed and the means of support must be provided that are needed for all workers to be constantly informed.
- All activities must include a prior risk assessment aligned with and adopts TCFD Recommendations<sup>1</sup>. No work or service may begin unless the minimum safety conditions are met.

(1) Task Force on Climate-Related Financial Disclosures



### III. RISK MANAGEMENT

We have a risk portfolio that we monitor and update via action plans to mitigate those risks. The most frequent risks are falling from a height, driving vehicles, working with machines, slipping, tripping and falling. We have designed an action plan for each that includes the initiatives mentioned below.

#### Major Risks

##### Work at a Height

- 1 Use a virtual reality to simulate and train for work at a height.
- 2 Train and reinforce supervisors in regard to safety measures for work at a height.
- 3 Control high-risk work by outsourcing specialists.

##### Driving Vehicles

- 1 Program on accompaniment of transportation companies (taxis, passenger transport) who work with us, oriented toward instilling ENGIE Chile's culture of safety and the Life-Saving Rules.
- 2 Implementation of the driver assistance system:
  - **Monitoring device:** the car's route can be monitored and information received on its position, displacement and speed so that early assistance is possible in the event of an accident.
  - **Third Eye:** it alerts the driver to hazardous situations on the road.
  - **Fatigue and sleepiness:** it alerts the driver to symptoms of fatigue and sleepiness. It detects symptoms such as yawning, closed eyes, smoking, talking on the phone, etc.

## IV. TRAINING AND SENSITIZATION

**a) Training:** We have an employee training and development program designed on the basis of a process to detect the training needed in each business unit and at each site. It covers technical, legal and other matters where we have found that reinforcement is needed.

Approximately 80,000 Human Hours (HH) of training were imparted on occupational health and safety matters, a compliance of more than 95% with the 2023 training and development plan.

**b) Sensitization:** We use communicational campaigns to sensitize our organization to transversal concepts key to health and safety. A bulletin is released every Thursday on planned topics and in-person informational activities are held on specific matters.

We can highlight the following main campaigns in 2023:



**World Day for Safety and Health at Work:**  
Prevention is key.



**Driving Reinforcement:** Requirements for drivers and cars



**No Mind at Risk:**  
Mental Health Month/YOU are your best filter



**You can: identify, report, understand and avoid.**  
This campaign increased STOP WORK reporting by more than 200%.



**Safe Conduct Acknowledgements:**  
Local recognition each month and a wider ceremony each semester

### MANAGEMENT INDICATORS

Our occupational safety management involves monitoring High-Potential Events (HIPOs), namely episodes occurring during the workday in which there is a high potential of causing a serious or fatal accident. We want these situations to be reported as they happen because then we can analyze them and design specific action plans to be able to anticipate accidents by correcting deviations, modifying or creating procedures, providing a continuing education of employees and imparting the lessons learned.

To that end, in 2023 we proposed

increasing Unsafe Condition Reports. We were successful, going from 1,793 reports in 2022 to 2,195 in 2023, a 22% increase.

To make this tool more widespread, the ENGIE Group implemented a new definition of HIPO for the purpose of measuring the Deviation from Life-Saving Rules, that is, integrating information to the reports on occasions when our 9 rules were not followed.

At the close of 2023, 17 Deviations from Life-Saving Rules had been reported and 226 Stop Work situations.

**17**  
Violations of the rules  
that save lives

**226**  
Stop Work Reports

**2**  
HIPOs

## SEGURIDAD LABORAL EN CIFRAS (AL CIERRE DE 2023)

**0.14**  
Frequency  
Rate

**0**  
Number of  
days lost due  
to accidents

**0**  
Accident Rate

**0**  
Number of fatalities  
from work accidents

**0**  
Fatality Rate

### Frequency Rate

(number of work accidents/number of workers)\* 1 million hours.

### Fatality Rate

(number of fatalities from work accidents/number of workers)\*100,000.

### Accident Rate

(number of days lost due to accidents/number of work accidents).

### Note:

The number of workers is the monthly average number of workers under contract.

## JOINT HYGIENE AND SAFETY COMMITTEES

ENGIE Energía Chile has three joint hygiene and safety committees: one in Mejillones, another in Tocopilla, and the third in Santiago.

The mission of Joint Hygiene and Safety Committees is to avoid work-related accidents and illnesses. To do that, ENGIE has committed teams working collaboratively for the safety of all. They prepare a work plan comprised of diverse activities, such as safety talks, on-site supervision, safety inspections and ongoing vigilance of compliance with standards by our employees and by ENGIE itself.

The committees have six regular members and six alternate members who are trained in incident investigation, risk prevention guidance, first aid, etc. They can provide integral assistance to their peers and to the areas requesting it.

The joint hygiene and safety committees held different, successful initiatives, some of which were:

- Leading the road signage project at the pedestrian crossings outside the Tocopilla Thermal Power Plant to avoid greater risks of being run over in the zone.
- Imparting first-aid training of the families of employees in Tocopilla to foster safety and risk prevention at home.
- In 2023, the Joint Committee of the Mejillones Thermal Complex received a bronze certification from the mutual safety association carrying its worker's compensation insurance.
- The Santiago Joint Committee encouraged the proper and safe use of scooters. It informed employees of the risks entailed in this means of transport. It also set aside 3 zones at the offices where the scooters could be parked so that roads and walkways were kept clear and risks to the safety of individuals were avoided.
- Encouraging the attendance and participation of employees in weekly Active Pauses intended to minimize the risks of working in front of a computer, such as musculoskeletal ailments caused by poor posture.

## 4.1.1 MENTAL HEALTH

In 2023, we developed several initiatives to strengthen mental health care among our employees. They included reinforcement of the Employee Assistance Program (PAE, as abbreviated in Spanish), through which we make a platform of professionals available to provide guidance and help to employees and their families regarding specific subjects. It is a line available 24/7 and it focuses on five areas:



### PSYCHOLOGICAL ORIENTATION

Our professionals provide immediate containment. We will help resolve issues and develop personal tools.



### NUTRITIONAL ADVICE

Healthier habits. Education and diet plans for different stages of life. Nutrition for special diets.



### FINANCIAL AND ACCOUNTING ASSISTANCE

Financial education and assistance for the personal/family economy, tax returns, debt refinancing and more.



### LEGAL AID

Counsel from licensed attorneys in each country: purchases, sales, family, succession, criminal and other matters.



### MEDICAL GUIDANCE

Telemedicine. Preventive medicine, follow-up on symptoms and preliminary diagnosis.



We also launched a campaign to commemorate Mental Health Day. In addition to our participation in this commemoration, we used the moment to reinforce our 9 commitments to the wellbeing of employees on the job.





# 4.2 PEOPLE MANAGEMENT

---

In a highly competitive market where talent is in demand, we want to be a benchmark employer, so to that end, we are fostering a sound internal culture that values diversity and inclusion because we believe that they promote new ways of thinking and acting that enrich teamwork. We attract, develop and retain talent because it is crucial to have an internal team motivated by, and committed to, our values, purpose and challenges.

---

## 4.2.1 OUR STRATEGY AND CULTURE

Our Human Resources strategy is centered around four pillars:

- **Be a benchmark employer:** This means having a clear, shared strategy that provides direction and creates a meaningful sense of belonging.
- **Promote a diverse, respectful internal culture:** We want everyone to feel represented in some way in our work environment.
- **Ensure the necessary skills:** We are committed to guaranteeing that our internal team acquires the skills needed to conduct the business now and in the future, so we foster developing talent from within.
- **Create a positive experience:** We are challenging ourselves to be agile and proactive in our internal processes to offer a positive work experience to everyone working in our company.



### I. MAIN THRUSTS IN 2023

Our internal culture priority was to move the organization toward attaining the objectives and goals of our Strategic Balancing Plan. Based on the frameworks of reference guiding our ways of working and leading – ENGIE Ways of Working and ENGIE Ways of Leading –, we identified key behavior that will serve as bridges facilitating our teams focusing on the challenges of the new plan, which are Feedback, Decision-Making, Delegation and Responsibility.

We implemented specific actions to support the organization in adopting these behaviors in its daily work:

- **Feedback:** We encouraged providing

ongoing feedback as a tool for personal and professional development. For that purpose, we offered training and tools to teams to concrete this action, which included a 360° Assessment of the company's first line of command to inspire others to build an environment of continuous growth.

- **Decision-Making:** We looked for efficiency by expanding decision-making to new positions. For that purpose, we revised the approval flow in SAP to adapt it according to how critical each subject was.
- **Delegation:** We set up multidisciplinary teams and asked them to review

transversal processes and present proposals on how they should be managed from start to finish.

- **Responsibility:** We are promoting a greater self-management by internal teams and leaders. For teams, we decided to share the Balanced Scorecards of the company on our intranet so that everyone could track the indicators, and we motivated them to make decisions within their sphere of authority that had a positive impact.

For leaders, we encouraged a greater self-management of subjects concerning the teams they were leading. In the second semester, we implemented

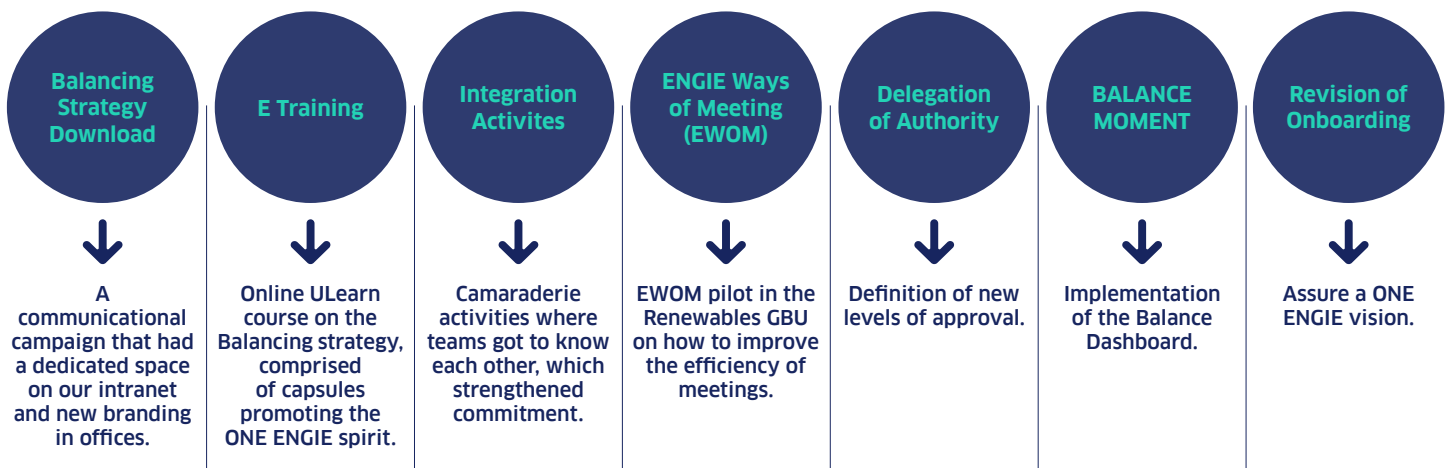
online dashboards where managing directors and area managers could monitor and manage their team's use of overtime and vacation time.

Added to these initiatives were communication efforts throughout the

year. The results are seen in the most recent score of our ENGIE&Me internal culture survey. The answers received confirmed that the organization believes in the company's purpose and that the strategy that we are promoting is aligned

to the goals. People also believe that we give them the tools to develop and address the company's challenges. This perception matches our low voluntary turnover resignation indicators, which are the lowest on the market.

## INITIATIVES TO MOVE THE CULTURE TOWARD A BALANCE



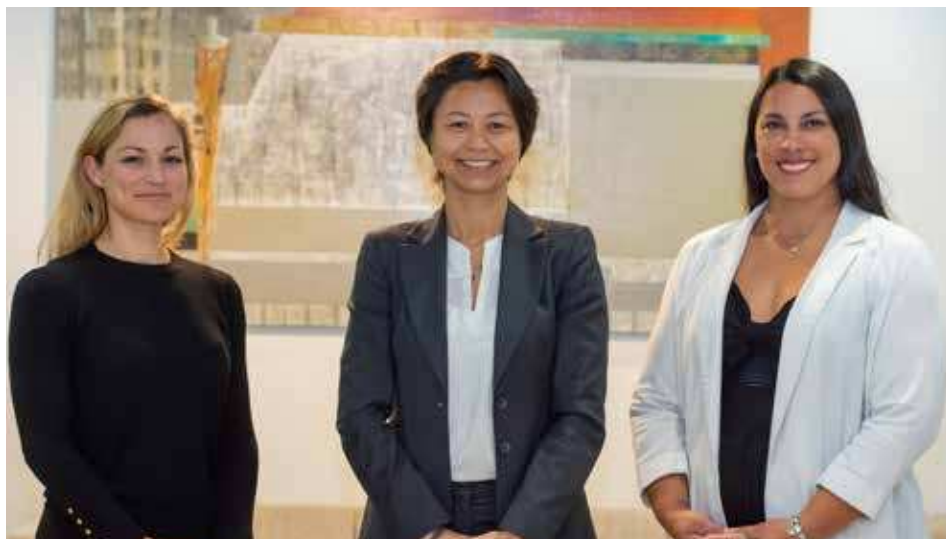
## II. ENGIE CULTURE

We addressed our cultural challenges with training and sensitization via formal courses taught on our platform, ULearn, and workshops and talks, some given by our senior officers.

We measured engagement in the company through ENGIE&Me, which enabled us to take the pulse of the initiatives we were implementing in regard to the three thrusts that are, culturally, critical to our company:

Commitment, Leadership and Occupational Safety. 92% of employees participated in 2023, more than the previous year, and the three thrusts increased compared to the 2022 measurement. Out of a total of 100 points, we scored 93% for **Commitment**, which was a rise of 2 points compared to 2022; 95% for **Safety**, also a 2-point rise; and 90% for **Leadership**, which increased 1 point.

We took transversal and specific actions to continuing moving forward in these matters. Transversal actions focused on commitment and occupational safety programs, improving close, timely communication, and encouraging feedback by our leaders. Specific actions were oriented, on the other hand, toward developing specific initiatives for the business units in order to strengthen communications skills, decision-making and diversity, among other aspects.



### HOW DOES ENGIE WORK? ENGIE WAY OF WORKING / EXPECTED BEHAVIOR

| COMMITMENT   | PRIORITIZE   | COLLABORATE   | ACHIEVE THE RESULTS   | CENTERED ON THE BUSINESS  |
|--|--|---|---|---|
| Personify the purpose of ENGIE and adopt a strategy. | Align oneself to the objectives and road maps and focus on the priorities. | Go beyond one's own priorities to the benefit of the group's interests. | Commit to ambitious results.                                      | Strengthen being customer-oriented and focus on performance management. |
| Create the right conditions to generate enthusiasm.  | Make decisions and stick to them.  | Concentrate on operating and functional objectives.                     | Surpassing the goals is better than promising too much.           | Design profitable solutions.  |
| Nourish our energy and our pride.                    | Give actions meaning.  | Networking beyond the hierarchies.                                      | Do what you promise and take responsibility for your own actions. | Manage complexity internally and simplify things for customers.         |

### HOW DOES ENGIE LEAD? ENGIE WAYS OF LEADING / EXPECTED BEHAVIOR

| SAFETY  | ONE ENGIE   | ACCOUNTABILITY   | TRUST   | CARE   |
|---|---|--|---|--|
| Integrate Health, Physical and Psychological Safety, Cybersecurity, Integrity and Ethics to our culture and operations. | Translate ENGIE's strategy to the local setting and to people.        | Ensure that people and teams have clear goals and attainable results.      | Preach by example, be an inspiring example.                         | Be close and actively listen to people.                              |
| Adopt a zero-tolerance approach and encourage reporting risky activities.   | Base decisions on the value created for and by ENGIE as a whole.      | Promote autonomy of action.  | Communicate openly, dare to show vulnerability.                     | Give and receive constructive criticism of performance and behavior. |
| Ensure that people have the skills and ability required to handle problems.   | Incorporate ENGIE WOW, using internal and external collaboration.     | Reinforce responsibility and keep conversations honest.                    | Create an atmosphere of trust, especially in the home organization. | Have and encourage a mentality of permanent learning.                |
| Motivate teams to adopt measures immediately when they face problems.   | Promote diversity, equity and inclusion within the company and teams. | Create confidence in assuming calculated risks and learning from mistakes. | Maintain high levels of honesty, transparency and trustworthiness.  | Treat people development as a business imperative                    |



## 4.2.2 DIVERSITY AND INCLUSION

In our opinion, diversity, equity and inclusion promote new ways of thinking and acting that enrich teamwork and ENGIE's position on the market and in society. ENGIE is committed to creating environments that protect the psychological safety of employees and their wellbeing so that each person feels free to give their best.

In 2023, we made significant progress toward increasing the diversity of our teams and promoting inclusiveness and no discrimination in our work environments. To that end, the main actions we took were:

- **Widely promoting the guidelines and priority focuses of our new Diversity and Inclusion Policy –Be.U@ENGIE –** that we launched at the end of 2002 and began to implement in 2023. This declaration contains our commitments and priority areas of management in connection with gender, people with disabilities, the LGBTIQ+ community, cultural diversity and generational

diversity. The efforts in the first stage were focused on gender equity and disability. In 2024, we will add LGBTIBQ+ and generational diversity.

- **Offering close to 3,000 hours of talks on different subjects involving diversity, equity and inclusion** (through webinars) and holding in-person conferences that totaled 3,400 hours more. Close to 900 people participated actively in at least one of the initiatives and around 350 attended both. We also invited our teams to undertake virtual training on diversity, equity and inclusion on the ENGIE Group's ULearn platform, and we reinforced our Leadership Program in Chile, including specific modules on the subject.
- **Taking the “Diversity Census”** by which people identified themselves in different categories (gender, age, others). This enabled us to clearly measure our diversity demographics and then design a strategy consistent with the people forming a part of our organization

### 2023 WORK PLAN: GENDER AND DISABILITY

To accelerate the changes that we are leading, we have proposed ambitious short-, medium- and long-term goals for the focuses defined in our Diversity and Inclusion Policy. To attain those goals, we designed an action plan comprised of three main lines of work: recruitment and selection; sensitization; and training.

## I. WOMEN AT ENGIE

### A) RECRUITMENT AND SELECTION

We have made several changes to the way in which we hire, which entails recruiting from a more diverse, inclusive and close stance; including women evaluators throughout the selection process; and seeking gender parity in the candidates evaluated during a selection process.

We are also proactively working to map women who can assume key positions in the company. We have identified more than 1,000 women and have already held phone interviews with 95%. The outcome of this actions is, on average, that 60% of the candidates on the lists in selection processes are women. This method has also helped us become more agile and efficient in closing selection processes, which in turn increases our diversity indicators.

As a result of these recruitment and selection efforts, 45% of the people recruited in 2023 for management positions were women, thereby meeting the goal we set for this year. And the number of women in managerial and supervisory positions became 27% as a result, which is an increase of 3% compared to 2022.

As for general employees, at the close of this fiscal year, 22% were women. We have proposed bringing that figure to 30% by 2025, in line with the ENGIE Group's “50/50” goal for all employees by 2030.



## WOMEN AT ENGIE



**231**

22% of general employees



**27%**

in management positions

**CEO  
IS A WOMAN**



**2**

women on the Board

### GOALS

#### IN MANAGEMENT POSITIONS

**45%**  
of recruits must  
be women.



**100%**  
COMPLIANCE  
IN 2023

#### NUMBER OF EMPLOYEES

**30%**  
By 2025



**100%**  
COMPLIANCE  
IN 2023

### SENSITIZATION



**+6,000**  
hours of talks

### DATES THAT WE COMMEMORATE

- **Pride Month.**
- **International Day for the Elimination of Violence against Women.** We give talks and implement a communicational campaign.
- **International Day of Persons with Disabilities.** We held a round table, which was a sensitization activity in which around 400 people participated in a hybrid format and close to 100 in person. It was led and headed by Demian Talavera, Managing Director of the Transmission GBU. The subject this time was "Disability and inclusion in the job market."

### B) ATTRACTION AND RETENTION

We have developed unusual talent attraction and retention initiatives in our organization:

#### • Women in Operations Program

We designed this program to invite women from STEM areas with no more than two years of experience to join our Operations and Maintenance Areas. The program lasts 24 months and 250 women were interested. 70 were selected after an initial screening. Those selected will have to take some tests, including a hackathon, to narrow it down to 10 finalists who will receive a letter of offer to formalize their employment with the company, planned for March 2024.

#### • Job Retraining Program

This initiative targets women working in transversal areas of the company, whom we invite to move to the operations areas. The program was designed for 10 operating positions to be filled and it identified the tools, skills and knowledge required to work in that position in the future. The plan also involves developing leadership skills and specific know-how because we

expect to reinforce this type of initiative to increase the number of women in supervisory positions.

#### • Trainees

This initiative aims to form professionals over a period of two years in transversal areas to foster the development of competencies and increase the number of professionals in areas currently mostly staffed with men. This will make possible the development of internal talent and profiles adaptable to the needs of the business, who will have experience and not just a technical approach.

#### • Internship Program

ENGIE believes that student interns will be shaping our future. They help brainstorm in ways that allow us to continue growing, and we encourage their personal and professional growth. We opened up enrollment twice in 2023 (October and April), and this year we welcomed close to 50 interns in Santiago and regions. This process is in line with the company's recruitment and selection directives on gender parity in selection and hiring.

### • Referral Programs

This initiative aims to promote, from a gender focus, attracting talent recommended by our internal teams. We want to ensure that we will have the right people for the post, the company and our culture. It also helps us fill vacancies more quickly and have a potential talent pool for future needs.



## II. INCLUSION OF PEOPLE WITH DISABILITIES

In 2023 we launched a program of educational talks to sensitize our internal team to the forms of disability and at the same time inquire whether there were people working for us who might possibly have some form of disability without knowing it. An invitation was extended to attendees at the end of each talk to express their concerns. Anyone expressing doubt about whether they had some form of disability was offered help and guidance to begin the accreditation process.

For sensitization, our senior officers gave talks that reinforced the presence of stereotypes and conscious and unconscious biases that exist regarding disabilities. These talks were added to the Leadership Program and 180 Leaders in Action participated in person and remotely.

This shows that we are committed to complying with the Job Inclusion Law in two ways: recruitment and selection, and promoting people who perform.

### ➔ DIVERSITY AND INCLUSION CHALLENGES IN 2024

- Implement the Women in Operations Program and Job Retraining Program launched in 2023.
- Manage the focuses of generations and the LGBTQ+ community like we are doing with gender and disability.
- Continue the sensitization to diversity and inclusion.
- Be re-certified by EDGE.
- Launch the Diversity and Inclusion strategy that is the result of joint work with the Diversity and Inclusion Community.

### DIVERSITY AND INCLUSION COMMUNITY

The Diversity and Inclusion Community is comprised of a self-managed group of people within the organization who want to work voluntarily on diversity and inclusion issues. Today, close to 24 employees have organized and have a leader who represents them to the Human Resources Business Unit and managing directors when presentations must be made.

This year we began joint work that will result in the first diversity and inclusion strategy that we will launch in 2024. The strategy makes use of the input provided by the Community and by Human Resources and will enable us to implement the guidelines of the Be.U@Engie Policy more concretely.



## DIVERSITY AND INCLUSION POLICY: BE.U@ENGIE

ENGIE promotes and actively defends Human Rights. We combat discrimination and we endeavor to eliminate inequality by creating a healthy and harmonious work environment free of physical, workplace and/or psychological violence. We do this by preventing, paying attention to, and penalizing any type of harassment and any conduct contrary to morality or the ethical principles guiding us so that we strengthen the quality of both the personal and professional lives of our people and also contribute to social responsibility actions towards our stakeholders.

Any form of discrimination, mistreatment and violence toward our employees is strictly forbidden, whether for reasons of physical appearance, culture, disability, language, sex, gender, age, social, economic, health or legal condition, pregnancy, civil or spousal status, religion, opinions, ethnicity or nationality, sexual preferences and/or immigration status.

### OUR COMMITMENTS

- 1 We respect individual cultural, religious and ethnic differences.
- 2 We promote equal opportunities and the development of all employees and seek gender equity at all times.
- 3 In hiring processes, we aim to offer the same job opportunities to people regardless of race, color, religion, gender, sexual orientation, civil status, nationality or disability.
- 4 We foster a work environment of respect and equality, a humanitarian atmosphere of open communication and a workplace free of discrimination, sexual harassment and other forms of intolerance and violence.
- 5 We are committed to attracting, retaining and motivating our employees, so our compensation and benefits system does not distinguish between employees who perform functions with a similar responsibility.
- 6 We respect and promote the right of people to attain a balance in their lives and we encourage our employees to be co-responsible in their work, family and personal lives.
- 7 We strictly forbid any form of discrimination, such as homophobia, misogyny, any manifestation of xenophobia, racial segregation, anti-Semitism, racial discrimination and other similar forms of intolerance.
- 8 We create conditions favorable to the involvement of socially at-risk individuals on the job market without any discrimination and with equal opportunities to access, permanence, compensation and professional growth.
- 9 We establish specific measures in everyday work to allow and encourage diversity and inclusion, and we are formally committed to all the commitments in this policy being tangibly reflected in the processes and procedures of all areas.

### TRANSPARENCY MECHANISM

ENGIE has made a corporate ethics complaints line available to all employees to report any suspicion of a breach of this policy. Confidentiality is assured as is the integrity and impartiality of the pertinent investigations.

### DISCIPLINARY MEASURES

Any breach of this Policy could lead to the imposition of disciplinary measures by ENGIE according to the procedures set down in its different codes and internal regulations as well as in the law.

This policy is posted on our intranet so that everyone in the company has access to it.



## 4.2.3 EQUITY AND BENEFITS

### I. EQUAL PAY

ENGIE ensures that people are treated fairly and equitably. We have an Equal Pay Policy that is focused on attracting, retaining and motivating our employees through a system based on internal equity, retribution and competitiveness as compared to the job market.

We are continuously focused on recognizing and promoting excellence in the individual performance of our employees and on professional development, a fundamental element in the continuing improvement of processes and in meeting the objectives and goals set by the company. We also have a team of employees that constantly monitors the competitiveness of our salaries.



#### A) MAIN GUIDELINES OF THE EQUAL PAY POLICY

- **Market surveys:** We participate and recurrently acquire salary surveys in which companies participate that use position evaluation methods, and we analyze the competitiveness of our salaries against the job market.
- **Salaries benchmarked to the job market:** This benchmark is comprised of a group of comparable companies belonging to similar industries or who are direct competitors. The decision on which companies to use for the comparison is based on the definition in the company's strategy.
- **Salary collars:** These collars are implemented at a company level and indicate a salary range for each position. These points are established based on the complexity of the functions, the skills required and the job market salary benchmarks.
- **Position levels or grades:** An evaluation is made of each position using the HAY method that considers roles, responsibilities, skills, knowledge and the competencies required for each position in the organizational structure. A position and salary plan is created, focused on structuring the different hierarchical levels of the organization so as to have a clear and balanced salary structure.
- **Employee positioning:** This means the relationship of the salary of individuals compared to the salary collar defined for the position they hold.
- **Merit increases:** Merit increases acknowledge the contribution of individuals' performance in the previous year. The aim is to motivate and foster a sense of belonging to the company. Adopting meritocracy in salary management helps promote a fairer work environment and encourages healthy competition among our employees.
- **Rules and criteria on compensation for new hires, mobility and promotions.**
- **Short-term incentives:** This is a variable compensation system that rewards employees according to a calculation that considers the results of individual performance and the results of the company's collective performance. These conditions encourage excellence and the search for a continuing improvement of our processes.



## B) PAY GAP

Engie ensures that its salary structure is bias-free, fair and equitable. To that end, compensation has been defined following the HAY method where levels are set for each position based on the following criteria:

- Knowledge, skills and abilities needed to perform the job.
- Responsibility for processes and ability at solving specific problems arising in the professional performance of the position.
- Contribution of the position to the company's results. This means that employees working in one same professional category, such as supervisor, can hold different levels or grades in that position because the knowledge, processes and functions of each position are different. So, the pay gap is analyzed in view of the professional category of the position, the level or grade of the position and age. This latter variable is included because time of employment could justify differences arising from CPI salary adjustments.

Our pay gap is shown below as of the close of 2023:

| Position Category          | Mean | Status              | Median | Status             |
|----------------------------|------|---------------------|--------|--------------------|
| <b>Administrative</b>      | 94%  | 6% higher for men   | 100%   | No gap             |
| <b>Upper Management</b>    | 100% | No gap              | 75%    | 25% higher for men |
| <b>Salesforce</b>          | 100% | No gap              | 90%    | 10% higher for men |
| <b>Management</b>          | 104% | 4% higher for women | 100%   | No gap             |
| <b>Supervisors</b>         | 101% | 1% higher for women | 91%    | 9% higher for men  |
| <b>Manual Workers</b>      | 89%  | 11% higher for men  | 83%    | 17% higher for men |
| <b>Other Professionals</b> | 94%  | 6% higher for men   | 93%    | 7% higher for men  |
| <b>Other Technicians</b>   | 93%  | 7% higher for men   | 98%    | 2% higher for men  |

*(1) Management positions are under the position valuation system, so there are management positions in different professional categories defined for the calculation of the pay gap.*

The gaps seen are due mainly to the fact that the compensation structures are aligned to the valuation of the positions rather than to a professional category. Additionally, the impact of time with the company must be considered and more men have been

employed longer by the company.

Given the characteristics of our industry, historically, fewer women have worked in it than men. This is something that we are actively working to change via diverse action plans and strategies under our One ENGIE model.

## II. BENEFITS

ENGIE Energía Chile has a wide, diverse set of benefits designed with the wellbeing of people working for it –who have not signed collective bargaining agreements – and their families in mind. We have grouped them into four areas:

| PHYSICAL AND EMOTIONAL WELLBEING   | LIFE/WORK BALANCE  | FINANCIAL WELLBEING  | EQUITY   |
|--|--|--|--|
| Benefits that enable employees to care for their physical and mental health. | Benefits that help employees achieve a balance between their work and home life. | Benefits that aim to help employees have a financially healthy life. | Benefits that give employees a healthy work environment and improve their quality of life. |
| Complementary Health Insurance   | Additional Vacation Time   | Meal allowance   | Payment or reimbursement of day care   |
| Dental Insurance   | Progressive Vacation Time  | Marriage or civil union allowance                                    | Equalization Fund: benefit, education, financial aid, tourism and recreation               |
| Catastrophic Illness Insurance   | Flexiworking   | Birth allowance  | Grade and High School education allowance for children                                     |
| Death and Disability Insurance   | Leave for marriage or civil union  | Death allowance  | Technical Training Scholarship for children  |
| Subsidy for Occupational Illnesses /Work Accidents                           | Birth leave  | Additional pension savings   | College Scholarship for children   |
| COVID Insurance  | Death leave  | Independence Days Allowance  | Christmas gifts for employees' children and Christmas gift card                            |
| Exercise Reimbursement   | Paid leave   | Christmas Allowance  | Parking Fee Agreement  |
| Ergonomic Chairs   | Unpaid leave   | Vacation Allowance   |  |
| Employee Accompaniment Program (PAE in Spanish)                              |  |  |  |



### NEW PATERNITY LEAVE

We want our employees to experience being a parent worry-free. So, we guarantee that they will receive all of their fixed and variable salary for the entire prenatal and postnatal leave so that they suffer no financial impairment.

Because we know that shared responsibility is the key to an inclusive, equitable culture, in 2023 we implemented Paternity Leave, which is a benefit that extends the legal paternity leave for the birth of a child from 5 days to 4 weeks, in line with our ENGIE Care Policy. The goal is to help balance personal and family life with work.



## 4.2.4 TALENT MANAGEMENT AND DEVELOPMENT

We work in a highly competitive sector that demands specific profiles, so managing talent is a critical variable that we manage strategically according to the needs of our business units. We have development and succession plans for our critical positions in the aim of assuring the continuity of operations and of preparing our team so that it has the skills needed to conduct the business now and in the future.

Our talent management is based on a Strategic Workforce Planning that indicates how we must act regarding key issues, like personnel structures required by the business, succession

plans, career development, the leadership program, the compensation strategy, and our recruitment and selection needs, all in the short, medium and long term.

This plan helps us connect and focus our work according to our needs. Selection processes are therefore aimed at filling the positions for which there are no internal successors; our development plans are focused on accelerating the training of the individuals in the succession plan who are high performers; and our total compensation strategy on retaining talent inside the organization.

### I. INTERNAL DEVELOPMENT

This year we implemented initiatives to motivate individual development and mobility. We held “Career Week,” during which internal and external professionals gave talks on market topics, personal brand, purpose and objectives, self-management and a growth mentality. The goal of this initiative was to invite employees to think about their professional development and career and to understand the premises and resources available to them within the ENGIE Group.



**We have thus identified more than 2,000 professionals and we have a referral program**

### II. SUCCESSION PLAN

There is a succession plan for all critical positions in ENGIE, including for the CEO, which are managed directly by the ENGIE Group in Paris. This year we increased the number of successors and were able to secure the participation of professionals from the local operation in all plans.

There is a development plan for all successors so that they are ready to assume the position when required. We have maps of outsiders who may take over positions for which there is no internal successor. We have thus identified more than 2,000 professionals and we have a referral program whereby the company's employees can recommend people they know for a position. Finally, we actively head-hunt on LinkedIn and hold conversations and make contact constantly with potential candidates.



**All employees have taken E-learning courses on ethics, cybersecurity, diversity and inclusion.**

### III. TRAINING

Our training and development model is based on the premise that learning helps people progress in the way they do their job, develop individually, and contribute to the Company's performance. Our model considers that 70% of learning is on the job, 20% is learned from others, and 10% comes from formal training.

Our main focuses in 2023 were on technical training based on the specific needs of each of our business units and transversal areas, both locally and at GBU Academies.



#### TRAINING AND DEVELOPMENT MODEL



#### A) LEADERSHIP PROGRAM

We also designed a transversal leadership program focused on reinforcing the behavior in the EWOL model, on safety courses, talks on Ethics, Diversity and Inclusion, Feedback and the One Engie Strategy. 350 managers and middle managers participated. The level of satisfaction with the program was 92%.

## TALENT MANAGEMENT



**\$ 676,691,854**

Investment in training as of  
December 31, 2023



**40**

Hours of training on  
average per person



of employees received a  
performance evaluation



of the critical positions  
have a succession plan



**225**

Female  
employees



**740**

Male  
employees

## PERFORMANCE EVALUATION

Everyone working at ENGIE receives a performance evaluation. This year a new platform of the Sezame group was used, a global SAP platform, and the dimension of “how” goals were reached was simultaneously added to the goal attainment aspect, in line with our EWOL/EWOW behavior and our Balancing Plan bridges.

SEZAME also gives the evaluation process a greater traceability and transparency because it keeps a record of the goals evaluated and the comments made. That information can be viewed by everyone involved. It is a collaborative platform that fosters ongoing, open feedback to different areas and individuals in the company.

**In 2023, close to 100% of the organization had access to the performance evaluation process.**



## 4.2.5 LABOR RELATIONS

Managing our labor relations is focused on assuring that our internal teams and those of contractors do their work under high labor standards and in strict compliance with the law. Both conditions are critical to accelerating the construction of renewable energy projects and to maintaining operational continuity in times of change.

Early collective bargaining with the four

unions is one of the material milestones in this fiscal year, who negotiated as a group. This process, which impacted 671 people, or 68.3% of all employees, ended in good terms, reaching an agreement for the period 2023-2026.

Collective bargaining is expected with the Supervisors Union and Tocopilla Unions 1 and 2 in 2024, to whom we offered training in collective bargaining

by an outside consultant.

Collective bargaining began early with Tocopilla Union 2 at the end of 2023, with which we expect to close an agreement in good terms.

We renewed Engie's rating of Infrastructure Critical to the Country during 2023, for a period of two years. Employees may not exercise their right to strike in this period.

### COLLECTIVE BARGAINING

| Unions (Name)                  | # of Members | GBU Represented | From      | To        | Type of Bargaining |
|--------------------------------|--------------|-----------------|-----------|-----------|--------------------|
| <b>Union 1</b>                 | 96           | Transversal     | 03-Aug-21 | 31-Jul-24 | Regulated          |
| <b>Union 2</b>                 | 81           | Transversal     | 03-Aug-21 | 31-Jul-24 | Regulated          |
| <b>Edel Arica.Par Union</b>    | 42           | Transversal     | 05-Jul-23 | 31-Dec-23 | Early              |
| <b>Edelnor S.A. Union</b>      | 100          | Transversal     | 05-Jul-23 | 31-Dec-23 | Early              |
| <b>Technicians Union</b>       | 128          | Transversal     | 05-Jul-23 | 31-Dec-23 | Early              |
| <b>Supervisors Union</b>       | 133          | Transversal     | 19-Sep-21 | 17-Sep-24 | Regulated          |
| <b>Edel II R Workers Union</b> | 98           | Transversal     | 05-Jul-23 | 31-Dec-23 | Early              |

### SUBCONTRACTING POLICY

ENGIE has a Subcontracting Policy that defines five goals and procedures to be followed by all companies in the ENGIE Group.

The goals are to:

- 1 Guarantee the safety** of everyone by providing a safe workplace and environment wherever we operate.
- 2 Mitigate the risks** in subcontracted work.
- 3 Organize exchange** and comparison to support the dissemination of the best

practices around the world.

- 4 Facilitate synergy** to drive performance and improve/simplify supplier relationship management.

- 5 Guarantee** that each entity develops performance throughout subcontractor management.

It also defines a four-stage contracting procedure that includes ESG criteria, namely: qualification, selection, contracting and evaluation.

Offers are evaluated on the basis of meeting the minimum requirements: Corporate Social Responsibility (CSR), including health and safety, price, minimum technical requirements, meeting deadlines and acceptance of contract terms. Whether a subcontractor continues will depend on the evaluation according to the following criteria: commercial relations, performance (price, period, compliance), health and safety, the environment, the energy transition and ethics.





*Our CEO attended ENGIE's national union leaders event in Mejillones.*

## I. UNION RELATIONSHIP

We hold regular meetings with union leaders attended by the managing directors of the three business units. This year we discussed business performance, the progress in the Decarbonization Plan and the presentation of the goals of the Vigilance Committee.

2023

7

Number of unions

67.60%

of employees are unionized

## II. LABOR MANAGEMENT BY BUSINESS UNITS

Our business units (GBUs) have different needs that we address integrally

### RENEWABLES GBU

This unit's challenge is to guarantee that labor standards are met at multiple sites where two to three people work, located in different geographic zones. This year we focused on receiving authorization for exceptional work weeks to develop renewable energy projects under full construction or in operation. The application for this authorization is made jointly with unions because their members work in the positions for which this exceptional work week is required, that must be authorized by the local offices of the Labor Bureau. Thanks to the good relationship that we have with the unions, we have received their support in securing the required renewals for the longest time allowed, which is no more than three years.

### FLEX GEN&RETAIL GBU

Our work in this unit is focused on everything involved in our Fair Transition Plan, specifically for Mejillones. A multidisciplinary task force was set up, comprised of the site manager, the External Communications and Human Resources units and by each of the business units involved. Work was basically on preparing a Gantt Chart, on ways to reduce impacts and to train the people involved according to the possible scenarios of the Decarbonization Plan. In November, our CEO also met with all union leaders at a national event in Mejillones, at which she shared her vision of the challenges in the energy transition and of the business and answered questions posed by union leaders.



## NETWORK GBU

In 2023, our main purpose was to provide support to the development and creation of the new Control Center that will handle the signals of the Company and its subsidiaries in an integrated way, which will give us a more competitive position on the market. To that end, support was provided in regard to employees of the new company and to the participation of ENGIE's workers in it.

## III. CONTRACTOR EMPLOYER COMPLIANCE

This year we also expanded our monitoring of employer compliance. We added a review of the standards of contractors in connection with diversity, the number of female employees and the prohibition of child labor, as part of the commitments that we assumed in the loan we requested from the IFC.



## SEXUAL AND WORKPLACE HARASSMENT POLICY

This year we launched the Sexual and Workplace Harassment Policy, widely disseminated through our internal channels and by talks to the entire organization. This declaration formalized our commitment to keeping our organization and the chain of value free from harassment while simultaneously giving the company's employees the tools they need to report any harassment and make use of the procedures established for these purposes.

### SENSITIZATION

This year we continued the work begun in 2022, albeit with some changes in the method, and we gave talks focused on the realities of the different units.

We have had a special phone line in place since 2022 to report harassment safely and anonymously.

### COMPLAINTS

In 2023, we received 10 complaints through this channel, 7 for workplace harassment and 3 for sexual harassment (we also received one from outside the company), all of which were properly investigated and closed in collaboration with outside legal counsel in order to ensure the impartiality and objectivity of the process. The investigations of workplace harassment complaints concluded that there was no such harassment. The investigations of sexual harassment claims concluded that there had been sexual harassment, and they resulted in the severance of the individuals behind the harassment.

Finally, this year we continued with the preventive background checks during recruitment to confirm that candidates had not been accused of harassment in their previous jobs.

## 4.3 COMMUNITY ENGAGEMENT

---

Our business requires emplacing and building projects to generate and store energy and to provide transmission services (substations and transmission lines) that require the social approval of the communities where they will be built. In that context, our purpose is to be a responsible neighbor who handles their adverse impacts and also contributes to local economic development, specifically to increasing employability, to strengthening SMBs, and to providing access by public areas to renewable energy.

---

## 4.3.1 TERRITORIAL MANAGEMENT FROM ARICA TO LOS LAGOS REGION

Since new renewable generation units were added and our transmission services were expanded, our territorial management has been going from the north to the south of the country. Our area of influence covers three zones: north (Arica-Antofagasta), central (Taltal-Maule) and south (Ñuble, Biobio, Los Lagos Region). We have a team in each led by one zonal officer who reports directly to the Sustainability and Communities Unit that is in charge of issuing directives.

Among the main tasks of the territorial team is tending to bridges and establishing ties with each of the communities and local authorities. It must also do the social, environmental and territorial work for new projects according to the guidelines in the Early Approach Model. Thanks to those efforts, in 2023 we completed two years with no community incidents.



### ENGIE ENERGIA CHILE'S EARLY COMMUNITY APPROACH MODEL



### CONTRIBUTION TO THE SDGs

Through our investments in territorial management and work with the community, we are contributing to the Global Agenda and attaining with the SDGs, specifically:



## 4.3.1 MAIN INITIATIVES IN 2023

This year, our territorial management consolidated its presence in the south of the country. Added to the purchase of the San Pedro Wind Farm in 2002 was the submission of the environmental assessments of the projects located in the Region of Liberator Bernardo O'Higgins, in the Region of Ñuble and in Region of Los Lagos –Frutillar, Llanquihue and Calbuco–.

In the central zone, the La Ligua Substation and the Libélula PV Farm received environmental approval. We are also working hard on community engagement for the Totihue Substation in the municipality of Rengo.

In the north, where we have major activity since the company's oldest facilities are located there, we expanded our territorial work to Arica because of the Roncacho Substation.

All these processes lead to a deployment of engagement protocols and standards,

so in 2023, we decided to increase the number of members on the work team to augment our local presence and thus manage the community ties directly in the territories. We added to the teams in the south and central zones, specifically in the municipality of Dalcahue in Chiloé, where we operate the San Pedro Wind Farm, and in the municipality of Taltal, where we are building the Lomas de Taltal Wind Farm, the largest of all our renewable assets, and the Fidelia Wind Farm, which received environmental approval in 2023.

### I. RISK MATRIZ

Given the increase in projects and operations, the Sustainability and Communities Unit implemented a new procedure for the purpose of mapping and managing stakeholders territorially. The purpose of this matrix is to facilitate

monitoring and analyzing the risks, the engagement with social actors and the action plans in each community.

### II. INDIGENOUS COMMUNITIES PROTOCOL

In 2023, we began drafting a protocol that will help us establish the guidelines for designing a plan for engagement with indigenous communities. This initiative arose from the recommendations we received as part of the loan from IFC. The new plan will reinforce the work we are doing with indigenous communities near the Calama Wind Farm, in the municipality of Calama, Region of Antofagasta.





### III. SOCIAL INVESTMENT

We channel our social investment in the territory through our Work Groups and Competitive Funding. These are our formal ways of working with communities. We have gradually sought to orient these contributions toward the four strategic pillars of our Associativity Policy, in coordination with local inhabitants:

- **Local Economic Development Initiatives:** to foster employment and entrepreneurship.
- **Access to Clean Energy:** by public spaces and heritage sites.
- **Contribution to the Chain of Value:** development of community social organizations.
- **Participation and Harmonious Relations:** activities that create a cohesiveness among local inhabitants.

This exercise has enabled us to make significant progress in these matters. We made an annual investment of MUSD 1.2, nearly double the amount invested in 2022. The funding was allocated to 188 initiatives of direct benefit to more than 49,468 people and to more than 152,850 indirectly.

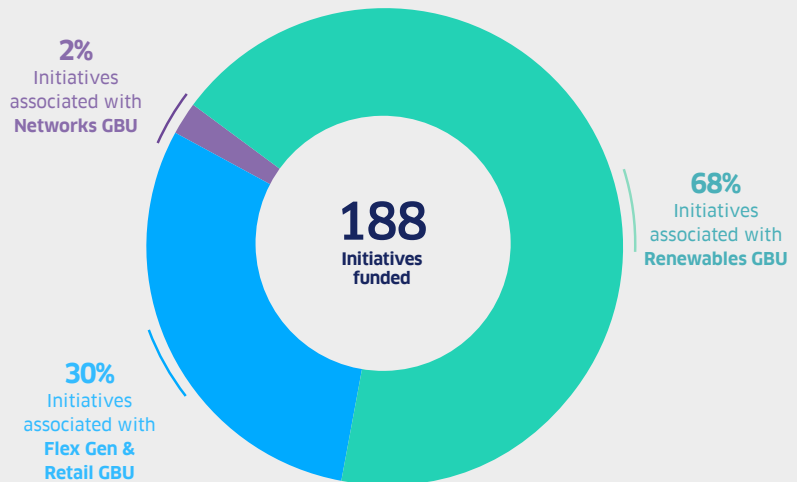
The increase compared to 2022 was mainly due to the increase in our activity in the south zone, specifically the municipality of Dalcáhué, Chiloé, to which close to 50% of the investment in that zone was channeled.

# 20

New projects to provide access to renewable energy



### SOCIAL INVESTMENT IN 2023: MUSD 1.2



## 85

projects awarded competitive funding



## 18

municipalities benefited



## 50

local entrepreneurs received support to their businesses



## 202,318

people in the country were **directly or indirectly** impacted



## 49,468

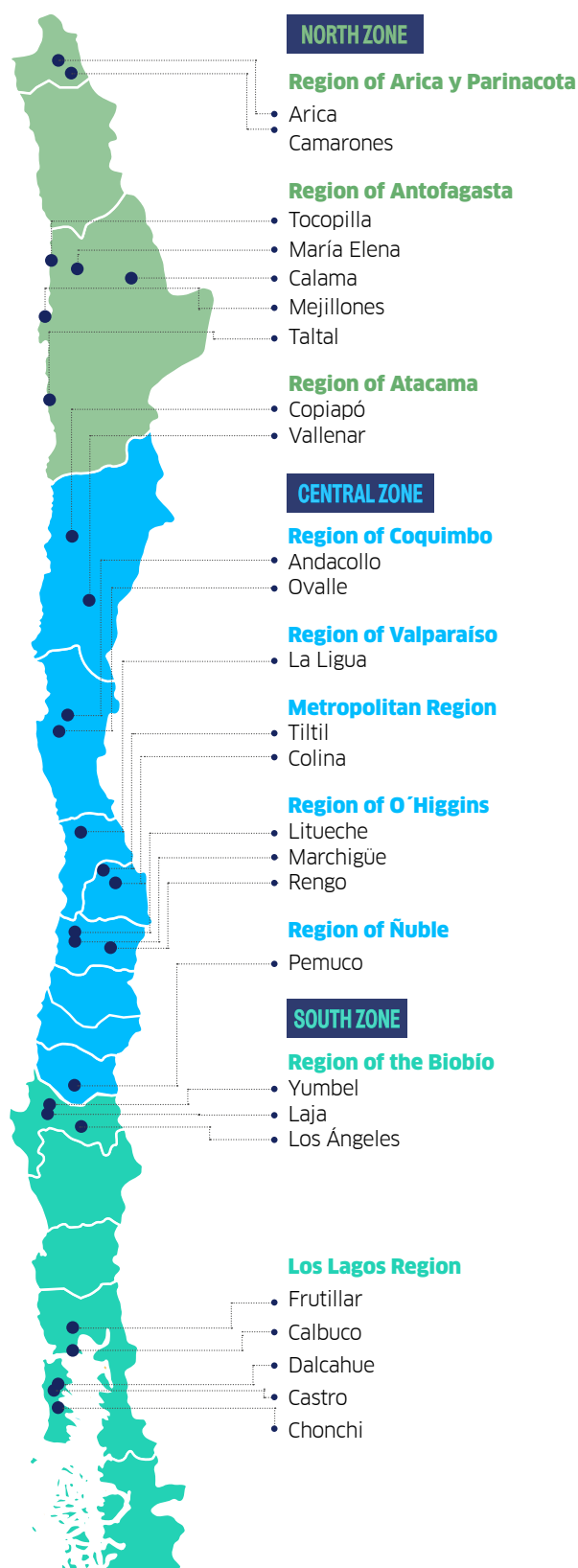
people were **directly** impacted



## 152,850

people were **indirectly** impacted

## COVERAGE OF ENGIE ENERGÍA CHILE'S TERRITORIAL MANAGEMENT



## IV. INVESTMENT BY ZONE

### NORTH ZONE

Our oldest operations are concentrated in the north zone and we therefore have a long history of community relations that started in Tocopilla and Mejillones. In both localities we have work groups in which the most representative social organizations, neighborhood boards, community unions, and municipalities participate. In the case of Mejillones, trade representatives and local suppliers also participate.

Among the most prominent initiatives this year is the funding of individual entrepreneurship through the Entrepreneur Fund, which helped more than 20 people in Mejillones and Tocopilla. 13 projects of benefit to neighborhood boards, youth centers and public areas were financed for Access by Public Areas to Clean Energy, such as the downtown sector of Calama, the Pueblo Viejo community center in Caspana, the Turi Church and the Toconce Square.

In the area of Participation and Harmonious Relations, the most outstanding activities consisted of the signing of an alliance with the Municipality of Mejillones to support community projects that contribute to improving the wellbeing of the municipality's residents and also encourage their integration and cohesiveness as neighbors. This alliance translated into a contribution by the company of CLP\$26,000,000 in 2023.

As concerns the Contribution to the Chain of Value—the most demanding in terms of investment—the resources were mostly allocated to the commitments to social organizations.

### HIGHLIGHT

We set up the "Climate Mural" in Tocopilla, an initiative that aims to educate and sensitize the community to the impacts of Climate Change. We held a workshop in which a great part of the community participated. We invite you to learn about this experience by watching this video:



## SET LABEL CERTIFICATION

Another significant achievement in 2023 was receiving the SET LABEL Certification that certifies that our method of building solar and wind projects integrates ESG criteria on respect for communities and nature and contribute to a low carbon economy.

We are the first subsidiary in the ENGIE Group in South America and the third worldwide to receive this honor.

The certification is audited by world-renowned independent experts from Bureau Veritas, who confirmed that our projects and employees are committed to local communities.

In this process, we also shared material information on our biodiversity management, on GBIF (Global Biodiversity Information

Facility), using the Darwin Core (DwC) standard. The data came from studies we did in 2020 on the species *Liolaemus torresi* (the dragon of Torres-Mura), a lizard endemic to the desert of Chile, classified as Endangered by the International Union for Conservation of Nature (IUCN).

By sharing this information, we not only make it accessible for consultation by the public; we also contribute to the global knowledge of biodiversity in the scientific community that will later help adopt solutions promoting their conservation, their sustainable use, and the drafting of evidence-based biodiversity policies. Please note that GBIF is the largest biodiversity repository in the world, which reinforces our commitment to promoting environmental protection and care.



Sustainable Energy Transition (SET) certification covers three areas: community, nature and climate, and guarantees that:

1. stakeholders are involved in the projects;
2. the nature around facilities will be preserved;
3. the contribution of projects to the fight against climate change will be optimized.

## CENTRAL ZONE

Funding in the central zone was mainly allocated to the municipality of Taltal where we are building the Taltal Wind Farm. For the pillar of Participation and Harmonious Relations, we signed an alliance with the Municipality of Taltal to support projects that contribute to the wellbeing of that municipality. Initiatives related to this category were implemented, focused on education and environmental care; on promoting sports, recreational, cultural and family activities; on sustainable infrastructure; and on care and service to the elderly. Actions that integrate local suppliers will be preferred.





## THE IMPACTS OF SOCIAL INVESTMENT

More than 200,000 people benefited directly and indirectly from the initiatives we implemented in local communities in 2023. In the videos below we share some of their impressions.



## SOUTH ZONE

In the south zone, resources were allocated mainly to Chiloé, where our San Pedro Wind Farm is located, purchased at the end of 2022. We began to get involved right from the start with the community in Dalcahue. This year we began to implement initiatives involving the three pillars: Participation and Harmonious Relations, Local Development and Access to Clean Energy. One of the most important projects was the funding of an On-Grid Photovoltaic System for the San Pedro Rural Water Committee that provided power supply to 5 homes. We also designed a pilot peat bog restoration program, an environmental education program and a program to encourage students at the Dalcahue Bicentennial School to learn about science.

Further to the north, in the Region of the Biobío, we held our first Participatory Public Account at our Laja Hydroelectric Power Plant for communities and authorities in the Laja and Yumbel municipalities. The event was attended by several of the company's employees, who explained operational, social and environmental management, followed by a Q&A period during which the questions of more than 70 people were answered.







## HIGHLIGHT

### PROMOTING STEM LEARNING IN CHILOÉ

We devised a pilot plan to strengthen the learning of Science, Technology, Engineering and Math (STEM) by 150 students at the Dalcabue Bicentennial School of Excellence in the province of Chiloé, Region of Los Lagos.

To do this, we joined forces with Lab4U, a startup that developed an educational solution where experiments can be done in real time easily and entertainingly using the different sensors implicit in mobile devices—mobile phones and tablets—, turning them into science tools.

The program entailed work sessions with the students, specifically in the Physics course, and with teachers, with whom subjects were addressed, such as research methods, developing scientific research skills and female empowerment in the sphere of science.

Talks were also given on gender equity and female empowerment to inspire young girls to engage more with science and think about STEM careers. The talks also covered the opportunities in the energy industry. The pilot program was held during the second school semester and involved a total of 28 experiment sessions.

#### IMPACTS

The Province of Chiloé has a history of difficult access to basic, secondary and higher education. This program is, therefore, helping to reduce the educational gaps and it is contributing to the development of youths who will face the challenges of the future. This work allowed us to become widely involved in the educational community, which greatly appreciated the company's support and positively evaluated the contribution by the program to the education of students.

The video below shares the impressions of the educational community:



*The program received significant coverage in the press. You can see it at the following link.*

# 4.4 SUPPLIER MANAGEMENT

---

Key to advancing in our commitments to sustainability and to properly managing our impacts is having suppliers and contractors committed to causing positive impacts on people and the planet. Some of the aspects we look at when selecting them is ethical behavior and regulatory compliance, social and environmental responsibility and a respect for Human Rights. Our way of managing these matters is aligned to the requirements of banks and investment funds, who reward companies managing their business according to sustainability guidelines by better loan terms.

---

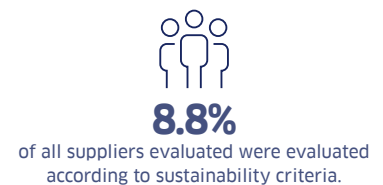
## 4.4.1 SUSTAINABLE SUPPLY CHAIN

**We have been working steadily toward establishing relationships of mutual collaboration with the companies that provide services and/or supply inputs to us.** In addition to ensuring ongoing compliance with governing laws, we are creating greater incentives so that they incorporate sustainability and impact management criteria to the administration of their business. To that end, we designed multiple initiatives for sensitization and training and we have also been reinforcing the selection criteria with new social and environmental guidelines.

We use an external platform, ECOVADIS, that evaluates four areas of the Entrepreneurial Social Responsibility (ESR) of the strategic companies that provide us with services and inputs: environment, labor practices and Human Rights, ethics, and sustainable procurement. A scorecard is created for each company with the results of the evaluation. We are making a performance evaluation annually of our main suppliers, with whom we share the results and agree on improvements for the following year whenever warranted by the results of the evaluation.

At the close of 2023, we were working with national and international suppliers and contractors. National suppliers and contractors accounted for 90.9% of the total, and the remaining 9.1% for international ones.

We categorize suppliers as Strategic based on their importance to the operational continuity of our business, and they accounted for 85% of annual spending on the purchase of goods and hiring of services at the close of 2023.



### EVALUATION OF SUPPLIERS ACCORDING TO SUSTAINABILITY CRITERIA

|  | Proveedores nacionales | Proveedores extranjeros |
|--|------------------------|-------------------------|
| # of suppliers evaluated   | 181                    | 24                      |
| # of suppliers evaluated according to sustainability criteria                      | 16                     | 2                       |
| % of suppliers evaluated according to sustainability criteria out of the total     | 8.8%                   | 8.3%                    |
| Total purchases  | USD 641,577,851        | USD 428,074,062         |
| Purchases from suppliers evaluated according to sustainability criteria            | USD 48,772,165         | USD 374,033,719         |
| % of total purchases from suppliers evaluated according to sustainability criteria | 7.6%                   | 87.4%                   |

## 4.4.2 PROGRESS IN 2023



In the 2023 fiscal year, we developed a work strategy called +Suppliers to help boost a sustainable, inclusive and safe culture in our commercial relations.

Among the most relevant initiatives in this strategy were: the creation of the first Sustainable and Inclusive Procurement Policy; an alliance with Huella Chile to encourage our suppliers and contractors to measure their carbon footprint; a reduction in the periods for payment to SMBs; and a reinforcement of the bond and collaborative work with suppliers and the organizations with whom we collaborate or are partners. They include the Generators Association of Chile, in which we helped draft and implement the Guiding Principles for Suppliers and Contractors. That document sets down several good practices for Supplier and Contractor Management, mainly in projects, in answer to the issues that have been plaguing the energy sector for years.

### I. NEW SUSTAINABLE AND INCLUSIVE PROCUREMENT POLICY

The foundation of our Sustainable Procurement Policy is collaboration. We set up work groups with representatives from our main suppliers to gather their observations, experiences and suggestions on actions that could be taken in the sphere of sustainable development, as well as their opinions on the importance of this subject in the industry. This work enabled us to identify the processes where sustainability considerations can be feasibly incorporated in the short term, namely:

- A quantification and certification of their carbon footprint.
- The promotion of diversity, focused on gender equity.

- Compliance with Law 21,015 to assure that a percentage of employees suffering a disability are employed by our suppliers.

- The drafting of a sustainability policy for their organizations.

As for incentives, we decided to offer a plus (extra points) in supplier selection for companies that have strategies, policies or initiatives relating to sustainable development.

A team appointed specifically for the purpose will implement this policy. We also are committed to continuously supervising our suppliers and to progressively evaluating the implementation of their directives.

### SUPPLIER EVENT IN 2023

In December 2023, we held the second Supplier Day, an event originating in our parent company in France, for the purpose of becoming closer to our main suppliers and making them participants in our strategy. The theme of this event was sustainability, in line with the work focuses for the year. 26 strategic suppliers attended this event and we analyzed a summary of the achievements, challenges and other prominent aspects of 2023 with them. We also reviewed our strategy in the aim of making them participants in the agenda set for 2024.

Eduardo Milligan, our CFO, opened Supplier Day, making special reference to the importance that ENGIE is giving

to the subjects of sustainable development, diversity and inclusion, and to our expectations as a company of counting on the support of suppliers in addressing the challenges we have proposed in these respects.

We set up panel discussions between the Procurement Unit team and suppliers revolving around four sustainable pillars: strengthening SMBs (small and mid-sized businesses), Supply Chain digitalization, sustainability, and diversity and inclusion. We gave them a summary of the recently published Sustainable and Inclusive Procurement Policy, and we took advantage of the event to honor 10 of our suppliers for their commitment to sustainable development.



## II. ENVIRONMENTAL MANAGEMENT AND CARBON FOOTPRINT

The companies supplying goods and services to us must meet specific environmental requirements related to transportation, the handling and disposal of hazardous substances and waste, materials and components that are described in the Special Contractor and Subcontractor Regulations. The environmental requirements, commitments and obligations are contained in our Integrated Management System because they have a direct impact on the company. This system is based on international standards—ISO 9001/2015, ISO 14001/2015 and ISO 45001/2018. Should any potential violation appear, the supplier's representative, the contract manager of ENGIE Energía Chile and the environmental advisor must jointly devise an action plan to regularize the situation. That plan must indicate the owners responsible for implementing the agreed actions and the deadlines to facilitate monitoring them.

In 2023, we designed the Carbon Neutral Challenge plan that aims to encourage the measurement and certification of the carbon footprint of suppliers and contractors, starting with those who are in the Strategic Supplier Category.

To develop this activity, we signed an alliance with Huella Chile, a government program. We arranged for a meeting to present the program to suppliers and we offered them the chance to establish the communication and coordination needed to take the necessary measurements. We are staying in constant contact with the team so that we are on top of the progress in the certification process.



## III. REDUCING THE PERIODS OF PAYMENT TO SMBs

We are managing payments to suppliers according to Law 21,131, which sets a maximum period of 30 days. We make digital platforms available to suppliers and contractors that help them speed up proceedings and processes, such as those related to their payment.

This year we worked on identifying opportunities for improving the times of payment to SMBs providing services to us. As a result, effective August 2023, we set a period of payment of 15 days to SMBs registered in the National SMB Register of the Ministry of the Economy. This period has been implemented gradually while we develop a SMB identification procedure, which we expect to consolidate during 2024.

At the close of the fiscal year, we had no agreements registered in the Register of Agreements with an Exceptional Period of Payment that is kept by the Ministry of the Economy, when relevant.

### ➔ CHALLENGES IN 2024

In 2024, we will place a great emphasis on encouraging the sustainable development of our suppliers, both in regard to their carbon footprint and to diversity and inclusion. In the first stage, we will address our strategic suppliers and then gradually focus on the smaller supplier segments, such as our SMBs. We will have a work strategy that includes development plans, training and other activities, so that they can generate added value in their operations and strengthen their organizations.

We will also devise a work plan associated with the Sustainable and Inclusive Procurement Policy. It will include holding several activities and creating forums to discuss the topics of gender equity, carbon footprint management, occupational diversity and inclusion, among others.



# CAPRICORNIO PHOTOVOLTAIC FARM

## LOCATION

Region of Antofagasta

## 89.91 MW

Installed capacity

## 249,210

Bifacial solar  
panels

## 2,769

Trackers mounted

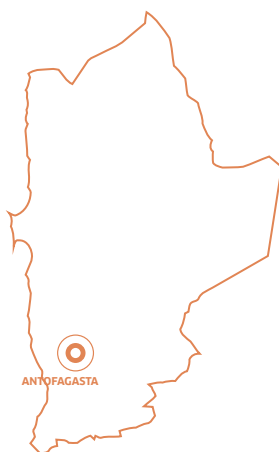
## RANGE

36,000 homes

in the north of the country

## ENVIRONMENTAL IMPACT

Avoids the emission of **152,015**  
tons of CO<sub>2</sub>





# PLANET

**5.1** Emissions / **5.2** Biodiversity  
**5.3** Waste Management / **5.4** Water

# 5.1 EMISSIONS

---

Fossil fuel thermal generation is one of the activities that generates more greenhouse gas emissions in the world. The progress in our Decarbonization Plan is seen in a pronounced reduction of our carbon footprint and in the intensity of emissions and contaminating gas in general. By accelerating our investments in renewable power generation, we are getting closer to our main goal, which is achieving Net Zero Carbon by 2045.

---



# 5.1.1 CARBON FOOTPRINT AND EMISSIONS

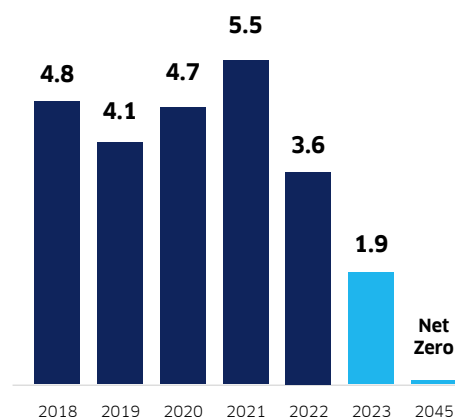
## I. CARBON FOOTPRINT

ENGIE Energía Chile measures its carbon footprint according to ISO 14604 and the stationary combustion emission factors proposed by the Intergovernmental Panel on Climate Change (IPCC). We also have a monitoring system the results of which are presented monthly to the Company's Board as part of an ongoing tracking.

The progress in our plan to close coal-fired units has meant that we have continuously and permanently reduced our CO<sub>2</sub>eq emissions. In 2023, they fell 43% compared to 2022 and 55% compared to 2021.

In the same period, our direct emissions (calculated using CO<sub>2</sub>eq emissions per MWh of energy produced) dropped 43% in 2022 and 55% in 2023. The intensity of the direct emissions also fell 44% in 2022 and 51% in 2023.

**Scope 1 GHG Direct Emissions**  
(Mt CO<sub>2</sub>eq)



*(\*) In 2018, we disclosed our decision to close the coal-fired units and to replace them by renewable power generation.*

## II. LOCAL AIR EMISSIONS

The progress in our Decarbonization Plan and improvement in the hydrology of the country in 2023 were the main reasons behind the reduction in our particulate matter (PM), nitrogen oxide (NO<sub>x</sub>) and sulfur dioxide (SO<sub>x</sub>) emissions recorded in the year.

The global carbon dioxide emissions again decreased, this time 43% compared to 2022 emissions. This reduction was mainly due to the little dispatching of our coal-fired units that have gradually been replaced by renewable power generation.

Since we began to disconnect our coal-fired units in 2019, we have permanently reduced air emissions.

During 2023, total PM emissions fell to 49 tons/year, 50% lower than the levels recorded in 2022. NO<sub>x</sub> emissions totaled 1,612 tons/year, 32% lower than in 2022. A similar trend was seen in SO<sub>x</sub> emissions, which were 1,405 tons/year, falling 36%.

### TOTAL GHG EMISSIONS (MT CO<sub>2</sub>E)

|  | Variation  |            |            |              |              |
|--|------------|------------|------------|--------------|--------------|
|  | 2021       | 2022       | 2023       | 2023 vs 2022 | 2023 vs 2021 |
| <b>Total Mt CO<sub>2</sub>eq</b>   | <b>7.1</b> | <b>5.6</b> | <b>3.2</b> | <b>- 43%</b> | <b>- 55%</b> |
| <b>Scope 1 (Mt CO<sub>2</sub>eq)</b>   | 5.5        | 3.6        | 1.9        | - 47%        | - 65%        |
| <b>Scope 2* (Mt CO<sub>2</sub>eq)</b>  | 0.1        | 0.1        | 0.1        | 0            | 0            |
| <b>Scope 3 (Mt CO<sub>2</sub>eq)</b>   | 1.5        | 2.0        | 1.3        | -35%         | -13%         |
| Gas sales (see below: Use of product sold)                                   | 0.2        | 0.3        | 0.1        | -67%         | -50%         |
| Power purchases from third parties* (see below: Energy purchased for resale) | 1.3        | 1.7        | 1.2        | -70%         | -7,6         |
| <b>Scope 1 Emissions Intensity (gCO<sub>2</sub>/kWh)</b>                     | 710        | 618        | 346        | -44%         | -51,2        |

\*Reclassification to energy purchased for resale.

**In 2023, global carbon dioxide emissions fell 43% compared to 2022.**



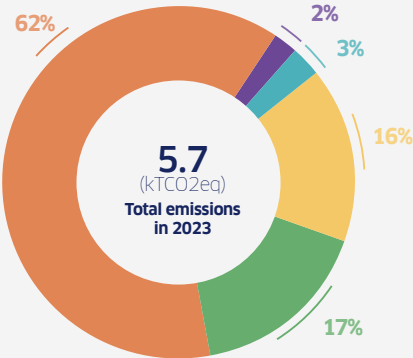
## WAY OF WORKING CARBON FOOTPRINT

As part of our goal of achieving Net Zero Carbon by 2045, we also managed the emissions we generate in our Way of Working. The ENGIE Group has a transversal method for all operations in the world so that there is a baseline from which action plans can be devised to reduce and mitigate impacts.

In 2023, our Way of Working carbon footprint was 5.7 kTCO<sub>2</sub>eq, varying slightly compared to 2022 (5.6 kTCO<sub>2</sub>eq). This variation was mainly because of travel. The emissions from all remaining items fell compared to 2022, especially emissions by the company's vehicle fleet, buildings and offices.

We measure our way-of-working emissions in the following areas:

| AREAS WHERE EMISSIONS ARE MEASURED  |  |  |                                 |  |
|---|--|--|---------------------------------|--|
| Office buildings  | Means of transportation used by our employees  | The company's vehicle fleet                      | Business travel                 | Digital infrastructure and equipment   |
| ↓   | ↓  | ↓  | ↓                               | ↓  |
| This measurement mainly includes the emissions by stationary sources and the purchase of electricity. | Public and private means of transportation used by our employees to go to their workplace. | Company cars used to cover transportation needs. | Local and international travel. | The number of machines used: mainly laptops and desktop computers, the data center, data transfers, printing on paper. |
| EMISIONES EN KT CO <sub>2</sub> EQ  |  |  |                                 |  |
| 0.62<br>2022  | 0.97<br>2022   | 1.3<br>2022                                      | 2.47<br>2022                    | 0.16<br>2022   |
| 0.17<br>2023  | 0.92<br>2023   | 0.95<br>2023                                     | 3.55<br>2023                    | 0.12<br>2023   |
| ↓<br>-72%<br>VARIATION  | ↓<br>-5%<br>VARIATION  | ↓<br>-27%<br>VARIATION                           | ↓<br>+44%<br>VARIATION          | ↓<br>-25%<br>VARIACION   |



### III. AIR QUALITY

We have been monitoring air quality in the cities of Tocopilla and Mejillones for many years. Those measurements show that the air quality is good.

Concentrations remain below the metrics set in the Primary Quality Standard. In the case of Mejillones, the historic air quality measurement of PM-10 and PM-

2.5 fell from January 2012 to December 2023. It is monitored at the Mejillones air quality station.

#### ANNUAL CONCENTRATION (µG/M3N) IN MEJILLONES

| DISCRETE PM-10                                |      |      |      |      |      |      |      |      |                               |      |      |      |            |
|---|------|------|------|------|------|------|------|------|-------------------------------|------|------|------|------------|
| Statistic                                     | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020                          | 2021 | 2022 | 2023 | Limit      |
| Period average                                | 21   | 25   | 20   | 33   | 15   | 16   | 15   | 16   | 12                            | 14   | 15   | 15   | 50 µg/m3N  |
| 98th percentile, daily average                | 38   | 114  | 43   | 83   | 47   | 32   | 41   | 28   | 25                            | 30   | 30   | 29   | 150 µg/m3N |
| DISCRETE PM-2.5                               |      |      |      |      |      |      |      |      |                               |      |      |      |            |
| Statistic                                     | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020                          | 2021 | 2022 | 2023 |            |
| Period average                                | -    | -    | -    | 5    | 9    | 10   | 10   | 7    | 6                             | 5    | 6    | 6    |            |
| 98th percentile, daily average                | -    | -    | -    | 12   | 22   | 23   | 20   | 17   | 12                            | 9    | 11   | 12   |            |
| SO <sub>2</sub>                               |      |      |      |      |      |      |      |      |                               |      |      |      |            |
| Statistic                                     |      |      | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | Limit                         |      |      |      |            |
| Period average                                |      |      | 1,7  | 2,0  | 3,4  | 5,4  | 2,1  | 2,1  | 80/ 60 µg/m3N (new in 2019)   |      |      |      |            |
| 99th percentile maximum daily average         |      |      | 5,5  | 7,5  | 8,8  | 18,3 | 6,1  | 7,0  | 250/ 150 µg/m3N (new in 2019) |      |      |      |            |
| 98.5 percentile, 1-hour concentration         |      |      |      | 9,8  | 10,9 | 20,0 | 10,9 | 10,0 | 350 a partir 2019             |      |      |      |            |
| 99th percentile, 1-hour concentration         |      |      |      |      |      |      |      | 11,8 | 350 effective 2019            |      |      |      |            |
| NO <sub>x</sub>                               |      |      |      |      |      |      |      |      |                               |      |      |      |            |
| Statistic                                     |      |      | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | Limit                         |      |      |      |            |
| Period average                                |      |      | 2,5  | 2,3  | 2,4  | 2,3  | 2,6  | 2,1  | 100 µg/m3N                    |      |      |      |            |
| 99th percentile maximum daily average         |      |      | 42,2 | 40,5 | 44,5 | 61,6 | 37   | 24,5 | 400 µg/m3N                    |      |      |      |            |
| CO  |      |      |      |      |      |      |      |      |                               |      |      |      |            |
| Statistic                                     |      |      | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | Limit                         |      |      |      |            |
| 99th percentile maximum daily average         |      |      | 0,3  | 0,4  | 0,4  | 0,4  | 0,2  | 0,4  | 30 mg/m3N                     |      |      |      |            |
| 99th percentile maximum moving 8-hour average |      |      | 0,3  | 0,3  | 0,4  | 0,3  | 0,2  | 0,4  | 10 mg/m3N                     |      |      |      |            |
| O <sub>3</sub>                                |      |      |      |      |      |      |      |      |                               |      |      |      |            |
| Statistic                                     |      |      | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | Limit                         |      |      |      |            |
| 99th percentile maximum daily average         |      |      | 55   | 58   | 58   | 77   | 49   |      | 120 µg/m3N                    |      |      |      |            |

## IV. INVESTMENTS

In 2023, we focused investments on the project to update the emissions data management and storage systems and the online connectivity of this information to the environmental authorities that oversee regulatory compliance. We also made minor investments in replacing environmental monitoring equipment.

### GREEN TAXES

All generating units that must pay green taxes (Law 20,780) have received a resolution from the SMA approving the methods of quantifying emissions for green tax payment. Those methods are direct measurement (CEMS) and indirect measurement (estimates) if there are no CEMS certified by the SMA. Emissions in 2022 were reported and validated, and taxes of USD 17,866,910 were paid. The 35% decrease in emissions taxes compared to 2021 emissions occurred because less power was generated by the thermal units. The green tax emissions reports for 2023 are being prepared.





# 5.2 BIODIVERSITY

---

The impacts that our renewable power generation units may have on ecosystems is regulated by Environmental Approvals (RCA in Spanish), a condition that is increasingly critical for credit entities that give loans to companies who accredit a responsible management of their impacts. In addition to meeting these requirements, ENGIE's goal is to minimize our impacts and foster the development of ecosystems. Since 2010, the Group has integrated the protection of biodiversity into the running of its activities, evidenced in ENGIE's biodiversity policy and the renewal of its commitments.

---

## 5.2.1 MAIN PROGRESS IN BIODIVERSITY

As our Decarbonization Plan advances, the operations of renewable power wind farms, solar farms and hydroelectric power plants are becoming increasingly relevant to our environmental management. The concern for the effects of climate change, the drought, and the impacts on biodiversity are adding new actors to climate action. Added to the requirements of the environmental authorities are those of communities and credit entities like the International Finance Corporation (IFC), which offers beneficial conditions in loans for projects when the management of social and environmental impacts can be certified.

So, in 2023, we broadened the scope of our management and monitoring of impacts on biodiversity after starting up new renewable power farms.

The infrastructure of our wind and solar farms and transmission lines alter the ecosystem. Specifically, when birds migrate to their reproduction and nesting places, they may collide with our facilities. Our power plants may also cause impacts to flora and fauna, which may result in the implementation of

revegetation plans and the relocation or controlled disturbance of species of ground fauna.

At the close of 2023, four of the ten renewable assets of the company had environmental monitoring programs, namely: Laja Hydroelectric Power Plant, Monte Redondo Wind Farm (its obligations are for its entire useful life), Los Loros Solar Farm, Capricornio Solar Farm and Calama Wind Farm. The monitoring of the Calama Farm required every two weeks in its first two years of operation ended in November 2023. The situation is the same for the San Pedro Wind Farm (Dalcahue) that we acquired in 2022, two years after the environmental monitoring requirements had ended.

As new farms began operation, 200 hectares were added to our environmental management. These are zones subject to reforestation or new plantations, mainly because of our wind farms.

We also manage the environmental authorizations of our energy storage



projects (BESS). Since this is new technology, it is not a type of project that the Environmental Impact Assessment System (SEIA) requires be evaluated. However, to fortify the legal certainty of these projects, we decided to submit them to a review by

### NEW METHOD

In addition to assuring compliance and the environmental license to continue operating, ENGIE wants to contribute to scientific knowledge.

We developed a standard method of monitoring avifauna that provides comparable information. We used it for the Calama Wind Farm and Monte Redondo Wind Farm, and we will use it voluntarily for the San Pedro Wind Farm. We are also following the IFC directives specific to conducting experiments that allow us to estimate the real impact based on collision records. So, we will be generating better quality

information and be able to reach better conclusions from this monitoring.

We also improved the method for the Capricornio Solar Farm promised in the environmental assessment. We incorporated advanced technology by which we can specify and expand the tracking of species to their nesting sites, especially the grey gull. These improvements also helped produce unusual records of the presence of Wilson's storm petrel and its route to mating sites.



the authority in the form of an inquiry on whether the project needed to be assessed environmentally. All these inquiries have thus far ended in the conclusion that BESS projects are not required to be submitted to the SEIA.

### IFC ENVIRONMENTAL REQUIREMENTS

The loan transaction with IFC included obligations that, concretely, led us to raise our standards, especially in biodiversity management. This revision resulted in an amendment to our Environmental Policy and to the Integrated Management System. We also had to adapt our procedures for the handling and rescue of avifauna that might be impacted by our operations, both during construction and operation.

## I. MONITORING OF AVIFAUNA

We conducted a review of our projects in the Region of Antofagasta because a Markham's storm petrel appeared at one, which is classified as critically endangered in Chile (\*).

Because of this finding, we added the monitoring of avifauna for three years, concentrated on four species—Wilson's storm petrel, the ringed storm petrel, Elliot's storm petrel and the wedge-rumped storm petrel—to cover the thematic scope defined in the plan on recovery, conservation and management of storm petrels in the north of Chile (ED 06/22 of Chile's Ministry of the Environment). The monitoring will begin in February 2024 and will be conducted at our three solar farms in that region: Capricornio, Tamaya and Coya.

The IFC also asked us to make contact with an expert non-governmental organization that would help us specify the best method of monitoring. We met with the Network of Bird and Wildlife Watchers of Chile (abbreviated as ROC in Spanish) to discuss storm petrel studies, especially of Markham's storm petrel.

We are conducting monitoring of the Transmission GBU's Roncacho Substation to mitigate the potential impacts on Markham's storm petrel in the Arica zone.



## II. MITIGATION HIERARCHY

The IFC also asked us to incorporate the concept of "mitigation hierarchy," which consists of a set of prioritized, sequential actions to reduce the potential adverse impacts on the biodiversity and ecosystem services. The IFC's explicit requirement is that we integrate environmental criteria to our projects early on, specifically in the selection of the sites where the operation will be emplaced. The objective is to anticipate and manage all threats proactively before beginning construction.

# 5.3 WASTE MANAGEMENT

---

The environmental and health authorities oversee the management of hazardous and non-hazardous waste produced by fossil-fuel power generation. We aim to mitigate the impacts of our waste through waste recovery, recycling, emissions control systems and our own authorized landfills.

---



## 5.3.1 NON-HAZARDOUS WASTE

This category mainly includes combustion waste (ash and slag), junk metal, mineral wool and household waste. To ensure that combustion waste remains non-hazardous, analyses are performed according to governing regulations and declassification is coordinated with the health authority.

In 2023, we reduced the quantity of non-hazardous waste produced at the Tocopilla Thermal Power Plant because the last coal-fired units, 14 and 15, were disconnected from the grid in June and October 2022. Therefore, no combustion waste was produced in 2023 from coal-fired power generation, and only the ash remaining was removed from the decommissioned equipment of these two units.

There was a significant decrease in the generation of non-hazardous waste in Mejillones, mainly because the coal-fired units were largely out of service during 2023, which caused the quantity of combustion waste to decline.

As concerns recycling and circular economy, we continued to send metal waste to companies that reuse it. We also significantly reduced the generation of metal waste at the Tocopilla Power Plant because the dismantling of Units 14 and 15 has not yet begun.

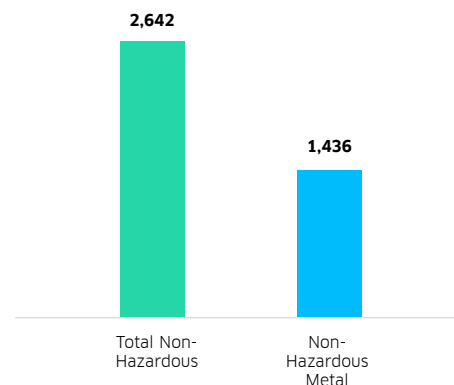
At Mejillones, the Andina Thermal Power Plant and Hornito Thermal Power Plant continued to send part of their ash to



cement companies in the Region of Antofagasta in line with our circular economy ambitions.

At the close of 2023, combustion waste totaled 81,199.497 tons. Recycled ash accounted for 12.4% of

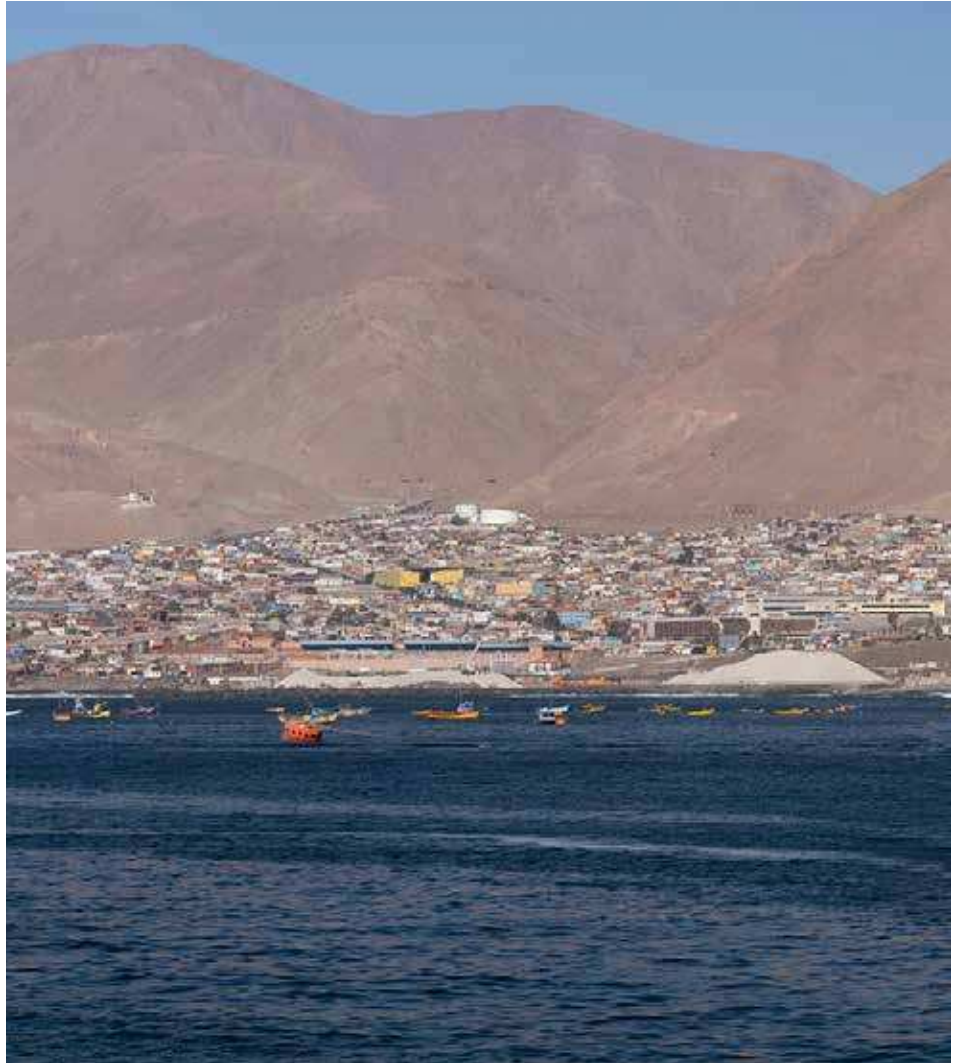
### NON-HAZARDOUS WASTE DISPOSED OF AND RECYCLED AT MEJILLONES IN 2023 (IN TONS)



At the Mejillones site, we also have an ongoing campaign for the recycling of plastic bottles and aluminum cans, mainly coming from the site's cafeteria. Points of separation were set up in different sectors of the Power Plant for this campaign and a total of 3 m3 of waste was collected during 2023.

We are declaring all waste rated a priority in the sectoral systems established by the authority pursuant to Extended Producer Liability (EPL) Law 20,920, and we are evaluating joining a management system like the one stipulated in the law to ensure the traceability and accounting of all the waste we generate.

This year we made initial contact with the only collective non-household container and packaging management system existing in Chile now—PROREP—to gain an understanding of the scopes and operation of this system. We are reviewing the information required to join it, which would allow us to meet the goals on collection and repurposing required by law.



## LASH

The ash we generate is sent to our company's dumps that hold environmental and health authorization to receive this type of waste. We currently have two dumps for this waste: Cerro Gris and Barriles, the former located in the municipality of Mejillones and the latter in the municipality of Tocopilla.

For the Barriles dump, we designed an environmental project to amplify its use because it has a useful life of 30 years. Our goal is to receive authorization to dump demolition debris because there are no such dumps in

Tocopilla. Although we have received the environmental authorization, we are waiting for the health authorization. The useful capacity of this dump is currently 95% because we stopped depositing ash there as of the third quarter of 2022.

Our dumps receive ash and slag in a solid state. They have no dikes or dams and the materials are arranged directly on the ground in compacted terraces. The maximum height of terraces is 3 meters, and the maximum gradient is 37° so that the material naturally attains an angle of repose. Therefore, they represent a low risk to people.

## HAZARDOUS WASTE

This group includes waste like residual oil that is used as an alternative fuel. We deliver it to companies that reuse it, and the remaining volume is sent for final disposal at authorized safety landfills.

There was also a decrease in this type of waste at the Tocopilla Power Plant because of the reduction in the units operating at the site, which also caused a decrease in maintenance.

# 5.4 WATER

---

We use seawater in our production processes, mainly in the generators' cooling system. Afterwards, it is returned to the ocean.

We have a monitoring system by which we can ensure that the water that we return does not surpass the limits set in the Liquid Industrial Waste emission standard. Fresh water is for human consumption and it is supplied by water companies.

---

# 5.4.1 DUMPING AND WATER WITHDRAWAL

## I. DUMPING

The temperature of the water dumped into the sea cannot exceed 30°C according to dumping regulations. ENGIE Energía Chile has a system that measures water temperature weekly in the discharge wells and those measurements are reported to the environmental authorities.

In 2023, wastewater dumped into the marine environment and all of the

monitoring conducted during the year at the Tocopilla and Mejillones power plants were in compliance with the regulatory limits in ED 90/2000. We receive an analysis of environmental performance monthly from the Environmental Commission that shows that we are fully compliant.

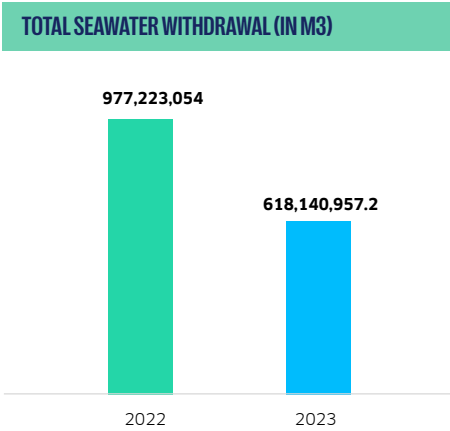
We also monitor the marine environment on the parts of the

coast near our facilities. The results are reported on the environmental monitoring platform of the Environmental Commission. The preventive tool to identify and warn about conditions favorable to seafoam is operative. No significant seafoam appeared during the year off the coast of Mejillones.

| Metrics Monitored According to Governing Resolutions |           |            |           |     |
|--|-----------|------------|-----------|-----|
|  | Tocopilla | Mejillones |           |     |
| Metric   | U 16      | U 1, 2 & 3 | CTA & CTH | CTM |
| Temperature  |           |            |           |     |
| Residual free chlorine                               |           |            |           |     |
| pH   |           |            |           |     |
| Copper   |           |            |           |     |
| Fecal coliforms                                      |           |            |           |     |
| Total coliforms                                      |           |            |           |     |
| DBO5   |           |            |           |     |
| Phosphate  |           |            |           |     |
| Fluoride   |           |            |           |     |
| Phosphorus   |           |            |           |     |
| Total hydrocarbons                                   |           |            |           |     |
| Lead   |           |            |           |     |
| Suspended solids                                     |           |            |           |     |
| Dissolved iron                                       |           |            |           |     |
| Total suspended solids                               |           |            |           |     |
| Sedimentable solids                                  |           |            |           |     |
| Aluminum   |           |            |           |     |
| Arsenic  |           |            |           |     |
| Copper   |           |            |           |     |
| Total nitrogen                                       |           |            |           |     |
| Sulfide  |           |            |           |     |

## II. WITHDRAWAL

At the close of 2023, the volume of seawater withdrawn was 618,140,957.2 m3, which represents a decrease of 36.7% compared to 2022.









# LOS LOROS PHOTOVOLTAIC FARM

---

## LOCATION

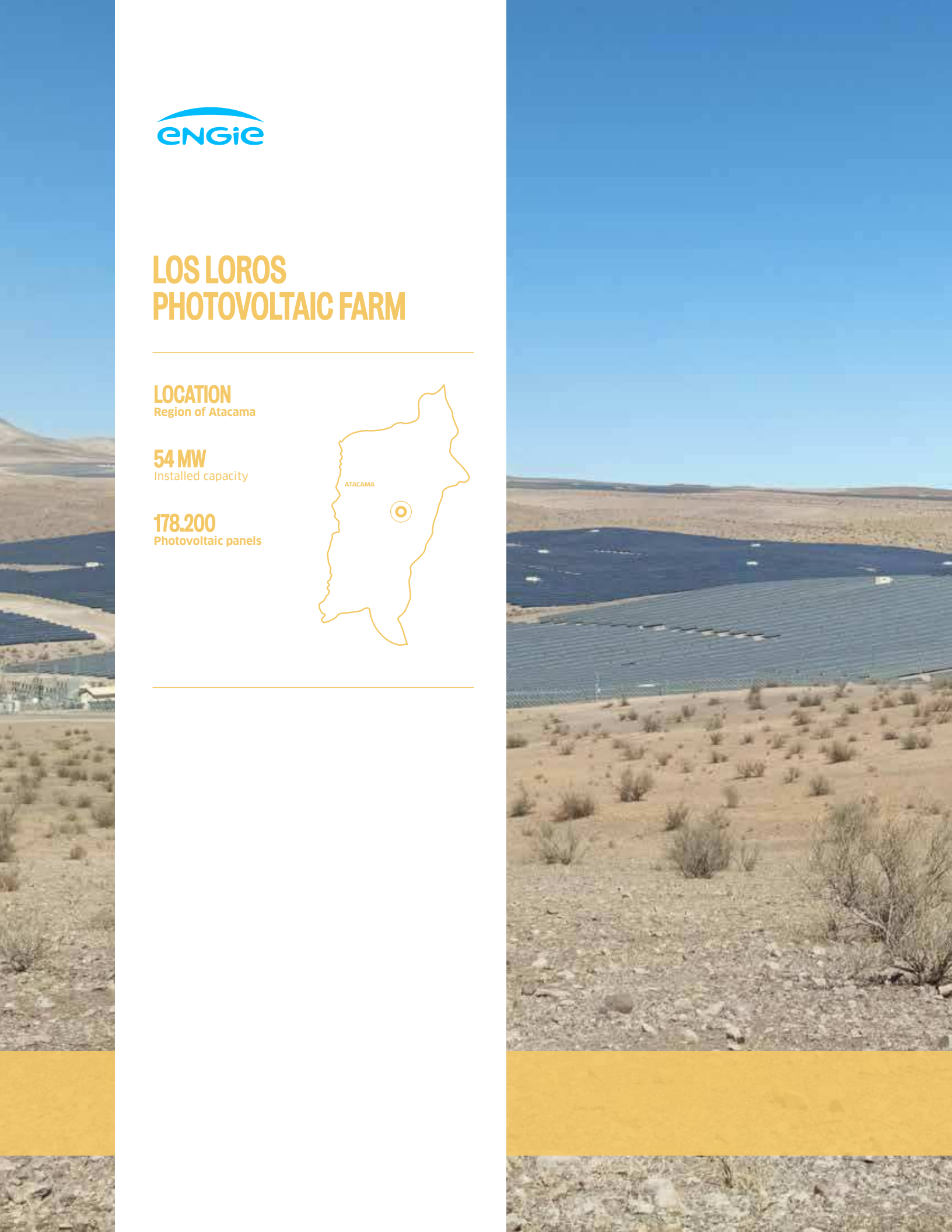
Region of Atacama

**54 MW**

Installed capacity

**178.200**

Photovoltaic panels





A wide-angle photograph of a vast solar farm in a desert. Rows of solar panels stretch across the middle ground, with a dirt road and a few small buildings interspersed. The foreground is filled with dry, scrubby vegetation. In the background, a range of low, brown mountains sits under a clear, bright blue sky.

# RISK MANAGEMENT

**6.1** Risk Management Model  
**6.2** Risk Factors

# 6.1 RISK MANAGEMENT MODEL

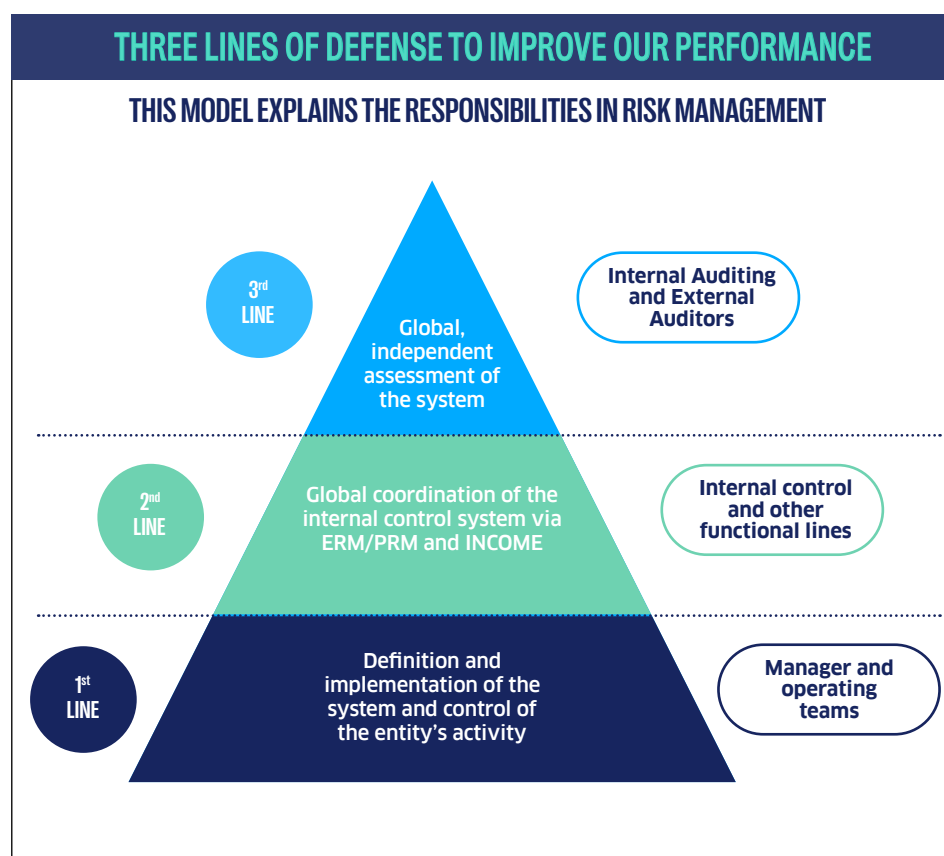
In developing and operating the business, **we are exposed to several risk factors that may have a positive or negative impact on sustainability, our reputation, or our strategic, financial and operational objectives.**

Our risk management is based on the ERM (Enterprise Risk Management) method of the ENGIE Group, which is compatible with and aligned to ISO 31000: 2018. When this method is applied to project management, it is called Project Risk Management (PRM), which means the ERM principles are applied to the dynamics required to manage projects, such as wind farms, photovoltaic farms and BESS.

The ENGIE Group has also defined a corporate operating risk framework called the INCOME program, operated by the Internal Control Area. It addresses the operating risk management of projects, sales, procurement, commodities, finance, human resources, IT, industrial safety, accounting, and the management of taxation, legal aspects, the environment, and occupational health and safety.

ENGIE's risk management is organized around 3 lines of defense: first, managers and operating teams; second, global coordination of the internal control system following the ERM/PRM methods and the INCOME program; and third, internal and external auditing.

In the case of the ERM method, each leader or manager is responsible



for managing the risks of their area (Risk Owner) and as part of that function, they must identify, analyze, evaluate, and propose a mitigation plan to manage the risks and measure the plan's effectiveness. To have an exhaustive vision of the risks, leaders and managers must coordinate with the Management Control unit that is in charge of detecting, quantifying, disclosing, monitoring and consolidating the company's risks and of identifying and tracking a strategic action plan to eliminate or reduce the risks. Under the ERM method, the risk management system monitors the risks over a horizon of 6 years during

which a qualitative and quantitative assessment is made of the macro-risks by the Management Control Area—after the Budget process ends in October of each year.

In complement, the Risk Methodological Support unit—part of the Processes Area—encourages a methodological standardization of operating risks (PRM) via training, workshops, information activities and education in the methods of these matters for the purpose of improving decision-making, compliance with regulations, protection of the reputation of the ENGIE Group and keeping it adapted to an





environment of ongoing change. Under the PRM method, each Site Leader or Manager must implement the stages of risk assessment: identification, analysis and evaluation; and propose a mitigation plan to reduce the level of the respective risk. A “Risk Register” has been formally created for the purpose of implementing risk governance, which standardizes the different dimensions of the operating aspects of risk management per project and operations site—management of assets, cybersecurity, the environment, finances, social-community—and of the stages of the project lifecycle development, implementation,

operation and dismantling. It also covers the stages of analysis of context, identification, analysis, assessment and treatment of the risk, and the subsequent monitoring of the effectiveness of actions.

On the other hand, the Internal Control Unit—part of the Processes Area—is in charge of the ENGIE Group’s INCOME Program and it is responsible for regularly reviewing the controls of the main operating risks of projects, sales, procurement, commodities, finance, human resources, IT, industrial safety, accounting and of tax, legal, environmental and occupational health

and safety management. The risks are evaluated and reported from time to time on a Group level via the MOSAIC platform, including a description, quantification and mitigation plans.

Finally, the company has an independent Internal Audit Committee unit that reports directly to the company’s CEO. It is responsible for verifying the effectiveness of, and compliance with, policies, procedures and internal controls, among other aspects.



## I. RISK MAP

Each year the risk map is reviewed, monitored and updated according to ERM. This process is reported to the Board three times a year.

Risks are assessed multidimensionally, in the areas of occupational health and safety (OHS), asset management, cybersecurity, the environment, quality, human resources, and finance, among others, and risks are appraised according to the probability of occurrence and financial impact. The most significant risks will be the ones impacting the company's business plan to a great extent, according to the risk appetite matrix.

This management is complemented by the INCOME Program under which the controls of the main risks are evaluated in each of the defined frameworks: invoicing, procurement, O&M, commodities, finance, IT, accounting, taxation, ethics, and the environment, among others. We have an internal control unit that leads the regular

review of the risk controls of the ENGIE Group's INCOME Program.

In 2023, we added to the risk matrix natural disasters, the impact of breakdowns in the supply chain, and industrial safety linked to the illegal settlements of people inside the safety easements of facilities.

## II. ROLE OF THE BOARD

All the risks associated with social, environmental, human rights and climate change risks of the business are reported opportunistically to upper management, the Board and the ENGIE Group. The Board must specifically ensure that the effectiveness of the risk management system is monitored. It must regularly review the company's risk tolerance and risk exposure; and pay special attention to the risks representing a threat to the company's business according to the risk map. We also ensure that the communications with shareholders regarding these

matters are complete and precise.

Additionally, we have corporate policies that ensure that we operate within the risk limits defined by ENGIE for each risk dimension of human rights, the environment, society, health and safety, and industrial safety. The strategic responses to risk are managed by the site and/or project owner in consideration of corporate definitions.

## III. RISK CULTURE

ENGIE is constantly pushing the organization toward a culture that incorporates a risk view in its work and decisions. To that end, we have a Risk Methodological Support area that provides ongoing training and education in risk management to ensure a standardization of its management at all sites and projects operated by ENGIE in Chile. The company also offers online courses on the subjects addressed by our risk management that are available on the ULearn training platform of ENGIE University.

For internal culture, our Strategic Balancing Plan is promoting a greater involvement of the organization in risk management. We are encouraging "accountability" via our leadership model. This pillar aims to foster a culture of responsibility in decision-making and corporate management, including risk management and governance.

For internal control, there is a regular control self-assessment according to the pertinent processes.



## IV. PROGRESS IN 2023

In 2023, the risk governance of ENGIE Chile was formalized via the publication of the corporate risk management policy. This policy covers existing operating sites, back-office areas and the development and construction of new projects. Implementation was assigned to the Risk Methodological Support unit—part of the Processes area—whose purpose is to foster the standardization of risks by means of training, workshops, information activities and education in the ERM method for operating sites and PRM method for projects under development and construction. To address the level of deployment of risk

management and opportunities with the areas responsible, follow-up and control meetings are scheduled systematically with back-office areas, operating sites and projects under development and construction.

The Risk Methodological Support unit was in charge of implementing and coordinating the procedures involved in launching the new policy, including:

- Standardizing the method, responsibilities and parameters of application of risk management to the operations in Chile.
- Structuring the responsibilities of

business plan risk management (macro-risks) and operating risks for projects under development, under construction, in operation or undergoing maintenance. The responsibility of risk management was assigned to the developers, project managers and site leaders, supported by a transversal area that assures a method aligned to the Group's rules of risk governance.

Audits were made in 2023 of the integrated management system (SGI, as abbreviated in Spanish) to receive ISO 55001 asset management certification. That standard entails a risk management focused on asset integrity.



## 6.2 RISK FACTORS

The risk management of the company and its subsidiaries is summarized below, divided into:

**6.2.1.** Business risks

**6.2.2** Country risks

**6.2.3** Market risks

**6.2.4** Reputation risks

**6.2.5** Regulatory change risks



### 6.2.1. BUSINESS RISKS

**I.** Climate change and the energy transition

**II.** Fuels and supply chain

**III.** Customers

**IV.** New projects

**V.** Technology and cybersecurity

**VI.** Risks of breakdowns that may affect the availability of our assets

#### I. CLIMATE CHANGE AND THE ENERGY TRANSITION

We face both risks and opportunities because of the efforts made locally and globally to mitigate the impacts of climate change. That is how the energy transition arose, a process that aims to decarbonize the sources of power generation, which is causing a growing demand for clean power supply.

The government of Chile has undertaken a policy of supporting sources of renewable power generation to reduce its dependence on coal-fired power generation and it is working toward becoming carbon neutral by 2050.

In this context, our own initiatives and the legislative and regulatory actions to address climate change and environmental issues have a material impact on our industry and business.

#### DECARBONIZATION PLAN

We have actively participated in all forums and work groups convened by the government. In 2019, we announced the schedule for the closing of six coal-fired units in the period 2019-2024 as part of our Decarbonization Plan. In April 2021, we announced an expansion of our conversion program that involved ceasing completely to use coal-fired generation. This program involved an asset rotation plan to replace thermal generation by renewable energy and several initiatives intended to mitigate the social impact of this conversion, among them the limited ability of renewable assets to create jobs. In line with its purpose of taking action to accelerate the Energy Transition,





ENGIE Chile gave the National Energy Commission (CNE in Spanish) notice that it was converting the Mejillones Energy Infrastructure (IEM) to natural gas and disconnecting coal-fired units 1 and 2 of the Mejillones Thermal Complex (CTM in Spanish). The removal and disconnection of CTM 1 and CTM 2 by December 31, 2025 was reported, which combined, have an installed capacity of 334 MW. The change in IEM (377 MW), which has received Environmental Approval, is expected to take place in July 2026. These actions are in line with the ENGIE Group's ambitions of no longer using coal in the countries where it operates. By the end of 2025 or later, if there is no supply risk to the grid, but never beyond December 31, 2027, we will have disconnected close to 800 MW of

coal-fired installed capacity from the grid. That capacity comes from Units 12 and 13 of the Tocopilla Thermal Complex (disconnected in June 2019), from Units 14 and 15 of the Tocopilla Complex (the first disconnected at the end of June and the second at the end of September in 2022), and from CTM 1 and CTM 2 of the Mejillones Thermal Complex. The early closing of coal-fired units has produced asset impairment losses totaling MUS\$ 187, net of income tax, which were recognized in our 2018 and 2019 financial statements, in addition to the impacts of the impairment testing of the company's value that resulted in losses, net of taxes, of MUS\$ 325 in 2022 and MUS\$ 491 in 2023. Power plant conversion is expected to cost close to MUS\$ 75. Our conversion plan includes adding close to 2,000 MW of installed renewable energy capacity, of which 901 MW (including Coya BESS) have already been acquired or connected in the period 2019 to 2023. 459 MW more of renewable capacity are under construction and it is expected that power injection to the grid will begin in 2024.

There are several bills before the National Congress that could result in even stricter limitations or prohibitions regarding fossil fuel-fired power plants. We are dedicated to finding ways to accelerate our decarbonization by closing or converting the remaining units, but bills of law of this nature or impediments to power generation by liquefied natural gas or natural gas could translate into greater impairment losses in the value of our assets and

in additional investments in renewable assets and energy storage systems to honor our power purchase agreements.

Moreover, decarbonization is a world phenomenon that is not risk-free. To start, the closing of coal-fired power plants has impaired the value of the assets, created a greater dependency on fuels friendlier to the energy transition, such as natural gas, and limitations on production, transport and financing for the use of fossil fuels, which has resulted in significant rises in price. The Russia-Ukraine war has done nothing but aggravate this fuel shortage, causing fossil fuel prices to rise to levels never before seen in 2022.

The construction of renewable power generation assets on a large scale in the world has also brought about difficulties in securing inputs, making their transportation more difficult and expensive. Added to the effects of the pandemic is the obvious shortage of people trained in building these assets and of contractors with an operational and financial situation sufficing to handle the challenges of building projects.

Since the first step in the decarbonization process has been to restate the prices of power purchase agreements for some unregulated customers, leaving aside indexation to the prices of fossil fuels and adopting inflation as the only indexer, mismatching has occurred during the transition between the prices in the PPA portfolio and the variable costs of operation.



## RISKS RELATED TO THE SOCIAL IMPACT OF CLOSING UNITS

Coal-fired units are great sources of direct and indirect employment, unlike renewable generation units. They also require local service, so they contribute to the economic dynamics of the communities where they operate. Additionally, their operation triggers a series of social compensation to the community via formal mechanisms such as work groups and competitive funding.

In that context, decarbonization brings with it impacts on the employees working in these units, nearly all of whom are members of unions, and on the communities. Managing those impacts is key to maintaining harmonious relations with our employees, the unions and the communities. To manage the risks, we designed early on our Fair Transition Plan that is based on open and transparent dialogue and the co-creation of solutions. Internally, this plan entails efforts at internal mobility, training and exit plans under conditions advantageous to those accepting them. Under our Engagement Plan, we and local inhabitants jointly made some changes to the lines of work of our social investment so as to leverage even more individual entrepreneurship, the contribution to community development, facilitate access to clean energy and to activities that foster social cohesiveness.

## II. FUELS AND THE SUPPLY CHAIN

### UNAVAILABILITY OR INTERRUPTIONS IN THE FUEL SUPPLY CHAIN.

We import a significant part of our fuel supply under short-, medium-, and long-term contracts, which makes us vulnerable to potential supply shortages or default by our suppliers. We also acquire a significant portion of coal, natural gas and other fuels from a limited number of suppliers. If any of our material suppliers experiences a disruption in their production chain or is unable to fulfill their obligations under supply contracts, we might be forced to purchase either the same fuel or a substitute at a higher price, and we might be unable to adjust the price of electricity sold according to the price adjustment mechanisms stipulated in our power purchase agreements with customers, with the consequent reduction in our operating margins. This risk materialized in early 2023 because the main liquefied natural gas supplier did not confirm a total of close to 13.2 Tbtu for 2023 under one of the long-term contracts, which exposed the company to looking for alternative fuel supply, to increasing its exposure to the spot market, and to filing lawsuits.

### FUEL PRICE RISK

ENGIE Energía Chile is exposed to the volatility of the prices of certain commodities because its power generation requires a continuous supply of fossil fuels, mainly coal, liquefied natural gas and diesel oil for which the international prices fluctuate according to market factors beyond the company's control. Most coal is purchased under annual or shorter term contracts in which the prices are indexed in the traditional way on the international coal market: API 2, API 10 or Newcastle. Diesel oil and certain liquefied natural gas purchases are made at prices based on international oil prices (ULSD or Brent). The company has long-term natural gas purchase agreements in which the prices are tied to Henry Hub.

The price and availability of the fuels are key factors in the dispatching of thermal power plants, in the mean generating cost of the company, and in the marginal costs of the grid on which it operates. Historically, the company's policy has been to stipulate price indexation in its power purchase agreements based on fluctuations in the prices of the fuels pertinent to the determination of its variable operating costs. The company has thus been able to align its production



and power supply costs to its contract power sales revenue. However, in its Energy Conversion Plan, it has decided to give preference to indexing the prices of certain contracts to the variation in the consumer price index instead of to fuel prices, especially since 2021, so it has temporarily increased its exposure to commodities price risk until it has a renewable generation asset base that suffices to support all supply contracts indexed to inflation. The company has made derivatives agreements to hedge against the exposure of its income and cash flows to the volatility of fuel prices, in line with its residual risk strategy. This risk occurred in 2021 and 2022. The 2021-22 hydrological year in Chile was extremely dry, and the drought lasted until the second quarter of 2022, with the consequent decrease in hydraulic generation. This coincided with problems with the supply of coal and natural gas due to the rise in demand, accompanied by restrictions on the world production of those fuels and freight difficulties, which translated into prices rising to very high levels. Then, because of the war between Russia and Ukraine, gas and coal prices reached levels never before seen. Accordingly, the mean costs of our own generation and the marginal costs of the grid rose to levels quite

higher than previous years, reflected in a reduction in the operating margins of the electricity business. Please note that marginal costs were also affected by other factors, such as decoupling, congestion in transmission systems and the unavailability of power plants. The company partially mitigates its exposure to the risk of fuel price fluctuations by:

- (i) signing power purchase agreements with other generators in the system to reduce its spot market power purchases (3.2 TWh contracted for 2023, 2.1 TWh for 2022 and 0.7 TWh in 2021) and, therefore, to reduce its exposure to the marginal cost;
- (ii) its long-term LNG supply contracts;
- (iii) the startup of new renewable energy generation projects that reduce the dependency on fossil fuels;
- (iv) the acquisition of non-contract renewable assets in areas where there is a greater exposure to the marginal cost; and
- (v) transferring cost increases to end prices. Defaults on contracts by our liquefied natural gas or coal suppliers also potentially expose the company to having to substitute its power generation with alternative fuels or to having to buy more power on the spot market, which increases its exposure to the variables that determine the marginal costs of the system.

### III. CUSTOMERS

#### DEPENDENCY ON A LIMITED NUMBER OF CUSTOMERS WHO REPRESENT A SIGNIFICANT VOLUME OF OUR SALES.

In our power sales business, we depend on the capacity and willingness of a limited number of large-scale customers to fulfill their contractual commitments to us opportunistically. If any of these customers is unable or refuses to fulfill their payment obligations, our cash flow and financial position might be affected. Additionally, if any of these customers becomes insolvent, our ability to recover the payments owed under power purchase agreements might be limited. Moreover, we cannot guarantee that power purchase agreements will be renewed with important customers upon expiration or renewed in terms that are at least as favorable to our company as the actual ones. The company considers that the risk concentration of trade receivables is acceptable because the customers are mainly large mining companies, power generators and power distributors with a great solvency. It is estimated that of our actual power purchase agreement portfolio, with a mean total annual demand of close to 12 TWh, 85% are investment-grade customers (international rating of BBB or higher), 13% are customers with an acceptable risk, and 2% are smaller customers with a higher credit risk.

### **IMPACT OF THE DROP IN THE PRICE OF COPPER ON OUR MAIN CUSTOMERS.**

Approximately 48% of our physical energy sales are to mining companies whose financial position depends largely on the international price of copper. Historically, copper prices have fluctuated due to factors beyond their control, such as international political and economic conditions, levels of supply and demand, the availability and cost of substitute products, inventory levels and different actions by agents on commodities markets. Our customers are among the largest copper producers in the world, but sustained drops in copper prices or prolonged drops in the demand for copper might have adverse impacts on their income and financial results, and they may be forced to reduce or suspend some of their mining operations, which would decrease their demand for electricity and their ability to fulfill their financial obligations under our power purchase agreements.

### **PLANS FOR THE EXPANSION OF INSTALLED CAPACITY AND OF OUR CUSTOMERS**

Historically, the increases in the demand for electricity in Chile have been correlated to the development of large-scale mining projects. The growing concern for global warming and the water shortage have also contributed to the stricter social and environmental limitations and regulations on the mining industry, resulting in relevant challenges to the development of large mining projects. We have responded to the requests of our customers to accelerate their transition towards a low carbon footprint by renegotiating

our power purchase agreements to change price indexing and sources of supply. Should our customers fail to complete the construction of new projects, they might become unable to honor the demand commitments in their power purchase agreements or they might terminate those agreements early. Usually, these types of agreements are backed by guarantees, but we might be exposed to selling electricity on the spot market or looking for alternative agreements, which might have adverse impacts on our financial position and our operating results.

### **FINES FOR FAILURES IN OUR SUPPLY TO CUSTOMERS**

The Company is exposed to fines for violating regulations in Chile, including total or partial outages of the grid and/or delays in restoring power after an outage. These fines could be imposed on all power companies participating in the SEN when the system outage is the result of an operating error of any generator or operator of the transmission system, including failures related to coordination of the obligations of the system's participants. Generators might also be forced to pay indemnities to both unregulated customers and regulated customers impacted by a power supply shortage.

### **POWER SUPPLY TO REGULATED CUSTOMERS**

Generators supplying electricity to regulated customers are exposed to additional risks. Approximately 48% of our contract electricity sales, measured

in U.S. dollars, are made to regulated distribution companies. First of all, agreements for the supply of electricity to distribution companies have been subject to regulated customer price stabilization laws that have impacted the liquidity, indebtedness and financial results of the company, as described below. Secondly, a generator that makes power purchase agreements with regulated customers has the obligation to make compensatory payments to regulated customers impacted by power outages when those outages are attributable to the generator. For example, if a generator is unable to fulfill its power purchase agreements with regulated customers in a period during which a rationing decree is in force, it has the obligation to indemnify those customers for the resulting power shortage. This differs in power purchase agreements with unregulated customers, which require an indemnity only if stipulated in the power purchase agreement.

Moreover, generators who have PPAs with regulated customers may not cite force majeure under those PPAs when a rationing decree has been enacted, be it as a consequence of a drought, a failure in generating units or a lack of gas transported via international pipelines. Therefore, unlike power purchase agreements with unregulated customers, the supplier under a PPA with regulated customers assumes a greater risk should such events of force majeure occur.





### **LAWSUITS, ARBITRATION AND OTHER CONTINGENCIES**

We sell electricity under agreements to large mining and industrial customers and to power distribution companies. We also sign other commercial and legal agreements in the ordinary course of our business, including contracts with power suppliers as well as suppliers and contractors for the construction of our investment projects. The interpretation and enforcement of certain rules or clauses in our contracts could lead to disagreements or disputes between us and our customers, suppliers or other counterparties.

### **RISKS RELATING TO RESTRICTIONS ON TRANSMISSION SYSTEMS**

Our power plants are connected to the SEN, the main power grid in Chile. We supply power through transmission lines that by law are open to all. Consequently, we can dispatch electricity to a substation, but to satisfy the demand of our customers, we can withdraw electricity from the grid at another substation closer to their facilities. The marginal cost payable by the company for energy withdrawal at a substation closer to demand may differ from the price it receives at the point where that energy is injected. This is what is known as decoupling. We also depend on services provided by third parties who own or control the transmission lines and substations that we use to supply energy. Any transmission restrictions imposed because of technical or design conditions could limit our ability to supply power to our customers, which would materially impact our business and financial position.

### **CONSUMER HEALTH AND SAFETY RISKS**

There is no framework of risk management and internal control specifically for consumer health and safety. This notwithstanding, given the nature of the power generation, transmission and sale business, to date there have been no activities to integrate end consumer health and safety risk management. ENGIE Energía Chile S.A. is subject to oversight by the Electricity and Fuels Commission whose purpose is, among others, to push energy markets toward higher standards by improving regulations and its oversight and ensuring that citizens have safe, quality products and services in the electricity and fuel systems.

## IV. NEW PROJECTS

### DELAYS OR COST OVERRUNS IN CONSTRUCTION OR STARTUP OF OUR NEW PROJECTS.

Delays in construction or in the commercial startup of new projects could affect our business adversely, although we carry insurance and have protective clauses in our contracts with suppliers and contractors. Some of the factors that could impact our ability to build or startup new projects are:

- (i) delays in receiving permits, including environmental and sectoral permits;
- (ii) adverse court rulings on existing government approvals, such as environmental approvals;
- (iii) a scarcity of equipment, materials or personnel or an increase in their prices;
- (iv) the inability of contractors to complete the main or ancillary works by the agreed dates due to technical, operating or financial difficulties;
- (v) opposition by political, environmental or ethnic groups, both local and international;
- (vi) strikes;
- (vii) adverse political and regulatory changes in Chile;
- (viii) adverse weather; and
- (ix) difficult terrains; and
- (x) national disasters, accidents or other unforeseen events, such as the COVID-19 pandemic that wreaked havoc in our country in 2020 and had varying adverse effects due to quarantines, the closing of ports, and restrictions on the transport of inputs, to name a few. The simultaneous construction of several different generation and transmission projects in different geographic localities entails a major effort of preparation, work and coordination of different areas of the company and its advisors, contractors and lenders.

### NECESSARY CAPITAL INVESTMENTS

Our business has a high capital coefficient. Major capital expenditures are required to build, repair, replace and improve our generation, transmission and energy transport facilities. The response to increases in competition and greater social and environmental requirements, satisfying new customer demands and improving the capacity of our power generation, transmission and transportation facilities could cause an increase in our capital expenditures needed in the future.

### ENTERING NEW COMMUNITIES

Our plan to add 2.1 GW of renewable energy means a great deployment from north to south; solar and wind farms from north to south; and entering new communities that are alert to the changes that may impact their environment. We have an Early Approach Model and an Associativity Policy that give us the guidelines for our engagement plans, means of communication, social investment and impact management. We have a team assigned to each of the zones where we operate: north zone, central zone and south zone. This allows us to maintain an in-person tie to the local authorities, social leaders and inhabitants in general, and answer their questions opportunely.

## V. TECNOLOGY AND CYBERSECURITY

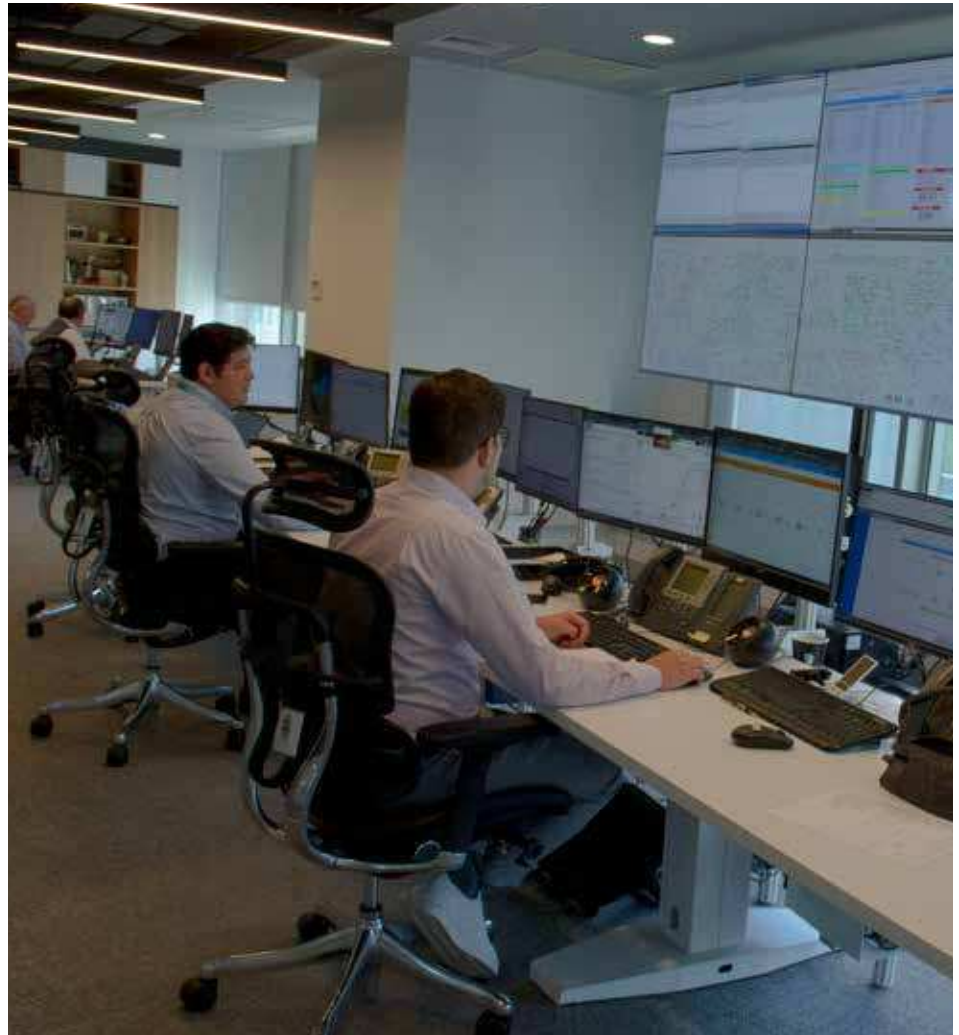
### TECHNOLOGICAL CHANGE AND GREATER COMPETITION

Thanks to the evolution of technology, the cost of developing wind and solar power projects has fallen significantly in recent years in comparison to the traditional thermoelectric and hydroelectric technologies. This was one of the main reasons for the massive entry of new suppliers to a market traditionally dominated by a limited number of producers, which led to a decrease in the prices of energy offered in the power supply tenders held between 2016 and 2020 by the Chilean government for account of power distribution companies. The construction of unconventional renewable energy (URE) power plants will easily meet the goals of the Chilean State of having 20% URE by 2025. The increase in renewable power generation capacity by new participants increased the pressure to lower power prices, put on by our customers, competitors and society, forcing changes in the terms of our power purchase agreements. This process has undergone a reversal because of the pandemic, the war and the massive demand for materials, inputs and personnel specializing in this type of project, which has translated into an across-the-board rise in costs and in a greater perception of the risks of investing in renewable energy projects. The excess renewable power generation in certain sectors and at certain times of the day has also caused dumping and decoupling costs due to the different locations of power supply and demand. The intermittency of renewable power generation, which does not yet have enough storage capacity, causes a dependency on sources of hydraulic and thermal generation at night. If there is insufficient hydraulic generation because of droughts, the dependency on thermoelectric generation at higher costs will cause the marginal costs of the grid to be unstable, frequently down to zero during the daytime and at very high

prices at night. The increased costs of investment and operation of renewable energy projects due to these risks became evident in the most recent power supply tender for regulated customers, which did not result as expected. The volatility of prices and marginal costs during the transition may have a temporary adverse impact on our financial position and on our ability to finance the construction of the renewable energy projects needed for our asset reconversion plans. In the future, the greater share of renewable energy and storage systems in our power generation matrix is expected to translate into a significant reduction in our operating costs, which would help offset the trend toward lower energy sale prices. The country expects to attain energy prices consistent with a predominantly renewable energy matrix and with adequate transmission and storage systems that will reduce the risks now seen of decoupling and of energy dumping.

### HACKING AND CYBER ATTACKS

Information security risks have increased in general in recent years because of the proliferation of new technologies and the greater sophistication and activities of hackers, in addition to the increase in the number of machines and systems connected to the internet. Our commercial operations could be interrupted by a cyberattack, which would produce losses and response costs, as well as litigation and damage to our reputation. A cyberattack could adversely impact our businesses, operating results and financial position.



### VI. RISKS RELATED TO MECHANICAL AND ELECTRICAL FAILURES OR ACCIDENTS THAT MIGHT IMPACT THE AVAILABILITY OF OUR POWER SUPPLY ASSETS

Although we perform maintenance regularly, make operating improvements to guarantee the commercial availability of our power plants, and carry insurance against damages and business interruption, mechanical or electrical failures or accidents could result in outages for certain periods of time. Our financial performance could be negatively impacted if our power plants are inoperative for long periods of time because we would be forced to purchase electricity on the spot market at a higher price or to make up for this unavailability by increasing the energy produced by our

in higher-operating-cost power plants in order to fulfill our contractual obligations. To manage this risk, the Company carries insurance for damages and business interruption caused by events disrupting our services. Any greater difficulty in contracting insurance policies to cover coal-fired power plants and higher premiums due to an increased accident rate, both for operating reasons and geological or weather phenomena beyond our control, could have a negative impact on our businesses, operating results and financial position.

## 6.2.2. COUNTRY RISKS

### I. The country's social and economic situation

---

### II. Natural disasters

#### I. THE COUNTRY'S SOCIAL AND ECONOMIC SITUATION.

Our business, operating results and financial condition depend considerably on the economic conditions prevailing in Chile. The Chilean economy proved that it was strong during the most recent international financial crisis, but it is smaller than other economies. Moreover, the economic conditions in Chile depend substantially on the export of raw materials like copper, and those exports depend in turn on international prices. When prices drop, copper exports decrease, which reduces the electricity demand of our mining customers and could negatively impact our sales and operating results. In particular, the power sales of the company, including its subsidiaries, depend to a significant degree on the mining industry, especially the copper mining industry.

Moreover, changes in social, political, regulatory and economic conditions or in the laws and policies governing foreign trade, manufacturing, development and investment in Brazil, the USA, Asia and Europe, among other nations and regions, combined with political crises and uncertainty in other countries in Latin America and the world, could have a harmful impact on the economic development Chile and neighboring countries, and consequently, an adverse impact on our business.

A period of protesting began in Chile on October 18, 2019, initially triggered

by an increase in the price of the Santiago Subway System tickets. The protests were marked by violence, accompanied by the destruction of numerous subway stations and other public and private assets in Santiago and other cities in the country. The protests and associated violence disrupted industries, transportation and trade, affecting, among other things, the demand for electricity in the fourth quarter of 2019. Numerous demands of citizens became visible, in view of which the government announced a social agenda, including an increase in the minimum pension, wider health care coverage, an increase in the taxes on the rich, a reduction in the work week and a reduction in, and stability of, the prices of public transportation and electricity. To finance the social agenda, the government began to process a change in the tax reform under debate in Congress. On November 15, 2019, the government and the leading political parties agreed to convene a referendum in April 2020 to determine the willingness of citizens to change the political constitution of the country. This referendum, which had to be postponed to October 2020 because of the coronavirus pandemic, resulted in the approval by an ample majority of the drafting of a new constitution by means of the election of a Constitutional Assembly. The constitutional referendum was held on September 4, 2022 and

voters rejected the text proposed by the Constitutional Assembly with a majority of 61.86%. A new process was approved in February 2023 that established a new constitutional council of at least 50 members whose sole purpose was to debate and approve the new text proposed for the constitution. This new constitutional process again ended in rejection of the proposed text of the new constitution after a referendum held December 17, 2023, so the actual constitution continues in force. Although these recent events have helped calm things down, the mass social protesting, followed by the Covid-19 pandemic and the mass withdrawal of pension fund savings, have had economic impacts, such as a rising inflation, increase in unemployment, slowdown in economic growth and a depreciation of the exchange rate, among other impacts, and there continues to be a great polarization in the country and episodes of violence in different regions. Among the measures adopted because of the mass protesting at the end of 2019, the one of greatest impact on the electricity industry and our company in particular has been the Regulated Customer Price Stabilization Law passed in November 2019, which was supplemented by the Consumer Protection Mechanism Law passed in August 2022. The greater degree of political, economic and social uncertainty has impacts on our operations and results.





## II. NATURAL DISASTERS

Natural disasters could damage our power plants, adversely impact our generation capacity, and increase our production costs, and they could also affect our customers and their demand for electricity and our competitors' electricity production capacity and electricity injection to the grid. Should these operating difficulties occur, we might find that we need to purchase energy on the spot market or to enter into additional power purchase agreements in order to fulfill our contractual obligations, all of which could negatively impact our financial position and operating results. We cannot guarantee that natural disasters have no adverse impact on our facilities in the future. Chile is in a seismic area that exposes our facilities to earthquakes and tidal waves. Moreover, because

of climate change, phenomena like El Niño and La Niña are occurring more frequently and with greater intensity, causing floods, mudslides, droughts and massive fires. To mitigate the potential effects of these risks, the Company's management adopts the measures that it deems pertinent, such as carrying property and business interruption insurance, preparing evacuation plans in coordination with the authorities, holding drills, having contingency sites and other business continuity measures.

### HEALTH CRISES: EPIDEMICS, ENDEMIC ILLNESSES AND PANDEMICS

A health crisis, either in the form of an epidemic or pandemic, could have adverse impacts on our employees,

operations, the demand for electricity and the payment capacity of our customers, among other multiple effects that could negatively affect our financial position and operating results. The Company sets up a Crisis Committee immediately when an important health crisis occurs, like the COVID-19 pandemic that began to appear in Chile in March 2020, and it implements contingency plans that contain all pertinent onsite sanitary measures in observance of the orders by the authority, to ensure the health and wellbeing of our employees. The actions taken by our contractors and suppliers are also monitored in the same way and they are required to meet the necessary standards to keep their respective workers safe. In health crises, we give preference to three courses of action:

- assuring the wellbeing of all our employees.
- assuring the operational continuity of our company, fundamental to maintaining a power supply in the country.
- coordinating as best possible with our stakeholders, such as shareholders, customers, suppliers and communities, to maintain a direct dialogue and collaborate with each to the extent possible.

The Company is highly digitalized and a great percentage of its employees are able to telecommute to avoid the



contagion and spread of any virus. A pandemic can lead to an international financial crisis that could negatively impact our ability to obtain funding on the financial market, or it could affect financing costs. In addition, it might affect international trade, causing impacts on material inputs that we need to ensure our operation and the construction of investment projects.

The first case of Coronavirus, or COVID-19, in Chile was recorded on March 3, 2020. On March 11, 2020, the World Health Organization officially recognized that Coronavirus was a pandemic. From 2020 to 2022, the Company's results were affected by the pandemic because of a drop in the demand for electricity by regulated customers, a slight increase in the delay in payments by our customers, and delays in the construction of projects due to temporary interruptions in the supply of equipment, the closing of ports in the countries of origin, difficulties in the carriage of materials and the infection of contractors' employees.

## EXPOSURE TO INFLATION

Chile has experienced high rates of inflation in the past. Although those rates were relatively low from 1994 to 2021, just one digit, that trend changed at the end of 2021, with inflation rates of 12.8% in Chile and 6.5% in the United States in 2022. The measures adopted by the monetary authority in different countries to control inflation have caused increases in interest rates, which restricts liquidity and the availability of credit, thereby slowing down economic development. However, thanks in part to these measures, in 2023, Chile's inflation fell to 3.94% while that of the U.S. decreased to 3.35%. Although some of our costs and expenses are increasing because of inflation, this is mitigated by the prices in our power purchase agreements that are generally denominated in dollars and partially indexed to the U.S. CPI.

## TAX RISKS

On September 29, 2014, Law 20,780 (amended by Law 20,899, the "2014 Tax Reform") made significant changes to the taxation system in Chile and consolidated the authority of the Chilean Internal Revenue Service (SII, the acronym in Spanish) to control and prevent tax evasion. The 2014 Tax Reform made changes to the tax system by allowing alternative taxation regimes to coexist: (i) the partially integrated regime and (ii) the attributed income regime. As an open corporation, we were subject to the partially integrated regime that meant a 27% corporate tax rate as of 2018.

After the mass protesting in October 2019 in Chile, the Chilean government and part of the opposition reached an agreement that translated into the enactment of Law 21,210 that mainly

introduced the following changes: (i) a new marginal tax limit of 40% instead of 35% for the personal income tax bracket; (ii) a property tax surcharge on a set of real estate assets of one same taxpayer when the tax appraisal exceeds around MUSD 0.6, at a progressive rate of 0% to 0.275%; (iii) the elimination of the provisional payment on absorbed profits (PPUA, the acronym in Spanish) effective in the 2024 fiscal year; (iv) the elimination of the attributed income regime while keeping the semi-integrated regime as the general and only income tax system; (v) a special tax regime for SMB taxpayers (entities with annual sales below around US\$3.1 million), which included measures such as a 25% income tax rate, greater incentives for the reinvestment of profits while increasing the possibility of deducting 50% of the reinvested profits as an expense (limited to approximately US\$0.2 million), instant depreciation and exemption from the property tax surcharge; (vi) creation of a special assessment of 1% on investment projects for first-category taxpayers that carry full accounting, provided the investment in tangible assets is greater than or equal to MUSD 10 and provided the project is subject to the Environmental Impact Assessment System (SEIA, the acronym in Spanish); and (vii) maintenance of the actual 65% VAT credit on the construction of housing. In addition, Law 21,256 was published on September 2, 2020, that established tax measures that formed part of the emergency plan for local economic development, reactivation and recovery of employment in a framework of a medium-term fiscal convergence. The main measures were:

- (i) a decrease in the tax rate to 10% for taxpayers in the Pro SMB regime;
- (ii) the possibility of Pro SMB taxpayers



requesting a reimbursement of the cumulative remainder of VAT credit in tax declarations in July, August or September 2020; and

**(iii)** the possibility of applying instant and integral depreciation for taxpayers who declare First-Category Tax on actual income, determined according to complete accounting pursuant to the Income Tax Law, who acquire new or imported fixed assets in the period from June 1, 2020 to December 31, 2022.

The 2014 Tax Reform also imposed a new annual tax on particulate matter, NO<sub>x</sub>, SO<sub>2</sub>, and CO<sub>2</sub> emissions for establishments whose stationary sources, like boilers and turbines, have an individual or combined thermal energy equal 50 MW or more (the “Green Tax”). The Company is subject to this Green Tax.

Currently, the Green Tax applicable to CO<sub>2</sub> emissions is approximately USD 5.00 per ton emitted, while the Green Tax on NO<sub>x</sub>, SO<sub>2</sub> and particulate matter

emissions is approximately MUSD 0.02 per ton emitted. In each case, the tax base is multiplied according to a formula that considers the contaminant dispersion factor, the social cost per capita of the contaminant and the country’s population. The Green Tax entered into force and began to accrue on emissions in 2017. The Company and its subsidiaries paid a total of MUSD 28.1 in Green Taxes in April 2022 and MUSD 18.3 in April 2023.

The February 2020 Tax Reform contained some changes to the Green Tax rules, mainly in regard to the following:

- **First.** The 50 MW limit for the application of Green Taxes was replaced and every establishment was ordered to pay Green Taxes (regardless of the technical capacity of their stationary sources) if emissions exceeded (i) 100 tons of particulate matter or (ii) 25,000 tons of CO<sub>2</sub> per year. This change will enter into effect

on January 1, 2025.

- **Second.** To calculate the Green Tax, the reform defined establishment (the place where raw material is processed or new products are created) and emitting source (stationary source generating emissions from combustion), but it excluded the “technological bias” by eliminating the requirement of installed capacity and combustion. Lastly, hot water boilers were excluded.
- **Third.** The law allows Green Tax payers to offset all or part of their taxable emissions by implementing projects to reduce the emissions of the contaminant that triggers the tax. Those projects must be certified by the Environmental Commission (SMA, the acronym in Spanish). This amendment will enter into force three years after publication of the law.

A new specific tax was enacted, applicable to air emissions, in relation to the 2014 Tax Reform that entered into force in 2017 under which the





initial payments came due in 2018. This could have an adverse effect on our business, financial position and operating results if we are unable to transfer the cost increase caused by this tax to our customers. A new tax reform bill of law currently being debated by the Chilean Congress contains changes to some aspects of this specific tax.

Currently, the Environmental Commission sends a report in March of each year to the Chilean Internal Revenue Service (abbreviated as SII in Spanish) on the quantity of emissions by each Green Tax payer in the previous calendar year so that the SII can calculate the applicable

tax. If the Green Tax payer objects to the Environmental Commission's calculation, the law only allows an appeal in the form of a general tax claim against the report before the tax courts after the applicable Green Tax has been calculated. The bill of law currently under debate gives Green Tax payers the right to file claims before the Environmental Courts requesting a review of the Green Tax on emissions calculated by the Environmental Commission. If the Environmental Court issues a decision amending the report, the SII must issue a new tax calculation.

We can, under some of our power

purchase agreements, transfer part of the cost increase from certain changes to laws to our customers. However, it is possible that we will not always be able to transfer the entire cost increase because of specific Green Taxes to our customers according to the change-in-law provisions in our PPAs. Our business, financial condition and operating results could be affected if we are unable to transfer them to some of our existing and future customers. Moreover, we cannot guarantee that there will be no further changes to the Green Tax rules because of amendments to the new tax reform bill of law or that any such changes will not increase Green Taxes in the future, or that we will be able to continue transferring the entire cost increase under our PPAs, all of which could have a materially adverse impact on our business, financial condition and operating results. In any case, our strategy to convert generation assets to renewable energy sources aims, among other things, to reduce our exposure to the risk of increases in green taxes.





## 6.2.3. MARKET RISKS

Market risk is the risk that the fair value of future cash flows of a financial instrument fluctuate due to changes in market prices. This risk is comprised of four types: interest rate, exchange rate, commodities and other risks.

The financial instruments exposed to market risk are mainly loans and bank debt, time deposits and mutual funds, and financial derivatives.

### I. Exchange Rate Risk

### II. Interest Rate Risk

### III. Share Price Risk

### IV. Credit Risk

### V. Trade Receivables Risk

### VI. Liquidity Risk

#### I. EXCHANGE RATE RISK

Exchange rate risk is the risk that the value of an asset or liability (including the fair value of future cash flows of a financial instrument) fluctuate due to variations in exchange rates.

Since most of our income, costs and financial debt are denominated in dollars, our exposure to the risk of exchange rate fluctuations is limited. The company's income is mostly denominated in dollars or indexed to that currency. For regulated PPAs with distributors, the rate is set in dollars and converted to pesos at the monthly average observed dollar exchange rate, so the exchange rate exposure of these PPAs is limited in terms of impact on the company's statement of income. However, there is an impact on the company's cash flow because of the lags in publication of average node price decrees, which translates into monthly invoicing at exchange rates other than the monthly exchange rates stipulated in each PPA. Although these temporary differences are resettled after the Average Node Price decrees are published, the uncertainty about the time of resettlement does not allow for effective hedging through derivatives. This lag in collecting receivables from distribution companies because of the differences between the exchange

rates effectively invoiced and the exchange rates applicable according to governing law increased significantly after approval of the Power Price Stabilization Law in November 2019, for which the technical rules of implementation were disclosed in March 2020 by Exempt Resolution 72 of the National Energy Commission, and by the MPC Law passed in August 2022.

These rules have caused an increase in the receivables from the distribution companies where the pace of the increase and subsequent recovery will largely depend on the behavior of exchange rates and fuel prices, among other variables. To confront this risk and mitigate its effects on cash flow, in early 2021 the Company signed agreements with Goldman Sachs and IDB Invest to sell these receivables to a special-purpose company called Chile Electricity PEC SpA, with no recourse to the Company. On January 29, 2021, Chile Electricity PEC SpA placed Rule 144 A/Regulation S bonds for MUSD 489 on the international market. A part of that amount was used to purchase the receivables corresponding to the January 2020 Average Node Price Decree and the remainder to purchase the receivables under the July 2020 Average Node Price Decree. On June



30, 2021, EECL formalized the sale of receivables under the January 2021 Average Node Price Decree to Chile Electricity PEC, which received financing from a private 4a2 issue with the participation of Allianz, IDB Invest and Goldman Sachs. Once the respective node price decrees were published, similar transactions were performed on March 4, 2022 for the fourth group of receivables, on July 14, 2022 for the fifth group of receivables, and on May 13, 2023 for the sixth group. Since the sale was in dollars, at a discount and with no recourse to generators, EECL and EMR were able to reduce their exchange rate exposure and the credit risk associated with these receivables and to improve their liquidity at the cost of a discount that had an impact on the 2021, 2022 and 2023 financial statements. This financial cost totaled MUS\$ 51 in 2021, was MUS\$ 15.4 in 2022, and MUS\$ 12.6 in 2023. Total financial expenses under the PEC-1 program were MUS\$ 79.1. On August 30, October 30 and December 28, 2023, the first sales were made of payment documents issued under the PEC-2 program that were not subject to financial discounts, and cash income of MUS\$ 232.1 was received, interest included.

The main cost in Chilean pesos relates to employees and administrative expenses that account for approximately 10% of our operating costs. Therefore, since most of the

Company's income is denominated in or linked to the Dollar while some operating costs are in Chilean pesos, the Company has decided to partially hedge the peso payment flows for recurrent items with known payment dates, such as wages and salaries and some service contracts, by forwards. As of December 31, 2023, the Company held dollar forwards with banks for a notional total of MUS\$ 120 where from MUS\$ 8 to MUS\$ 12 would expire each month from January to December 2024, the purpose being to reduce the effects of dollar/peso exchange rate fluctuations on the company's cash flows and its financial results. The Company has signed cash flow hedge derivatives associated with payments under EPC contracts for the construction of projects, which normally consider regular payment flows in currencies other than the dollar (CLF and EUR) through the end of the respective periods of project construction. The Company has thus avoided variations in the cost of investing in fixed assets because of fluctuations in exchange rates beyond its control. At the close of 2023, it held dollar forwards for a total notional amount of MUS\$ 62.4 to hedge regular payments in UF to contractors of the Lomas de Taltil project. These derivatives were contracted with Banco de Chile and cover regular payment flows through March 2025.

Moreover, in order to reduce the exposure to exchange rate volatility,

the company's Cash Surplus Investment Policy stipulates that at least 80% of cash surpluses must be invested in U.S. Dollars unless a different percentage is needed to maintain a natural matching of assets and liabilities by currency. This policy allows for a natural hedging of commitments or obligations in currencies other than the dollar. As of December 31, 2023, 99.1% of current accounts and short-term investments associated with cash management were denominated in U.S. dollars. The Company's exposure to other foreign currencies is immaterial.

The Company has a purely accounting exchange rate exposure related to pay-for-use concession agreements or other types of contracts, such as the rental of car fleets that are considered financial leases under IFRS 16. These contracts cover right-of-use assets that are non-monetary assets recorded at their initial cost in dollars, the company's functional currency. The counter-entry is a monetary liability that reflects the present value of the installments payable under the financial leases. Most of these liabilities are denominated in Unidades de Fomento (UF) or Monthly Tax Units (UTM in Spanish). Since the liabilities are monetary, they are adjusted from time to time and are converted to dollars using the observed exchange rate at the close of each fiscal year. In the end, the liability in CLP, UF or UTM is subject to periodic adjustment, and is therefore

exposed to fluctuations in exchange rates while the asset remains fixed in dollars. This mismatching may lead to book losses or profits in our statements of income. However, financially, the right-of-use asset value is closely related to the value of the liability since both should reflect the present value of the installments payable under the financial leases. As of December 31, 2023, lease liabilities in currencies other than the dollar totaled MUSD 106.6.

## II. INTEREST RATE RISK

Interest rate risk is the risk created by changes in the fair value of the cash flows of financial instruments in the balance sheet because of changes in the market interest rates. Interest rate exposure occurs mainly because of long-term debt at floating interest rates. The Company and its subsidiaries manage interest rate risk through fixed-rate debt or Interest Rate Swaps (IRS) under which the Company agrees to swap from time to time an amount resulting from the differences between a fixed rate and a variable rate calculated on an agreed notional amount. To minimize the risk of interest rate fluctuations, we endeavor to contract fixed interest rates for our financial debt, except for a portion of the debt equal to the cash balances of the company that are invested at interest rates that fluctuate in line with the changes in the base rate of variable-rate liabilities. As of December 31, 2023, 83.8% of our financial debt was at a fixed rate or hedged by derivatives, and 16.2% of the financial debt was at a variable rate, excluding leasing debt according to IFRS 16 (MUSD 55 of the IDB Invest loan, MUSD 75 of the Scotiabank loan, MUSD 51 of the Santander loan and MUSD 160 of the IFC and DEG loans).

## III. PRECIO DE ACCIONES

As of December 31, 2023 and 2022, EECL and its subsidiaries held no investments in equity instruments.

## IV. CREDIT RISK

We are exposed to credit risk in the ordinary course of our business and when investing our cash balances. In the power generation business, our main customers are large mining companies of renowned solvency who generally present a low level of risk. However, those companies are subject to the variation in the world prices of copper and other raw materials and to a decrease or depletion of **natural** resources or other operating, climate-related, labor, social, environmental, political and tax problems. Although our customers have proven to be very strong in confronting adverse cycles, our company conducts regular reviews of commercial risks.

We also have regulated customers who supply residential and commercial customers whose credit risk is low, although delays in payments by smaller regulated customers have been seen, such as cooperatives. A decreased growth in power demand by end consumers could affect our financial position, operating results and cash flows. Although the Power Price Stabilization Law enacted in November 2019 has not had a material impact on our income, recognized in the statement of income, it has adversely impacted our cash flow, with the consequent financial cost associated with a higher level of working capital. To confront this risk and mitigate the effects on cash flow, in early 2021, the company signed agreements with Goldman Sachs and IDB Invest to sell these accounts receivable to a special-purpose company called Chile Electricity PEC SpA, without recourse to the company. From February 8, 2021 to May 12, 2023, the company performed 6 transactions for the sale of receivables under the Average Node Price decrees of January 2020, July 2020, January

2021, July 2021, January 2022 and July 2022, for a total nominal amount of MUSD 272.9. It received liquid resources of MUSD 193.8 in these transactions and it reported a total financial cost of MUSD 79.1. After the enactment of the MPC Law, balances receivable have continued to be generated because of the difference between the stabilized price (PEC in Spanish) and the contract prices. After the publication of the July 2022 Average Node Price Decree and the Exempt Resolution that set down the terms and conditions for effective enforcement of the Law, the Treasury Service has begun to issue payment documents that the company can sell under a mechanism similar to the one used for the PEC law, but this time without assuming the costs of financial discounts. The deferral of collection because of the delay in publication of the decrees has had a material impact on the company's liquidity and debt. The first three sales of payment documents were made August 30, October 30 and December 28, 2023, in which the company received net resources totaling MUSD 232.1, interest included.

In previous years, the electricity industry began to evolve towards a greater atomization of its customer base because of the right of consumers with demands of 500kV to 5MW to contract their power supply directly from generators instead of from power distribution companies. As a result of this elimination of intermediaries, the company signed PPAs with smaller commercial and industrial customers who might entail a greater credit risk. To mitigate this risk, the company has implemented a commercial counterparty risk policy that requires, among other things, a review of the credit risk before signing power purchase agreements. At this date, agreements with small and mid-sized commercial and industrial customers represent a small percentage of our PPA portfolio and the company has stopped selling energy actively to that segment in order to balance its PPA portfolio and reduce its buying position on the power spot market.

Given its contractual position, the company is usually one of the main



net payers in the chain of payments in the electricity sector. It is exposed to delinquency or failure by operators in the electricity sector to make payment, but these amounts account for a relatively small percentage of monthly collections. Default by other operators in the electricity system might expose the company to an increase in the volume of sales to regulated customers at the rates under the existing agreements. Events of insolvency of other operators in the electricity sector with whom we have PPAs to reduce their spot market exposure might expose the company to resuming its buying exposure to the spot market.

Our investment policy stipulates investing our cash resources in the short term with investment-grade institutions. We also consider the financial risk of our counterparties when contracting exchange rate or interest rate derivative hedges, and we set maximum limits on investments with each counterparty in order to manage and diversify our credit risk. The company also has limits by period and by risk diversification for each financial counterparty. The credit

limits for each counterparty are set on the basis of the national or international risk rating and the liquidity and solvency indicators of each institution, and they are reviewed from time to time by management. The limits are set to minimize risk concentration and, therefore, to mitigate the losses in the event of a default by counterparties.

#### V. TRADE RECEIVABLES RISK

Credit risk is managed by each business unit subject to the policy, procedures and controls established by the Company. The company sets credit limits for all its customers based on internal policies, which require assigning risk ratings to each customer. Credit limits, risk ratings and policies are reviewed regularly. Trade receivables are monitored periodically for performance in consideration of the different risk factors to which they are exposed. Impairment is analyzed on each reporting date individually for all material customers, and provisions are made according to IFRS 9 in which each

receivable is assigned a probability of default and a percentage loss in the event of default. The maximum exposure to credit risk on the reporting date is the current value of trade receivables. The Company has evaluated the concentration of risk in trade receivables as acceptable because customers are mainly highly solvent large mining companies, power generating companies and power distribution companies.

#### VI. LIQUIDITY RISK

Liquidity risk relates to the need for funding to pay obligations when due. The goal of the Company is to maintain a balance between fund availability and financial flexibility through regular operating flows, loans, short-term investments and credit facilities. The Company recurrently evaluates risk concentration in respect of debt refinancing.

In 2022, the company took out several short-term loans with local banks to finance working capital needs that



rose significantly because of the rise in the prices of fuel and the marginal costs of the system and because of the effects of the regulated customer price stabilization law. As of this date, debt maturing in less than a year totaled MUS\$ 338.9, including leases and accrued interest. Bank debt expiring in less than a year totaled MUS\$ 265. Short-term debt included:

- (i) a loan for MUS\$ 50 with BancoEstado expiring in January 2024 that was renewed and extended for 2 years in January 2024;
- (ii) a loan for MUS\$ 30 with Banco Santander that was prepaid, also in January 2024;
- (iii) a loan with BCI for MUS\$ 35 expiring in May 2024;
- (iv) a loan for MUS\$ 100 with Scotiabank expiring in October 2024; and
- (v) a loan for MUS\$ 50 with BCI expiring in November 2024. The short-term portion of debt includes the first principal installment of the IFC and DEG loans totaling MUS\$ 21.1, payable July 15, 2024. These loans are denominated in dollars and except for the IFC/DEG loans, they are accruing interest at a fixed rate and are documented by simple promissory notes that record the obligation to make payment on the agreed date, without operating or financial restrictions and with a prepayment option.

The Company's liquidity has been impacted by the regulated customer price stabilization law because that

law limits collection in full stipulated in power purchase agreements with distribution companies, so balances accumulate that were estimated to a total approximately MUS\$ 299 million as of December 31, 2023. As of December 31, 2023, the company held cash balances totaling MUS\$ 301.3. It also has open access to financial markets that enable it to face its financial and commercial commitments.

On December 23, 2020, the company signed a 12-year loan agreement with IDB Invest for a total of MUS\$ 125 to finance renewable energy projects to replace coal-fired generation because the power plant closing schedule was brought forward. The company drew down all of that loan on August 27, 2021. On July 26, 2022, the Company signed a green loan with Scotiabank for an aggregate of MUS\$ 250, MUS\$ 150 of which were disbursed on July 28, 2022, and MUS\$ 100 on September 7, 2022. This loan is payable in one single principal installment on July 26, 2027. On December 15, 2022, the company signed a five-year loan agreement for a total committed amount of MUS\$ 170 with Banco Santander. The first MUS\$ 77 of that loan were disbursed on that date to pay for the purchase of shares in the San Pedro Wind Farms in Chiloé. The remaining MUS\$ 93 were disbursed on February 15, 2023 to prepay the debt of MUS\$ 79.4 owed by Energías de Abtao S.A. (owner of the San Pedro 2 Wind Farm) to Banco Itaú, Consorcio Seguros de Vida and Banco Consorcio. The company renewed two loans from Scotiabank, totaling MUS\$

100, to expire October 21, 2024. It also renewed a loan for MUS\$ 50 with BCI, extending its expiration date to November 12, 2024. In November 2023, the company renewed the loan for MUS\$ 50 it had with Banco de Chile to extend its maturity date to November 16, 2026.

At the end of June 2023, International Finance Corporation (IFC), a member of the World Bank Group, announced the signature of a green, sustainability-linked loan to ENGIE Energía Chile S.A.. This loan, coupled with a parallel loan from DEG, a German bank and member of the KfW development bank group, means a total commitment of MUS\$ 400. The purpose of this loan is to finance investments in solar projects and in the installation of Battery Energy Storage Systems (BESS). It is payable in 19 semi-annual installments beginning July 15, 2024 and ending July 15, 2033. The Company received the first disbursement for MUS\$ 200 on July 28, 2023, and the second disbursement for MUS\$ 200 on December 19, 2023.

EECL has two 144-A/Reg S bonds: the principal payment of the first, for MUS\$ 350, is a bullet payment to be made on January 29, 2025, at a coupon rate of 4.5% annually. The second, for MUS\$ 500, was issued January 28, 2020 to refinance all of a MUS\$ 400 bond that was set to expire on January 15, 2021. The MUS\$ 500 bond has a coupon rate of 3.4% annually and it expires January 28, 2030. The company is currently studying solutions to refinance the bond expiring in 2025.

## 6.2.4. GOVERNANCE AND REPUTATION RISKS

### I. Regulatory Compliance Risks

### II. Competition Risks

### III. Reputation and Image Risks

#### I. REGULATORY COMPLIANCE RISKS

In addition to environmental and electricity industry regulations, our business must comply with a significant number of laws, standards and regulations, including in relation to competition and anti-trust, anti-bribery and anti-corruption, health, safety and the environment, employees and employment, and taxation. We could be the subject of investigations or proceedings by the authorities because of alleged infringements of these laws.

To mitigate these risks, we have implanted compliance procedures and internal control systems to prevent and detect inappropriate practices, fraud or violations of the law by our subsidiaries, directors, officers, employees, contractors and other persons who act on our behalf.

#### II. COMPETITION RISK

Our company is exposed to risks related to a violation of competition regulations. To mitigate this risk, we have a Competition Manual that provides guidelines on how to act, which we reinforce with our annual talks on competition and other types of training targeting the entire organization.



#### III. REPUTATION AND IMAGE RISK

The corporate reputation is tied to a license to operate, so we manage it like an asset and we care for it by handling positive and negative social and environmental impacts caused by our work, by our engagement with

stakeholders and by compliance with laws and regulations. Any failure in these respects might have an adverse impact on our reputation and potentially affect our business.

## 6.2.5. REGULATORY RISKS

### I. Changes in environmental regulations and compliance

### II. Regulatory initiatives in process

The Company is subject to regulations governing in Chile that may encompass diverse aspects of the business. Its operations must abide by broad regulations on rates and other aspects regulating its business in Chile. Accordingly, any new laws or regulations or amendments to existing ones could impact its activities, economic situation and the results of its operations. The Company's activities are also required to abide permanently by broad environmental regulations. Eventual changes in these regulations could affect activities, the economic situation and the results of operations. Among other things, environmental regulations require that environmental impact studies be prepared for projects under study; that licenses, permits and other regulatory authorizations be received; and that all requirements in such licenses, permits and standards be met and that all requirements in such licenses, permits and standards be met. Like what occurs with any regulated company, the Company cannot guarantee that the government authorities will approve the environmental impact studies; that public opposition will not result in delays or changes to a proposed project; that laws or regulations will not be amended or interpreted in a way that increases expenses or affects operations, plants or plans of the Company (further information on page 69/Regulatory Framework).



### I. CHANGES IN ENVIRONMENTAL REGULATIONS AND COMPLIANCE

Our operations are subject to a wide range of environmental requirements. We have defrayed expenses and made investments, which we will continue to do, in order to stay in compliance with environmental laws and the permits required for our operations. A breach of environmental requirements could result in fines or civil or criminal penalties, environmental damage lawsuits, reparation obligations, the revocation of environmental authorizations or the temporary or permanent closing of facilities. Many of our PPAs include clauses on the transfer of capital costs, operating costs or the cost of complying with certain changes in law, in particular environmental laws.

It may be that new environmental requirements or changes in the

enforcement, interpretation or implementation of existing requirements result in a substantial increase in capital, operating and compliance costs, as well as significant delays in project execution, and conditions may be imposed that restrict or limit our operations, thereby delaying the implementation of our energy transition strategy. Moreover, changes in environmental regulations may restrict even further the use of coal or increase the cost of using it as a fuel source, which may adversely impact our income and, consequently, our financial situation and operating results. These changes in environmental regulations could limit the availability of our funding for other purposes, which might have a negative impact on our business, operating results and financial position.





### **LAW 21,185 AND TEMPORARY POWER PRICE STABILIZATION (PEC)**

On March 11, 2020, the National Energy Commission published Exempt Resolution 72 that contained the rules and provisions required to implement the temporary power price stabilization method for rate-regulated customers established in Law 21,185 of November 2, 2019. This method considered freezing electricity rates at levels existing in the first half of 2019 until the end of 2027, subject to certain adjustments stipulated in the law, while prices that generating companies would charge distribution companies would remain the same according to the contracts existing between them. The method produces a differential between the rates that generating companies are authorized to charge according to their contracts and the rates applied in the collection from end customers subject to price regulation. As a result of the rate differential, generating companies are reporting accounts receivable from distribution companies that combined, created the so-called stabilization fund. Under Law 21,185, this fund could grow through July 2023 or until a total of MUSD 1.350 was accumulated, whichever occurred first. It is expected that once the power purchase agreements awarded in the most recent tenders enter into effect at lower prices, the average prices of PPAs between generating companies and distribution companies will begin to drop

gradually as from 2024 and fall below the stabilized price that will continue in force with the adjustments stipulated by the Law through December 31, 2027. As of the moment when the average contractual rates fall below the stabilized price, distribution companies may begin to pay the receivables forming part of the stabilization fund. On July 13, 2022, the Customer Protection Mechanism (MPC in Spanish) bill of law was sent by the House of Representatives after ratifying the changes made by the Senate. This law will stabilize energy prices for regulated customers supplied by distribution concessionaires regulated by the General Electricity Law. The purpose of the MPC will be to pay the differentials arising between the invoices of distribution companies to end customers for the energy and capacity component and the amount payable for power supply to power generators according to their respective power purchase agreements or the respective decree, in the case of mid-sized systems. The resources recorded under the MPC may not exceed MUSD 1.800 and it will remain in force until the balances arising from enforcement of this law are extinguished. As of 2023, the National Energy Commission must forecast semi-annually the total payment of the Remaining Final Balance for a date that may be no later than December 31, 2032. To that end, it will determine the

charges to be able to collect the amount required for total repayment of the resources necessary for the MPC to work properly.

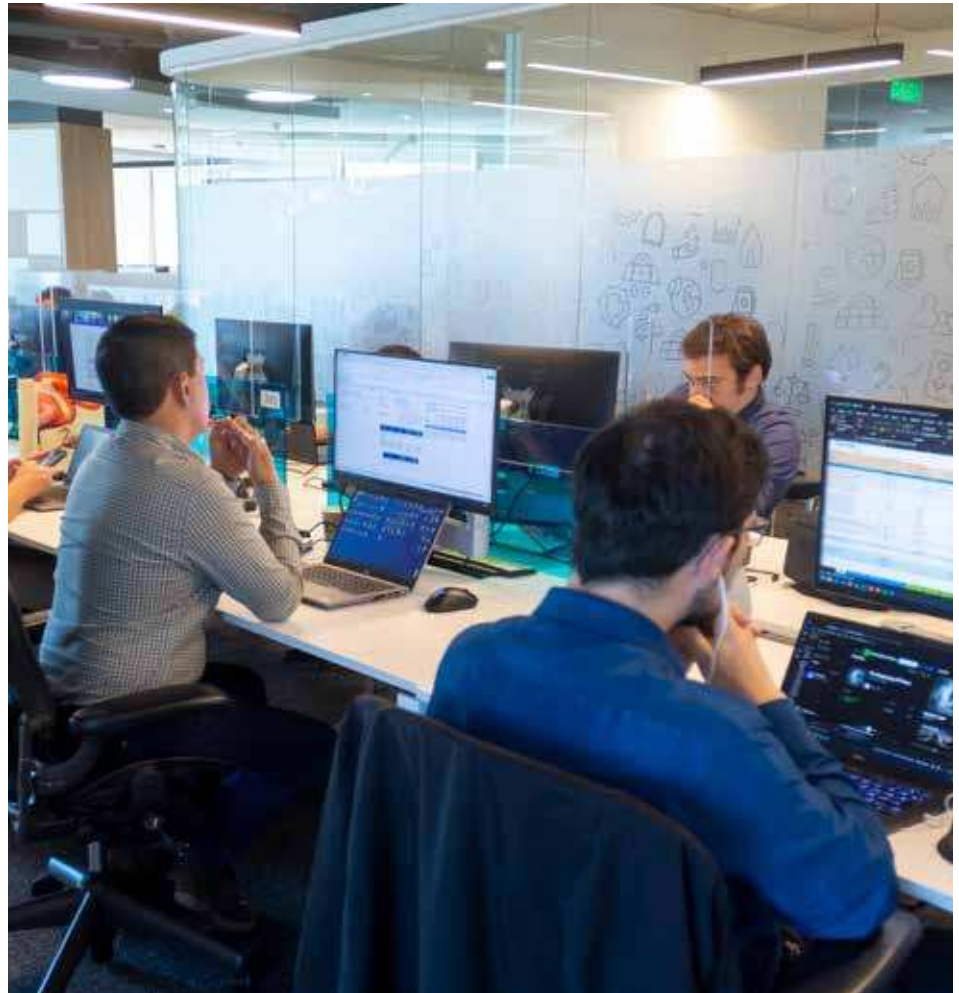
To confront this risk and mitigate its effects on cash flow, between 2021 and 2023, the company sold six sets of its receivables under the temporary electricity price stabilization method to Chile Electricity PEC SpA, a special-purpose company. These sales, made according to the terms and conditions of agreements signed with Goldman Sachs and IDB Invest, included receivables for a total nominal amount of MUSD 272.9, for which it received a net sum of MUSD 193.8. The difference between the nominal amount of balances sold and the purchase price was recorded as a financial expense in the 2021 (MUSD 51), 2022 (MUSD 15.4) and 2023 (MUSD 12.6) fiscal years. Chile Electricity PEC SpA received funding for the purchase of these balances via a 144A/Reg 2 bond issue on the international market and 4(a)2 bond issues. Since the sales were in dollars, at a discount and without recourse to power generators, EECL and EMR were able to reduce their exchange rate exposure and associated trade receivables risk and to improve their liquidity at the cost of a discount that had impacts on the 2021, 2022 and 2023 financial statements.

After the enactment of the MPC Law,



balances receivable have continued to be generated because of the difference between the stabilized price (PEC in Spanish) and the contract prices. After the publication of the July 2022 Average Node Price Decree and the Exempt Resolution that set down the terms and conditions for effective enforcement of the Law, the Treasury Service began to issue payment documents that the company has sold under a financial mechanism similar to the one used for the PEC law, but this time without assuming the costs of financial discounts. The first three sales of payment documents were made August 30, October 30 and December 28, 2023, in which the company received net resources totaling MUS\$ 232.1, interest included. As of December 31, 2023, this type of receivables held by EECL totaled approximately MUS\$ 299. The company expects to receive around MUS\$ 40 during 2024 under the PEC-2 program and more than MUS\$ 250 more if the mechanisms of a third price stabilization program are approved and implemented. These resources are helping to:

- (i) restore the liquidity impacted since 2020 by the price stabilization mechanisms,
- (ii) finance the investments needed for the energy transition, and
- (iii) extend the debt maturity profile.



## II. REGULATORY INITIATIVES IN PROCESS

As a result of the ongoing technological, political, social and environmental evolution taking place in the energy industry, there are a variety of congressional and authority initiatives that are in different stages of development on the date of this report. If they materialize, they could have material effects on our operations, results and the course of our businesses. The main initiatives that might have an impact on our operations include (1) the Electricity Portability Bill of Law that is centered on three main thrusts: (i) enabling marketing; (ii) modernizing supply tenders; and (iii) creating an Information Manager; (2) the congressional Accelerated Decarbonization initiative; (3) an amendment to the Technical Standard

for the Scheduling and Coordination of the Operation of Units using regasified natural gas (LNG Technical Standard or NT GNL, as abbreviated in Spanish); (4) the Ministry of Energy's Flexibility Strategy that involves 12 measures and thus far has focused on: (i) perfecting the method to remunerate sufficiency in order to determine the contribution of different generating units to the reliability and sufficiency of the power grid and (ii) incorporating flexibility requirements to the capacity payment methods; and (5) Power Price Stabilization, which incorporates measures to stabilize electricity prices to mitigate the rises in regulated customers' bills. It introduces changes to the Customer Protection Mechanism (MPC in Spanish), among other aspects.



# MONTE REDONDO WIND FARM

## LOCATION

Region of Coquimbo

## 48 MW

Installed capacity

## 24

Wind turbines

## RANGE

Equal to the annual  
consumption  
of **36,000** homes

## ENVIRONMENTAL IMPACT

Avoids the emission of  
**88,000** tons of CO<sub>2</sub>  
per year





A photograph of a wind farm in a vast, open landscape. Two large white wind turbines are visible, one on the left and one on the right. The ground is covered in low-lying green and brown vegetation. In the background, a range of mountains stretches across the horizon under a bright blue sky with scattered white clouds.

# LEGAL INFORMATION

**8.1** GRI Scope and Methodology / **8.2** GRI Index / **8.3** GR 461 Index / **8.4** Legal and Regulatory Compliance Indicators / **8.5** SASB Standards Index / **8.6** Table Appendices



# 7.1 LEGAL INFORMATION



## 7.1.1 CHARTER DOCUMENTS

ENGIE Energía Chile S.A. was incorporated by capital contributions from Empresa Nacional de Electricidad S.A. (Endesa) and the Production Development Association (Corfo, as abbreviated in Spanish). It was incorporated under the name of Empresa Eléctrica del Norte Grande Limitada (Edelnor) by public deed executed October 22, 1981, in the notarial office of Enrique Morgan Torres. An abstract of that deed was registered on page 556 (overleaf), No. 314, in the Commercial Register of the Antofagasta Real Estate Registrar, and it was published in the Official Gazette on November 7, 1981.

## 7.1.2 MAIN MODIFICATIONS

The business of the company is the production, transmission, distribution and supply of electricity; the purchase, sale and transport of all types of fuels, whether liquid, solid or gaseous; the rendering of consulting services in all areas and fields of engineering and business management; and the provision of electric system maintenance and repair services.

Since its incorporation ENGIE Energía Chile S.A. has undergone several modifications, the most important of which are described below:

### MAIN MODIFICATIONS

| Date of public deed | Modification  | Notarial Office                          | Registration          | Register   | Publication in the Official Gazette |
|---------------------|---|--|-----------------------|--|-------------------------------------|
| 30/Sep/1983         | The company (then Edelnor) was converted into a continuing open corporation traded on the country's stock exchanges.  | Enrique Morgan Torres, Santiago          | Page 467, N° 244.     | 1983 Commercial Register of the Antofagasta Real Estate Registrar. | 03/Nov/1983                         |
| 09/Nov/1988         | An Extraordinary Shareholders Meeting decided to divide the company effective July 1, 1998, into four corporations: a continuing company that would retain its name and three new open corporations: Empresa Eléctrica de Antofagasta S.A. (Elecda S.A.), Empresa Eléctrica de Iquique S.A. (Eliqsa S.A.) and Empresa Eléctrica de Arica S.A. (Emelari S.A.). | Vicente Castillo Fernández, Antofagasta. | Page 1.141, N° 437.   | 1988 Register of the Antofagasta Real Estate Registrar.            | 03/Jan/1989                         |
| 13/Mar/2002         | An Extraordinary Shareholders Meeting held March 13, 2002, resolved to amend the bylaws to move the registered offices from the city of Antofagasta to Santiago, in the municipality of Las Condes.   | María Soledad Santos Muñoz, Antofagasta. | Page 8.180, N° 6.673. | 2002 Commercial Register of the Santiago Real Estate Registrar.    | 23/Mar/2002                         |



# MAIN MODIFICATIONS

| Date of public deed | Modification   | Notarial Office                   | Registration             | Register  | Publication in the Official Gazette |
|---------------------|--|-----------------------------------|--------------------------|---|-------------------------------------|
| 02/Jun/2004         | An Extraordinary Shareholders Meeting held April 26, 2004, resolved to modify the company's capital in order to state it in dollars of the United States of America.   | Fernando Opazo Larrain, Santiago. | Page 17.684, N° 13.314.  | 2004 Commercial Register of the Santiago Real Estate Registrar. | 18/Jun/2004                         |
| 29/Dec/2009         | An Extraordinary Shareholders Meeting held December 29, 2009, decided:<br>a) to merge EDELNOR with Inversiones Tocopilla-1 S.A. ("Tocopilla" or the "Absorbed Company") by the absorption of Tocopilla by EDELNOR. As a result, Inversiones Tocopilla-1 S.A. was dissolved and all of its assets and liabilities were transferred in block to the company. The shareholders in Tocopilla received shares issued by EDELNOR in exchange, in the manner and periods agreed by that Shareholders Meeting.<br>B) because of the company's merger with Inversiones Tocopilla-1 S.A. and the merger terms, to increase the capital by US\$705,404,607.11 through the issuance of 604,176,440 new shares with no par value, in one series and of the same par value as the remaining shares in the company. | Iván Torrealba Acevedo, Santiago. | Page 3.581, N° 23.       | 2010 Commercial Register of the Santiago Real Estate Registrar. | 22/Jan/2010                         |
| 04/May/2010         | An Extraordinary Shareholders Meeting held April 27, 2010, amended the company's by-laws to change its name to E.CL S.A., with the right to do business under the acronym "E.CL."  | Iván Torrealba Acevedo, Santiago. | Page 22,767, No. 15,578. | 2010 Commercial Register of the Santiago Real Estate Registrar. | 11/May/2010                         |
| 30/Mar/2011         | <i>An ipso jure</i> decrease in capital was declared.  | Iván Torrealba Acevedo, Santiago. |                          |   |                                     |
| 09/May/2016         | An Extraordinary Shareholders Meeting held April 26, 2016, amended the company's bylaws to change its name to "ENGIE Energía Chile S.A."   | Iván Torrealba Acevedo, Santiago  | Page 34,238, No. 18,964. | 2016 Commercial Register of the Santiago Real Estate Registrar. | 19/May/2016                         |

## 7.1.3 SHARE TRANSACTIONS

The management of ENGIE Energía Chile S.A. received no information in 2023 that its chairperson, directors, chief executive officer and/or senior executives purchased shares in the company.

| ENGIE ENERGÍA CHILE STOCK TRADING IN 2023 |                  |                |                      |
|---|------------------|----------------|----------------------|
| Period                                    | Number of Shares | Price          | Average Price in CLP |
| 1 quarter                                 | 83,418,170       | 42,334,262,280 | 509.2                |
| 2 quarter                                 | 66,868,206       | 49,440,817,694 | 669.53               |
| 3 quarter                                 | 59,625,785       | 49,480,135,796 | 831.47               |
| 4 quarter                                 | 41,831,158       | 34,943,266,395 | 841.54               |

## 7.1.4 OWNERSHIP

12 Largest Shareholders as of December 31, 2023:

| MAJORITY SHAREHOLDERS                              |                      |                |
|--|----------------------|----------------|
| Name   | Number of Shares     | Interest       |
| ENGIE Austral S.A.                                 | 631,924,219          | 59.99%         |
| Banco Santander for account of foreign investors   | 41,158,445           | 3.91%          |
| Banco de Chile for account of State Street         | 27,561,221           | 2.62%          |
| BCI Corredores de Bolsa S.A.                       | 18,950,513           | 1.80%          |
| AFP Provida S.A. C Fund                            | 16,527,230           | 1.57%          |
| Compass Small Cap Chile Investment Fund            | 15,913,246           | 1.51%          |
| Larraín Vial S.A. Corredora de Bolsa (Stockbroker) | 14,976,765           | 1.42%          |
| AFP Habitat S.A. C Fund                            | 14,730,651           | 1.40%          |
| Banchile Corredores de Bolsa S.A. (Stockbroker)    | 11,255,929           | 1.07%          |
| AFP Provida S.A. B Fund                            | 11,056,095           | 1.05%          |
| AFP Habitat S.A. A Fund                            | 10,120,430           | 0.96%          |
| AFP Cuprum S.A. C Fund                             | 9,894,272            | 0.94%          |
| Other shareholders                                 | 229,240,760          | 21.76%         |
| <b>Total</b>                                       | <b>1,053,309,776</b> | <b>100.00%</b> |

## 7.1.5 SHARES

| TYPES OF SHAREHOLDERS |                        |                     |                          |
|-----------------------|------------------------|---------------------|--------------------------|
| Types of Shareholders | Number of shareholders | Percentage Interest | Number of Paid-in Shares |
| Individual            | 1,372                  | 0.37%               | 3,942,694                |
| Legal Entity          | 377                    | 99.63%              | 1,049,367,082            |
| <b>Total</b>          | <b>1,749</b>           | <b>100%</b>         | <b>1,053,309,776</b>     |

ENGIE Energía Chile S.A. has no series of shares.

## 7.1.6 DIVIDEND POLICY

The EECL dividend policy, approved at the Ordinary Shareholders Meeting held Tuesday, April 25, 2023, is to distribute at least the mandatory minimum dividend during the course of each fiscal year according to the law and bylaws. To the extent the business situation allows, always taking into consideration the projects and development plans of the Company, interim or final dividend distributions may be approved above the mandatory minimum dividend. Subject to Board approval and, if relevant, to approval by a Shareholders Meeting, efforts will be made to distribute the profits from

each fiscal year in the form of two interim dividends based on the results of the financial statements for the second and third quarters, plus a final dividend payable in May of each year.

On July 27, 2021, the company's Board approved the distribution of an interim dividend against 2021 fiscal year profits amounting to MUSD 41.5, or a dividend of USD 0.0393996153 per share, which was paid August 26, 2021.

This dividend represented a distribution equal to 87.6% of the net profits in 2021, so in May 2021, the board decided to propose to the

Shareholders Meeting that no final dividend be paid against 2021 profits.

In view of the net losses in the 2022 fiscal year, the Ordinary Shareholders Meeting held April 25, 2023, decided not to approve dividends against 2022 results.

Below are the dividends paid in the last three years:

| DIVIDENDS PAID BY ENGIE ENERGÍA CHILE S.A. |  |                     |                |
|--|--|---------------------|----------------|
| Payment Date                               | Type of Dividend                       | Amount<br>(In MUSD) | US\$ per share |
| May 22, 2018                               | Interim (against net profits for 2017) | 30.4                | 0.02888        |
| October 25, 2018                           | Interim (against profits for 2018)     | 26.0                | 0.02468        |
| May 24, 2019                               | Final (against net profits for 2018)   | 22.1                | 0.02102        |
| June 21, 2019                              | Interim (against profits for 2019)     | 50.0                | 0.04747        |
| December 13, 2019                          | Interim (against profits for 2019)     | 40.0                | 0.03798        |
| November 30, 2020                          | Interim (against profits for 2020)     | 66.6                | 0.06323        |
| May 20, 2021                               | Final (against net profits for 2020)   | 51.1                | 0.04847        |
| August 26, 2021                            | Interim (against profits for 2021)     | 41.5                | 0.03940        |

## 7.1.7 OTHER SECURITIES

The company has registered two bond facilities under numbers 1124 and 1125. No placements had been made as of the closing of the integrated report.

The company has issued Reg-S and 144A bonds on international markets.

## 7.1.8 TRADEMARKS, PATENTS, LICENSES, FRANCHISES, ROYALTIES AND/OR CONCESSIONS AS OF DECEMBER 2023

### HELD BY: CENTRAL TERMOELÉCTRICA ANDINA S.A.

| Denomination                         | Type Coverage         | Class(es)   | Application #<br>Application Date | Status     | Registration #<br>Registration Date<br>Expiration Date |
|--------------------------------------|-----------------------|-------------|-----------------------------------|------------|--|
| <b>CENTRAL TERMOELECTRICA ANDINA</b> | Denominative Services | 37 39 40 42 | 848563<br>17/Dec/2008             | Registered | 873762<br>25/Jan/2010<br>25/Jan/2030                   |
| <b>CTA</b>                           | Denominative Services | 37 39 40 42 | 848564<br>17/Dec/2008             | Registered | 1027608<br>02/Aug/2013<br>02/Aug/2033                  |
| <b>PUERTO ANDINO</b>                 | Denominative Services | 36          | 1249504<br>06/Apr/2017            | Registered | 1259247<br>14/Sep/2017<br>14/Sep/2027                  |
| <b>PUERTO ANDINO</b>                 | Denominative Services | 37          | 1249505<br>06/Apr/2017            | Registered | 1269674<br>15/Feb/2018<br>15/Feb/2028                  |
| <b>PUERTO ANDINO</b>                 | Denominative Services | 39          | 1249507<br>06/Apr/2017            | Registered | 1265467<br>13/Dec/2017<br>13/Dec/2027                  |
| <b>PUERTO ANDINO</b>                 | Denominative Services | 42          | 1249508<br>06/Apr/2017            | Registered | 1261415<br>18/Oct/2017<br>18/Oct/2027                  |

### HELD BY: INVERSIONES HORNITOS S.A.

| Denomination    | Type Coverage         | Class(es)   | Application #<br>Application Date | Status     | Registration #<br>Registration Date<br>Expiration Date |
|-----------------|-----------------------|-------------|-----------------------------------|------------|--|
| <b>CTH</b>      | Denominative Services | 37 39 40 42 | 848565<br>17/Dec/2008             | Registered | 872006<br>07/Jan/2010<br>07/Jan/2030                   |
| <b>HORNITOS</b> | Denominative Services | 37 39 40 42 | 848566<br>17/Dec/2008             | Registered | 872007<br>07/Jan/2010<br>07/Jan/2030                   |





**HELD BY: EÓLICA MONTE REDONDO SPA**

| Denomination                   | Type Coverage         | Class(es) | Application #<br>Application Date | Status     | Registration #<br>Registration Date<br>Expiration Date |
|--------------------------------|-----------------------|-----------|-----------------------------------|------------|--|
| <b>ELÉCTRICA MONTE REDONDO</b> | Denominative Products | 04        | 1044242<br>31/Jan/2013            | Registered | 1146160<br>17/Dec/2014<br>17/Dec/2024                  |
| <b>ELÉCTRICA MONTE REDONDO</b> | Denominative Products | 07        | 1044204<br>31/Jan/2013            | Registered | 1146157<br>17/Dec/2014<br>17/Dec/2024                  |
| <b>ELÉCTRICA MONTE REDONDO</b> | Denominative Products | 09        | 1044205<br>31/Jan/2013            | Registered | 1078843<br>12/Feb/2014<br>12/Feb/2034                  |
| <b>ELÉCTRICA MONTE REDONDO</b> | Denominative Products | 35        | 1044206<br>31/Jan/2013            | Registered | 1146158<br>17/Dec/2014<br>17/Dec/2024                  |
| <b>ELÉCTRICA MONTE REDONDO</b> | Denominative Products | 37        | 1044207<br>31/Jan/2013            | Registered | 1082035<br>26/Feb/2014<br>26/Feb/2034                  |
| <b>ELÉCTRICA MONTE REDONDO</b> | Denominative Products | 40        | 1044209<br>31/Jan/2013            | Registered | 1154131<br>03/Feb/2015<br>03/Feb/2025                  |
| <b>ELÉCTRICA MONTE REDONDO</b> | Denominative Products | 42        | 1044211<br>31/Jan/2013            | Registered | 1146159<br>17/Dec/2014<br>17/Dec/2024                  |
| <b>EMR</b>                     | Denominative Products | 04        | 976952<br>28/Oct/2011             | Registered | 987763<br>18/Jan/2013<br>18/Jan/2033                   |
| <b>EMR</b>                     | Denominative Products | 07        | 976953<br>28/Oct/2011             | Registered | 1056309<br>12/Nov/2013<br>12/Nov/2033                  |
| <b>EMR</b>                     | Denominative Products | 09        | 976954<br>28/Oct/2011             | Registered | 1181338<br>05/Oct/2015<br>05/Oct/2025                  |



**HELD BY: E-CL S.A**

| Denomination      | Type Coverage  | Class(es)   | Application #<br>Application Date | Status     | Registration #<br>Registration Date<br>Expiration Date | Label   |
|-------------------|----------------|-------------|-----------------------------------|------------|--|---|
| <b>E-CL GREEN</b> | Mixed Services | 37 39 40 42 | 1164325<br>30/Jul/2015            | Registered | 1218377<br>26/Aug/2016<br>26/Aug/2026                  |  |

## HELD BY: GASODUCTO NOR ANDINO S.A.

| Denomination                | Type Coverage            | Class(es) | Application #<br>Application Date | Status     | Registration #<br>Registration Date<br>Expiration Date | Label   |
|-----------------------------|--------------------------|-----------|-----------------------------------|------------|--|---|
|                             | Label<br>Products        | 04        | 809737<br>29/Feb/2008             | Registered | 847321<br>27/Feb/2018<br>27/Feb/2028                   |  |
|                             | Label<br>Services        | 39        | 809736<br>29/Feb/2008             | Registered | 838560<br>09/Jun/2009<br>27/Feb/2028                   |  |
| <b>GASODUCTO NOR ANDINO</b> | Denominative<br>Services | 39        | 942751<br>01/Mar/2011             | Registered | 917542<br>22/Jun/2021<br>22/Jun/2031                   |   |
| <b>GASODUCTO NOR ANDINO</b> | Denominative<br>Services | 04        | 943489<br>08/Mar/2011             | Registered | 917823<br>30/May/2021<br>30/May/2031                   |   |

## HELD BY: TRANSMISORA ELÉCTRICA DEL NORTE S.A

| Denomination   | Type Coverage            | Class(es)   | Application #<br>Application Date | Status     | Registration #<br>Registration Date<br>Expiration Date | Label   |
|--|--------------------------|-------------|-----------------------------------|------------|--|---|
| <b>TEN</b>   | Denominative<br>Services | 37 39 40 42 | 1162942<br>20/Jul/2015            | Registered | 1232831<br>05/Jan/2017<br>05/Jan/2027                  |   |
| <b>TEN</b>   | Mixed<br>Services        | 37 39 40 42 | 1162940<br>20/Jul/2015            | Registered | 1211970<br>07/Jul/2016<br>07/Jul/2026                  |  |
| <b>TEN</b>   | Mixed<br>Services        | 37          | 1375329<br>23/Sep/2020            | Registered | 1357976<br>28/Oct/2021<br>28/Oct/2031                  |  |
| <b>TEN</b>   | Mixed<br>Services        | 39          | 1375330<br>23/Sep/2020            | Registered | 1344535<br>11/May/2021<br>11/May/2031                  |  |
| <b>TEN</b>   | Mixed<br>Services        | 40          | 1375354<br>23/Sep/2020            | Registered | 1359543<br>25/Nov/2021<br>25/Nov/2031                  |  |
| <b>TEN</b>   | Mixed<br>Services        | 42          | 1375355<br>23/Sep/2020            | Registered | 1341825<br>06/Apr/2021<br>06/Apr/2031                  |  |
| <b>TEN UNA EMPRESA<br/>RED ELÉCTRICA<br/>INTERNACIONAL</b> | Mixed<br>Services        | 37          | 1375356<br>23/Sep/2020            | Registered | 1357977<br>28/Oct/2021<br>28/Oct/2031                  |  |
| <b>TEN UNA EMPRESA<br/>RED ELÉCTRICA<br/>INTERNACIONAL</b> | Mixed<br>Services        | 39          | 1375331<br>23/Sep/2020            | Registered | 1344536<br>11/May/2021<br>11/May/2031                  |  |
| <b>TEN UNA EMPRESA<br/>RED ELÉCTRICA<br/>INTERNACIONAL</b> | Mixed<br>Services        | 40          | 1375332<br>23/Sep/2020            | Registered | 1380805<br>30/Sep/2022<br>30/Sep/2032                  |  |
| <b>TEN UNA EMPRESA<br/>RED ELÉCTRICA<br/>INTERNACIONAL</b> | Mixed<br>Services        | 42          | 1375333<br>23/Sep/2020            | Registered | 1341824<br>06/Apr/2021<br>06/Apr/2031                  |  |



## GENERAL DOMAIN INFORMATION

| Domain                    | TLD | Country | Owner   | Origin              | Application Date | Expiration Date | Status        |
|---------------------------|-----|---------|---|---------------------|------------------|-----------------|---------------|
| <b>engielaw</b>           | cl  | Chile   | ENGIE   | Pretrial Management | 30-Sep-2020      | 07-Sep-2025     | Assigned      |
| <b>suezenergy</b>         | cl  | Chile   | ENGIE   | Pretrial Management | 11-May-2022      | 24-May-2025     | Assigned      |
| <b>distrinor</b>          | cl  | Chile   | Engie Energía Chile S.A.                          | Pretrial Management | 15-Mar-2021      | 17-May-2024     | Under renewal |
| <b>engie-energiachile</b> | cl  | Chile   | Engie Energía Chile S.A.                          | Other Management    |                  | 07-Nov-2024     | Assigned      |
| <b>ima</b>                | cl  | Chile   | Instrumentación Menchaca Amadori Industrial Ltda. | Administration      | 23-Jul-1998      | 18-Aug-2029     | Assigned      |
| <b>tennorte</b>           | cl  | Chile   | Transmisora Eléctrica del Norte S.A.              | Administration      | 15-Jul-2015      | 15-Jul-2024     | Assigned      |
| <b>tentransmisora</b>     | cl  | Chile   | Transmisora Eléctrica del Norte S.A.              | Administration      | 15-Jul-2015      | 15-Jul-2024     | Assigned      |
| <b>transmisoraten</b>     | cl  | Chile   | Transmisora Eléctrica del Norte S.A.              | Administration      | 15-Jul-2015      | 15-Jul-2024     | Assigned      |





## 7.1.8 MAIN SUPPLIERS

As of December 31, 2023, no company supplier accounted for 10% of the spending on goods and services. The main suppliers of ENGIE Energía Chile, which combined represent 80% of purchases, are:

### SPARE PARTS AND SERVICES FOR GENERATING UNITS

- G.E. (General Electric)
- ANSALDO ENERGÍA SpA
- DOOSAN SKODA POWER SRO

### SPARE PARTS AND GENERATION AND TRANSMISSION SERVICES

- Siemens S.A.
- ASEO INDUSTRIAL
- SOC. POR ACCIONES LSV INDUSTRIAL SpA
- ISS CHILE S.A

### PROJECT TRANSMISSION EQUIPMENT AND SERVICES

- SIEMENS
- GRID SOLUTIONS
- CRUZ Y DÁVILA INGENIEROS
- TOZZI LATAM SpA

### WIND FARM EQUIPMENT

- SIEMENS

### INFRASTRUCTURE

- FLESAN MINERÍA
- SERVICIOS SUBMARINOS
- SOLMATEK SERVICIOS INDUSTRIALES

### INDUSTRIAL PROTECTION

- SOCIEDAD DE MANTENCIÓN, CONSERVACIÓN Y REPARACIÓN S.A. (SOMACOR)

### IT SUPPORT

- ACT

### GAS PIPELINE SERVICES

- COMGAS ANDINA

### INDUSTRIAL OPERATION

- SOC MARÍTIMA Y COMERCIAL SOMARCO LTDA.
- SERVICIOS INDUSTRIALES LIMITADA (AXINNTUS)
- IMA INDUSTRIAL SpA
- ADECCO RECURSOS HUMANOS S.A.
- ABB S.A.
- ARQUITECTURA Y CONSTRUCCIÓN WORKPLACE

### SOLAR FARM EQUIPMENT

- TRINA
- SUNGROW

### FUEL SUPPLY

- COPEC



## 7.1.9 MAIN PROPERTIES

As of December 31, 2023, the main properties and facilities used to provide our services were:

| TYPE OF PROPERTY OR FACILITY               |  |   |
|--|--|---|
| Description                                | Name   | Location  |
| <b>CONSTRUCTION IN PROGRESS</b>            |  |   |
| of Renewable Power Plants                  | Lomas de Taltal Wind Farm                          | Region of Antofagasta                               |
| of Transmission Substations                | Liqcau SS Desalant SS                              | Region of Antofagasta                               |
|  | Totihue SS   | Region of Liberator                                 |
|  | La Ligua SS  | General Bernardo O'Higgins                          |
| of other facilities                        | Tamaya BESS  | Region of Antofagasta                               |
| <b>PLANTS AND EQUIPMENT</b>                |  |   |
| Combined Cycle Thermoelectric Power Plants | Tocopilla Thermal Complex                          | Region of Antofagasta                               |
| Thermoelectric Power Plants                | Mejillones Thermal Complex                         | Region of Antofagasta                               |
| Diesel-fired Power Plants                  | Arica Diesel-Fired Power Plant                     | Region of Arica and Parinacota                      |
| Hydroelectric Power Plants                 | Chapiquiña Power Plant                             | Region of Arica and Parinacota                      |
|  | Laja Power Plant                                   | Region of the Biobío                                |
| Photovoltaic Power Plants                  | El Águila PV                                       | Region of Arica and Parinacota                      |
|  | Pampa Camarones PV; Arica Diesel-Fired Power Plant | Region of Arica and Parinacota                      |
|  | Coya PV  | Region of Antofagasta                               |
|  | Tamaya PV  | Region of Antofagasta                               |
|  | Capricornio PV                                     | Region of Antofagasta                               |
|  | Los Loros PV                                       | Region of Antofagasta                               |
| Wind Farms                                 | Calama Wind Farm                                   | Region of Antofagasta                               |
|  | Monte Redondo Wind Farm                            | Region of Coquimbo                                  |
|  | San Pedro Wind Farm                                | Region of Los Lagos                                 |
| Batteries                                  | Arica BESS   | Region of Arica and Parinacota                      |
|  | Coya BESS  | Region of Antofagasta                               |
| Gas Pipelines                              | NorAndino  | Region of Antofagasta, Chile<br>Region in Argentina |
| Ports                                      | Port Andino  | Region of Antofagasta                               |
|  | Port Tocopilla                                     | Region of Antofagasta                               |



#### TYPE OF PROPERTY OR FACILITY

| Description                                    | Name  | Location                          |
|--|---|-----------------------------------|
| <b>STATIONARY FACILITIES AND APPURTENANCES</b> |   |                                   |
| Transmission Lines and Substations (SS)        | 2,409 km  |                                   |
|  | Arica SS  | Region of Arica and Parinacota    |
|  | Vitor SS  | Region of Arica and Parinacota    |
|  | Iquique SS  | Region of Tarapacá, Iquique       |
|  | Pozo Almonte SS<br>Enlargement of Pozo Almonte SS   | Región de Tarapacá, Pozo Almonte  |
|  | Tamarugal SS  | Region of Tarapacá, Pozo Almonte  |
|  | Dolores SS<br>Enlargement of Dolores SS   | Region of Tarapacá, Huara         |
|  | New Chuquicamata SS<br>Changos SS - TEN<br>TEN GIS SS - TEN<br>Antofagasta SS<br>El Negro SS<br>Capricornio SS<br>Chacaya SS<br>Crucero SS<br>El Cobre SS<br>El Loa SS<br>Tamaya SS | Region of Antofagasta             |
|  | Cumbre SS - TEN<br>New Cardones SS - TEN<br>Algarrobal SS   | Region of Atacama                 |
|  | El Rosal SS   | Region of the Biobío, Los Angeles |

## 7.2 DIRECTORS COMMITTEE REPORT



In compliance with article 50-bis of Law 18,046, the Company's Board of Directors agreed, at its meeting #624 held April 26, 2022, to appoint Mauro Valdés Raczynski, Cristián Eyzaguirre Johnston and Claudio Iglesias Guillard as members of the Directors Committee, all of whom are independent directors. Claudio Iglesias Guillard was elected chairman at the Committee Meeting held on that same date.

The Directors Committee met regularly during 2023 and, in use of its authority and in compliance with its legal duties, it engaged in the following activities in accordance with article 50-bis of Law 18,046:

1. It examined and adopted a decision on the quarterly financial statements of the Company in 2023.
2. It met with the Company's external auditing firm, the Internal Auditor and the Crime Prevention Officer.
3. It examined the compensation plans and systems of the company's managers, senior executives and employees.

4. It examined the information on the tenders of services held by the Company and decided in each case on whether related companies could participate in them and if they did, the Directors Committee received the commercial proposals of the participants and expressed its opinion on the award of the contracts under the tender.

5. It examined the information on work orders issued by the Company under master agreements with related companies.

6. It examined the information on related-party transactions described in the next point.

In accordance with article 50-bis of Law 18,046, in 2023, the Directors Committee reviewed information on the Company's transactions with related parties, as defined in Title XVI of the above law, and expressed their approval of the following acts and contracts:

1. A two-year renewal of the master

agreement with **ENGIE Lab** for technical and specialized support in different aspects and fields.

2. Purchase of the following shipments of liquefied natural gas (LNG) from **Global Energy Management & Supply (GEMS)**: (a) a shipment of 3.3 TBtu of LNG for delivery in March 2023; (b) a shipment of 3.4 TBtu of LNG for delivery in May 2023; and (c) a shipment of 3.5 TBtu of LNG for delivery in July 2023.

3. A contract with **Consultora y Asesorías Plataforma Dinámica SpA** for territorial partner consulting services for the activation of the Guindal Substation and Litueche Substation transmission projects and the San Pedro III Wind Farm project.

4. The renewal of Darwin licenses for 2023 with **ENGIE Information et Technologies** in order to be able to supervise and control remotely the operation of the renewable power plants in operation and the sites under construction.

5. Forfeiting and other trade finance transactions related to invoices either issued or to be issued by fuel suppliers to the Company, among them **Global Energy Management & Supply (GEMS)**, for the sale price of coal, liquefied natural gas and other fuels.

6. A credit facility agreement with **ENGIE Austral S.A.** under which EECL can secure one or more loans for as much as MUS\$ 150.

7. A contract with **ENGIE China** for factory acceptance testing of the main equipment for the Coya BESS project.

8. A contract with **ENGIE China** for factory inspection services so that it is available for inspections needed for transmission line projects, Tamaya BESS, Capricornio BESS, the Libélula photovoltaic farm, the Pampa

Camarones photovoltaic farm and the San Pedro III wind farm.

9. Amendments to the Master Administrative Service Agreements with **ENGIE Austral S.A.**, **ENGIE Impact SpA**, **Sociedad GNL Mejillones S.A.**, **ENGIE Stream Solutions Chile SpA**, **ENGIE Gas Chile SpA** and **Transmisora Eléctrica del Norte S.A.** for the purpose of updating the supply of support services offered, of adjusting prices and, in general, of standardizing processes and capturing synergies.

10. A Master Administrative Services Agreement with **Tractebel** to provide it administrative services for use of the Company's offices in the Titanium building, including the lease of workspaces and associated services.

11. The purchase of 2.5 TBtu of liquefied natural gas from **ENGIE Energy Marketing Singapore**, to be supplied in two shipments in 2023.

12. The purchase of rights of unloading, storage and regasification of the quantity of liquefied natural gas to be supplied by **ENGIE Energy Marketing Singapore** at the regasification terminal of Sociedad **GNL Mejillones S.A.**, in the manner stipulated in the Terminal Use Agreement (TUA).

13. An extension of the counterparty engineering agreement with **Tractebel** for the review of the engineering of the Lomas de Taltal wind project.

14. An agreement with **ENGIE Impact** for an international benchmark study on market design.



15. An agreement with **ENGIE Impact** for a study on the role of gas in the energy transition.

16. A contract with **Transmisora Eléctrica del Norte S.A.** for the service of supervision and maintenance of the Direct Transfer System (TDD) to be implemented in the units connected to the TEN Substation, that is, CTM3 and IEM.

17. Diesel fuel supply contract with **ENEX**, to be supplied at the Arica Diesel-Fired Power Plant.

18. A transaction with **ENGIE Austral S.A.** and **ENAEX S.A.** for the reuse of part of the land use of the former Tamaya Power Plant, which will be handed over for implementation of the Green Hydrogen Project of ENGIE Austral S.A. and the Green Ammonia Project of ENAEX S.A., including the following agreements: (a) a bailment

agreement with ENGIE Austral S.A. whereby the Company will cede an area of approximately 2.3 hectares of the Tamaya Power Plant land use, and grant access and authorize the reuse of certain facilities of that Power Plant; (b) an agreement with ENGIE Austral S.A. that will regulate the terms of the authorizations and powers of attorney to be granted among the parties in order to obtain certain permits and authorizations; (c) a power of attorney from ENGIE Austral S.A. to EECL to request the necessary permits from the pertinent authority for the construction work and operation of the Green Hydrogen Project.

19. A contract with **ENGIE Renouvelables SAS** for use of the "Procore" renewable energy project management software.

20. A contract with **ENGIE SA (Paris)** for





the right to use the private cloud of ENGIE SA associated with use of the "Power BI" business analysis platform.

**21.** A contract with **Dinámica Plataforma SpA** for territorial partner consulting services for the activation of the Andino Las Pataguas - Andes Solar project.

**22.** Incorporation of a company with **Red Eléctrica Chile S.A.**, called **Compañía Operadora de Infraestructuras Eléctricas S.A. (COIESA)**, to develop and implement a control center that provides monitoring, control and supervision of electrical facilities and operates electrical facilities connected to the National Grid in real time. The start-up capital will be de USD 600,000 that will later be increased to USD 2,385,000 and will be subscribed and paid for in

equal proportions by EECL and Red Eléctrica Chile S.A.

**23.** A shareholders agreement with **Red Eléctrica Chile S.A.** regarding Compañía Operadora de Infraestructuras Eléctricas S.A. (COIESA) for the purpose of agreeing on the management of that company and regulating the transfer of its shares.

**24.** The contracts required for operation of **Compañía Operadora de Infraestructuras Eléctricas S.A. (COIESA)**, which include: (a) a purchase agreement by which EECL sells COIESA all of the assets comprising a SCADA system; (b) an operator services agreement by which EECL provides support services to COIESA in the operation of the control center for a period of one year; (c) a business support and management services agreement with

COIESA, under which EECL will make diverse platforms, software and/or hardware available to COIESA for a period of five years; and (d) a lease of physical space, equipment and the provision of administrative services to COIESA, namely the facilities of the Antofagasta Substation and Crucero Substation, for a period of five years.

**25.** A 3-year renewal of the master agreement with **Tractebel Engineering** for support in engineering services in the areas considered strategic to EECL.

**26.** An agreement with **ENGIE Information et Technologies** for the annual renewal of licenses and corporate services support in order to have access to the corporate license and support agreements with providers of the Salesforce and SAP software and the workstation administration platform, as well as cybersecurity and connectivity services.

**27.** A contract with **ENGIE Information et Technologies** for the SEZAME (Success Factors) platform for the human resources area.

**28.** A contract with **ENGIE SA (ENGIE Paris)** for the annual renewal of licenses in order to have access to the corporate license agreements of ENGIE Paris with providers of Microsoft O365 and other licenses.

**29.** A contract with **ENGIE Impact** for the preparation of internal and external approval documents (Project Team Books) for projects.

## 7.2.1 COMPENSATION AND USE OF EXPENSE BUDGET

The compensation of members of the Directors Committee set by the Ordinary Shareholders meeting held April 25, 2023, totals 55 UF in each calendar month. The committee was also

assigned a budget of 5,000 UF annually. The Committee made no disbursements against that budget in the 2023 fiscal year.



## 7.2.2 PROCEDURE FOR APPROVAL OF THE CONTRACTING OR TENDERING OF SERVICES IN WHICH RELATED COMPANIES MAY PARTICIPATE

1. In preparing the budget, the Business Units must plan the services that could potentially be provided by related companies.
2. The Chief Executive Officer must present a list of the above-mentioned services quarterly to the Directors Committee, indicating the characteristics of the tender procedure to be followed in each case and the companies to be invited to submit bids. This presentation will be notwithstanding the need to submit the tendered agreement at the pertinent time to the approval procedure described below.
3. If there are market, competition or quality reasons that justify a direct contract, the Chief Executive Officer must present the information to the Directors Committee so that it can express its opinion. The service cannot be awarded until it is approved by the Board.
4. The Directors Committee will state its opinion on the tenders presented to it and may, as part of its authority, make recommendations to Management, review or cause others to review the bidding terms and conditions, and ask that certain companies be included or excluded from the invitees. It may also decide that the bids should be addressed exclusively to one of the independent directors appointed by the Committee especially for that purpose. Moreover, when services require a more complex evaluation, the Committee may ask that both the bidding terms as well as the bids received be reviewed by an independent third party in order to protect the competitiveness and transparency of the procedure.
5. If it is recommendable for a service to be awarded to a related company, the Chief Executive Officer will present the outcome of the tender to the Directors Committee and a recommendation on its approval. However, the service cannot be awarded until it is approved by the Board.
6. During the course of the service, the respective Managing Director must report from time to time to the Chief Executive Officer on the progress in the service and the expenses involved, any deviation from the scope or any difficulty that may arise. The Chief Executive Officer must report this at least quarterly to the Directors Committee.
7. The process of approval by the Directors Committee must be carried out by the pertinent managing director and once approval is received, it will take effect via a purchase order for the amounts approved by the Committee in order to keep an appropriate control of disbursements.
8. In general, services will be contracted from related companies for a lump sum after a comparison of the total costs, always endeavoring to avoid awards based on merely estimated budgets.
9. Any stages of bid improvement in bidding procedures must require that new bids--or changes to those submitted--be presented on the same date by all bidders selected for that stage. This will protect the arm's length conditions and competitiveness among the bidders. The contract must be awarded to the bid most convenient to the Company, according to the criteria set down in the bidding terms.

## 7.3 7.4 MATERIAL DISCLOSURES

### MAIN DISCLOSURES

| Day and Time               | Entity                   | Subject  |
|----------------------------|--------------------------|--|
| 03/Apr/2023<br>3:20:10 pm  | Engie Energía Chile S.A. | Ordinary shareholders meeting, notices, resolutions and motions. |
| 25/Apr/2023<br>12:06:02 pm | Engie Energía Chile S.A. | Ordinary shareholders meeting, notices, resolutions and motions. |
| 14/Aug/2023<br>5:25:47 pm  | Engie Energía Chile S.A. | Signature or renewal of contracts                                |
| 28/11/2023<br>9:55:32      | Engie Energía Chile S.A. | Changes in management.   |

### 7.3.1 RESUMEN

On April 3, 2023, the company made a Material Disclosure that the EECL Board of Directors convened an Ordinary Shareholders Meeting to be held at 9:45 a.m. on April 25, 2023, to be attended and voted at by shareholders remotely. The meeting purpose was to discuss and decide, among other matters, on the use of profits from the fiscal year ending December 31, 2022. The Board proposed that no new dividends be

distributed against that fiscal year. As of this date, there were no impacts other than those reported in this respect. On April 25, 2023, the Company made a Material Disclosure on the following decisions by its Ordinary Shareholders Meeting held on that same date: (a) no distribution of final dividends against the 2022 fiscal year; and (b) appointment of EY Servicios Profesionales de Auditoría y Asesoría

SpA as the external auditing firm. As of this date, there were no impacts other than those reported in this respect.

On August 14, 2023, the Company made a Material Disclosure that on that same date, it had signed an agreement with Inter-American Investment Corporation ("IIC") according to which, subject to certain conditions, the Company sold payment documents ("PDs") to IIC under the price stabilization mechanism in Law 21,472 that "Created a Price Stabilization Fund and New Regulated Customer Temporary Power Price Stabilization Mechanism" ("PEC II Law"), under Exempt Resolution #86 and under Exempt Resolution #334, both of the National Energy Commission. As of this date, there were no impacts other than those reported in this respect.

On November 28, 2023, the Company made a Material Disclosure that on that same date, the Board acknowledged the resignation of Mr. Frank Demaille from his directorship and as Chairman of the Board, effective December 20, 2023. The Board resolved to appoint Mr. Anibal Prieto Larrain as the new Chairman of the Board effective on that same date.

## 7.4 SUMMARY OF COMMENTS AND PROPOSALS BY SHAREHOLDERS AND THE DIRECTORS

There were no comments or proposals by shareholders during the 2023 fiscal year.

In compliance with Law 18,046, the Directors Committee did make the following recommendations to shareholders:

(1) Approval of the annual report for the fiscal year ending December 31, 2023,

of the balance sheet, other financial statements, and external auditing opinion on the company for that fiscal year.

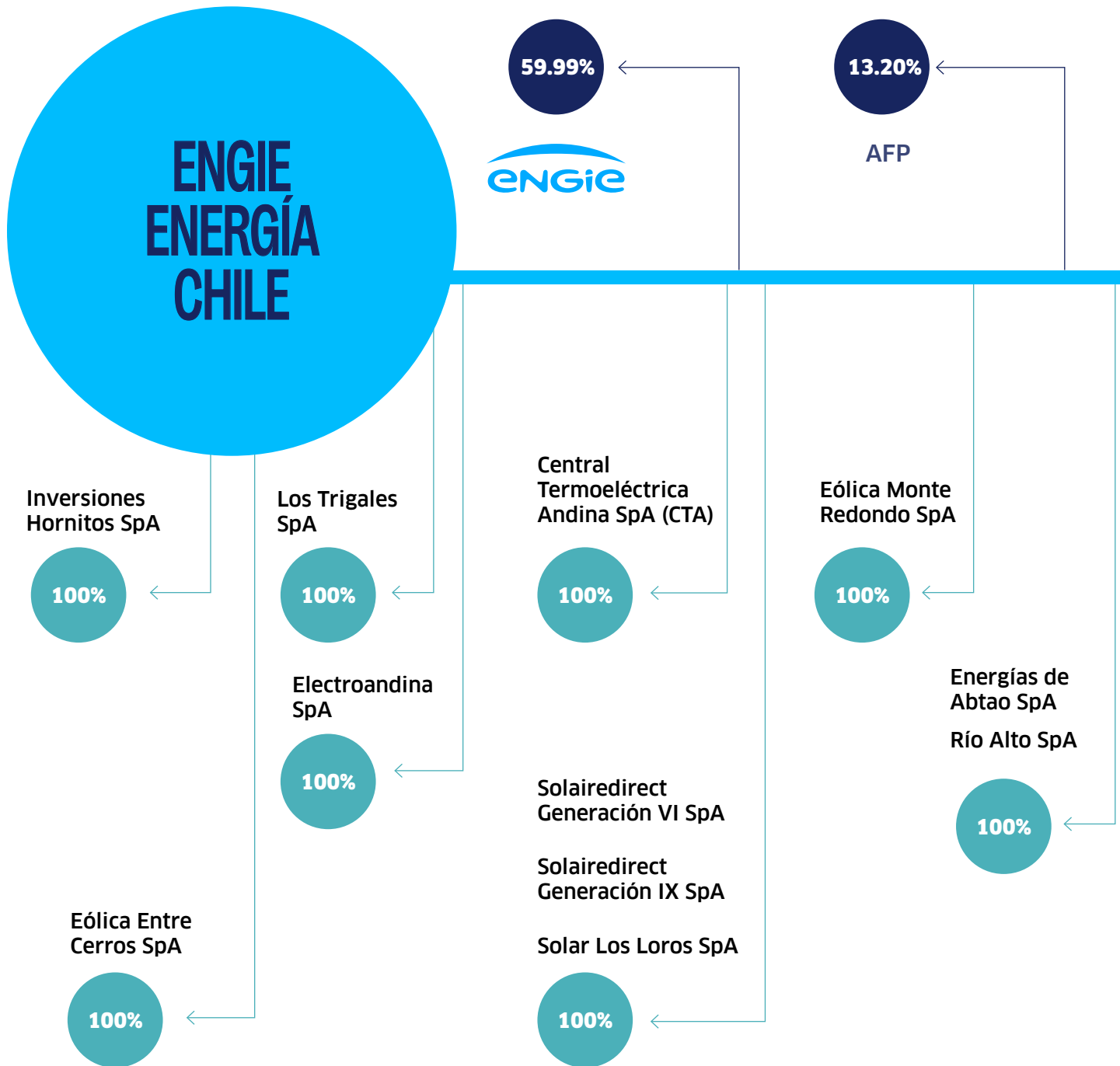
(2) Appointment of Ernst & Young Servicios Profesionales de Auditoría y Asesorías Limitada as the external auditing firm for the 2024 fiscal year and Deloitte Auditores y Consultores

Limitada as the second alternative, stating that the Committee preferred the first of such firms.

(3) Appointment of Feller Rate Clasificadora de Riesgo Ltda. and Fitch Chile Clasificadora de Riesgo Ltda. as the private risk rating agencies for the 2024 fiscal year.

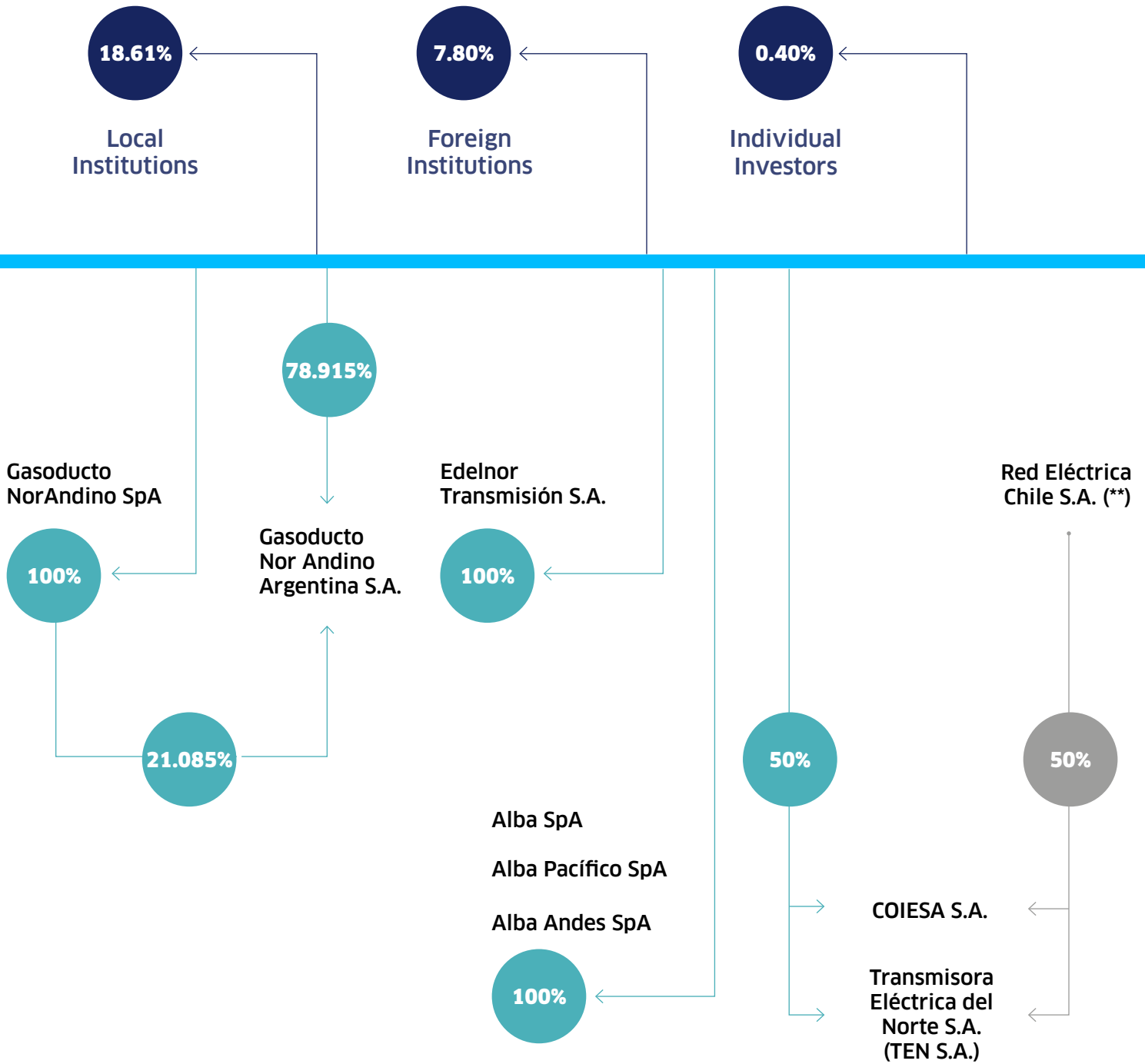
# 7.5 CORPORATE ORGANIZATION CHART

(as of December 31, 2023)



(\*\*) Red Eléctrica Chile S.A. is owned by Red Eléctrica of Spain.





## 7.6 SUBSIDIARIES AND ASSOCIATES

(as of December 31, 2023)

### ELECTROANDINA SpA

This subsidiary was incorporated by public deed dated May 15, 1995, in the Santiago Notarial Office of Hugo Leonardo Perez Pousa. An abstract of that deed was registered on page 16 (overleaf), number 11, of the 1995 Tocopilla Commercial Register and was published in the Official Gazette on May 18, 1995.

**Company Name:** Electroandina SpA

**Tax I.D.:** 96.731.500-1

**Type of Entity:** Joint Stock Company

**Paid-In Capital:** MUSD 50,445

**Percentage Interests Held:** 100% by ENGIE Energía Chile S.A.

**Management:** ENGIE Energía Chile S.A.

**Business Purpose:** Generation, transmission, sale of energy and other services.

### CENTRAL TERMOELÉCTRICA ANDINA SpA

This subsidiary was incorporated by public deed dated November 20, 2006, in the Santiago Notarial Office of Juan Ricardo San Martin Urrejola. An abstract of that deed was registered on page 48,227, number 34,417, of the 2006 Santiago Commercial Register and was published in the Official Gazette on November 29, 2006.

**Company Name:** Central Termoeléctrica Andina SpA

**Tax I.D.:** 76.708.710-1

**Type of Entity:** Joint Stock Company

**Paid-In Capital:** MUSD 30,000

**Percentage Interests Held:** 100% by ENGIE Energía Chile S.A.

**Management:** ENGIE Energía Chile S.A.

**Business Purpose:** Generation, transmission and distribution of electricity.

## INVERSIONES HORNITOS SpA

This subsidiary was incorporated by public deed dated May 15, 1995, in the Santiago Notarial Office of Hugo Leonardo Perez Pousa. An abstract of that deed was registered on page 16 (overleaf), number 11, of the 1995 Tocopilla Commercial Register and was published in the *Official Gazette* on May 18, 1995.

**Company Name:** Inversiones Hornitos SpA.

**Tax I.D.:** 76.009.698-9

**Type of Entity:** Joint Stock Company.

**Paid-In Capital:** MUSD 180,000

**Percentage Interests Held:** 100% by ENGIE Energía Chile S.A.

**Management:** ENGIE Energía Chile S.A.

**Business Purpose:** Its main business is the generation, transmission and distribution of electricity.

## TRANSMISORA ELÉCTRICA DEL NORTE S.A.

TEN is an associate, incorporated by public deed dated March 1, 2007, executed in the Santiago Notarial Office of Juan Ricardo San Martín Urrejola. An abstract of that deed was registered on page 9373, No. 6856, of the 2007 Commercial Register of the Santiago Real Estate Registrar and it was published in the *Official Gazette* on March 7, 2007.

**Company Name:** Transmisora Eléctrica del Norte S.A.

**Tax I.D.:** 76.787.690-4

**Type of Entity:** Closed corporation.

**Paid-In Capital:** MUSD 72,876

**Percentage Interests Held:** 50% by ENGIE Energía Chile S.A.

**Board of Director:** Rosaline Corinthien (Chairwoman), Demián Talavera, André Cangucu, Carlos Puente Pérez, Juan Majada Tortosa and Laura de Rivera.

**Chief Executive Officer:** David Montero

**Business Purpose:** Electricity transmission. It may exploit and develop its own or third-party electric systems, regardless of the transmission system of which it is a member or the name it may be given. This therefore includes its own dedicated national transmission facilities, zonal facilities and poles of development, the sale of transmission line capacity and the of the transformation capacity of power substations and assets, equipment and facilities associated with such lines and substations; obtaining and exploiting concessions, easements and the permits necessary to conduct its business; and providing services in the area of electrical engineering, electric system maintenance and the management of companies related to its special purpose.

## COMPAÑÍA OPERADORA DE INFRAESTRUCTURAS ELÉCTRICAS S.A.

**Company Name:** Compañía Operadora de Infraestructuras Eléctricas S.A.

**Tax I.D.:** 76.715.352-K

**Type of Entity:** Closed corporation.

**Paid-In Capital:** CLP\$533,844

**Percentage Interests Held:** 50% by ENGIE Energía Chile S.A.

**Board of Directors:** Carlos Alberto Arias, Robin Cuevas Canales, Paul Baillarie Rosenmann, Juan Majada Tortosa, Laura de Rivera García de Leániz y Carlos Puente Pérez. Their respective alternates are: Evelyn Becerra Aravena, Norberto Moreno Gutierrez, Sergio Beaumont Vargas, David Montero Escribano, Emilio Cerezo Diez, and Luis Velasco Bodega.

**Chief Executive Officer:** Carlos Figueroa Montesinos

**Business Purpose:** The Company's business is: (a) to monitor, control and supervise electrical facilities of the National Grid, both its own and those of third parties; (b) to operate electrical facilities in the National Grid in real time, in the way stipulated in the "Regulations on Coordination and Operation of the National Grid" and complementary rules or in any regulations that amend or supersede them; (c) to engage and coordinate with the National Electric Coordinator and any authority or company in the electricity sector to provide or receive all information needed for the supervision and coordination of the electrical facilities subject to coordination, and give notice of operating restrictions or limitations arising at the facilities under its control; (d) to sell fiber optic strand surpluses for the telecommunications of the transmission facilities that it monitors, controls, supervises or operates; and (e) in general, to perform any type of act, provide any type of service, and enter into any type of contract and agreement relating directly or indirectly to the business purpose.

## EDELNOR TRANSMISIÓN S.A.

Edelnor Transmisión S.A. ("ETSA") was created under article 7 of the Electricity Law. It is a subsidiary that was incorporated by public deed dated December 9, 2008, executed in the Santiago Notarial Office of Iván Torrealba Acevedo. An abstract of that deed was registered on December 17, 2008, on page 59,017, No. 40920, of the 2008 Commercial Register of the Santiago Real Estate Registrar. That abstract was published in the Official Gazette on December 22, 2008.

**Company Name:** Edelnor Transmisión S.A.

**Tax I.D.:** 76.046.791-K

**Type of Entity:** A corporation registered in the Reporting Entities Register established by Article 7 of Law 18,045.

**Paid-In Capital:** MUS\$ 1,972

**Percentage Interests Held:** 100% by ENGIE Energía Chile S.A.

**Board of Directors:** Eduardo Milligan Wenzel, Fernando Valdés Urrutia, Carlos Arias, Gabriel Marcuz, Enzo Quezada Zapata and Demián Talavera.

**Chief Executive Officer:** Rosaline Corinthien.

**Business Purpose:** Electricity transmission through power lines, power substations and other facilities, whether they are part of the trunk transmission system, subtransmission system or additional transmission system, owned by the company or by third parties, in the terms of the Electricity Law, as amended.



## GASODUCTO NOR ANDINO SpA.

Gasoducto Nor Andino SpA was incorporated on March 4, 1997. It was converted into a Closed Corporation on November 12, 1997 and changed its name to Gasoducto Nor Andino S.A. ("GNA"). On November 30, 2015, Gasoducto Nor Andino S.A. was converted to a Joint Stock Company and consequently changed its name to Gasoducto Nor Andino SpA.

**Company Name:** Gasoducto Nor Andino SpA.

**Tax I.D.:** 78.974.730-K

**Type of Entity:** Joint Stock Company.

**Paid-In Capital:** MUSD 12,516

**Percentage Interests Held:** 100% by ENGIE Energía Chile S.A.

**Management:** ENGIE Energía Chile S.A.

**Business Purpose:** a) The design, construction, ownership, operation, exploitation, commercialization, financing, maintenance, expansion and modification of a gas pipeline running between the Republic of Argentina and the Republic of Chile, either directly or through third parties.

b) The purchase, sale, commercialization, import and export of natural gas, the transportation of that fuel from the Republic of Chile to other countries in the region and vice versa, and the export of services relating to the above activities.

c) The execution of any type of act and contract, including the creation of, and holding of an interest in, companies; and the obtainment of the permits, rights and concessions required for this purpose.

## EÓLICA MONTE REDONDO SpA.

This subsidiary was incorporated by public deed dated November 12, 2007, executed in the Santiago Notarial Office of Antonieta Mendoza Escalas. An abstract of that deed was registered on page 52,557, No. 37,149, of the 2007 Santiago Commercial Register and it was published in the Official Gazette on December 10, 2007.

**Company Name:** Eólica Monte Redondo SpA.

**Tax I.D.:** 76.019.239-2

**Type of Entity:** Joint Stock Company.

**Paid-In Capital:** MUSD 396,101

**Percentage Interests Held:** 100% by ENGIE Energía Chile S.A.

**Management:** ENGIE Energía Chile S.A.

**Business Purpose:** Generation, transmission, sale, commercialization and distribution of electricity.

## GASODUCTO NOR ANDINO SpA

The original by-laws were registered in the Public Commercial Register on December 1, 1997.

**Company Name:** Gasoducto Nor Andino Argentina SpA.

**Type of Entity:** Joint Stock Company

**Paid-In Capital:** USD 12,515,753.96

**Percentage Interests Held:** 100% by ENGIE Energía Chile S.A.

**Management:** ENGIE Energía Chile S.A.

**Business Purpose:** Construction, design, assembly, operation and exploitation of gas pipelines, oil pipelines and multi-product pipelines in the territory of the Republic of Argentina and of related engineering works, services and equipment.

## PARQUE EÓLICO LOS TRIGALES SpA.

**Incorporation:** The Company was incorporated on May 20, 2014, in the Santiago Notarial Office of Eduardo Avello Concha and it was registered on page 38,858, number 24,133, of the 2014 Santiago Commercial Register.

**Company Name:** Parque Eólico Los Trigales SpA.

**Tax I.D.:** 76.379.625-K

**Capital:** CLP\$973,235,052

**Type of Entity:** Joint Stock Company.

**Percentage Interests Held:** 100% by ENGIE Energía Chile S.A.

**Management:** ENGIE Energía Chile S.A.

**Purpose:** The management, development and investment in all types of renewable energy projects in Chile, either for its own account or for third parties; and the generation, transmission, distribution, transportation, transformation, acquisition, supply, purchase and sale of electricity of any nature, in particular renewable energy.

## SOLAIREDIRECT GENERACIÓN VI SpA.

**Incorporation:** The Company was incorporated on August 31, 2012, in the Santiago Notarial Office of Eduardo Avello Concha and it was registered on page 66,219, number 45,959, of the 2012 Santiago Commercial Register.

**Company Name:** Solairedirect Generación VI SpA.

**Tax I.D.:** 59.169.880-K

**Capital:** CLP\$100,000.

**Type of Company:** Joint Stock Company.

**Percentage Interests Held:** 100% by ENGIE Energía Chile S.A.

**Management:** ENGIE Energía Chile S.A.

**Purpose:** The generation, transmission, distribution, transportation, transformation, acquisition, supply, purchase and sale of electricity of any nature, in particular renewable energy.

## SOLAIREDIRECT GENERACIÓN IX SpA.

**Incorporation:** The Company was incorporated on February 28, 2013, in the Santiago Notarial Office of Eduardo Avello Concha and it was registered on page 18,840, number 12,302, of the 2013 Santiago Commercial Register.

**Company Name:** Solairedirect Generación IX SpA.

**Tax I.D.:** 76.267.537-4

**Capital:** CLP\$100,000.

**Type of Company:** Joint Stock Company.

**Percentage Interests Held:** 100% by ENGIE Energía Chile S.A.

**Management:** ENGIE Energía Chile S.A.

**Purpose:** The generation, transmission, distribution, transportation, transformation, acquisition, supply, purchase and sale of electricity of any nature, in particular renewable energy.

## SOLAR LOS LOROS SpA.

**Incorporation:** The Company was incorporated on August 31, 2012, in the Santiago Notarial Office of Eduardo Avello Concha and registered on page 66,137, number 45,926, of the 2012 Commercial Register of the Santiago Real Estate Registrar.

**Company Name:** Solar Los Loros SpA.

**Tax I.D.:** 76.247.976-1

**Paid-In Capital:** MUSD 86,158,790.33

**Type of Company:** Joint Stock Company.

**Percentage Interests Held:** 100% by ENGIE Energía Chile S.A.

**Management:** ENGIE Energía Chile S.A.

**Business Purpose:** Distribution, transmission, generation, transportation and supply of electricity or energy of any nature, in particular renewable energy, whether solar, wind, hydraulic or otherwise.

## ALBA SpA

**Incorporation:** The Company was incorporated on September 3, 2010, in the Puerto Montt Notarial Office of Hernan Tike Carrasco and it was registered on page 47,216, number 32,778, of the 2010 Santiago Commercial Register.

**Company Name:** Alba SpA

**Tax I.D.:** 76.114.239-9

**Capital:** USD 14,496,830

**Type of Company:** Joint Stock Company.

**Percentage Interests Held:** 100% by ENGIE Energía Chile S.A.

**Management:** ENGIE Energía Chile S.A.

**Purpose:** The management, development, investment, exploitation and operation of wind energy projects and the management, development, investment, exploitation and operation of any type of renewable energy project in Chile, either for its own account or for third parties, especially wind power farms and any other activity related directly or indirectly to the foregoing.

## ALBA ANDES SpA

**Incorporation:** The Company was incorporated on September 3, 2010, in the Puerto Montt Notarial Office of Hernan Tike Carrasco and it was registered on page 47,247, number 32,812, of the 2010 Santiago Commercial Register.

**Company Name:** Alba Andes SpA

**Tax I.D.:** 76.114.229-1

**Capital:** USD 2,315,300

**Type of Company:** Joint Stock Company.

**Percentage Interests Held:** 100% by ENGIE Energía Chile S.A.

**Management:** ENGIE Energía Chile S.A.

**Purpose:** The management, development, investment, exploitation and operation of wind energy projects and the management, development, investment, exploitation and operation of any type of renewable energy project in Chile, either for its own account or for third parties, especially wind power farms and any other activity related directly or indirectly to the foregoing.

## ALBA PACÍFICO SpA

**Incorporation:** The Company was incorporated on September 3, 2010, in the Puerto Montt Notarial Office of Hernan Tike Carrasco and it was registered on page 47,217, number 32,779, of the 2010 Santiago Commercial Register.

**Company Name:** Alba Pacífico SpA

**Tax I.D.:** 76.114.213-5

**Capital:** USD 2,315,300

**Type of Company:** Joint Stock Company.

**Percentage Interests Held:** 100% by ENGIE Energía Chile S.A.

**Management:** ENGIE Energía Chile S.A.

**Purpose:** The management, development, investment, exploitation and operation of wind energy projects and the management, development, investment, exploitation and operation of any type of renewable energy project in Chile, either for its own account or for third parties, especially wind power farms and any other activity related directly or indirectly to the foregoing.

## ENERGÍAS DE ABTAO SpA

**Incorporation:** The Company was incorporated on April 1, 2014, in the Santiago Notarial Office of Olimpia Schneider Moenne-Loccoz and it was registered on page 26,013, number 16,342, of the 2014 Santiago Commercial Register.

**Company Name:** Energías de Abtao S.A.

**TAX I.D.:** 76.376.043-K

**Paid-In Capital:** CLP\$8,678,871,582

**Type of Company:** Joint Stock Company

**Percentage Interests Held:** 100% by ENGIE Energía Chile S.A.

**Management:** ENGIE Energía Chile S.A.

**Business Purpose:** The generation, transmission, transportation, acquisition, supply, sale of electricity or energy of any nature, or the elements and inputs needed to produce it; investment in any type of chattel and real estate, the exploitation thereof, for its own account or for others; the planning, development, operation and exploitation of any type of activity and business related to the electricity business and energy in general in all forms and modes.



## RÍO ALTO SpA

**Incorporation:** The Company was incorporated on December 5, 2011, in the Santiago Notarial Office of Fernando Celis Urrutia, and it was registered on page 74,071, number 54,231, of the 2011 Santiago Commercial Register.

**Company Name:** Río Alto S.A.

**Tax I.D.:** 76.213.834-4

**Paid-In Capital:** CLP\$5,973,264,828

**Type of Company:** Joint Stock Company

**Percentage Interests Held:** 100% by ENGIE Energía Chile S.A.

**Management:** ENGIE Energía Chile S.A.

**Business Purpose:** The generation, transmission, transportation, acquisition, supply and sale of electricity or energy of any nature, or the elements and inputs needed to produce it; investment in any type of chattel and real estate, the exploitation thereof, for its own account or for others; the planning, development, operation and exploitation of any type of activity and business related to the electricity business and energy in general in all forms and modes.

## EÓLICA ENTRE CERROS SpA

**Incorporation:** The company was incorporated by public deed dated December 22, 2022, executed under Journal Number 18,923/2022 in the Santiago Notarial Office of María Pilar Gutiérrez Rivera. It is registered on Page 109,729, number 49,037, in the 2022 Commercial Register of Santiago.

**Company Name:** Eólica Entre Cerros SpA

**Tax I.D.:** 77.708.483-6

**Paid-In Capital:** CLP\$832,497,878

**Type of Company:** Joint Stock Company

**Percentage Interests Held:** 100% by ENGIE Energía Chile S.A.

**Management:** ENGIE Energía Chile S.A.

**Business Purpose:** The purpose of the company is to generate, transmit, distribute, supply, purchase and sell electricity; provide any type of energy services; obtain, transfer, buy, lease, encumber or exploit in any way the pertinent concessions and water rights referred to in the General Electricity Law; buy, sell, import, export, manufacture, produce, commercialize and distribute any type of good or input related to energy of any kind.



# LAJA HYDROELECTRIC POWER PLANT

## LOCATION

Region of the Biobío

**37 MW**

Installed capacity

**14 MM<sup>3</sup>**

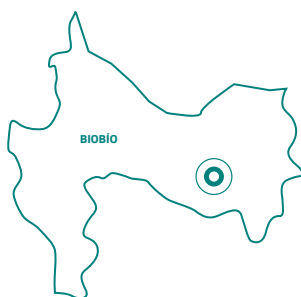
of storage capacity

**250 M<sup>3</sup>/S**

Design flow

**15 METERS**

net drop





An aerial photograph of a river flowing through a dense forest. In the foreground, a dam structure is visible with a yellow crane and other construction equipment. The river is surrounded by lush green trees and vegetation. The text 'METHODOLOGY, INDEXES AND APPENDICES' is overlaid in large white letters on the right side of the image.

# METHODOLOGY, INDEXES AND APPENDICES



# 8.1 GRI SCOPE AND METHODOLOGY

Through its eighth Integrated Report, ENGIE Energía Chile is informing its stakeholders of its financial statements and the results of its economic, social, environmental and governance management in the period from January 1 to December 31, 2023.

This report was prepared according to the Standards of the Global Reporting Initiative (GRI) and the requirements in General Rule (GR) 461 of the Financial Market Commission (CMF, as abbreviated in Spanish).

To comply with these standards and requirements, this document also

meets the specific requirements of the Sustainability Accounting Standards Board (SASB) for Power Generators and Gas Utilities.

The information in this Integrated Report was provided by the responsible areas of the company and it is published after validation by the leaders of the pertinent business units. The company decided not to submit this document to outside verification given those internal reviews.

In some chapters of this Integrated Report, the data on the organization's 2023 performance is supplemented by the results of previous years to show

the progress achieved by the strategic corporate programs and indicators.

Please send any questions and suggestions on the contents of this Report to Matías Bernales (matias.bernales@engie.com), Community and Sustainability Officer of ENGIE Energía Chile, or to Marcela Muñoz (marcela.munoz@engie.com), Investor Relations Officer.

More information on the company and its sustainability strategy can be found at [www.engie-energia.cl](http://www.engie-energia.cl).





## 8.1.1 MATERIALITY

We undertook a materiality study to identify the material topics from the viewpoint of impacts and risks of the organization that involved the following stages and actions:

### STAGE 1: Understanding the organization's context and activity

In this stage, the internal policies were reviewed to gain a better understanding of the organization and its business context, its presence and that of the industry in the press during 2023, and the new laws applicable to the sector. Internal and external sources of information were also analyzed, such as ENGIE's sustainability strategy. The Oil and Gas Sector requirements of the GRI were used as a reference together with the OECD directives and the indicators of Sustainability Accounting Standards Board (SASB) for Power Generators and Gas Utilities.

### STAGE 2: Identifying impacts

Based on the review in STAGE 1, we made a list of 36 real and potential, positive and negative impacts that the company can or may cause.

### STAGE 3: Assessing the impacts

**Step 1:** To assess these impacts, we consulted with the representatives of ENGIE's main stakeholders via semi-structured interviews. The participants identified the impacts that they considered to be highly relevant. Participants in this exercise were:

- 2 financial analysts;
- 1 representative of the International Finance Corporation (IFC), a member of the World Bank Group;
- 2 managers of suppliers and contractors;
- 4 union leaders (out of the total of 8 invited);
- 5 social leaders;
- 1 representative of trade associations;
- 1 journalist.

**Step 2:** Based on the opinions gathered

in this process, the 17 most important impacts were identified, by vote, of the 36 initial impacts.

### STAGE 4: Prioritizing the most significant impacts and internal validation

**Step 1:** These 17 topics were compared against the risks in ENGIE's ESG Risk Matrix, which was prepared using the matters addressed by the SASB for the Generation and Gas sector and the Energy Trilemma Index of the World Energy Council.

**Step 2:** It was concluded from this exercise that there is a great correlation between the company's vision and that of its stakeholders.

So, the final list of impacts to report in this Report was comprised of the following 17 material topics:

## MATERIAL TOPICS

1 Energy Transition.

2 Environmental Impact Management: emissions reduction, waste, water and biodiversity.

3 Resource efficiency.

4 Corporate Governance and promoting good ethical practices.

5 Innovation and market opportunities.

6 Customer management.

7 Strategy for growth in the Balancing Plan and investments plans for 2023-2027.

8 Sustainable Supply Chain.

9 Digital Strategy and Information Security.

10 Energy Security.

11 Community Engagement (Access to Energy and Local Economic Development).

12 Human Rights.

13 Occupational Health and Safety.

14 Talent Development.

15 Diversity and Gender Equity.

16 Reconciling work and home life.

17 Risk Management.

This final list of material topics was validated by the Corporate Affairs Business Unit of ENGIE Energía Chile.

## 8.2 GRI INDEX

|  |  |
|--|--|
| <b>Statement of use</b>                | ENGIE Energía Chile has prepared this report according to GRI Standards for the period from January 1 to December 31 of the same year. |
| <b>GRI 1 used</b>                      | GRI 1: Foundation 2021   |
| <b>GRI Sector Standards Applicable</b> | GRI 11: Oil and Gas  |

| GRI STANDARDS / OTHER SOURCE           | CONTENT   | LOCATION/PAGE                                     | OMITTED  |
|--|---|---|--|
| <b>GENERAL CONTENT</b>                 |   |   |  |
| <b>GRI 2: General disclosures 2021</b> | <b>2-1</b> Organizational details   | 12 to 17  |  |
|  | <b>2-2</b> Entities included in the organization's sustainability report                | ENGIE ENERGÍA CHILE S.A. and its subsidiaries     |  |
|  | <b>2-3</b> Reporting period, frequency and contact point                                | 2023  |  |
|  | <b>2-4</b> Restatements of information  | There were no significant restatements to report. |  |
|  | <b>2-5</b> External assurance   |   | None   |
|  | <b>2-6</b> Activities, value chain and other business relationships                     | 12, 59, 63  |  |
|  | <b>2-7</b> Employees  | 13  |  |
|  | <b>2-8</b> Workers who are not employees  |   | Information not available at the close of this report. |
|  | <b>2-9</b> Governance structure and composition   | 42, 43  |  |
|  | <b>2-10</b> Nomination and selection of the highest governance body                     | 44, 47  |  |
|  | <b>2-11</b> Chair of the highest governance body  | 44, 45  |  |
|  | <b>2-12</b> Role of the highest governance body in overseeing the management of impacts | 46, 47, 48  |  |
|  | <b>2-13</b> Delegation of responsibility for managing impacts                           | 46  |  |
|  | <b>2-14</b> Role of the highest governance body in sustainability reporting             | 46  |  |
|  | <b>2-15</b> Conflicts of interest   |   |  |
|  | <b>2-16</b> Communication of critical concerns  | 35  |  |
|  | <b>2-17</b> Collective knowledge of the highest governance body                         | 26, 27  |  |
|  | <b>2-18</b> Evaluation of the performance of highest governance body                    | 45  |  |
|  | <b>2-19</b> Remuneration policies   | 45  |  |
|  | <b>2-20</b> Process to determine remuneration   | 45  |  |
|  | <b>2-21</b> Annual total compensation ratio   |   | Information not available at the close of this report. |
|  | <b>2-22</b> Statement on sustainable development strategy                               | 12, 35, 36  |  |
|  | <b>2-23</b> Policy commitments  | 27  |  |
|  | <b>2-24</b> Embedding policy commitments  | 35, 36  |  |
|  | <b>2-25</b> Processes to remediate negative impacts                                     | 41  |  |
|  | <b>2-26</b> Mechanisms for seeking advice and raising concerns                          | 28  |  |
|  | <b>2-27</b> Compliance with laws and regulations  | 204   |  |
|  | <b>2-28</b> Membership associations   | 36  |  |
|  | <b>2-29</b> Approach to stakeholder engagement  | 38, 39  |  |
|  | <b>2-30</b> Collective bargaining agreements  | 111   |  |

| GRI STANDARDS<br>/ OTHER SOURCE    | CONTENT  | LOCATION/PAGE |
|------------------------------------|--|---------------|
| <b>GRI 3: Material Topics 2021</b> | <b>3-1</b> Process to determine material topics<br><b>3-2</b> GRI Oil and Gas Sector   | 193           |
| <b>GRI 11: Oil and Gas Sector</b>  | <b>11.1</b> GHG emissions<br><b>11.2</b> Climate adaptation, resilience, and transition<br><b>11.3</b> Air emissions<br><b>11.4</b> Biodiversity<br><b>11.5</b> Waste<br><b>11.6</b> Water and effluents<br><b>11.7</b> Closure and rehabilitation<br><b>11.8</b> Asset integrity and critical incident management<br><b>11.9</b> Occupational health and safety<br><b>11.10</b> Employment practices<br><b>11.11</b> Non-discrimination and equal opportunity<br><b>11.12</b> Forced labor and modern slavery<br><b>11.13</b> Freedom of association and collective bargaining<br><b>11.14</b> Economic impacts<br><b>11.15</b> Local communities<br><b>11.16</b> Land and resource rights<br><b>11.17</b> Rights of Indigenous peoples<br><b>11.18</b> Conflict and security<br><b>11.19</b> Anti-competitive behavior<br><b>11.20</b> Anti-corruption<br><b>11.21</b> Payments to governments<br><b>11.22</b> Public policy |               |
| <b>Corporate Indicators</b>        | <b>EE 1</b> Fair Transition Plan<br><b>EE 2</b> Progress in the Decarbonization Plan<br><b>EE 3</b> Closing of Units<br><b>EE 4</b> Addition of new renewable energy projects<br><b>EE 6</b> Suppliers who have joined our alliance with Huella Chile<br><b>EE 7</b> BESS Expansion<br><b>EE 8</b> Promoting local employment and entrepreneurship<br><b>EE 9</b> Generating efficiency and savings.   |               |

| TOPIC MANAGEMENT                                  | CONTENT   | SECTORAL<br>STANDARD<br>CONTENT | LOCATION/PAGES  |
|---|---|---------------------------------|---|
| <b>ENERGY TRANSITION</b>                          |   |                                 |   |
| <b>GRI 3: Material Topics 2021</b>                | <b>3-3</b> Management of material topics  | 11.7.1                          | 55  |
| <b>Content of Topic Standard</b>                  |   |                                 |   |
| <b>GRI 201: Economic performance 2016</b>         | <b>201-2</b> Financial implications and other risks and opportunities due to climate change | 11.7.2                          | 56 to 59  |
| <b>GRI 402: Labor / management relations 2016</b> | <b>402-1</b> Minimum notice periods regarding operational changes                           | 11.7.3                          | ENGIE is managing the social impacts of closing our coal-fired facilities by means of the Fair Transition Plan under which we closed the Tocopilla units. No units were closed in 2023. |
| <b>EE Corporate Indicators</b>                    | <b>404-2</b> Programs for upgrading employee skills and transition assistance programs.     | 11.7.4                          |   |
| <b>EE Corporate Indicators</b>                    | <b>EE 1</b> Fair Transition Plan  |                                 | 77  |
|   | <b>EE 2</b> Progress in the Decarbonization Plan  |                                 | 77  |
|   | <b>EE 3</b> Closing of Units  |                                 | 77  |

| TOPIC MANAGEMENT   | CONTENT   | SECTORAL STANDARD CONTENT | LOCATION/PAGES  |
|--|---|---------------------------|---|
| <b>ENVIRONMENTAL IMPACT MANAGEMENT</b>                           |   |                           |   |
| <b>GRI 3: Material Topics 2021</b>                               | <b>3-3</b> Management of material topics  | 11.3.1                    | 128   |
| <b>Content of Topic Standard</b>                                 |   |                           |   |
| <b>GRI 201: Economic Performance</b>                             | <b>201-2</b> Financial implications and other risks and opportunities due to climate change   | 11.3.6                    | 129   |
| <b>GRI 303: Water and Effluents</b>                              | <b>303-1</b> Interactions with water as a shared resource   | 11.6 .1                   | 137   |
|  | <b>303-2</b> Management of water discharge-related impacts  | 11.6 .2                   |   |
|  | <b>303-3</b> Water withdrawal   | 11.6 .3                   |   |
|  | <b>303-4</b> Water discharge  | 11.6 .4                   |   |
|  | <b>303-5</b> Water consumption  | 11.6 .5                   |   |
| <b>GRI 304: Biodiversity</b>                                     | <b>304-1</b> Operational sites owned, leased, managed in or adjacent to, protected areas and areas of high biodiversity value outside protected areas | 11.4.1                    | 134   |
|  | <b>304-2</b> Significant impacts of activities, products and services on biodiversity   | 11.4.2                    | 135   |
|  | <b>304-3</b> Habitats protected or restored   | 11.4.3                    | 135   |
|  | <b>304-4</b> IUCN Red List species and national conservation list species with habitats in areas affected by operations                               | 11.4.5                    | 135   |
| <b>GRI 305: Emissions</b>  | <b>305-1</b> Direct (Scope 1) GHG emissions   | 11.3.2                    | 129   |
|  | <b>305-2</b> Energy indirect (Scope 2) GHG emissions  | 11.3.3                    | 128   |
|  | <b>305-3</b> Other indirect (Scope 3) emissions   | 11.3.4                    |   |
|  | <b>305-4</b> GHG emissions intensity  | 11.3.5                    |   |
|  | <b>305-5</b> Reduction of GHG emissions   | 11.2.2                    | 129-130   |
|  | <b>305-7</b> Nitrogen oxides (NOX), sulfur oxides (SOX) and other significant air emissions   | 11.3.3                    | 129 a 131   |
| <b>GRI 306: Waste</b>  | <b>306-1</b> Waste generation and significant waste-related impacts   | 11.5.2                    | 136   |
|  | <b>306-2</b> Management of significant waste-related impacts  | 11.5.3                    | 136   |
|  | <b>306-3</b> Significant spills   | 11.8.2                    | There were no significant spills in 2023                              |
| <b>CORPORATE GOVERNANCE AND PROMOTING GOOD ETHICAL PRACTICES</b> |   |                           |   |
| <b>GRI 3: Material Topics 2021</b>                               | <b>3-3</b> Management of material topics  |                           | 26-27   |
| <b>Content of Topic Standard</b>                                 |   |                           |   |
| <b>GRI 205: Anti-corruption 2016</b>                             | <b>205-1</b> Operations assessed for risks related to corruption  | 11.20                     | 26-27   |
|  | <b>205-2</b> Communication and training about anti-corruption policies and procedures   | 11.20.1                   | 28  |
| <b>GRI 206: Anti-competitive behavior 2016</b>                   | <b>206-1</b> Legal actions for anti-competitive behavior, anti-trust and monopoly practices   | 11.19                     | We are not a party to any legal actions for anti-competitive behavior |
| <b>GRI 415: Public Policy 2016</b>                               | <b>415-1</b> Political contributions  | 11.22.2                   | No contributions are made to political parties                        |



| TOPIC MANAGEMENT  | CONTENT  | SECTORAL STANDARD CONTENT | LOCATION/PAGES |
|---|--|---------------------------|----------------|
| <b>INNOVATION AND MARKET OPPORTUNITIES</b>                    |  |                           |                |
| <b>GRI 3: Material Topics 2021</b>                            | <b>3-3</b> Management of material topics                                   |                           | 54-59          |
| <b>Content of Topic Standard</b>                              |  |                           |                |
| <b>Corporate Indicator</b>                                    | <b>EE 4</b> Addition of new renewable energy projects                      |                           | 78             |
| <b>CUSTOMER MANAGEMENT</b>                                    |  |                           |                |
| <b>GRI 3: Material Topics 2021</b>                            | <b>3-3</b> Management of material topics                                   |                           |                |
| <b>STRATEGIC BALANCING PLAN AND INVESTMENT PLAN 2023-2027</b> |  |                           |                |
| <b>GRI 3: Material Topics 2021</b>                            | <b>3-3</b> Management of material topics                                   |                           | 53-59          |
| <b>Content of Topic Standard</b>                              |  |                           |                |
| <b>GRI 203: Indirect Economic Impacts 2016</b>                | <b>203-1</b> Infrastructure investments and services supported             | 11.14.4                   |                |
|   | <b>203-2</b> Significant indirect economic impacts                         | 11.14.5                   |                |
| <b>Corporate Indicators</b>                                   | <b>EE.5</b> Accelerating renewable energy                                  |                           | 63             |
| <b>SUSTAINABLE SUPPLY CHAIN</b>                               |  |                           |                |
| <b>GRI 3: Material Topics 2021</b>                            | <b>3-3</b> Management of material topics                                   | 11.14.1                   | 122            |
| <b>Content of Topic Standard</b>                              |  |                           |                |
| <b>GRI 204: Procurement Practices</b>                         | <b>204-1</b> Proportion of spending on local suppliers                     | 11.14.4                   |                |
| <b>GRI 308: Supplier Environmental Assessment 2016</b>        | <b>308-1</b> New suppliers that were screened using environmental criteria |                           | 123            |
| <b>GRI 414: Supplier social assessment 2016</b>               | <b>414-1</b> New suppliers that were screened using social criteria        | 11.10.8                   | 123            |
|   | <b>414-2</b> Negative social impacts in the supply chain and actions taken | 11.10.9                   | 41             |
| <b>Corporate Indicators</b>                                   | <b>EE 6</b> Suppliers who have joined our alliance with Huella Chile       |                           | 124            |
| <b>DIGITAL STRATEGY AND INFORMATION SECURITY</b>              |  |                           |                |
| <b>GRI 3: Material Topics 2021</b>                            | <b>3-3</b> Management of material topics                                   |                           | 65 to 67       |
| <b>Content of Topic Standard</b>                              |  |                           |                |
| <b>Corporate Indicators</b>                                   | <b>EE 9</b> Generating efficiency and savings                              |                           |                |
| <b>ENERGY SECURITY</b>  |  |                           |                |
| <b>GRI 3: Material Topics 2021</b>                            | <b>3-3</b> Gestión de los temas materiales                                 | 11.14                     | 55             |
| <b>Content of Topic Standard</b>                              |  |                           |                |
| <b>GRI 203: Indirect Economic Impacts 2016</b>                | <b>203-1</b> Infrastructure investments and services supported             |                           | 78-79          |
| <b>Corporate Indicator</b>                                    | <b>EE 7</b> BESS Expansion   |                           | 78-79          |

| TOPIC MANAGEMENT  | CONTENT  | SECTORAL STANDARD CONTENT | LOCATION/PAGES  |
|---|--|---------------------------|---|
| <b>COMMUNITY ENGAGEMENT (ACCESS TO ENERGY AND LOCAL ECONOMIC DEVELOPMENT)</b> |  |                           |   |
| <b>GRI 3: Material Topics 2021</b>  | <b>3-3</b> Management of material topics   | 11.15.1                   |   |
| <b>Content of Topic Standard</b>  |  |                           |   |
| <b>GRI 413: Local communities 2016</b>  | <b>413-1</b> Operations with local community engagement, impact assessments, and development programs                      | 11.15.2                   | 116 to 121  |
|   | <b>413-2</b> Operations with significant actual and potential negative impacts on local communities                        | 11.15.3                   | 116 to 121  |
| <b>Corporate Indicator</b>  | <b>EE 8</b> Promoting local employment and entrepreneurship  |                           | 116 to 121  |
|   | <b>EE 9</b> Access of neighboring communities to energy  |                           | 116 to 121  |
| <b>HUMAN RIGHTS</b>   |  |                           |   |
| <b>GRI 3: Material Topics 2021</b>  | <b>3-3</b> Management of material topics   | 11.12.1                   | 30  |
| <b>Content of Topic Standard</b>  |  |                           |   |
| <b>GRI 414: Supplier social assessment 2016</b>                               | <b>414-1</b> New suppliers that were screened using social criteria  | 11.12.2<br>11.13.1        | 123 to 125  |
|   | <b>414-2</b> Negative social impacts in the supply chain and actions taken   | 11.12.2<br>11.13.2        | 123 to 125  |
| <b>GRI 411: Rights of Indigenous Peoples 2016</b>                             | <b>411-1</b> Incidents of violations involving rights of Indigenous Peoples  | 11.17.1                   | There were no incidents of violations of the rights of Indigenous Peoples |
| <b>OCCUPATIONAL HEALTH AND SAFETY</b>   |  |                           |   |
| <b>GRI 3: Material Topics 2021</b>  | <b>3-3</b> Management of material topics   | 11.9.1                    | 88  |
| <b>Content of Topic Standard</b>  |  |                           |   |
| <b>GRI 403: Occupational health and safety 2018</b>                           | <b>403-1</b> Occupational health safety management system  | 11.9.2                    | 222 to 225  |
|   | <b>403-2</b> Hazard identification, risk assessment and incident investigation   | 11.9.3                    | 222 to 225  |
|   | <b>403-3</b> Occupational health services  | 11.9.4                    | 222 to 225  |
|   | <b>403-4</b> Worker participation, consultation and communication on occupational health and safety                        | 11.9.5                    | 222 to 225  |
|   | <b>403-5</b> Worker training on occupational health and safety   | 11.9.6                    | 222 to 225  |
|   | <b>403-6</b> Promotion of worker health  | 11.9.7                    | 222 to 225  |
|   | <b>403-7</b> Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 11.9.8                    | 222 to 225  |
|   | <b>403-8</b> Workers covered by occupational health and safety management system   | 11.9.9                    | 222 to 225  |
|   | <b>403-9</b> Work-related injuries   | 11.9.10                   | 222 to 225  |
|   | <b>403-10</b> Work-related ill health  | 11.9.11                   | 222 to 225  |

| TOPIC MANAGEMENT  | CONTENT   | SECTORAL STANDARD CONTENT | LOCATION/PAGES  |
|---|---|---------------------------|---|
| <b>TALENT DEVELOPMENT</b>   |   |                           |   |
| <b>GRI 3: Material Topics 2021</b>  | <b>3-3</b> Management of material topics  | 11.10                     |   |
| <b>Content of Topic Standard</b>  |   |                           |   |
| <b>GRI 404: Training and Education</b>                                      | <b>404-1</b> Average hours of training per year per employee  | 11.10.7                   | 108   |
| <b>DIVERSITY AND GENDER EQUITY/NON-DISCRIMINATION AND EQUAL OPPORTUNITY</b> |   |                           |   |
| <b>GRI 3: Material Topics 2021</b>  | <b>3-3</b> Management of material topics  | 11.11.1                   | 101   |
| <b>Content of Topic Standard</b>  |   |                           |   |
| <b>GRI 202: Market presence 2016</b>  | <b>202-2</b> Proportion of senior management hired from the local community                                     | 11.11.5                   | Not published   |
| <b>GRI 401: Employment 2016</b>   | <b>401-3</b> Parental leave   | 11.11.2                   | 107 - 220   |
| <b>GRI 405: Diversity and equal opportunity</b>                             | <b>405-1</b> Diversity of governance bodies and employees   | 11.11.3                   | 44  |
|   | <b>405-2</b> Ratio of basic salary and remuneration of women to men   | 11.11.4                   | 106   |
| <b>GRI 406: Non-discrimination</b>  | <b>406-1</b> Incidents of discrimination and corrective actions taken   | 11.11.4                   | There were no complaints or incidents of discrimination |
| <b>Corporate Indicator</b>  | <b>EE 4</b> Female presence among employees   |                           | 102   |
|   | <b>EE 5</b> Female presence in selection processes  |                           | 102   |
| <b>WORK LIFE BALANCE</b>  |   |                           |   |
| <b>GRI 3: Material Topics 2021</b>  | <b>3-3</b> Management of material topics  | 11.10                     | 106   |
| <b>Content of Topic Standard</b>  |   |                           |   |
| <b>GRI 401 Employment</b>   | <b>401-2</b> Benefits provided to full-time employees that are not provided to temporary or part-time employees |                           | 107   |
| <b>GRI 402: Labor / management relations 2016</b>                           | <b>402-1</b> Minimum notice periods regarding operational changes   | 11.10. 05                 | 110   |
| <b>RISK MANAGEMENT</b>  |   |                           |   |
| <b>GRI 3: Material Topics 2021</b>  | <b>3-3</b> Management of material topics  |                           | 144   |

# 8.3 GR 461 INDEX

| TOPIC                   | SUB-TOPIC   | COMMENTS   | PAGES     |
|-------------------------|---|--|-----------|
| 1. Table of Contents    | International Standards used as a reference   | SASB Electric Utilities and Power Generators and the GRI Standards.  |           |
| 2. Entity Profile       | <b>2.1. Mission, vision, purpose, corporate values and principles.</b>  |  | 26-30     |
|                         | <b>2.2 Historic information</b>   |  | 20-21     |
|                         | <b>2.3 Ownership</b>  |  |           |
|                         | Control   |  | 12        |
|                         | Major changes in ownership or control   | There were no changes in control in 2023   |           |
|                         | Majority partners or shareholders   |  | 174       |
|                         | Shares, characteristics and rights  |  | 174-175   |
|                         | Dividends and dividend policy   | To the extent the business situation allows, always taking into consideration the projects and development plans of the Company, interim or final dividend distributions may be approved above the mandatory minimum dividend. No interim dividends were distributed in 2023.                                | 175       |
|                         | Stock trading and number of shareholders  |  | 174-175   |
|                         | Other securities  |  | 175       |
| 3. Corporate Governance | <b>3.1 Governance Framework</b>   |  |           |
|                         | Assessment of how well corporate governance works.  |  | 26        |
|                         | Sustainability focus in its businesses  | Sustainability is a part of the company's business strategy and all areas are responsible for managing the positive and negative impacts according to the sustainability policies and strategy. We also have a Sustainability and Communities Unit that stays on top of our work in these matters.           | 35-36-42  |
|                         | Conflicts of interest, free and fair competition, corruption, asset laundering and terrorism financing.   | General Conflicts of Interest Policy   | 34        |
|                         |   | Competition Manual, Competition Officer and talks.   | 27        |
|                         |   | Crime Prevention Model and training courses.   | 27-28     |
|                         | Managing the interests of its main stakeholders   |  | 38-39     |
|                         | Innovation  |  | 67        |
|                         | Detecting and reducing organizational barriers that inhibit diversity.  | We manage diversity in our organization through the Be.U@ ENGIE Diversity and Inclusion Policy; unbiased selection processes; sensitization talks on biases; the Diversity and Inclusion Community, among other ways.  | 101 a 104 |
|                         | Organization chart  |  | 42        |
|                         | <b>3.2 Board of Directors: composition and compensation</b>   |  |           |
|                         | Retaining Advisors  | The company does not have a specific policy on the Board retaining advisors. However, in practice, the Board can request assistance and specific reports through the Chief Executive Officer. The Directors Committee also has a budget of UF 5,000 for advisory services. This budget was not used in 2023. | 46 - 49   |
|                         | Matrix of knowledge, skills and experience of Board members   |  | 45        |
|                         | Director induction  |  | 47        |
|                         | Regularity with which meetings are held with the risk management, internal auditing and social responsibility units and with the firm that will audit the financial statements. | Meeting frequency: risk management (at least quarterly); internal auditing (at least twice a year); sustainability (monthly); external auditing firm (annually)  | 48        |



| TOPIC                          | SUB-TOPIC   | COMMENTS   | PÁGINAS |
|--------------------------------|---|--|---------|
| <b>3. Corporate Governance</b> | Regularity of reporting on environmental and social matters, in particular climate change.  | The Decarbonization Plan being implemented by the company is strategic and is where investments are mainly concentrated. Its progress and the management of its social and environmental impacts are reported to the Board. The associated policies are approved by the board and the trend in the Carbon Footprint is also reported once a month. | 48      |
|                                | Visits to facilities.   | Board members visit the operating units in regions at least once a year, accompanied by the Chief Executive Officer and managing directors directly linked to that operation.  | 44      |
|                                | Performance evaluation systems  | Neither the Board nor the Directors Committee has performance evaluation systems or procedures.  | 47      |
|                                | Detecting training areas  |  | 47      |
|                                | Detecting and reducing organizational barriers.   |  | 47      |
|                                | An expert may eventually be retained for the performance and operating evaluation of the board.   |  | 47      |
|                                | Minimum number of ordinary meetings.  | At least once a month  | 45      |
|                                | Internal organization and operation during contingencies or crises.   | Our Code of Corporate Governance does not indicate any changes in how the Board works during crises. However, we have practices that facilitate its operational continuity during highly impacting events like the pandemic.   | 47      |
|                                | Remote reporting system   | We have secure platforms where minutes, documents and matters that will be discussed at the next meeting can be viewed remotely. These documents are kept indefinitely.  | 47      |
|                                | Whistleblowing channel.   | Directors can access the company's whistleblowing system. There is no specific system.   | 47      |
|                                | Period in which the minutes of each meeting must be available.  | Prior to the next meeting.   | 45      |
|                                | Composition of the Board  |  | 44      |
|                                | <b>3.3 Board Committees</b>   |  |         |
|                                | Retaining Advisors  | The Directors Committee does not have a specific policy on retaining advisors. However, it has a budget of UF 5,000 for advisory services. This budget was not used in 2023.   | 49      |
|                                | Regularity with which the respective committee reports to the Board   | One or two reports on the related-party transactions reviewed are issued to the Board at the end of each monthly meeting.  | 49      |
|                                | <b>3.4 Senior Executives: identification, compensation and shareholdings.</b>   | No executive held an equity interest in the company at the close of 2023.  | 50-51   |
|                                | <b>3.5 Observance of national and international codes</b>   |  | 27      |
|                                | <b>3.6 Risk Management</b>  |  | 144-148 |
|                                | Risks and opportunities found   |  | 144-148 |
|                                | Information security risks, especially in regard to the privacy of customer information.  |  | 155     |
|                                | Competition risks.  |  | 166     |
|                                | Consumer health and safety risks.   |  | 153     |
|                                | Other risks and opportunities arising from the impacts that the entity and its operations cause directly or indirectly to the environment or society. |  | 148-169 |
|                                | Risk detection  |  | 144     |
|                                | Role of the Board   |  | 146     |

| TOPIC                   | SUB-TOPIC  | COMMENTS   | PAGES     |
|-------------------------|--|--|-----------|
| 3. Gobierno Corporativo | Risk management unit   |  | 144       |
|                         | Internal auditing unit or the equivalent   |  | 34        |
|                         | Code of Ethics, Code of Conduct and other documents  | <a href="http://www.engie.cl/gobierno-corporativo">www.engie.cl/gobierno-corporativo</a>   | 27        |
|                         | Risk management disclosure and training  |  | 146       |
|                         | Whistleblower channel  | <a href="https://denuncias.engie.cl">https://denuncias.engie.cl</a>  | 28        |
|                         | Succession Plan  | We have Succession Plans for all critical positions.   | 108       |
|                         | Procedures whereby the Board reviews the salary structures of main officers.   | These matters are reviewed by the Directors Committee.   | 49        |
|                         | Procedures to submit salary structures and compensation policies to approval of shareholders, additional to approval by the Board. | The salary structures, compensation policies and indemnities to the Chief Executive Officer and other senior officers are reviewed by the Directors Committee. The company has no other additional procedures.   | 49        |
|                         | Law #20393 Crime Prevention Model  |  | 27-28     |
|                         | <b>3.7 Relationship with stakeholders and the public at large</b>  | The relationship with stakeholders is led by the units that have the relationship with each. In the specific case of investors and financial analysts, the relationship is managed by the Investor Relations Officer while the relationship with the press is managed by the External Communications Unit. | 38-39     |
|                         | Procedure for continuing improvement of the way that disclosures are drafted and made by the entity to the market                  |  | 39        |
|                         | Nomination and election of the Board   | A list of candidates for Directorships, if one has been provided, is posted on the website at least two days in advance of the Ordinary Shareholders Meeting that will elect the new Board. The experience and professional record of each candidate are also posted.                                      | 47        |
|                         | Way in which shareholders participate and exercise their right to vote remotely.   | We make a secure, remote system available to our shareholders to hold the Annual Ordinary Shareholders Meeting by means of which they can vote without having to be physically present.  | 43        |
| 4. Strategy             | <b>4.1 Time horizons</b>   |  | 64        |
|                         | <b>4.2 Strategic objectives</b>  |  | 55-56     |
|                         | <b>4.3 Investment plans</b>  |  | 63        |
| 5. People               | <b>5.1 Number of employees</b>   |  | 226       |
|                         | <b>5.2 Employment contracts</b>  |  | 227       |
|                         | <b>5.3 Flexible work arrangements</b>  |  | 228       |
|                         | <b>5.4 Equal pay by sex: Equity and Pay Gap Policy</b>   |  | 105-106   |
|                         | <b>5.5 Work and sexual harassment</b>  |  | 113-229   |
|                         | <b>5.6 Occupational safety</b>   |  | 89-96-231 |
|                         | <b>5.7 Maternity leave</b>   |  | 107       |
|                         | <b>5.8 Training and benefits</b>   |  | 108-110   |
|                         | <b>5.9 Subcontracting policy</b>   |  | 111-231   |
| 6. Business Model       | <b>6.1 Industrial sector</b>   |  | 22-23     |
|                         | Legal framework, regulators and regulatory structure   |  | 69-72     |
|                         | Stakeholders   |  | 36        |
|                         | Membership in trade and other associations.  |  | 38        |
|                         | <b>6.2 Description of the business and main goods and services</b>   |  | 12-17-11  |
|                         | Suppliers representing at least 10% of all purchases in the period.  |  | 180       |

| TOPIC  | SUB-TOPIC  | COMMENTS   | PAGES      |
|--|--|--|------------|
| 6. Business Model  | Customers concentrating least 10% of income  |  | 60         |
|  | Trademarks, patents and royalties  |  | 176        |
|  | <b>6.3 Stakeholders</b>  |  | 38-39      |
|  | <b>6.4 Properties and Facilities</b>   |  | 17-181-182 |
|  | <b>6.5 Investments in other companies</b>  |  | 188-195    |
| 7. Supplier Management                                   | <b>7.1 Payment to suppliers: supplier payment policies, periods of payment, policies promoting timely periods of payment</b>   |  | 24         |
|  | Also disclose, in ranges of 30 days or less, 31 to 60 days, and more than 60 calendar days from the date of receipt of invoices, and differentiate at least between national and foreign suppliers, when applicable: |  | 231        |
|  | i. Number of invoices paid.  |  | 231        |
|  | ii. Total (in millions of pesos).  |  | 231        |
|  | iii. Total interest for a delay in invoice payment (in millions of pesos).   |  | 231        |
|  | iv. Number of suppliers.   |  | 113        |
|  | v. Number of agreements registered in the Register of Agreements with an Exceptional Period of Payment kept by the Ministry of Economy, when relevant.   |  | 231        |
|  | <b>7.2 Supplier evaluation</b>   |  | 123        |
| 8. Compliance Indicators                                 | <b>8.1 Legal and regulatory compliance</b>   |  | 212        |
|  | <b>8.2 Sustainability indicators by type of industry</b>   | SASB for Electric Utilities and Power Generators and GRI Standards.  | 214        |
| 9. Material Disclosures                                  |  |  | 185        |
| 10. Comments by shareholders and the Directors Committee | An accurate summary of comments made by shareholders and the Directors Committee   |  | 181-184    |
| 11. Financial Reports                                    | Indicate that the entity's financial statements are available on the Financial Market Commission's website and on the entity's website, if it has one, and indicate the URLs of both sites.                          | They are posted on our website, <a href="https://engie-energia.cl/inversionistas/">https://engie- energia.cl/inversionistas/</a> | 233        |
|  | Financial statements   |  | 233        |

## 8.4 LEGAL AND REGULATORY COMPLIANCE INDICATORS

### 8.4.1 IN RELATION TO CUSTOMERS

#### ANSWER

The report must indicate whether the entity has procedures in place to prevent and detect regulatory violations of customer rights, especially Consumer Protection Law 19,496 or any equivalent laws when the entity does business in foreign jurisdictions. It must also report on the number of penalties enforced in this respect and the amount of those penalties in pesos.

Not applicable to ENGIE Energía Chile

### 8.4.2 IN RELATION TO EMPLOYEES

#### ANSWER

The entity must report its procedures in place to prevent and detect regulatory violations of workers' rights. It must also inform the number of penalties enforced in this respect and the amount of those penalties in pesos. It must discuss in particular whether it has been sued for a violation of workers' rights.

The company makes a complaint channel available to the entire employee community for all situations that people believe involve unethical conduct or a violation of workers' rights (work harassment, sexual harassment). The Regulations on Order, Hygiene and Safety (abbreviated as RIOHS in Spanish) stipulate workers' rights and obligations that also form a part of their employment contract. The Labor Relations Unit is responsible operationally for providing oversight, taking actions and proceeding when there are violations (both in regard to own employees and those of contractors).

**Are there procedures in place to prevent and detect regulatory violations of workers' rights?**

Yes

**Number of Penalties Enforced**

2

**Amount of penalties**

\$ 0

**Has the company been sued for a violation of workers' rights?**

Yes

### 8.4.3 COMPETITION

#### ANSWER

The entity must report whether it has procedures in place to prevent and detect regulatory violations that may affect competition. It must also report the number of penalties enforced in this respect and the amount of those penalties in pesos.

**Competition.** ENGIE Energía Chile has several means to ensure that our actions are in line with our directives in this respect and in compliance with the law. Those guidelines are contained in the Competition Compliance Manual and are supervised by the Competition Officer of the Company. We give an annual talk that must be attended by everyone working in the organization.

**Are there procedures in place to prevent and detect regulatory violations that may affect competition?**

Yes

**Number of Penalties Enforced**

0

**Amount of penalties**

\$ 0



#### 8.4.4 IN RELATION TO THE ENVIRONMENT

#### ANSWER

The report must discuss the compliance models or compliance plans containing information on the definition of its environmental obligations, the decided form of compliance, the period for implementation of compliance conduct, unit responsible, environmental risk matrix and any relevant information to understand that obligation and its compliance. If those models or plans do not exist, that fact must be clearly specified and the reasons indicated. The entity must also report the number of penalties enforced in the Public Penalties Register of the Environmental Commission or any equivalent agency in a foreign jurisdiction, the total amount of fines and the number of approved compliance plans, compliance plans satisfactorily implemented, environmental reparation plans submitted and environmental reparation plans satisfactorily implemented.

ENGIE Energía Chile follows the ISO 14001 environmental management model that stipulates the identification and management of the legal aspects applicable to the organization, an ongoing tracking of all obligations through checklists, digital platforms and permanent outside consulting regarding new environmental obligations. We have a team of experts in the Environmental and Permitting Unit (more information in the Planet Chapter).

|   |     |
|---|-----|
| <b>Are there compliance models or compliance plans as described in Section 8.1.3 of the regulations?</b>  | Yes |
| <b>Number of penalties enforced in the Public Penalties Register of the Environmental Commission or any equivalent agency in a foreign jurisdiction</b> | 0   |
| <b>Total # of penalties</b>   | 0   |
| <b>Number of approved compliance plans</b>  | 0   |
| <b>Number of compliance plans satisfactorily implemented</b>  | 0   |
| <b>Number of environmental reparation plans submitted</b>   | 0   |
| <b>Number of environmental reparation plans satisfactorily implemented</b>  | 0   |

#### 8.4.5 CRIMINAL LIABILITY

#### ANSWER

The entity must report whether it has procedures in place to prevent and detect regulatory violations of Law 20,393 on the Criminal Liability of Legal Entities. It must also report the number of penalties in force in this respect and the amount of those penalties in pesos.

We have a certified Crime Prevention Model to protect the organization, which has been certified by an external agency. That model enables us to identify and prevent the emerging risks of the crimes of corruption and other crimes in Law 20,393 on the Criminal Liability of Legal Entities. We have a Crime Prevention Officer and a Whistleblowing Channel hosted on the website and on the Intranet. We give annual talks in the organization to keep people abreast of legal changes. Additionally, all our contracts with third parties contain a criminal liability clause.

|  |      |
|--|------|
| <b>Are there procedures in place to prevent and detect regulatory violations of Law #20,393?</b> | Yes  |
| <b>Number of Penalties Enforced</b>  | 0    |
| <b>Amount of penalties</b>   | \$ 0 |

# 8.5 SASB STANDARDS INDEX

| TOPIC   | ACCOUNTING METRIC  | CATEGORY                | UNIT OF MEASURE                                       | CODE         | RESPONSE  | PAGE       |
|---|--|-------------------------|---|--------------|---|------------|
| Greenhouse gas emissions and energy resource planning | (1) Gross global Scope 1 emissions, percentage covered under (2) emissions-limiting regulations and (3) emissions reporting regulations.   | Quantitative            | Metric tons (t) of CO <sub>2</sub> -e, percentage (%) | IF-EU-110a.1 | 1.9 Mt CO <sub>2</sub> eq   | 129        |
|   | Greenhouse gas (GHG) emissions associated with power deliveries  | Quantitative            | Metric tons (t) of CO <sub>2</sub> -e                 | IF-EU-110a.2 | 1.9 Mt CO <sub>2</sub> eq   | 129        |
|   | Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and analysis of performance against those targets  | Discussion and Analysis | n/a   | IF-EU-110a.3 | ENGIE Energia Chile is driving the energy transition in the country. We began decarbonizing our energy matrix that entailed replacing close to 1.5 GW of installed coal-fired capacity by 2 GW of renewable energy. In a period of 4 years, we have already added 0.9 GW of renewable energy. The impact of withdrawing our coal-fired units is already being seen in a pronounced reduction in our carbon footprint, in the intensity of emissions and in pollution gases in general. So, as our decarbonization plan progresses, we are getting closer to our main goal of reaching net zero carbon by 2045, target certified by the Science Based Target Initiative (SBTi). In 2023, our CO <sub>2</sub> eq emissions fell 47.2% compared to 2022. Compared to 2018, when we announced that we would stop using coal, the reduction is 60.4%. Emissions intensity is calculated using the CO <sub>2</sub> eq emissions per MW energy produced. By way of reference, one old coal-fired unit can emit around 1.2 to 1.4 tons of CO <sub>2</sub> eq/MWh energy produced. In the last five years, we have recorded a progressive decrease in this indicator, bringing us close to the levels recorded on the National Grid (SEN). At the close of 2023, Scope 1 emissions intensity was 344 gCO <sub>2</sub> /kWh, 44% below the 618 gCO <sub>2</sub> /kWh in 2022. This drop is due to the disconnection of the coal-fired units and the entry into operation of new renewable energy units. | 128 to 132 |
|   | 1) Number of customers served in markets subject to renewable portfolio standards (RPS) and 2) percentage fulfilment of RPS target by market.  | Quantitative            | Number, percentage (%)                                | IF-EU-110a.4 | Not applicable. The Chilean market does not regulate this.  |            |
|   |  |                         |   |              |   |            |
| Air Quality   | Air emissions of the following pollutants: 1) NO <sub>x</sub> (excluding N <sub>2</sub> O), 2) SO <sub>x</sub> , 3) particulate matter (PM <sub>10</sub> ), 4) lead (Pb) and 5) mercury (Hg); percentage of each in or near areas of dense population. | Quantitative            |   | IF-EU-120a.1 |   |            |
|   | Nox  |                         | Metric tons (t), percentage (%)                       |              | 1,612 (tons/year)   | 129        |
|   | Sox  |                         |   |              | 1,045 tons/year   | 129        |
|   | PM   |                         |   |              | 49 tons/year  | 129        |
|   | Pb (lead)  |                         |   |              | We do not use this indicator  |            |
|   | Hg (mercury)   |                         |   |              | We do not use this indicator  |            |
|   |  |                         |   |              |   |            |

| TOPIC                       | ACCOUNTING METRIC   | CATEGORY                | UNIT OF MEASURE                          | CODE         | RESPONSE   | PAGE    |
|-----------------------------|---|-------------------------|--|--------------|--|---------|
| Water management            | (1) Total water withdrawn   | Quantitative            | Thousand cubic meters (m3), percentage % | IF-EU-120a.1 | 618,140,957.2 m3 of seawater withdrawn   | 140     |
|                             | 2) Total water consumed, percentage of each in regions with high or extremely high baseline water stress  | Quantitative            | Thousand cubic meters (m3), percentage % |              | Zero   |         |
|                             | Number of incidents of non-compliance associated with water quantity and/or quality permits, standards and regulations                          | Quantitative            | Number                                   | IF-EU-140a.2 | Zero   |         |
|                             | Description of water management risks and discussion of strategies and practices to mitigate those risks  | Discussion and Analysis | n/a                                      | IF-EU-140a.3 | We use mainly seawater in our production processes that is later returned to the ocean. We have a monitoring system to ensure that the water is returned at a temperature of 30°C or less, according to the law. We use freshwater for human consumption and it is supplied by water companies. According to the source discharge regulations, water discharged into the ocean cannot have a temperature above 30°C. ENGIE Energía Chile uses a weekly water temperature measurement system at the discharge wells that is reported to the environmental authorities. All our units are within the limits set in ED 90/2000. A flowmeter was installed in 2022 at the discharge from the combined cycle unit in the Tocopilla power plant and we plan to install a second flowmeter in that unit. Preventive maintenance was also performed on all flowmeters at the Mejillones Power Plant. | 139-140 |
| Coal ash management         | Amount of coal combustion residuals (CCR) generated; percentage recycled  | Quantitative            | Metric tons(t)                           | IF-EU-150a.1 | Total combustion waste: 81,199.497 tons. Percentage recycled: 12.4%  |         |
|                             | Total number of coal combustion residual (CCR) impoundments, broken down by hazard potential classification and structural integrity assessment | Quantitative            | Number                                   | IF-EU-150a.2 | Two authorized dumps with a low risk potential and satisfactory structural integrity. They receive ash from our Tocopilla and Mejillones thermal complexes. The Tocopilla dump received its last ash disposal in 2022 after the closing of our coal-fired units in Tocopilla.  | 138     |
| Asequibilidad de la energía | Average electric rate for (1) residential, (2) commercial, and (3) industrial customers   | Quantitative            | Rate                                     | IF-EU-240a.1 | Not disclosed. Power purchase agreements with unregulated customers are confidential.  |         |
|                             | Typical monthly electric bill for residential customers for (1) 500 kWh and (2) 1,000 kWh of electricity delivered per month.                   | Quantitative            | Reporting currency                       | IF-EU-240a.2 | Not applicable. ENGIE Energía Chile has no residential customers.  |         |
|                             | Number of residential customer electric disconnections for non-payment, percentage reconnected within 30 days                                   | Quantitative            | Number, percentage (%)                   | IF-EU-240a.3 | Not applicable. ENGIE Energía Chile has no residential customers.  |         |

| TOPIC                         | ACCOUNTING METRIC  | CATEGORY                | UNIT OF MEASURE                      | CODE         | RESPONSE  | PAGE     |
|-------------------------------|--|-------------------------|--------------------------------------|--------------|---|----------|
| Energy affordability          | Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory  | Discussion and Analysis | n/a                                  | IF-EU-240a.4 | <p>The electricity sector gradually recovered during 2023 from the consequences of the Russia-Ukraine war. In comparison to 2022, fuel prices fell close to 50% on average, seen in a drop in marginal costs. Marginal costs at the Crucero, Quillota and Charrúa busbars declined an average of 22% in 2023 compared to 2022, falling to USD 79/MWh. On the other hand, the marginal cost of Puerto Montt reached USD 102/MWh on average, 46% lower than in 2022. There were intensive periods of rain starting in June 2023 that increased hydraulic generation and influenced the drop in the grid's marginal costs.</p> <p>Despite the drop in the grid's marginal costs, transmissions lines in the north of the country have become saturated due to the high availability of renewable energy. This is known as decoupling and makes the lack of transmissions lines available to transmit energy more acute.</p> <p>There were moments of high congestion at some nodes to which renewable units could not connect. Decoupling also occurred in the Araucanía zone because of congestion on the Cautín-Ciruelos line when temperatures and demand were high in the zone.</p> <p>The national grid is also on the road to decarbonization of the energy matrix, in line with the efforts being made globally by the electricity sector. This Energy Transition is posing several challenges as a consequence of the rapid penetration of renewable energy, the gradual phasing out of coal, the problems in accelerating the necessary investment in transmission, the weight of permitting and the country's own features: congestion, high reduction rates, highly volatile prices and marked differences between node prices, to name a few. These material issues can only be addressed by structural changes to the design of the market.</p> | 55 to 73 |
| Workforce health and safety   | (1) Total recordable incident rate (TRIR)  | Quantitative            | Rate                                 | IF-EU-320a.1 | We do not track this indicator  | 95       |
|                               | (2) Fatality rate  |                         |                                      |              | Zero  | 95       |
|                               | (3) Near-miss frequency rate (NMFR)  |                         |                                      |              | Frequency Rate of 0.1   | 95       |
| End-use efficiency and demand | Percentage of electric utility revenues from rate structures that (1) are decoupled and (2) contain a loss revenue adjustment mechanism (LRAM) | Quantitative            | Percentage %                         | IF-EU-420a.1 | N/A   |          |
|                               | Percentage of electric load served by smart grid technology  | Quantitative            | Percentage % by megawatt hours (MWh) | IF-EU-420a.2 | Not applicable. ENGIE Energía Chile has no smart networks.  |          |
|                               | Customer electricity savings from efficiency measures, by market.  | Quantitative            | Megawatt hours (MWh)                 | IF-EU-420a.3 | Not applicable. ENGIE Energía Chile is not currently developing any energy efficiency services.   |          |



| TOPIC                                   | ACCOUNTING METRIC   | CATEGORY                | UNIT OF MEASURE | CODE         | RESPONSE   | PAGE |
|---|---|-------------------------|-----------------|--------------|--|------|
| Nuclear safety and emergency management | Total number of nuclear power units, broken down by U.S. Nuclear Regulatory Commission (NRC) Action Matrix Column | Quantitative            | N/A             | IF-EU-540a.1 | Not applicable. ENGIE Energía Chile has no sources of nuclear energy in its energy matrix. |      |
|   | Description of efforts to manage nuclear safety and emergency preparedness  | Discussion and Analysis | N/A             | IF-EU-540a.2 | Not applicable. ENGIE Energía Chile has no sources of nuclear energy in its energy matrix. |      |
|   | Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations                 | Quantitative            | Number          | IF-EU-540a.1 | N/A to power generators.   |      |
| Grid resiliency                         | (1) System Average Interruption Duration Index (SAIDI),   | Quantitative            | Minutes, Number | IF-EU-540a.2 | N/A. This indicator does not apply because we are a power generator.                       |      |
|   | (2) System Average Interruption Frequency Index (SAIFI),  |                         |                 |              |  |      |
|   | (3) Customer Average Interruption Duration Index (CAIDI), inclusive of major event days                           |                         |                 |              |  |      |

## ACTIVITY METRICS

| ACTIVITY METRIC   | CATEGORY            | UNIT OF MEASURE             | CODE               | RESPONSE                       |
|---|---------------------|-----------------------------|--------------------|--------------------------------|
| Number of: (1) residential, (2) commercial and (3) industrial customers served  | Quantitative        | Number                      | IF-EU-000.A        | 150                            |
| Total electricity delivered to: (1) residential, (2) commercial, (3) industrial, (4) all other retail customers and (5) wholesale customers | Quantitative        | Megawatt hours (MWh)        | IF-EU-000.B        | 12,072,000 MWh                 |
| Length of transmission and distribution lines   | Quantitative        | Kilometers (Km)             | IF-EU-000.C        | 2,409 KM of transmission lines |
| Total electricity generated, percentage by major energy source, percentage in regulated markets   | Quantitative        | Megawatt hours (MWh)        | IF-EU-000.D        | 5,698,000 MWh                  |
| Coal  |                     | Percentage %                |                    | 42%                            |
| Gas   |                     |                             |                    | 25%                            |
| Renewable energy  |                     |                             |                    | 32%                            |
| Diesel fuel   |                     |                             |                    | 0%                             |
| <b>Total wholesale electricity purchased</b>  | <b>Quantitative</b> | <b>Megawatt hours (MWh)</b> | <b>IF-EU-000.E</b> | <b>6,915,000 MWh</b>           |

# 8.6 TABLE APPENDICES

## 8.6.1 GRI REQUIREMENTS

### NUMBER OF EMPLOYEES

| 2.7 EMPLOYEES BY REGION        |                    |       |                         |       |                               |       |                     |
|--------------------------------|--------------------|-------|-------------------------|-------|-------------------------------|-------|---------------------|
| Region                         | Contract Employees |       | Temporary Employees (1) |       | Zero-Hours Contract Employees |       | Full-Time Employees |
|                                | Men                | Women | Men                     | Women | Men                           | Women | Men                 |
| Region of Arica and Parinacota | 24                 | 3     |                         |       |                               |       | 24                  |
| Total                          |                    |       |                         |       |                               |       |                     |
| Region of Tarapacá             | 16                 | 1     |                         |       |                               |       | 16                  |
| Total                          |                    |       |                         |       |                               |       |                     |
| Region of Antofagasta          | 447                | 57    |                         |       |                               |       | 447                 |
| Total                          |                    |       |                         |       |                               |       |                     |
| Region of Atacama              | 2                  |       |                         |       |                               |       | 2                   |
| Total                          |                    |       |                         |       |                               |       |                     |
| Region of Coquimbo             | 3                  |       |                         |       |                               |       | 3                   |
| Total                          |                    |       |                         |       |                               |       |                     |
| Region of Valparaíso           |                    |       |                         |       |                               |       |                     |
| Total                          |                    |       |                         |       |                               |       |                     |
| Metropolitan Region            | 266                | 167   |                         |       |                               |       | 266                 |
| Total                          |                    |       |                         |       |                               |       |                     |
| Region of O'Higgins            |                    |       |                         |       |                               |       |                     |
| Total                          |                    |       |                         |       |                               |       |                     |
| Region of the Maule            |                    |       |                         |       |                               |       |                     |
| Total                          |                    |       |                         |       |                               |       |                     |
| Region of the Biobío           | 10                 |       |                         |       |                               |       | 10                  |
| Total                          |                    |       |                         |       |                               |       |                     |
| Region of Ñuble                |                    | 1     |                         |       |                               |       |                     |
| Total                          |                    |       |                         |       |                               |       |                     |
| Region of La Araucanía         |                    | 1     |                         |       |                               |       |                     |
| Total                          |                    |       |                         |       |                               |       |                     |
| Region of Los Ríos             |                    |       |                         |       |                               |       |                     |
| Total                          |                    |       |                         |       |                               |       |                     |
| Region of Los Lagos            | 6                  | 1     |                         |       |                               |       | 6                   |
| Total                          |                    |       |                         |       |                               |       |                     |
| Region of Aysén                |                    |       |                         |       |                               |       |                     |
| Total                          |                    |       |                         |       |                               |       |                     |
| Region of Magallanes           |                    |       |                         |       |                               |       |                     |
| Total                          |                    |       |                         |       |                               |       |                     |
| Total                          | 774                | 231   |                         |       |                               |       | 774                 |

## 401-1 NEW HIRES

| Region                         | New Employees by Gender |           | New Employees by Age Range |               |               | Total New Hires in 2023 |
|--------------------------------|-------------------------|-----------|----------------------------|---------------|---------------|-------------------------|
|                                | Men                     | Women     | Under 30                   | From 30 to 50 | Older than 50 |                         |
| Region of Arica and Parinacota | 1                       |           |                            | 1             |               | 1                       |
| Region of Tarapacá             |                         |           |                            |               |               | 0                       |
| Region of Antofagasta          | 27                      | 4         | 4                          | 26            | 1             | 31                      |
| Region of Atacama              | 1                       |           |                            | 1             |               | 1                       |
| Region of Coquimbo             | 1                       |           |                            | 1             |               | 1                       |
| Region of Valparaíso           |                         |           |                            |               |               | 0                       |
| Metropolitan Region            | 63                      | 64        | 23                         | 97            | 7             | 127                     |
| Region of O'Higgins            |                         |           |                            |               |               | 0                       |
| Region of the Maule            |                         |           |                            |               |               | 0                       |
| Region of the Biobío           |                         |           |                            |               |               | 0                       |
| Region of Ñuble                |                         | 1         |                            | 1             |               | 1                       |
| Region of La Araucanía         |                         |           |                            |               |               | 0                       |
| Region of Los Ríos             |                         |           |                            |               |               | 0                       |
| Region of Los Lagos            | 3                       | 1         | 1                          | 3             |               | 4                       |
| Region of Aysén                |                         |           |                            |               |               | 0                       |
| Region of Magallanes           |                         |           |                            |               |               | 0                       |
| <b>Total</b>                   | <b>96</b>               | <b>70</b> | <b>28</b>                  | <b>130</b>    | <b>8</b>      | <b>166</b>              |

## 401-2 FULL-TIME EMPLOYEE BENEFITS

Usual benefits for full-time employees of the organization that are not offered to temporary or part-time employees.

1. Complementary health, dental, catastrophic illness and life insurance
2. Eligibility for performance bonus
3. Medical leave subsidy
4. 28 days of parental leave for men
5. CPI adjustment
6. Holiday bonuses (not Beneflex)
- 7.

Usual benefits for full-time employees of the organization that are not offered to temporary or part-time employees. These benefits must include, at a minimum:

- i. Life insurance;
- ii. Health care assistance;
- iii. Death and disability coverage;
- iv. Parental leave;
- v. Retirement savings;
- vi. Equity interests;
- vii. Others.

## 401-3 PARENTAL LEAVE

| Description   | 2023 |       |       |
|---|------|-------|-------|
|   | Men  | Women | Total |
| Employees entitled to parental leave, by gender.  | 21   | 12    | 36    |
| Employees who have used parental leave, by gender.  | 21   | 12    | 33    |
| Employees who have returned to work in the period covered by the Report after completing parental leave, by gender.                             | 18   | 8     | 26    |
| Employees who have returned to work after completing parental leave and continued to be employees 12 months after returning to work, by gender. |      |       |       |
| Employees who have returned to work in the period covered by the Report after completing parental leave, by gender.                             |      |       |       |
| Rates of return to work and retention of employees who took parental leave, by gender.  |      |       |       |

## TRAINING AND PERFORMANCE

## 404-1 AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE

| Position Type        | Average hours of training per year by position and gender |         |          |      |       |       |
|----------------------|---|---------|----------|------|-------|-------|
|                      | 2022  |         |          | 2023 |       |       |
|                      | Men   | Women   | Total    | Men  | Women | Total |
| Management           | 1,345.1   | 260     | 1,605.1  | 16.6 | 28.5  | 45.1  |
| Supervisors          | 6,487.5   | 578.9   | 7,066.4  | 56.2 | 32.5  | 88.7  |
| Manual Workers       | 25,116.5  | 228     | 25,344.5 | 63.3 | 15.1  | 78.4  |
| Salesforce           | 84.5  | 82      | 166.5    | 11.8 | 24.7  | 36.5  |
| Administrative staff | 408   | 193     | 601      | 19.6 | 8.8   | 28.4  |
| Other professionals  | 2,521.4   | 1,235.2 | 3,756.6  | 26   | 13.5  | 39.5  |
| Other technicians    | 816   | 72.5    | 888.5    | 39.5 | 9.8   | 49.3  |
| Total                | 36,779  | 2,649.6 | 39,428.6 | 233  | 132.9 | 365.9 |

## 404-2 PERCENTAGE OF EMPLOYEES RECEIVING A REGULAR PERFORMANCE EVALUATION

| Position Type        | Men  | Women | Total |
|----------------------|------|-------|-------|
| Management           | 100% | 100%  | 100%  |
| Supervisors          | 100% | 100%  | 100%  |
| Manual Workers       | 100% | 100%  | 100%  |
| Salesforce           | 100% | 100%  | 100%  |
| Administrative staff | 100% | 100%  | 100%  |
| Ancillary staff      | 100% | 100%  | 100%  |
| Other professionals  | 100% | 100%  | 100%  |
| Other technicians    | 100% | 100%  | 100%  |
| Total                | 100% | 100%  | 100%  |

## TOTAL NUMBER OF PEOPLE TRAINED IN THE YEAR

| Gender | 2023 |
|--------|------|
| Men    | 740  |
| Women  | 225  |
| Total  | 965  |

## TOTAL ANNUAL INVESTMENT IN TRAINING (IN USD)

| 2023          |
|---------------|
| \$676,691,854 |



## LABOR RELATIONS

## UNIONIZATION

| Description   | 2022  | 2023   |
|---|-------|--------|
| Number of unions  | 7     | 7      |
| % of employees unionized  | 0.654 | 67.60% |
| Coverage of collective bargaining agreements (number of people) | 0.81  | 1003   |
| Number of years with no strikes                                 | 18    | 19     |

## COLLECTIVE BARGAINING AGREEMENTS IN FORCE

| Unions (name)                  | # of Members | GBU represented | From      | To        | Type of Bargaining |
|--------------------------------|--------------|-----------------|-----------|-----------|--------------------|
| <b>Union 1</b>                 | 96           | Transversal     | 03-Aug-21 | 31-Jul-24 | Regulated          |
| <b>Union 2</b>                 | 81           | Transversal     | 03-Aug-21 | 31-Jul-24 | Regulated          |
| <b>Edel Arica.Par Union</b>    | 42           | Transversal     | 05-Jul-23 | 30-Jun-26 | Early              |
| <b>Edelnor S.A. Union</b>      | 100          | Transversal     | 05-Jul-23 | 30-Jun-26 | Early              |
| <b>Technicians Union</b>       | 128          | Transversal     | 05-Jul-23 | 30-Jun-26 | Early              |
| <b>Supervisors Union</b>       | 133          | Transversal     | 19-Sep-21 | 17-Sep-24 | Regulated          |
| <b>Edel II R Workers Union</b> | 98           | Transversal     | 05-Jul-23 | 30-Jun-26 | Early              |

## UNIONIZATION PER GBU

| Union Name                     | GEMS   | Net    | Res    | T&G    | TH     |
|--------------------------------|--------|--------|--------|--------|--------|
| <b>Union 1</b>                 | 4.62%  | 1.85%  | 3.41%  | 0.91%  | 22.88% |
| <b>Union 2</b>                 | 0.00%  | 16.67% | 0.98%  | 4.57%  | 11.86% |
| <b>Edel Arica.Par Union</b>    | 0.00%  | 4.32%  | 15.12% | 2.74%  | 0.00%  |
| <b>Edelnor S.A. Union</b>      | 9.23%  | 1.23%  | 5.37%  | 15.98% | 12.71% |
| <b>Technicians Union</b>       | 23.08% | 28.40% | 17.07% | 12.33% | 1.41%  |
| <b>Supervisors Union</b>       | 10.77% | 4.32%  | 13.66% | 6.39%  | 21.75% |
| <b>Edel II R Workers Union</b> | 0.00%  | 17.28% | 0.00%  | 0.91%  | 19.21% |

## OCCUPATIONAL HEALTH AND SAFETY

## 403-1 OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

| Description  | Answer   |
|--|--|
| <p><b>a. Briefly state whether an occupational health and safety management system has been implemented and if so, whether:</b></p> <p>I. the system was put in place because of legal requirements and in that case, provide a list of those requirements;</p> <p>II. the system was implemented on the basis of recognized standards/directives of a management system or risk management system and in that case, a list of those standards/directives.</p> | <p>ENGIE Energía Chile has an integrated management system called +Simple that has been certified by TRINORMA.</p> |
| <p><b>b. Briefly describe the scope of the employees, activities and workplaces covered by the occupational health and safety management system</b> and explain whether any employee, activity or workplace is not covered by that system and the reason why.</p>  | <p>All employees of ENGIE Energía Chile are covered by the Integrated Management System.</p>                       |

## 403-2 HAZARD IDENTIFICATION, RISK ASSESSMENT, AND INCIDENT INVESTIGATION

| Description  | Answer   |
|--|--|
| <p><b>a. Briefly describe the processes used to identify work hazards and evaluate risks regularly or sporadically</b> and to apply the control hierarchy in order to eliminate hazards and minimize risks, and indicate:</p> <p>I. how the organization guarantees the quality of these processes, including the competency of the individuals implementing them;</p> <p>II. how the results of these processes are used to evaluate and continuously improve the occupational health and safety management</p> | <p>Hazards are identified following work procedures and MIPER, which establishes the associated controls.</p>  |
| <p><b>b. Briefly describe the processes followed by employees who want to give notice of hazards or dangerous work situations</b>, and explain how employees are protected from possible reprisals.</p>  | <p>Notice is given in two ways:</p> <ol style="list-style-type: none"> <li>1. STOP Work, for unsafe situations or unsafe actions detected before and during the activity.</li> <li>2. A report on APP (digital operator) of risky conditions.</li> <li>3. Report on deviations from the Life-Saving Rules.</li> </ol> <p>All these notices can be given digitally.</p> |
| <p><b>c. Briefly describe the policies and processes to be followed by employees who want to exit work situations that they believe may cause injury, ailments or illnesses</b> and explain how employees are protected from possible reprisals.</p>   | <p>Supervisors and the risk prevention area must be given prompt notice whenever any type of injury occurs and/or when there is a possible ailment because of illness.</p>   |
| <p><b>d. Briefly describe the processes used to investigate work accidents</b>, including the hazard identification and risk assessment processes related to the incidents in order to decide on corrective actions according to the control hierarchy and determine the improvements needed to the occupational health and safety management system.</p>  | <p>Multidisciplinary teams investigate incidents. They analyze the occurrence and action plans are implemented to avoid incidents.</p>   |

## 403-3 OCCUPATIONAL HEALTH SERVICES

| Description  | Answer   |
|--|--|
| <p><b>a. Briefly describe the duties of occupational health services that help identify and eliminate hazards and minimize risks</b> and explain how the organization guarantees the quality of such services and facilitates access by employees to them.</p> | <p>The Insurance Manager is key in this aspect. It makes qualitative and quantitative evaluations as a result of which controls of any hazards or risks are implemented.</p> |

#### 403-4 WORKER PARTICIPATION, CONSULTATION, AND COMMUNICATION ON OCCUPATIONAL HEALTH AND SAFETY

| Description   | Answer  |
|---|---|
| <b>a. Briefly describe the participation and consultation of employees to develop, apply and evaluate the occupational health and safety management system,</b> how employees are given access and informed about important aspects of occupational health and safety.                        | We communicate with employees through Joint Hygiene and Safety Committees, Unions and the different teams that are constantly in contact with employees to gather relevant information on the system. An Engie & Me survey is also conducted to capture employees' perception of different matters, which include safety. |
| <b>b. If there is any formal employee-company health and safety committee,</b> briefly describe its responsibilities, how often it meets, decision-making authority and whether there are employees who are not represented on that committee. If this were the case, explain the reason why. | Joint Hygiene and Safety Committees meet monthly. Each business unit also holds a safety performance evaluation meeting that is part of the One Safety program's safety rituals.  |

#### 403-5 WORKER TRAINING ON OCCUPATIONAL HEALTH AND SAFETY

| Description  | Answer   |
|--|--|
| <b>a. Briefly describe the courses to train employees in occupational health and safety,</b> including the general and specific training courses on work hazards and hazardous activities. | The Technical Training Area imparts training that covers diverse subjects that include the preponderant role of safety. More than 11,000 human hours of training were imparted in the year just regarding occupational health and safety, a 98% compliance with our program. |

#### CONTENT

| General Training Courses  | Specific Training Courses   |
|---|---|
| Driving Defensively - Automated External Defibrillator (AED) - UV Protection - Using Extinguishers - First Aid - Legal and Criminal Liability - Root-Cause Analysis - Use and Care of PPE | Tag-Out and Lock-Out - Advanced Emergencies with Ammonia - Confined Spaces - SCI 100-200 Incident Command Leader - Operational Response to Hazardous Substance Emergencies - Fire Protection System - Industrial Fire Control Techniques - Work at a Height - Incident Command Leader - PREXOR Protocol - Driving 4 x 4 Vehicles - Electrical Risk Control - GWO - Protocol on upper-extremity musculoskeletal disorders of occupational origin (abbreviated as TMERT in Spanish) - Use of, and Rescue from, Wind Turbine Elevators |

#### 403-6 PROMOTION OF WORKER HEALTH

| Description  | Answer   |
|--|--|
| <b>a. Briefly explain the way in which the organization facilitates access by employees to medical services and health care</b> unrelated to the job, and the scope of the access it provides.   | The company provides employees with all the facilities needed to resort to medical services related to non-occupational pathologies.   |
| <b>b. Briefly describe the voluntary health promotion services and programs offered by the organization to employees to face important risks to health unrelated to the job,</b> which includes the specific risks to health in the program or service and the way in which the organization facilitates access by employees to those services and programs. | The main health promotion services are: the Employee Assistance Program (PAE in Spanish) that provides psychological and nutritional assistance and help with other health issues of our employees and their immediate family. Eye care is also offered on sites and employees are offered facilities to purchase eyeglasses. We also provide complementary health insurance and promote healthy lifestyles. |

### 403-7 PREVENTION AND MITIGATION OF OCCUPATIONAL HEALTH AND SAFETY IMPACTS DIRECTLY LINKED BY BUSINESS RELATIONSHIPS

| Description   | Answer   |
|---|--|
| <b>a. Briefly describe the organization's approach to preventing and mitigating the material adverse impacts on occupational health and safety directly related to its operations, products or services through its business relationships, and the associated hazards and risks.</b> | Mitigation plan management is transversal, so it applies to all activities for which hazards and risks have been identified. |

### 403-8 WORKERS COVERED BY AN OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

| Indicator   | % 2022-2023    |
|---|----------------|
| I. The number and percentage of employees, and of indirect employees whose work or workplace are controlled by the organization, who are covered by the system.   | 66%            |
| II. The number and percentage of employees, and of indirect employees whose work or workplace are controlled by the organization, who are covered by the system which has been audited.                                     | 30%            |
| III. The number and percentage of employees, and of indirect employees whose work or workplace are controlled by the organization, who are covered by the system which has been audited or certified by an external agency. | 30%            |
| b. Workers excluded from this content, including the types of workers and the reason for the exclusion.   | Not applicable |

### 403-9 WORK-RELATED INJURIES (OWN EMPLOYEES)

| A. OWN EMPLOYEES  |  |           |
|---|--|-----------|
| Indicator   | 2022   | 2023      |
| Number and rate of fatalities resulting from a work-related injury  | 0  | 0         |
| Number and rate of work-related injuries with great consequences (excluding fatalities)   | 0  | 0         |
| Number and rate of recordable work-related injuries   | 0  | 0         |
| Number of hours worked  | 1,913,982  | 2,197,234 |
| B. INDIRECT EMPLOYEES WHOSE WORK OR WORKPLACE ARE CONTROLLED BY THE ORGANIZATION  |  |           |
| Indicator   | 2023   |           |
| Number and rate of fatalities resulting from a work-related injury  | 0  |           |
| Number and rate of work-related injuries with great consequences (excluding fatalities)   | 0  |           |
| Number and rate of recordable work-related injuries   | 0  |           |
| Number of hours worked  | 0  |           |
| C. WORK HAZARDS PRESENTING A RISK OF INJURY WITH GREAT CONSEQUENCES   |  |           |
| Description   | Answer   |           |
| I. How are these hazards determined;<br>II. Which of these hazards has caused or contributed to injuries with great consequences during the period being reported;<br>III. The measures adopted or planned to eliminate these hazards and minimize the risks by means of a control hierarchy. | The main hazards are determined by each GBU through an exhaustive analysis (Value Accelerator). Examples: Work at a Height, Driving, Energy. A specific plan is prepared for these hazards for each GBU and transversally. |           |



## 403-9 WORK-RELATED INJURIES (OWN EMPLOYEES)

### E. ARE THE RATES CALCULATED PER 200,000 OR PER 1,000,000 HOURS WORKED?

#### Answer

The rates are calculated per 1,000,000 hours worked according to governing laws and the Group's directive.

### F. ARE ANY EMPLOYEES EXCLUDED FROM THIS CONTENT? INCLUDE THE TYPES OF EMPLOYEES AND REASON FOR THE EXCLUSION.

#### Answer

Not applicable

### G. ANY CONTEXTUAL INFORMATION NEEDED TO UNDERSTAND HOW THE DATA HAVE BEEN COMPILED AND THE STANDARDS, METHODOLOGIES OR ASSUMPTIONS USED.

#### Answer

We must emphasize that our safety statistics include contractors, so they are all a part of our management system.

## 403-10 WORK-RELATED ILL HEALTH

### A. OWN EMPLOYEES

| Indicator  | 2022  | 2023 |
|--|---|------|
| I. Number of fatalities resulting from a work-related ailment or illness | 0   | 0    |
| II. Number of cases of recordable work-related ailments or illnesses     | 0   | 0    |
| III. Main types of work-related ailments or illnesses:                   | There are no cases of work-related illnesses. |      |

### B. INDIRECT EMPLOYEES WHOSE WORK OR WORKPLACE ARE CONTROLLED BY THE ORGANIZATION

| Indicator  | 2022           | 2023 |
|--|----------------|------|
| I. Number of fatalities resulting from a work-related ailment or illness | 0              | 0    |
| II. Number of cases of recordable work-related ailments or illnesses     | 0              | 0    |
| III. Main types of work-related ailments or illnesses:                   | Not applicable |      |

### C. WORK HAZARDS PRESENTING A RISK OF AILMENTS AND ILLNESSES

| Description   | Answer   |
|---|--|
| I. How are these hazards determined;<br>II. Which of these hazards have caused or contributed to work-related ailments and illnesses during the period being reported.<br>III. The measures adopted or planned to eliminate these hazards and minimize the risks by means of a control hierarchy. | This is done by evaluating workstations and hazards of activities according to protocols and governing law.<br>This is managed jointly with the mutual safety association (worker's compensation insurance manager) in order to implement vigilance programs and action plans. |

### D. ARE ANY EMPLOYEES EXCLUDED FROM THIS CONTENT? INCLUDE THE TYPES OF EMPLOYEES AND REASON FOR THE EXCLUSION.

#### Answer

Not applicable

### E. ANY CONTEXTUAL INFORMATION NEEDED TO UNDERSTAND HOW THE DATA HAVE BEEN COMPILED AND THE STANDARDS, METHODOLOGIES OR ASSUMPTIONS USED.

#### Answer

The information needed for an understanding consists of:  
1. Self-evaluations  
2. Vigilance programs

## 8.6.2 GR 461 AND SASB REQUIREMENTS

### 5.1. NUMBER OF EMPLOYEES

#### 5.1.2 NUMBER OF INDIVIDUALS BY SEX, NATIONALITY AND TYPE OF DUTIES

| Position,<br>Responsibility or<br>Function | Sex        |            | Chilean    |            | Argentine |          | French   |          | Venezuelan |           | Colombian |          | Brazilian |          | Chinese  |          | Spanish  |          |
|--|------------|------------|------------|------------|-----------|----------|----------|----------|------------|-----------|-----------|----------|-----------|----------|----------|----------|----------|----------|
|  | M          | W          |            |            |           |          |          |          |            |           |           |          |           |          |          |          |          |          |
| Upper Management                           | 8          | 3          | 4          | 1          | 2         | 0        |          | 2        |            |           |           |          |           |          |          |          |          |          |
| Management                                 | 52         | 13         | 38         | 8          | 3         |          | 1        | 1        |            |           | 1         | 2        | 1         | 1        |          |          | 2        |          |
| Supervisors                                | 156        | 36         | 143        | 30         | 1         | 1        |          |          | 7          | 1         | 2         |          |           |          |          |          |          |          |
| Manual Workers                             | 321        | 10         | 318        | 9          |           |          |          |          | 2          | 1         | 1         |          |           |          |          |          |          |          |
| Salesforce                                 | 6          | 10         | 6          | 10         |           |          |          |          |            |           |           |          |           |          |          |          |          |          |
| Administrative Staff                       | 14         | 25         | 13         | 23         |           |          | 1        |          | 1          |           |           |          |           |          |          |          |          |          |
| Ancillary Staff                            | 0          | 0          |            |            |           |          |          |          |            |           |           |          |           |          |          |          |          |          |
| Other Professionals                        | 196        | 131        | 170        | 108        | 1         | 1        | 1        | 11       | 10         | 3         | 5         | 2        |           |          | 1        |          |          |          |
| Other Technicians                          | 21         | 3          | 21         | 3          |           |          |          |          |            |           |           |          |           |          |          |          |          |          |
| <b>TOTAL</b>                               | <b>774</b> | <b>231</b> | <b>713</b> | <b>192</b> | <b>7</b>  | <b>2</b> | <b>1</b> | <b>5</b> | <b>20</b>  | <b>13</b> | <b>7</b>  | <b>7</b> | <b>3</b>  | <b>1</b> | <b>0</b> | <b>1</b> | <b>2</b> | <b>0</b> |

| Position,<br>Responsibility or<br>Function | Bolivian |          | Belgian  |          | Ecuadoran |          | Indian   |          | Salvadoran |          | Italian  |          | Mexican  |          | Panamanian |          | Peruvian |          |
|--|----------|----------|----------|----------|-----------|----------|----------|----------|------------|----------|----------|----------|----------|----------|------------|----------|----------|----------|
|  | M        | W        |          |          |           |          |          |          |            |          |          |          |          |          |            |          |          |          |
| Upper Management                           |          |          |          |          |           |          |          |          |            |          |          |          |          |          |            |          | 1        |          |
| Management                                 |          |          | 1        |          |           | 1        | 1        |          |            |          | 1        |          |          |          |            |          | 2        |          |
| Supervisors                                |          |          |          | 1        | 1         |          |          |          | 1          |          |          |          | 1        | 1        |            | 1        |          | 1        |
| Manual Workers                             |          |          |          |          |           |          |          |          |            |          |          |          |          |          |            |          |          |          |
| Salesforce                                 |          |          |          |          |           |          |          |          |            |          |          |          |          |          |            |          |          |          |
| Administrative Staff                       |          |          |          |          |           | 1        |          |          |            |          |          |          |          |          |            |          |          |          |
| Ancillary Staff                            |          |          |          |          |           |          |          |          |            |          |          |          |          |          |            |          |          |          |
| Other Professionals                        | 1        | 1        | 2        | 1        |           |          |          |          |            |          |          |          | 3        |          |            |          | 2        | 2        |
| Other Technicians                          |          |          |          |          |           |          |          |          |            |          |          |          |          |          |            |          |          |          |
| <b>TOTAL</b>                               | <b>1</b> | <b>1</b> | <b>4</b> | <b>2</b> | <b>1</b>  | <b>1</b> | <b>1</b> | <b>0</b> | <b>1</b>   | <b>0</b> | <b>1</b> | <b>0</b> | <b>4</b> | <b>1</b> | <b>0</b>   | <b>1</b> | <b>5</b> | <b>3</b> |

| Position,<br>Responsibility or<br>Function | Portuguese |          | Czech    |          | Turk     |          | Uruguayan |          | Total       |
|--|------------|----------|----------|----------|----------|----------|-----------|----------|-------------|
|  | H          | M        |          |          |          |          |           |          |             |
| Upper Management                           |            |          |          |          | 1        |          |           |          | 11          |
| Management                                 | 1          |          |          |          |          |          |           |          | 65          |
| Supervisors                                |            |          |          |          |          |          |           |          | 192         |
| Manual Workers                             |            |          |          |          |          |          |           |          | 331         |
| Salesforce                                 |            |          |          |          |          |          |           |          | 16          |
| Administrative Staff                       |            |          |          |          |          |          |           |          | 39          |
| Ancillary Staff                            |            |          |          |          |          |          |           |          | 0           |
| Other Professionals                        |            |          | 1        |          |          |          | 1         |          | 327         |
| Other Technicians                          |            |          |          |          |          |          |           |          | 24          |
| <b>TOTAL</b>                               | <b>1</b>   | <b>0</b> | <b>1</b> | <b>0</b> | <b>1</b> | <b>0</b> | <b>0</b>  | <b>1</b> | <b>1005</b> |

### 5.1.3 NUMBER OF INDIVIDUALS BY AGE RANGE

| Position,<br>Responsibility or<br>Function | Below age 30 |           | Age 30 to 40 |            | Age 41 to 50 |           | Age 51 to 60 |           | Age 61 to 70 |          | Over age 70 |          |
|--|--------------|-----------|--------------|------------|--------------|-----------|--------------|-----------|--------------|----------|-------------|----------|
|  | M            | W         | M            | W          | M            | W         | M            | W         | M            | W        | M           | W        |
| Upper Management                           |              |           |              |            | 4            | 3         | 4            |           |              |          |             |          |
| Management                                 |              |           | 16           | 4          | 22           | 5         | 12           | 3         | 2            | 1        |             |          |
| Supervisors                                | 1            | 1         | 44           | 14         | 73           | 19        | 28           | 2         | 10           |          |             |          |
| Manual Workers                             | 6            | 2         | 117          | 7          | 98           | 1         | 69           |           | 31           |          |             |          |
| Salesforce                                 |              |           | 2            | 3          | 2            | 2         | 1            | 5         | 1            |          |             |          |
| Administrative Staff                       | 3            | 1         | 3            | 4          | 2            | 14        | 5            | 5         | 1            | 1        |             |          |
| Ancillary Staff                            |              |           |              |            |              |           |              |           |              |          |             |          |
| Other Professionals                        | 18           | 16        | 99           | 78         | 47           | 30        | 28           | 6         | 3            | 1        | 1           |          |
| Other Technicians                          | 1            |           | 4            | 2          | 2            | 1         | 6            |           | 8            |          |             |          |
| <b>TOTAL</b>                               | <b>29</b>    | <b>20</b> | <b>285</b>   | <b>112</b> | <b>250</b>   | <b>75</b> | <b>153</b>   | <b>21</b> | <b>56</b>    | <b>3</b> | <b>1</b>    | <b>0</b> |

### 5.1.4 NUMBER OF INDIVIDUALS BY TIME OF EMPLOYMENT

| Position,<br>Responsibility or<br>Function | Less than 3 years |            | From 3 to 6 years |           | More than 6; less than 9 years |           | From 9 to 12 years |          | More than 12 years |           |
|--|-------------------|------------|-------------------|-----------|--------------------------------|-----------|--------------------|----------|--------------------|-----------|
|  | M                 | W          | M                 | W         | M                              | W         | M                  | W        | M                  | W         |
| Upper Management                           | 3                 | 3          | 2                 |           |                                |           |                    |          | 3                  |           |
| Management                                 | 20                | 8          | 11                | 2         | 6                              | 1         | 3                  |          | 12                 | 2         |
| Supervisors                                | 41                | 19         | 33                | 6         | 10                             | 4         | 14                 | 3        | 58                 | 4         |
| Manual Workers                             | 44                | 2          | 37                | 4         | 33                             | 4         | 33                 |          | 174                |           |
| Salesforce                                 | 2                 | 1          | 1                 | 2         |                                |           |                    |          | 3                  | 7         |
| Administrative Staff                       | 5                 | 7          | 3                 | 4         |                                | 5         | 1                  | 2        | 5                  | 7         |
| Ancillary Staff                            |                   |            |                   |           |                                |           |                    |          |                    |           |
| Other Professionals                        | 114               | 90         | 29                | 19        | 15                             | 9         | 8                  | 4        | 30                 | 9         |
| Other Technicians                          | 5                 |            | 2                 | 1         | 3                              |           |                    |          | 11                 | 2         |
| <b>TOTAL</b>                               | <b>234</b>        | <b>130</b> | <b>118</b>        | <b>38</b> | <b>67</b>                      | <b>23</b> | <b>59</b>          | <b>9</b> | <b>296</b>         | <b>31</b> |

### 5.1.5 NUMBER OF DISABLED INDIVIDUALS

| Number of disabled individuals by sex and type of functions | Below age 30 |          | Total 2023 |
|---|--------------|----------|------------|
|   | Men          | Women    |            |
| Upper Management  |              |          |            |
| Management  |              |          |            |
| Supervisors   | 1            |          | 1          |
| Manual Workers  |              |          |            |
| Salesforce  |              |          |            |
| Administrative Staff  | 1            |          | 1          |
| Ancillary Staff   |              |          |            |
| Other Professionals   |              | 1        | 1          |
| Other Technicians   |              |          |            |
| <b>TOTAL</b>  | <b>2</b>     | <b>1</b> | <b>3</b>   |

## 5.2. EMPLOYMENT CONTRACTS

### NUMBER OF INDIVIDUALS WITH A CONTINUING CONTRACT, FIXED-TERM CONTRACT OR PER-PROJECT CONTRACT

| CONTINUING EMPLOYEES |                     | PER-PROJECT EMPLOYEES |                  |
|----------------------|---------------------|-----------------------|------------------|
| Men                  | Women               | Men                   | Women            |
| Total Men: 774       | Total Women: 231    | Total Men: 0          | Total Women: 0   |
| % Total Men: 100%    | % Total Women: 100% | % Total Men: 0        | % Total Women: 0 |

| FIXED-TERM EMPLOYEES |                  | FEE-BASED CONTRACTS |                  |
|----------------------|------------------|---------------------|------------------|
| Men                  | Women            | Men                 | Women            |
| Total Men: 0         | Total Women: 0   | Total Men: 0        | Total Women: 0   |
| % Total Men: 0       | % Total Women: 0 | % Total Men: 0      | % Total Women: 0 |

## 5.3. FLEXIBLE WORK ARRANGEMENTS

### NUMBER OF INDIVIDUALS WITH FLEXIBLE WORK ARRANGEMENTS

| NUMBER OF INDIVIDUALS WITH A REGULAR WORK WEEK |                     | NUMBER OF INDIVIDUALS WORKING PART-TIME |                  |
|--|---------------------|---|------------------|
| Men  | Women               | Men                                     | Women            |
| Total Men: 774                                 | Total Women: 231    | Total Men: 0                            | Total Women: 0   |
| % Total Men: 100%                              | % Total Women: 100% | % Total Men: 0                          | % Total Women: 0 |

| NUMBER OF INDIVIDUALS WITH A FLEXIBLE WORKING ARRANGEMENT FOR FAMILY REASONS |                  | NUMBER OF INDIVIDUALS WITH FLEXIBLE WORKING ARRANGEMENTS |                  |
|--|------------------|--|------------------|
| Men  | Women            | Men  | Women            |
| Total Men: 0   | Total Women: 0   | Total Men: 0   | Total Women: 0   |
| % Total Men: 0   | % Total Women: 0 | % Total Men: 0   | % Total Women: 0 |

| NUMBER OF INDIVIDUALS TELECOMMUTING |                    |  |  |
|-------------------------------------|--------------------|--|--|
| Men                                 | Women              |  |  |
| Total Men: 263                      | Total Women: 166   |  |  |
| % Total Men: 34%                    | % Total Women: 72% |  |  |



## 5.4. EQUAL PAY

|   |                                   |
|---|-----------------------------------|
| <b>5.4 The company has a policy intended to ensure equal pay among employees:</b> | Yes, it is explained on page 105. |
| <b>5.4 Pay gap</b>  | It is explained on page 106.      |

| PAY GAP              |      |                     |        |                    |
|----------------------|------|---------------------|--------|--------------------|
| Position Type        | Mean | Status              | Median | Status             |
| Administrative Staff | 94%  | 6% higher for men   | 100%   | No gap             |
| Upper Management     | 100% | No gap              | 75%    | 25% higher for men |
| Salesforce           | 100% | No gap              | 90%    | 10% higher for men |
| Management           | 104% | 4% higher for women | 100%   | No gap             |
| Supervisors          | 101% | 1% higher for women | 91%    | 9% higher for men  |
| Manual Workers       | 89%  | 11% higher for men  | 83%    | 17% higher for men |
| Other Professionals  | 94%  | 6% higher for men   | 93%    | 7% higher for men  |
| Other Technicians    | 93%  | 7% higher for men   | 98%    | 2% higher for men  |

## 5.5. WORK AND SEXUAL HARASSMENT

|   |     |
|---|-----|
| Do you have a policy on preventing and managing workplace harassment? | YES |
| Do you have workplace harassment training programs?                   | YES |
| Do you have a policy on preventing and managing sexual harassment?    | YES |
| Do you have sexual harassment training programs?                      | YES |

| Description  | 2022 | 2023 |
|--|------|------|
| Percentage of all employees trained in the year in sexual harassment prevention and management | 98%  | 97%  |
| Total number of sexual harassment complaints   | 1    | 3    |
| Number of those complaints presented to the entity   | 1    | 3    |
| Number of complaints presented to the Labor Bureau or equivalent agency                        | 0    | 0    |
| Total number of workplace harassment complaints  | 4    | 7    |
| Number of those complaints presented to the entity   |      | 7    |
| Number of complaints presented to the Labor Bureau or equivalent agency                        | 0    | 0    |

## 5.6. OCCUPATIONAL SAFETY

| Occupational Safety                                | 2022 | 2023 |
|--|------|------|
| Accident rate per 100 employees                    | 0.3  | 0    |
| Accident rate goal                                 | 0    | 0    |
| Fatality rate per 100 employees                    | 0    | 0    |
| Fatality rate goal                                 | 0    | 0    |
| Work-related illness rate per 100 employees        | 0.11 | 0    |
| Work-related illness rate goal                     | 0    | 0    |
| Average days lost in the year because of accidents | 119  | 0    |
| Goal for average days lost                         | 0    | 0    |

| SASB Occupational Safety                           | 2023 |
|--|------|
| Frequency Rate                                     | 0.1  |
| Fatality Rate                                      | 0    |
| Average days lost in the year because of accidents | 0    |

## 5.7. PARENTAL LEAVE

|  |                  |
|--|------------------|
| Do you have a policy stipulating a period of rest, longer than the legal one, after the birth of a child or after guardianship or care has been awarded by the courts as a measure of protection or when a minor is placed in care in an adoption request procedure? | Yes, for Men     |
| Number of days stipulated in that policy   | 28 calendar days |
| Is one of the objectives of that policy to encourage parental co-responsibility?   | Yes              |

| PARENTAL LEAVE BY NATIONALITY |   |   |
|-------------------------------|---|---|
|                               | Women as a % of all individuals making use of maternity leave | Men as a % of all individuals making use of paternity leave |
| Chilean                       | 36%   | 58%   |
| Argentine                     |   | 3%  |
| Indian                        |   | 3%  |
| Total                         | 36%   | 64%   |

| PARENTAL LEAVE BY POSITION |   |   |  |
|----------------------------|---|---|--|
|                            | Average number of days of maternity leave in the year for women | Average number of days of paternity leave in the year for men | Average number of days of parental leave in the year |
| Upper Management           | 0   | 0   | 0  |
| Management                 | 0   | 17  | 17   |
| Supervisors                | 168   | 13  | 64   |
| Manual Workers             | 85  | 6   | 16   |
| Salesforce                 | 0   | 0   | 0  |
| Administrative Staff       | 137   | 0   | 137  |
| Ancillary Staff            | 0   | 0   | 0  |
| Other Professionals        | 156   | 9   | 95   |
| Other Technicians          | 0   | 0   | 0  |

## 5.8. TRAINING AND BENEFITS

|  | 2023             |
|--|------------------|
| Funding allocated to the education and professional development of individuals working in the entity. This amount should be the same reported in the Annual Report, expressed in Chilean pesos, i.e., without converting to thousands, as of December 31st of the year being reported. | CLP\$676,691,854 |
| Percentage of total annual income allocated to education and professional development of individuals working in the entity   | 0.035%           |
| Total number of individuals trained  | 965              |
| Percentage of employees trained as compared to total number of employees   | 96%              |

### AVERAGE HOURS OF TRAINING PER YEAR

| Position Type        | Annual Average of Hours of Training Men | Annual Average of Hours of Training Women |
|----------------------|---|---|
| Upper Management     | 12                                      | 28.3                                      |
| Management           | 21.2                                    | 28.7                                      |
| Supervisors          | 56.2                                    | 32.5                                      |
| Manual Workers       | 63.3                                    | 15.1                                      |
| Salesforce           | 11.8                                    | 24.7                                      |
| Administrative Staff | 19.6                                    | 8.8                                       |
| Ancillary Staff      | 0                                       | 0,00                                      |
| Other Professionals  | 26                                      | 13.5                                      |
| Other Technicians    | 39.5                                    | 9.8                                       |
| Total hours          | 36,546.00                               | 4,043.0                                   |
| Average of hours     | 47.22                                   | 17.5                                      |

## 5.9. SUBCONTRACTING POLICY

|  |     |
|--|-----|
| Is there a policy setting down the directives to be considered in choosing subcontractors whose employees will perform duties in the entity? | Yes |
|--|-----|

## 7. SUPPLIER MANAGEMENT

### INVOICES PAID IN 2023

| Invoice payment indicators                           | Within 30 days | In 31 to 60 days | Beyond 60 days |
|--|----------------|------------------|----------------|
| Number of invoices paid in the year                  | 65,521         | 1,062            | 512            |
| Total paid (in CLP millions) by range                | \$1,735,773    | \$107,813        | \$32,523       |
| Number of suppliers issuing those invoices, by range | 2,374          | 344              | 134            |

### SUPPLIER PAYMENT

|   |                    |           |
|---|--------------------|-----------|
| Number of invoices paid                       | National suppliers | 66.460    |
|   | Foreign suppliers  | 635       |
| Total paid (in CLP millions)                  | National suppliers | 1,465,748 |
|   | Foreign suppliers  | 410,361   |
| Number of suppliers issuing the invoices paid | National suppliers | 2,309     |
|   | Foreign suppliers  | 155       |

### INTEREST PAID FOR LATE PAYMENTS IN 2023

|  |          |
|--|----------|
| Total interest for delay in invoice payment: the sum of interest paid or that should be paid for a delinquency or simple delay in paying invoices issued during the period reported. | Zero (0) |
| Exceptional period of payment  | Zero (0) |
| Number of agreements registered in the Register of Agreements with an Exceptional Period of Payment kept by the Ministry of the Economy, when relevant.                              | None     |



# SAN PEDRO WIND FARM

## LOCATION

Region of Los Lagos

**101 MW**

Installed capacity

**31**

Wind turbines

**2,769**

Trackers mounted



## RANGE

Equal to the annual  
consumption  
by **71,000** homes.

## ENVIRONMENTAL IMPACT

It will avoid the emission  
of **109,326** tons of CO<sub>2</sub>





A photograph of a wind turbine in a field under a cloudy sky. The turbine is white with a red stripe on the top of its tower. The sky is blue with large, white, fluffy clouds. The ground is dry and brown. Other wind turbines are visible in the distance.

# FINANCIAL STATEMENTS

Financial Statements  
Statement of Liability

# CONTENTS

|   |            |
|---|------------|
| <b>Consolidated Classified Statements of Financial Position.....</b>                    | <b>238</b> |
| <b>Consolidated Statements of Comprehensive Income by Function.....</b>                 | <b>240</b> |
| <b>Other Consolidated Comprehensive Income.....</b>                                     | <b>241</b> |
| <b>Statements of Cash Flows – Direct Method.....</b>                                    | <b>242</b> |
| <b>Statement of Changes in Consolidated Net Equity.....</b>                             | <b>244</b> |
| <b>NOTE 1 – GENERAL INFORMATION.....</b>  | <b>246</b> |
| 1.1 Corporate Information.....  | 246        |
| <b>NOTE 2 – BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS.....</b>     | <b>246</b> |
| 2.1 Basis of Presentation.....  | 246        |
| 2.2 New IFRS, Interpretations and Amendments of the IFRS Interpretations Committee..... | 247        |
| 2.3 Responsibility for the information, judgments and estimates.....                    | 251        |
| 2.4 Subsidiaries.....   | 252        |
| 2.5 Investments Accounted for Using the Equity Method.....                              | 252        |
| 2.6 Principles of Consolidation.....  | 253        |
| 2.7 Changes in significant accounting policies.....                                     | 254        |
| 2.8 Functional Currency and Currency of Presentation.....                               | 254        |
| 2.9 Accounting Period.....  | 254        |
| 2.10 Foreign Currency Translation.....  | 254        |
| <b>NOTE 3 – ACCOUNTING CRITERIA.....</b>  | <b>255</b> |
| 3.1 Property, Plant and Equipment.....  | 255        |
| 3.2 Business Combination and Goodwill.....  | 256        |
| 3.3 Other Non-Current Non-Financial Assets.....   | 257        |
| 3.4 Intangible Assets.....  | 257        |
| 3.5 Asset Impairment.....   | 258        |
| 3.6 Leased Assets.....  | 259        |
| 3.7 Financial Instruments.....  | 259        |
| 3.8 Inventories.....  | 266        |
| 3.9 Non-Current Assets Held for Sale and Discontinued Operations.....                   | 266        |
| 3.10 Provisions.....  | 266        |
| 3.11 Classification of Current and Non-Current Assets and Liabilities.....              | 267        |
| 3.12 Income Tax and Deferred Taxes.....   | 267        |
| 3.13 Recognition of Income and Expenses.....  | 268        |

|  |            |
|--|------------|
| 3.14 Earnings (Loss) per Share.....  | 269        |
| 3.15 Dividends.....  | 269        |
| 3.16 Cash and Cash Equivalents.....  | 269        |
| 3.17 Operating Segments.....   | 269        |
| 3.18 Contingent Assets and Liabilities.....  | 269        |
| <b>NOTE 4 – REGULATION AND OPERATION OF THE ELECTRICITY SYSTEM.....</b>                            | <b>270</b> |
| 4.1 Description of the Business.....   | 270        |
| 4.2 Regulation and Operation of the Electricity System.....  | 270        |
| 4.3 Types of Customers.....  | 270        |
| 4.4 Principal Assets.....  | 271        |
| 4.5 Renewable Energy.....  | 271        |
| <b>NOTE 5 – CORPORATE REORGANIZATIONS.....</b>   | <b>272</b> |
| 5.1 Acquisition of subsidiaries.....   | 272        |
| <b>NOTE 6 – CASH AND CASH EQUIVALENTS.....</b>   | <b>272</b> |
| 6.1 Cash Available.....  | 272        |
| 6.2 Time Deposits.....   | 273        |
| 6.3 Cash and Cash Equivalents.....   | 274        |
| <b>NOTE 7 – OTHER FINANCIAL ASSETS.....</b>  | <b>274</b> |
| 7.1 Fixed-Income Mutual Fund Shares.....   | 274        |
| <b>NOTE 8 – OTHER CURRENT NON-FINANCIAL ASSETS.....</b>  | <b>275</b> |
| <b>NOTE 9 – TRADE RECEIVABLES AND OTHER ACCOUNTS RECEIVABLE.....</b>                               | <b>275</b> |
| 9.1 Current Trade Receivables and Other Accounts Receivable.....                                   | 276        |
| 9.2 Non-Current Trade Receivables and Other Accounts Receivable.....                               | 276        |
| <b>NOTE 10 – ACCOUNTS RECEIVABLE, ACCOUNTS PAYABLE AND TRANSACTIONS WITH RELATED ENTITIES.....</b> | <b>279</b> |
| 10.1 Compensation of Key Management Personnel.....   | 279        |
| 10.2 Key Management Personnel.....   | 280        |
| 10.3 Current Related-Entity Accounts Receivable.....   | 280        |
| 10.4 Non-Current Related-Entity Accounts Receivable.....   | 281        |
| 10.5 Current Related-Entity Accounts Payable.....  | 281        |
| 10.6 Non-Current Related-Entity Accounts Payable.....  | 281        |
| 10.7 Related-Entity Transactions.....  | 282        |
| <b>NOTE 11 – CURRENT INVENTORIES.....</b>  | <b>285</b> |

|  |            |
|--|------------|
| <b>NOTE 12 – CURRENT TAXES.....</b>  | <b>286</b> |
| <b>NOTE 13 – OTHER NON-CURRENT NON-FINANCIAL ASSETS.....</b>               | <b>286</b> |
| <b>NOTE 14 – INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD.....</b>    | <b>287</b> |
| <b>NOTE 15 – INTANGIBLE ASSETS OTHER THAN GOODWILL.....</b>                | <b>288</b> |
| <b>NOTE 16 – GOODWILL.....</b>   | <b>289</b> |
| 16.1 Goodwill in the acquisition of San Pedro I and San Pedro II.....      | 289        |
| <b>NOTE 17 – PROPERTY, PLANT AND EQUIPMENT.....</b>                        | <b>290</b> |
| 17.1 Capitalized Financing Costs.....                                      | 296        |
| 17.2 Reconciliation of minimum payments for leased assets.....             | 297        |
| <b>NOTE 18 – RIGHT-OF-USE ASSETS.....</b>                                  | <b>297</b> |
| 18.1 Reconciliation of minimum payments for leased assets.....             | 298        |
| <b>NOTE 19 – DEFERRED TAXE.....</b>  | <b>299</b> |
| 19.1 Deferred tax assets at closing.....                                   | 300        |
| 19.2 Deferred tax liabilities at closing.....                              | 300        |
| 19.3 Reconciliation of Effective Rates.....                                | 301        |
| 19.4 Taxable Income of Domestic Subsidiaries at the end of the period..... | 302        |
| <b>NOTE 20 – OTHER FINANCIAL LIABILITIES.....</b>                          | <b>303</b> |
| 20.1 Interest-Bearing Loans.....   | 304        |
| 20.1.2 Interest-Bearing Loans, Non-Current.....                            | 306        |
| 20.2. Bonds.....   | 307        |
| <b>NOTE 21 – DERIVATIVES AND HEDGE TRANSACTIONS.....</b>                   | <b>309</b> |
| <b>NOTE 22 – LEASE LIABILITIES.....</b>                                    | <b>312</b> |
| 22.1 Lease Liabilities, current.....                                       | 312        |
| 22.2 Lease Liabilities, non-current.....                                   | 313        |
| <b>NOTE 23 – RISK MANAGEMENT.....</b>                                      | <b>315</b> |
| 23.1 Market Risk.....  | 315        |
| 23.2 Share Price Risk.....   | 317        |
| 23.3 Fuel Price Risk.....  | 317        |
| 23.4 Credit risk.....  | 318        |
| 23.5 Financial assets and derivatives.....                                 | 319        |
| 23.6 Liquidity risk.....   | 319        |
| 23.7 Insurance.....  | 320        |
| 23.8 Risk Rating.....  | 321        |



|  |            |
|--|------------|
| <b>NOTE 24 – TRADE PAYABLES AND OTHER ACCOUNTS PAYABLE.....</b>  | <b>321</b> |
| <b>NOTE 25 – CURRENT PROVISIONS FOR EMPLOYEE BENEFITS.....</b>   | <b>323</b> |
| <b>NOTE 26 – OTHER NON-FINANCIAL LIABILITIES.....</b>  | <b>323</b> |
| <b>NOTE 27 – OTHER NON-CURRENT PROVISIONS.....</b>   | <b>324</b> |
| <b>NOTE 28 – NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFITS.....</b>   | <b>325</b> |
| <b>NOTE 29 – EQUITY.....</b>   | <b>326</b> |
| 29.1 Dividend Policy.....  | 326        |
| 29.2 Capital Management.....   | 326        |
| <b>NOTE 30 – REVENUES.....</b>   | <b>327</b> |
| <b>NOTE 31 – COST OF SALES.....</b>  | <b>328</b> |
| <b>NOTE 32 – OTHER OPERATING INCOME AND EXPENSES.....</b>  | <b>329</b> |
| <b>NOTE 33 – ADMINISTRATIVE EXPENSES.....</b>  | <b>329</b> |
| <b>NOTE 34 – PERSONNEL EXPENSES.....</b>   | <b>330</b> |
| <b>NOTE 35 – OTHER EXPENSES (INCOME).....</b>  | <b>330</b> |
| <b>NOTE 36 – FINANCIAL INCOME.....</b>   | <b>331</b> |
| <b>NOTE 37 – FINANCIAL EXPENSES.....</b>   | <b>331</b> |
| <b>NOTE 38 – EXCHANGE DIFFERENTIALS.....</b>   | <b>332</b> |
| <b>NOTE 39 – EARNINGS PER SHARE.....</b>   | <b>333</b> |
| <b>NOTE 40 – GUARANTEES PROVIDED TO THIRD PARTIES, OTHER CONTINGENT ASSETS AND LIABILITIES AND OTHER ITEMS</b> | <b>334</b> |
| 40.1 Direct guarantees.....  | 334        |
| 40.2 Indirect guarantees.....  | 335        |
| 40.3 Guarantees received from third parties.....   | 336        |
| 40.4 Restrictions.....   | 338        |
| 40.5 Other Contingencies.....  | 341        |
| <b>NOTE 41 – NUMBER OF EMPLOYEES.....</b>  | <b>342</b> |
| <b>NOTE 42 – PENALTIES.....</b>  | <b>342</b> |
| <b>NOTE 43 – THE ENVIRONMENT.....</b>  | <b>343</b> |
| <b>NOTE 44 – SUMMARY FINANCIAL INFORMATION ON SUBSIDIARIES.....</b>  | <b>345</b> |
| <b>NOTE 45 – SUBSEQUENT EVENTS.....</b>  | <b>346</b> |
| <b>APPENDIX 1 – COMPANIES IN THE ENGIE ENERGIA CHILE S.A. GROUP.....</b>                                       | <b>346</b> |
| <b>APPENDIX 2 – ITEMIZATION OF ASSETS AND LIABILITIES IN A FOREIGN CURRENCY.....</b>                           | <b>347</b> |

## CONSOLIDATED CLASSIFIED STATEMENTS OF FINANCIAL POSITION

As of December 31, 2023 and 2022, in thousands of U.S. dollars

| ASSETS   | Note | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD |
|--|------|--------------------|--------------------|
| <b>Current Assets</b>  |      |                    |                    |
| Cash and cash equivalents                                    | 6    | 301,327            | 132,365            |
| Other financial assets, current                              | 7-21 | 12,441             | 17,865             |
| Other non-financial assets, current                          | 8    | 237,668            | 160,280            |
| Trade receivables and other accounts receivable, current     | 9    | 271,171            | 220,567            |
| Related-entity receivables, current                          | 10   | 7,407              | 5,532              |
| Current inventories  | 11   | 139,574            | 264,055            |
| Current tax assets   | 12   | 16,782             | 35,179             |
| <b>Total Current Assets</b>                                  |      | <b>986,370</b>     | <b>835,843</b>     |
| <b>Non-Current Assets</b>                                    |      |                    |                    |
| Other non-current financial assets                           | 7-21 | 5,682              | 5,055              |
| Other non-current non-financial assets                       | 13   | 39,417             | 32,080             |
| Trade receivables and other accounts receivable, non-current | 9    | 297,584            | 325,798            |
| Related-entity receivables, non-current                      | 10   | 16,017             | 14,787             |
| Investments accounted for using the equity method            | 14   | 125,397            | 124,313            |
| Intangible assets other than goodwill                        | 15   | 138,773            | 172,239            |
| Goodwill   | 16   | 32,784             | 32,784             |
| Property, plant and equipment                                | 17   | 2,385,034          | 2,555,018          |
| Right-of-use assets  | 18   | 122,900            | 161,490            |
| Deferred tax assets  | 19   | 108,970            | 82,391             |
| <b>Total Non-Current Assets</b>                              |      | <b>3,272,558</b>   | <b>3,505,955</b>   |
| <b>Total Assets</b>  |      | <b>4,258,928</b>   | <b>4,341,798</b>   |

The accompanying notes form an integral part of these Consolidated Financial Statements.

## CONSOLIDATED CLASSIFIED STATEMENTS OF FINANCIAL POSITION

As of December 31, 2023 and 2022, in thousands of U.S. dollars

| EQUITY AND LIABILITIES   | Nota  | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD |
|--|-------|--------------------|--------------------|
| <b>Current Liabilities</b>                                     |       |                    |                    |
| Other financial liabilities, current                           | 20-21 | 331,704            | 383,061            |
| Current lease liabilities                                      | 22    | 5,387              | 6,416              |
| Trade payables and other accounts payable                      | 24    | 294,249            | 229,766            |
| Related-entity payables, current                               | 10    | 15,568             | 7,766              |
| Current tax liabilities  | 12    | 15,363             | 12,560             |
| Current provisions for employee benefits                       | 25    | 31,911             | 15,173             |
| Other non-financial liabilities, current                       | 26    | 14,436             | 5,477              |
| <b>Total Current Liabilities</b>                               |       | <b>708,618</b>     | <b>660,219</b>     |
| <b>Non-Current Liabilities</b>                                 |       |                    |                    |
| Other non-current financial liabilities                        | 20-21 | 1,813,530          | 1,392,613          |
| Non-current lease liabilities                                  | 22    | 101,220            | 135,165            |
| Related-entity payables, non-current                           | 10    | 49,889             | 51,738             |
| Other non-current provisions                                   | 27    | 170,524            | 161,827            |
| Deferred tax liabilities                                       | 19    | 29,010             | 137,866            |
| Non-current provisions for employee benefits                   | 28    | 43                 | 46                 |
| Other non-current non-financial liabilities                    | 26    | 81                 | 81                 |
| <b>Total Non-Current Liabilities</b>                           |       | <b>2,164,297</b>   | <b>1,879,336</b>   |
| <b>Total Liabilities</b>                                       |       | <b>2,872,915</b>   | <b>2,539,555</b>   |
| <b>Equity</b>  |       |                    |                    |
| Issued capital   |       | 1,043,728          | 1,043,728          |
| Retained earnings  |       | (46,910)           | 364,144            |
| Other reserves   | 29    | 389,195            | 394,371            |
| <b>Net equity attributable to the owners of the controller</b> |       | <b>1,386,013</b>   | <b>1,802,243</b>   |
| <b>Total Equity</b>  |       | <b>1,386,013</b>   | <b>1,802,243</b>   |
| <b>Total Equity and Liabilities</b>                            |       | <b>4,258,928</b>   | <b>4,341,798</b>   |

The accompanying notes form an integral part of these Consolidated Financial Statements.

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME BY FUNCTION

As of December 31, 2023 and 2022, in thousands of U.S. dollars

| CONSOLIDATED STATEMENT OF<br>COMPREHENSIVE INCOME BY FUNCTION   | Nota | 31-12-2023<br>kUSD | 31-12-2022<br>kUSD |
|---|------|--------------------|--------------------|
| Revenue   | 30   | 2,187,837          | 1,920,266          |
| Cost of sales   | 31   | (1,941,863)        | (1,900,963)        |
| <b>Gross Earnings</b>   |      | <b>245,974</b>     | <b>19,303</b>      |
| Other income  | 32   | 20,823             | 13,322             |
| Administrative expenses   | 33   | (48,757)           | (37,905)           |
| Other income or expenses by function  | 35   | (613,927)          | (448,255)          |
| <b>Profit (loss) from operating activities</b>  |      | <b>(395,887)</b>   | <b>(453,535)</b>   |
| Financial income  | 36   | 23,414             | 16,782             |
| Financial expenses  | 37   | (127,764)          | (75,485)           |
| Share in earnings (losses) of associates<br>and joint ventures accounted for using the<br>equity method | 14   | 3,427              | 5,513              |
| Exchange differentials  | 38   | (2,294)            | (14,702)           |
| <b>Pre-tax profit (loss)</b>  |      | <b>(499,104)</b>   | <b>(521,427)</b>   |
| Tax (income) expense in continuing<br>operations  | 19   | 88,050             | 132,658            |
| <b>Earnings (loss) from continuing<br/>operations</b>   |      | <b>(411,054)</b>   | <b>(388,769)</b>   |
| <b>Earnings (loss) attributable to<br/>the owners of the controller</b>                                 |      | <b>(411,054)</b>   | <b>(388,769)</b>   |
| <b>Earnings per Share</b>   |      |                    |                    |
| Profit  |      | <b>(411,054)</b>   | <b>388,769</b>     |
| Basic earnings per share in continuing<br>operations  | 39   | (USD 0,390)        | (USD 0,369)        |

The accompanying notes form an integral part of these Consolidated Financial Statements.



## OTHER CONSOLIDATED COMPREHENSIVE INCOME

As of December 31, 2023 and 2022, in thousands of U.S. dollars

| OTHER COMPREHENSIVE INCOME  | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD |
|---|--------------------|--------------------|
| <b>Gain</b>   | <b>(411,054)</b>   | <b>(388,769)</b>   |
| <b>Cash flow hedges</b>   |                    |                    |
| Earnings (losses) on cash flow hedges, before taxes                         | (22,129)           | 38,358             |
| <b>Income tax related to cash flow hedges in other comprehensive income</b> |                    |                    |
| Income tax related to cash flow hedges in other comprehensive income        | 5,281              | (7,685)            |
| <b>Other comprehensive income</b>   | <b>(16,848)</b>    | <b>30,673</b>      |
| <b>Comprehensive income</b>   | <b>(427,902)</b>   | <b>(358,096)</b>   |
| <b>Comprehensive Income attributable to:</b>                                |                    |                    |
| the owners of the controller  | (427,902)          | (358,096)          |
| non-controlling interests   | 0                  | 0                  |
| <b>Total Comprehensive Income</b>   | <b>(427,902)</b>   | <b>(358,096)</b>   |

The accompanying notes form an integral part of these Consolidated Financial Statements.

## STATEMENTS OF CASH FLOWS – DIRECT METHOD

As of December 31, 2023 and 2022, in thousands of U.S. dollars

| CONSOLIDATED STATEMENT OF CASH FLOW - DIRECT   | Note | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD |
|--|------|--------------------|--------------------|
| <b>Cash flow from (used in) operating activities</b>                                 |      |                    |                    |
| <b>Types of collections in operating activities</b>                                  |      |                    |                    |
| Collection of the sales of goods and provision of services                           |      | 2,597,419          | 2,057,935          |
| Collection of annual premiums and consideration, annuities and other policy benefits |      | 6,119              | 6,532              |
| Other collections in operating activities  |      | 88                 | 74                 |
| <b>Types of cash payments in operating activities</b>                                |      |                    |                    |
| Payments to suppliers for the supply of goods and services                           |      | (1,965,406)        | (2,278,926)        |
| Payments to and for account of employees   |      | (77,679)           | (60,267)           |
| Payments for premiums and benefits, annuities and other obligations under policies   |      | (37,960)           | (35,173)           |
| Other payments in operating activities   |      | (202)              | (2,538)            |
| <b>Cash flow from (used in) operating activities</b>                                 |      |                    |                    |
| Interest paid, classified as operating activity                                      |      | (98,350)           | (55,827)           |
| Income tax paid (refunded), classified as operating activity                         |      | (31,800)           | (11,436)           |
| Other cash inflows (outflows) classified as operating activities                     |      | (46,246)           | (49,079)           |
| <b>Cash flow from (used in) operating activities</b>                                 |      | <b>345,983</b>     | <b>(428,705)</b>   |

The accompanying notes form an integral part of these Consolidated Financial Statements.

## STATEMENTS OF CASH FLOWS – DIRECT METHOD

As of December 31, 2023 and 2022, in thousands of U.S. dollars

| CONSOLIDATED STATEMENT OF CASH FLOW(DIRECT  | Note | 12(31(2023<br>kUSD | 12(31(2022<br>kUSD |
|---|------|--------------------|--------------------|
| <b>Cash flow from (used in) investing activities</b>  |      |                    |                    |
| Cash flow used to obtain control of subsidiaries and other businesses   |      | 0                  | (116,330)          |
| Other collections from the sale of equity or debt instruments of other entities, classified as investing activities |      | 0                  | 58                 |
| Other payments to acquire equity or debt instruments of other entities, classified as investing activities          |      | 0                  | (59)               |
| Purchases of property, plant and equipment, classified as investing activities                                      |      | (534,614)          | (197,408)          |
| Interest received   |      | 6,291              | 848                |
| Payments under futures, term, option and swap contracts   |      | (179,162)          | (112,883)          |
| Collections under futures, term, option and swap contracts  |      | 194,812            | 107,687            |
| <b>Cash flow from (used in) investing activities</b>  |      | <b>(512,673)</b>   | <b>(318,087)</b>   |
| <b>Cash flow from (used in) financing activities</b>  |      |                    |                    |
| Proceeds from short(term loans  |      | 50,000             | 305,000            |
| Proceeds from long(term loans   |      | 775,000            | 362,000            |
| Loans from related entities   |      | 75,000             | 0                  |
| Loan payments   |      | (489,894)          | 0                  |
| Payment of financial lease liabilities  |      | (4,055)            | (4,185)            |
| Payment of loans to related entities  |      | (75,000)           | 0                  |
| Dividends paid  |      | 0                  | 0                  |
| <b>Cash flow from (used in) financing activities</b>  |      | <b>331,051</b>     | <b>662,815</b>     |
| Increase (decrease) in cash and cash equivalents before the effect of variations in the exchange rate               |      | 164,361            | (83,977)           |
| Effects of the variation in the exchange rate on cash and cash equivalents  |      | 4,601              | 653                |
| <b>Increase (decrease) in cash and cash equivalents</b>   |      | <b>168,962</b>     | <b>(83,324)</b>    |
| Cash and cash equivalents at the start of the period  | 6    | 132,365            | 215,689            |
| <b>Cash and cash equivalents at the end of the period</b>   | 6    | <b>301,327</b>     | <b>132,365</b>     |

The accompanying notes form an integral part of these Consolidated Financial Statements.

## STATEMENT OF CHANGES IN CONSOLIDATED NET EQUITY

As of December 31, 2022, in thousands of U.S. dollars

| Statement of<br>Changes in Net<br>Equity as of<br>December 31, 2023 | Changes<br>in Issued<br>Capital<br>Common<br>Shares | Changes in Other<br>Reserves |                         | Change in<br>Retained<br>Earnings<br>(Cumulative<br>Losses) | Net Equity<br>Attributable to<br>the Owners of<br>the Controller,<br>Total | Changes<br>in Non-<br>Controlling<br>Interests | Changes in<br>Net Equity,<br>Total |
|---|---|------------------------------|-------------------------|---|--|--|------------------------------------|
|   | kUSD  | Other<br>Sundry<br>Reserves  | Translation<br>Reserves | kUSD  | kUSD   | kUSD   | kUSD                               |
| <b>Equity at 1/1/2023</b>   | 1,043,728   | 394,371                      | 0                       | 364,144   | 1,802,243  | 0  | 1,802,243                          |
| Profit  | 0   | 0                            | 0                       | (411,054)   | (411,054)  | 0  | (411,054)                          |
| Other<br>Comprehensive<br>Income                                    | 0   | (16,848)                     | 0                       | 0   | (16,848)   | 0  | (16,848)                           |
| <b>Total<br/>Comprehensive<br/>Income</b>                           | <b>0</b>  | <b>(16,848)</b>              | <b>0</b>                | <b>(411,054)</b>  | <b>(427,902)</b>   | <b>0</b>                                       | <b>(427,902)</b>                   |
| Dividends   | 0   | 0                            | 0                       | 0   | 0  | 0  | 0                                  |
| Increases<br>(decreases) due to<br>other changes in<br>equity       | 0   | 11,672                       | 0                       | 0   | 11,672   | 0  | 11,672                             |
| <b>Changes in Equity</b>  | <b>0</b>  | <b>(5,176)</b>               | <b>0</b>                | <b>(411,054)</b>  | <b>(416,230)</b>   | <b>0</b>                                       | <b>(416,230)</b>                   |
| <b>Final Balance as of<br/>12/31/2023</b>                           | <b>1,043,728</b>                                    | <b>389,195</b>               | <b>0</b>                | <b>(46,910)</b>   | <b>1,386,013</b>   | <b>0</b>                                       | <b>1,386,013</b>                   |

The accompanying notes form an integral part of these Consolidated Financial Statements.



## STATEMENT OF CHANGES IN CONSOLIDATED NET EQUITY

as of December 31, 2022, in thousands of U.S. dollars

| Statement of<br>Changes in Net<br>Equity<br>as of December 31,<br>2022 | Changes<br>in Issued<br>Capital<br>Common<br>Shares | Changes in Other<br>Reserves        |                                 | Change in<br>Retained<br>Earnings<br>(Cumulative<br>Losses) | Net Equity<br>Attributable to<br>the Owners of<br>the Controller,<br>Total | Changes<br>in Non-<br>Controlling<br>Interests | Changes<br>in Net<br>Equity,<br>Total |
|--|---|-------------------------------------|---------------------------------|---|--|--|---------------------------------------|
|  | KUSD  | Other<br>Sundry<br>Reserves<br>KUSD | Translation<br>Reserves<br>KUSD | KUSD  | KUSD   | KUSD   | KUSD                                  |
| <b>Equity at 1/1/2022</b>  | 1,043,728   | 375,370                             | 0                               | 752,913   | 2,172,011  | 0  | 2,172,011                             |
| Profit   | 0   | 0                                   | 0                               | (388,769)   | (388,769)  | 0  | (388,769)                             |
| Other Comprehensive<br>Income  | 0   | 30,673                              | 0                               | 0   | 30,673   | 0  | 30,673                                |
| <b>Total Comprehensive<br/>Income</b>                                  | <b>0</b>  | <b>30,673</b>                       | <b>0</b>                        | <b>(388,769)</b>  | <b>(358,096)</b>   | <b>0</b>                                       | <b>(358,096)</b>                      |
| Dividends  | 0   | 0                                   | 0                               | 0   | 0  | 0  | 0                                     |
| Increases (decreases)<br>due to other changes<br>in equity             | 0   | (11,672)                            | 0                               | 0   | (11,672)   | 0  | (11,672)                              |
| <b>Changes in Equity</b>   | <b>0</b>  | <b>19,001</b>                       | <b>0</b>                        | <b>(388,769)</b>  | <b>(369,768)</b>   | <b>0</b>                                       | <b>(369,768)</b>                      |
| <b>Final Balance as of<br/>12/31/2022</b>                              | <b>1,043,728</b>                                    | <b>394,371</b>                      | <b>0</b>                        | <b>364,144</b>  | <b>1,802,243</b>   | <b>0</b>                                       | <b>1,802,243</b>                      |

The accompanying notes form an integral part of these Consolidated Financial Statements.

## NOTE 1 – GENERAL INFORMATION

### 1.1 CORPORATE INFORMATION

ENGIE ENERGIA CHILE S.A., hereinafter EECL, was created as a limited liability company on October 22, 1981, through contributions made by Empresa Nacional de Electricidad S.A. (ENDESA) and Corporación de Fomento de la Producción (CORFO, the Production Development Association of Chile).

The Company's first registered address was in Antofagasta, where it began operating in June 1981.

On September 30, 1983, Engie Energia Chile S.A. was transformed into a continuing open corporation listed on the Chilean stock exchange. It was registered under number 273 on July 23, 1985, in the Securities Register, and is therefore subject to oversight by the Financial Market Commission. The company's taxpayer identification number is 88.006.900-4.

A Special Shareholder's Meeting held on April 26, 2016 resolved to change the company's name from E.CL S.A. to "Engie Energia Chile S.A."

The registered and main offices of Engie Energia Chile S.A. are at Isidora Goyenechea 2800, Suites 1601, 1701 and 1801, Las Condes, Santiago, Chile, and its phone number is (56-2) 2353-3200.

The company is controlled directly by the Engie Group through Engie AUSTRAL S.A., which owns 631,924,219 shares with no par value in one single series, equal to an interest of 59.99%. The remaining 40.01% is traded on the Chilean stock exchanges.

The Company's Board approved the Consolidated Financial Statements of Engie Energia Chile S.A. as of December 31, 2023 on January 30, 2024. The Company's Board approved the Consolidated Financial Statements of Engie Energia Chile S.A. as of December 31, 2022 on January 31, 2023.

These Consolidated Financial Statements are presented in thousands of U.S. dollars (unless otherwise expressly indicated), as this is the Company's functional currency.

## NOTE 2 – BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 2.1 BASIS OF PRESENTATION

The Consolidated Financial Statements of Engie Energia Chile S.A. and its subsidiaries have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

These consolidated financial statements fairly reflect the financial position of Engie Energia Chile S.A. as of December 31, 2023 and 2022, and the results of its operations, changes in net equity and cash flows for the fiscal years ending on those dates.

These consolidated financial statements have been prepared using the accounting records kept by Engie Energia Chile S.A. and its subsidiaries.

## 2.2 NEW IFRS, INTERPRETATIONS AND AMENDMENTS OF THE IFRS INTERPRETATIONS COMMITTEE

The Company applied certain standards, interpretations and amendments for the first time that entered into effect for the fiscal years beginning January 1, 2023 or later. The Company has not adopted any standard, interpretation or amendment early that was issued but had not yet entered into effect.

a) The standards, interpretations and amendments to IFRS that had entered into effect on the date of the financial statements, their nature and impacts are described below:

| Amendments |  | 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 12     | Deferred Tax related to Assets and Liabilities arising from a Single Transaction | January 1, 2023               |
| IAS 12     | International Tax Reform - Pillar Two Model Rules                                | January 1, 2023               |

### IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts, a new accounting standard specifically for insurance contracts that covers recognition, measurement, presentation and disclosure. Upon entering into effect, it superseded IFRS 4, Insurance Contracts, issued in 2005. The new standard applies to all types of insurance contracts, regardless of the issuing entity, as well as to certain guarantees and financial instruments with certain discretionary participation features.

Some exceptions may be applied within the scope.

The IASB amended IFRS 17 in December 2021 to add a transition option for a “classification overlay” to address possible accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented on initial application of IFRS 17.

Entities choosing to use the classification overlay can only do so for comparative periods to which they apply IFRS 17 (that is, from the transition date to the date of initial application of IFRS 17).

Comparative figures are required in the application of IFRS 17.

The Company believes that there will be no impacts from this amendment entering into effect.

### IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates

In February 2021, the IASB issued amendments to IAS 8 to introduce a new definition of “accounting estimates.” The amendments explain the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. They also clarify how entities should use the measurement techniques and inputs to account for estimates.

The amended standard clarifies that the effects of a change in an input or a change in a measuring technique on an accounting estimate are changes in accounting estimates, provided the estimates are not the result of correcting errors in previous periods. This definition of a change in accounting estimates specified that changes in accounting estimates can result in added information or new developments. Therefore, these changes are not error corrections.

The Company believes that there will be no impacts from this amendment entering into effect.

### IAS 1 Presentation of Financial Statements – Disclosure of Accounting Policies

In February 2021, the IASB issued amendments to IAS 1 and the IFRS Practice Statement 2 – Making Materiality Judgments in which it provides guidance and examples to help entities apply materiality judgments in relation to the disclosure of accounting policies.

The purpose of the amendments is to help entities make more useful disclosures of accounting policies by:

- replacing the requirement that entities disclose their “significant” accounting policies by the requirement of disclosing their “material” accounting policies;
- including guidance on how entities should apply the concept of materiality in making decisions on accounting policy disclosures.

In evaluating the relative importance of accounting policy information, entities should consider the size of transactions, other events and conditions, and their nature.

The Company believes that there will be no impacts from this amendment entering into effect

### IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In May 2021, the IASB issued amendments to IAS 12 that reduced the scope of the exception in initial recognition according to IAS 12 so that it no longer applies to transactions that create temporary tax differences and equal deductibles.

The amendments explain that when the payments settling a liability are tax deductible, it is a matter of judgment (in consideration of governing tax laws) whether those 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 there are temporary differences in the initial recognition of the asset and liability.

Moreover, based on these amendments, the exception in the initial recognition does not apply to transactions that create temporary tax differences and equal deductibles in the initial recognition. It only applies if the recognition of a lease asset and a lease liability (or a dismantling liability and a dismantling asset component) create unequal temporary tax differences and deductibles. However, it is possible for the resulting deferred tax assets and liabilities not to be equal (for example, if the entity cannot benefit from the tax deductions or different tax rates are applicable to the temporary tax differences and deductibles). In those cases, entities must record the difference between the deferred tax asset and liability in income.

The Company believes that there will be no impacts from this amendment entering into effect.

### IAS 12 International Tax Reform – Pillar Two Model Rules

In May 2023, the Board issued amendments to IAS 12 that introduced a mandatory exception to the recognition and disclosure of deferred tax assets and liabilities related to income taxes under the Pillar Two Model Rules. The amendments explain that IAS 12 applies to income taxes arising from tax laws enacted or substantially enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD), including the tax laws implementing qualified minimum supplemental domestic taxes. That tax law and the resulting income taxes are called “Pillar Two law” and “Pillar Two income tax,” respectively.

The amendments require that an entity reveal that it has applied the exemption on recognizing and disclosing information on deferred tax assets and liabilities related to Pillar Two income tax. In this respect, an entity is required to disclose its current tax expense (gain) because of Pillar Two income tax in the periods that the law is in force.

The amendments also require disclosure of information known or that can be reasonably considered to help the users of financial statements understand an entity’s exposure to Pillar Two income tax for periods in which the Pillar Two law is (substantially) enacted but not yet in effect. To meet these requirements, entities are required to disclose qualitative and quantitative information on their exposure to Pillar Two income taxes at the end of the reporting period.



The temporary exemption from the recognition and disclosure of deferred tax information and the requirement to disclose the application of the exemption apply immediately and retrospectively to the issuance of the amendments.

The disclosure of the current tax expense related to Pillar Two income tax and disclosures in relation to periods prior to the effective date of the law are required for years beginning January 1, 2023, but are not required for any interim period ending on or before December 31, 2023.

The Company is evaluating the impact of applying IAS 12. However, no reasonable estimate can be provided of the effects that this amendment will have until management completes its detailed review.

b) The standards, interpretations and amendments to IFRS that had been issued, but had not yet entered into effect on the date of these financial statements, are explained below:

| Amendments         |   | Date of mandatory application |
|--------------------|---|-------------------------------|
| IAS 1              | Classification of Liabilities as Current or Non-Current   | 1 de enero de 2024            |
| IFRS 16            | Lease Liability in a Sale and Leaseback   | 1 de enero de 2024            |
| IAS 7 and IFRS 7   | Disclosure of Supplier Finance Arrangements   | 1 de enero de 2024            |
| IAS 21             | Lack of Exchangeability   | 1 de enero de 2025            |
| IFRS 10 and IAS 28 | Consolidated Financial Statements – sale or contribution of assets between an investor and its associate or joint venture | To be determined              |

### IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current

In 2020 and 2022, the IASB issued amendments to IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

1. what the right to defer settlement means;
2. that a right must exist to defer to the end of the period being reported;
3. that the classification is not affected by the probability that an entity will exercise its right of deferral;
4. that the terms of a liability will not affect its classification only if a derivative implicit in a convertible liability is also an equity instrument.

The amendments will enter into effect for periods beginning on or after January 1, 2024, and they must be applied prospectively. Early application is allowed and must be disclosed. However, entities applying the 2020 amendments early are required to apply the 2022 amendments, and vice versa.

The Company will evaluate the impact of the amendment once it enters into effect.

### IFRS 16 Lease Liability in a Sale and Leaseback

This amendment addresses the requirements used by a seller-lessee in measuring a lease liability arising from a sale and leaseback transaction.

The amendment stipulates that the seller-lessee must apply paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of IFRS 16 to the lease liability arising from the leaseback after the effective date of a sale and leaseback transaction. When applying paragraphs 36 to 46 of IFRS 16, the seller-lessee must determine the “lease payments” or “revised lease payments” so that the seller-lessee will not recognize any gain or loss from the right of use that it retains. The application of these requirements does not preclude the seller-lessee from recognizing in income any gain or loss related to the partial or total cessation of a lease, as required by paragraph 46(a) of IFRS 16.

The amendment does not stipulate specific measuring requirements for lease liabilities arising from a leaseback. The initial measurement of a lease liability arising from a leaseback may cause the seller-lessee to determine “lease payments” that differ from the general definition of lease payments in Appendix A of IFRS 16. The seller-lessee must develop and apply an accounting policy that will yield information that is relevant and reliable according to IAS 8.

Sellers-lessees must apply the amendment to annual reports starting January 1, 2024. Early application is allowed and must be disclosed. According to IAS 8, sellers-lessees must apply the amendment retroactively to sale and leaseback transactions made after the date of initial application (i.e., the amendment does not apply to sale and leaseback transactions made before the date of initial application). The date of initial application is the year being reported in which the entity first applied IFRS 16.

The Company will evaluate the impact of the amendment once it enters into effect.

### IAS 7 and IFRS 7 – Disclosure of Supplier Finance Arrangements

In May 2023, the Board issued amendments to IAS 7 Cash Flow Statements and IFRS 7 Financial Instruments: Disclosures. The amendments specify the requirements on the information to be disclosed to improve actual requirements. The purpose is to help users of financial statements understand the effects of supplier finance arrangements on the liabilities, cash flows and liquidity risk exposure of an entity.

The amendments clarify the characteristics of supplier finance arrangements. In those arrangements, one or more financial service providers pay sums owed by an entity to its suppliers. The entity agrees to settle those amounts with financial service providers according to the terms and conditions of the arrangements, either on the same date or on a date subsequent to the date when the financial service providers pay the entity's suppliers.

The amendments require that an entity provide information on the impact of supplier finance arrangements on liabilities and cash flows, including the terms and conditions of those arrangements, quantitative information on liabilities related to such arrangements at the start and end of the period being reported, and the type and effect of non-monetary changes on the book values of those arrangements. The information on those arrangements must be presented in the aggregate unless the individual arrangements have terms that are not similar to the others or are unique. In the context of quantitative disclosures of liquidity risk required by IFRS 7, the supplier finance arrangements are included as an example of other factors that might be important to disclose.

The amendments will enter into force for the years beginning January 1, 2024. Early adoption is allowed, but it must be disclosed. The amendments offer some transition exemptions regarding comparative and quantitative information at the start of the annual report period and regarding the disclosures in interim financial reporting.

The Company will evaluate the impact of the amendment once it enters into effect.

### IAS 21 Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability

The amendments to IAS 21 Effects of Changes in Foreign Exchange Rates specify how an entity must evaluate if a currency is exchangeable and how it must determine a spot exchange rate when there is no exchangeability.

A currency is considered to be exchangeable for another when an entity can obtain the other currency in a standard administrative period on an exchange market or through an exchange mechanism where an exchange transaction would create enforceable rights and obligations.

If a currency is not exchangeable for another, entities must estimate the spot exchange rate on the measurement date. The purpose of this estimation is to reflect the rate at which an exchange transaction would have taken place on the measurement date between market participants under prevailing economic conditions. The amendments say that entities can use an unadjusted observable exchange rate or another estimation technique.

Entities who estimate a spot exchange rate because a currency is not exchangeable for another must disclose information so that users of their financial statements can understand how this fact affects, or is expected to affect, their financial performance, financial position and cash flows.

The amendments will take effect for years beginning January 1, 2025. Early adoption is allowed, but must be disclosed. Entities may not restate comparative information when applying the amendments.

The Company will evaluate the impact of the amendment once it enters into effect.

### IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associations and Joint Ventures – sale or contribution of assets between an investor and its associate or joint venture

The amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) address a recognized inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011) in the treatment of a sale or contribution of assets between an investor and its associate or joint business.

The amendments, issued in September 2014, stipulate that when the transaction involves a business (whether or not it is in a subsidiary), the entire gain or loss must be recognized. A partial gain or loss is recognized when the transaction involves assets not comprising a business, even when the assets are in a subsidiary.

The date of mandatory application of these amendments is to be determined because the IASB is waiting for the results of its research on accounting according to the equity method. These amendments must be applied retrospectively, and early adoption is allowed, which must be disclosed.

The Company will evaluate the impact of the amendment once it enters into effect.

## 2.3 RESPONSIBILITY FOR THE INFORMATION, JUDGMENTS AND ESTIMATES

The Board of Engie Energía Chile S.A. has analyzed the information included in these consolidated financial statements and assumes liability for the veracity of the information contained in these financial statements as of December 31, 2023.

The preparation of the financial statements requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. Relevant estimates and assumptions are reviewed on a regular basis. Any revision to these accounting estimates is recorded in the period in which such estimates are revised and in any future period affected.

The estimates mainly relate to:

- **Useful lives of property, plant and equipment and impairment testing**

Management has estimated the useful life of each set of productive assets. This estimate could vary as a result of technological changes and/or other business factors. In addition, the Company has looked for any signs of impairment at the fiscal year closing, as required by IAS 36.

- **Assumptions used for the actuarial calculation of severance indemnities**

An actuarial study is the method that has been used to determine the respective liability, using the discount rate, employee turnover, the mortality rate, average retirements and, finally, the salary increase rate (Note 3.10.1).

- **Contingencies, lawsuits and litigation**

The Company evaluates the probability of losing its lawsuits and of contingencies from time to time based on estimates made by its legal counsel. No provisions have been made whenever Management and the Company's attorneys opine that the outcome will be favorable or is uncertain and the lawsuits are ongoing.

- **Intangible Assets**

The Company prepares pre-tax future cash-flow provisions to estimate value in use. If the recoverable amount is less than the net carrying value of the asset, the corresponding impairment loss provision is made for the difference, as a debit against amortization in the Statement of Income.

## 2.4 SUBSIDIARIES

These consolidated financial statements include the financial statements of the Company and of entities controlled by the Company. Control exists when the company:

- has power over the investee;
- has rights or is exposed to variable returns on its interest in the investee; and
- has the ability to use its power to affect the investee's returns.

The Company re-evaluates whether it has control over an investee if facts and circumstances indicate that there are changes in one or more of the three elements of control mentioned above.

The subsidiaries Electroandina SpA, Central Termoeléctrica Andina SpA, Gasoducto Nor Andino SpA, Gasoducto Nor Andino Argentina S.A., Inversiones Hornitos SpA, Edelnor Transmisión S.A., Solairedirect Generación VI SpA, Solairedirect Generación IX SpA, Parque Eólico Los Trigales SpA, Solar Los Loros SpA, Eólica Monte Redondo SpA, Alba SpA, Alba Andes SpA, Alba Pacífico SpA, Río Alto SpA, Energías de Abtao SpA and Eólica Entre Cerros SpA are consolidated in these financial statements. The assets, liabilities and income are included in the annual consolidated financial statements after eliminating and/or adjusting transactions within the EECL Group (see Appendix 1.a).

A purchase price allocation (PPA) was made among the subsidiaries Alba SpA, Alba Andes SpA, Alba Pacífico SpA, Río Alto SpA. and Energías de Abtao SpA as a result of their purchase, which meant the acquisition of the "San Pedro" plants and projects located on the island of Chiloé. This transaction was closed December 15, 2022. This PPA provided a fair value of these companies' assets and liabilities and their impacts were incorporated to the 2022 closing balances as stipulated in IFRS 3, paragraphs 8 and 10. Mainly fair values of property, plant and equipment were recognized, as well as a dismantling provision and the respective impacts of deferred taxes resulting from the PPA.

## 2.5 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

These are interests in companies in which EECL has joint control with another company or over which it exercises a considerable influence.

The equity method consists of recording the interest as the fraction of net equity that the Company's interest represents in the issuer's adjusted capital.

Associates are entities over which the Company has a considerable influence, but not control over financial and operating policies.

The companies accounted for using the equity method are described in Appendix 1.b.



Transmisora Eléctrica del Norte S.A. is accounted for using the equity method.

A joint venture is a joint agreement whereby the parties who have joint control under the agreement have the right to the net assets in the joint venture. Joint control is a contractual agreement to share the control of an agreement, and it exists only when the decisions on the relevant activities require the unanimous consent of the parties sharing control.

The income, assets and liabilities of associates and/or joint venturers are included in these Financial Statements using the equity method, unless the investment is classified as held for sale. In this latter case, it is recorded according to IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations. Under the equity method, investments in associates and/or joint ventures are initially recorded at cost, and then adjusted by the changes occurring to the portion of net assets of the associate belonging to the Company after the acquisition, less any impairment in the value of the individual investments.

When the Company's share in losses of an associate or joint venture exceeds its share in the same, it will stop recognizing its share in further losses. The share in an associate or joint venture will be the carrying value of the investment in the associate or joint venture calculated using the equity method, as well as any long-term interest that essentially forms a part of the net investment by the entity in the associate or joint venture.

An investment in an associate and/or joint venture will be accounted for using the equity method as from the date when it becomes an associate or joint venture. Any cost of the investment exceeding the Company's share in the net fair value of identifiable assets and liabilities at the time of investment in the associate or joint venture will be recorded as goodwill and will be added to the carrying value of the investment. Any interest in the net fair value of identifiable assets and liabilities of the investee exceeding the investment cost, after a reassessment, will be immediately recognized in income in the period when the investment was acquired.

## 2.6 PRINCIPLES OF CONSOLIDATION

The operations of Engie Energía Chile S.A. and its subsidiaries have been consolidated line by line according to the following basic principles:

1. On the date that the Company takes control, the assets acquired and liabilities assumed by the subsidiary are recorded at the fair value, except for certain assets and liabilities, which are accounted for according to the valuation principles of the IFRS. If the fair value of the total transferred, plus the fair value of any non-controlling interest, exceeds the fair value of the net assets acquired in the subsidiary, this difference is recorded as goodwill. Any gain from a purchase at a low price is recorded as a credit to income, after re-evaluating whether the assets acquired and liabilities assumed have been correctly identified and after reviewing the procedures used to measure the fair value of such assets and liabilities.
2. If it is not possible to determine the fair value of all such assets and liabilities on the date of acquisition, the Company will report the provisional values recorded. During the measurement period, which may not exceed one year from the date of acquisition, the provisional values will be adjusted retrospectively and additional assets or liabilities will also be recognized to reflect new information on the facts and circumstances existing on the date of acquisition, but which were unknown to management at that time.
3. The value of the interests of non-controlling shareholders in the equity and comprehensive income of subsidiaries is shown in Non-Controlling Interests in Total Equity in the consolidated statement of financial position and in Earnings attributable to non-controlling interests and Comprehensive income attributable to non-controlling interests in the Consolidated Statement of Comprehensive Income.
4. The balances and transactions among the consolidated companies have been eliminated in their entirety in the consolidation process.
5. The changes in interests in subsidiaries that do not result in a gain or loss of control are recorded as equity transactions and the carrying value of controlling and non-controlling interests are adjusted to reflect changes in the relative shares in the subsidiary. Any difference that may exist between the adjustment to the non-controlling interests and the fair value of the consideration paid or received is recognized directly in Equity attributable to the owners of the controller.

## 2.7 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

The Company implemented IFRS 16, Leases, effective January 1, 2019, and it is disclosing the impacts in the Consolidated Financial Statements as of December 31, 2023. As a lessee, Engie Energía Chile S.A. has decided not to use the practical exception in IFRS 16 that allows no re-evaluation of old contracts classified as an operating lease under IAS 17 and IFRIC 4: "As a practical solution, an entity is not required to re-evaluate whether a contract is or contains a lease on the date of initial application. Instead, the entity is allowed: (a) to apply the standard to contracts that were previously identified as leases in the application of IAS 17, Leases, and IFRIC 4, Determining Whether an Arrangement Contains a Lease." Since lessors are not required to any make any adjustment in the transition to IFRS 16, the company opted not to analyze the contracts in which EECL is lessor. For the transition to the standard, EECL decided to apply the modified retrospective approach model to record the right-of-use asset for an amount equal to the liability. This record began to be made on January 1, 2019, thus applying the standard on its date of mandatory application. The incremental discount rates used to calculate the respective amortization tables associated with the lease obligation were determined by the Company's Management as well as the lease periods for those where a renewal is possible. The application of other pronouncements has had no significant impact on EECL.

The remaining accounting criteria applied during 2023 did not vary compared to those used in the previous fiscal year.

## 2.8 FUNCTIONAL CURRENCY AND CURRENCY OF PRESENTATION

The functional currency and currency of presentation of the Company and its subsidiaries is the U.S. dollar. All amounts have been rounded to the nearest thousand (kUSD).

## 2.9 ACCOUNTING PERIOD

These Consolidated Financial Statements cover the following periods:

- Consolidated Statements of Financial Position for the fiscal years ending December 31, 2023 and 2022.
- Statements of Changes in Equity for the fiscal years ending December 31, 2023 and 2022.
- Consolidated Statements of Comprehensive Income for the fiscal years ending December 31, 2023 and 2022.
- Statements of Direct Cash Flows for the fiscal years ending December 31, 2023 and 2022.

## 2.10 FOREIGN CURRENCY TRANSLATION

The U.S. dollar is the Company's functional currency and the presentation currency of the consolidated financial statements of Engie Energía Chile S.A. Transactions in local and foreign currencies other than the functional currency are translated using the exchange rates on the transaction date. Monetary assets and liabilities denominated in a foreign currency are translated at the functional currency exchange rate on the date of the general balance sheet. Foreign currency gains and losses resulting from these transactions and from the translation of monetary assets and liabilities in a foreign currency at the closing exchange rates are recognized under Exchange Differentials in the consolidated statement of income.

Assets and liabilities in a foreign currency were translated using the following closing exchange rates:

| Currency          | 12-31-2023<br>USD 1 | 12-31-2022<br>USD 1 |
|-------------------|---------------------|---------------------|
| Chilean peso      | 877.1200            | 855.8600            |
| Euro              | 0.9042              | 0.9344              |
| Yen               | 140.8950            | 131.3200            |
| Argentine peso    | 807.9750            | 177.1210            |
| Pound sterling    | 0.7844              | 0.8278              |
| Unidad de Fomento | 41.9434             | 41.0242             |

## NOTE 3 – ACCOUNTING CRITERIA

The main accounting criteria applied in preparing these consolidated financial statements were as follows:

### 3.1 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are valued at either the acquisition cost or construction cost, less accumulated depreciation and impairment losses. The historic cost of property, plant and equipment as of January 1, 2009, the date of transition to IFRS, was used to determine the cost of property, plant and equipment. Costs include expenses attributed directly to the acquisition of the asset. The cost of assets built by the Company includes the cost of materials, direct labor, and any other cost directly attributable to the process of making the asset ready for use. In addition to the price paid to acquire each element, cost also includes the following items, where relevant:

1. Financial expenses accrued during the construction period that are directly attributable to the acquisition, construction or production of qualified assets, and which require a substantial period of time before being ready to use. The specific loan interest rate was used, or if there was none, the mean financing rate of the company making the investment.

2. Subsequent costs: The cost of replacing part of an item of property, plant and equipment is recorded as an asset when it is likely that the future economic benefits associated with it will be received by the company, provided they can be reliably determined. The value of the replaced component is charged off in the accounting.

The costs of maintaining property, plant and equipment are recognized in profit or loss as they are incurred.

Strategic spare parts are classified as Property, Plant and Equipment and a distinction is made as to whether they will be used in major maintenance or are required for emergencies.

Depreciation is recognized in profit or loss using the straight-line method for the economic useful life of each component of property, plant and equipment, without any residual value. Leased assets are depreciated over the shorter of the term of the lease or their useful lives, unless the Company is certain that it will obtain ownership at the end of the lease.

Land is recorded separately from buildings or facilities that might be built on it, and it has an indefinite useful life, so it is not depreciable.

The following are the main classes of property, plant and equipment along with their estimated useful lives:

| Estimated Useful Lives of the Company's Main Assets |                      | Minimum | Maximum |
|---|----------------------|---------|---------|
| Coal-fired power plants                             | Years of useful life | 25      | 40      |
| Combined cycle power plants                         | Years of useful life | 25      | 25      |
| Wind farm   | Years of useful life | 25      | 45      |
| Photovoltaic power plants                           | Years of useful life | 25      | 35      |
| Civil works   | Years of useful life | 25      | 50      |
| Hydraulic works                                     | Years of useful life | 35      | 50      |
| Transmission lines                                  | Years of useful life | 10      | 50      |
| Gas pipelines                                       | Years of useful life | 25      | 30      |
| Control systems                                     | Years of useful life | 10      | 14      |
| Auxiliary systems                                   | Years of useful life | 7       | 10      |
| Furniture, vehicles and tools                       | Years of useful life | 3       | 10      |
| Other   | Years of useful life | 5       | 20      |

The Group reviews the useful lives of property, plant and equipment at the end of each fiscal year being reported.

### 3.2 BUSINESS COMBINATION AND GOODWILL

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at the fair value on the acquisition date, and the amount or quantity of any non-controlling interests in the investee. The Group chooses, for each business combination, whether to measure non-controlling interests in the investee at the fair value or at the proportional part of its identifiable net assets. The costs related to the acquisition are recorded as expenses incurred and included in administrative expenses.

When the Group acquires a business, it evaluates the financial assets and liabilities acquired for their classification and designation according to the contract terms, economic circumstances and pertinent conditions on the date of acquisition. This includes the separation of embedded derivatives in the investee's main contracts.

Any contingent consideration to be transferred by the buyer will be recognized at the fair value on the acquisition date.

The contingent consideration classified as equity is not remeasured, and any subsequent settlement is accounted for in net equity. A contingent consideration classified as an asset or liability that is a financial instrument within the scope of IFRS 9 Financial Instruments is measured at the fair value, and changes in fair value are recognized through profit or loss according to IFRS 9.

Other contingent considerations outside the scope of IFRS 9 are measured at the fair value on each reporting date, and changes in fair value are recognized through profit or loss.

Goodwill is initially measured at cost (which is the excess of the aggregate of the consideration transferred and the sum recognized for non-controlling interests and any prior interest held in identifiable net assets acquired and liabilities assumed). If the fair value of the net assets acquired is above the consideration transferred, the Group re-evaluates whether it has correctly identified all assets acquired and all liabilities assumed, and it reviews the procedures used to measure the amounts to be recognized on the acquisition date. If there is an excess fair value of the net assets acquired above the consideration transferred after this re-evaluation, then the gain is recognized in income.



After the initial recognition, goodwill is measured at cost, less any accumulated impairment loss. For impairment testing, goodwill acquired in a business combination is allocated from the acquisition date to each of the Group's cash generating units that are expected to benefit from the combination, regardless of whether other assets or liabilities in the investee are allocated to those units.

When goodwill has been allocated to a cash generating unit (CGU) and part of the operation is eliminated from that unit, the goodwill associated with the eliminated operation is included in the carrying value of the operation to determine the gain or loss in the derecognition or impairment. Goodwill that has been written off or derecognized under these circumstances is measured at the value of the transferred operation and the portion retained in the cash generating unit.

### 3.3 OTHER NON-CURRENT NON-FINANCIAL ASSETS

The Company includes assets among its other non-current non-financial assets that are by nature long term and are not classified as tangible assets, intangible assets or financial assets.

The Company classifies all its relevant projects under development in this line until they begin to operate or have tangible elements. As of that moment, they are reclassified to Property, Plant and Equipment.

### 3.4 INTANGIBLE ASSETS

Intangible assets in contracts with customers are comprised mainly of power purchase agreements of our subsidiaries Central Termoeléctrica Andina SpA and Inversiones Hornitos SpA, which are being amortized over 30 years and 15 years, respectively, since 2011. The amortization shown for intangible assets in contracts with customers in 2010 pertains to the gas transportation agreement of our subsidiary, Gasoducto Nor Andino SpA, and the amortization is being recorded as a cost of sale in the statement of income for a period of 11 years.

The other identifiable intangible assets are comprised of assignments and transfers of rights, transmission line concessions and other government-land concessions. These rights are recorded at the purchase price and are being amortized on a straight-line basis over a period of 30 years since 2012.

| Intangibles              | Useful Life of Intangibles |          |
|--------------------------|----------------------------|----------|
|                          | Minimum                    | Maximum  |
| Rights and concessions   | 20 years                   | 30 years |
| Contracts with customers | 10 years                   | 30 years |

Nevertheless, the potential recovery of intangible assets with indefinite useful lives that form a part of Cash-Generating Units is assessed annually.

The recoverable amount is the higher of its market value less the cost required to sell it, and its value in use, which is understood to be the present value of the estimated future cash flows. Value-in-use is the criterion that is almost always used by the Company to calculate the recoverable value of intangible assets.

To estimate the value in use, Engie Energía Chile S.A. prepares pre-tax future cash-flow projections based on the most recent available budgets. These budgets contain EECL Management's best estimates of income and costs of cash-generating units based on sectorial projections, past experience and future expectations. These projections cover the next five years. Cash flows are estimated for following years using reasonable growth rates that are never increasing or in excess of the mean long-term growth rates for the relevant sector and country.

### 3.5 ASSET IMPAIRMENT

The worth and useful lives of property, plant and equipment are reviewed annually to determine whether there are any signs of impairment. This occurs when there are events or circumstances indicating that the value of the asset might not be recoverable. When the carrying value of an asset exceeds its recoverable value, a loss is recognized in the statement of income.

The recoverable value is the higher of the fair value, less the cost of sale, and its value in use. Fair value less the cost of sale is the amount that can be obtained by selling an asset or cash-generating unit in an arm's length transaction between interested and duly informed parties, less disposal costs. The value in use is the present value of the estimated cash flows from the continuous use of an asset. If this cannot be determined for a specific asset, the cash-generating unit to which it belongs is used.

Intangible assets and other non-current non-financial assets are evaluated during the fiscal year, especially on the closing date, for any sign of any impairment loss. If there is any impairment loss, an estimate is made of the recoverable value of the asset in order to determine the impairment, if any.

According to accounting standards, if there is an impairment to a Cash-Generating Unit (CGU), all impairment losses must be allocated to reducing the carrying value of the assets in a specific order: first, to reduce any existing goodwill; and second, proportionally to the other assets. Entities may not reduce the carrying value of an asset below the higher of its fair value less disposal costs, its value in use and zero. Lastly, when it is infeasible to estimate the recoverable amount of each individual asset in a CGU, IFRS require an arbitrary allocation of the impairment loss among the assets in that CGU.

For financial instruments, the Group's companies have established a generally applicable policy of recording an impairment provision based on the age of the balance past-due, except in cases where a certain particularity makes a specific collectability analysis advisable.

The process of determining the obsolescence of spare parts consists of an item-by-item review, and a provision is made for 100% of the impairment of spare parts for which:

- the related equipment is in permanent disuse;
- there is no related equipment;
- the spare part is damaged in such a way that it cannot be used; and
- there is no active market for its sale.

The provision for the rest of the spare parts inventory is calculated globally according to the following rule:

- 10% after 2 years without use
- 20% after 4 years without use
- 30% after 6 years without use
- 40% after 8 years without use
- 50% after 10 years without use
- 60% after 12 years without use
- 70% after 14 years without use
- 80% after 16 years without use
- 90% after 18 years without use
- 100% after 20 years without use.

### 3.6 LEASED ASSETS

The implementation of IFRS 16 meant that most leases are recognized in the balance sheet by lessees, which changes the financial statements of companies and their related ratios to a greater extent. EECL has leases for long-term concessions with the government, for vehicles, pick-ups and properties.

### 3.6.1 Lessee

As a lessee, the Company recognizes an asset on the date the lease begins provided it represents the right to use the underlying asset during the period of the lease (a right-of-use asset) and a liability for rent payments (lease liability). Leases out to less than 12 months (and not renewable) may be excluded as well as leases where the value of the underlying asset is not significant. The Company recognizes separately the interest expense for the lease liability and the amortization expense for the right-of-use asset.

### 3.6.2 Classification

All leases are classified as if they were financial. Lessees record a right-of-use asset and a lease liability on the date the lease begins.

### 3.6.3 Depreciation Charge

Lessees will apply the depreciation requirements in IAS 16, Property, Plant and Equipment, when depreciating (amortizing) a right-of-use asset.

### 3.6.4 Impairment

Lessees will apply IAS 36, Impairment of Assets, to determine whether the right-of-use asset has become impaired and to account for identified impairment losses.

### 3.6.5 Lessor

The accounting of lessors under IFRS 16 is substantially the same as the accounting under IAS 17. Lessors will continue classifying at the start of the lease whether the lease is operative or financial based on the essence of the transaction. Leases that substantially transfer all risks and benefits inherent to ownership of the underlying asset are classified as financial leases. All other leases are classified as operating leases.

In the case of operating leases, the installments are recognized as expenses if the Company is lessee, or as revenue if it is lessor, on a straight-line basis for the term of the lease, unless another systematic basis of distribution is more representative.

## 3.7 FINANCIAL INSTRUMENTS

A financial instrument is any contract that simultaneously creates a financial asset in an entity and a financial liability or an equity instrument in another entity.

Financial assets mostly include investments in time deposits and fixed-income mutual funds, which are recognized at the fair value. They are classified as investments held through maturity and are settled in 90 days or less.

### 3.7.1 Fair Value Hierarchy

The Company measures financial instruments, such as derivatives, and non-financial assets, such as investment properties, at the fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- on the principal market for the asset or liability or
- in the absence of a principal market, on the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset for its greatest and best use or by selling it to another market participant that would use the asset for its greatest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows:

Level 1: Quoted (unadjusted) price on active markets for identical assets and liabilities;

Level 2: Inputs other than quoted prices that are included in Level 1 and are observable for assets or liabilities, either directly (namely price) or indirectly (i.e., a price derivative). The methods and assumptions used to determine the fair values in this level take into consideration, by type of financial asset or financial liability, the estimated future cash flows discounted using the zero-coupon interest rate curves for each currency. All such appraisals are made using external tools like "Bloomberg"; and

Level 3: Inputs for assets or liabilities not based on observable market information (non-observable inputs)..

### 3.7.2 Financial Assets

#### Initial recognition and measurement

Financial assets are classified, at initial recognition and in subsequent measurements, at amortized cost, at fair value through other comprehensive income (OCI), or at fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and EECL's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, EECL initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price as disclosed in the section (IFRS 15 Revenue from contracts with customers).

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it must generate cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. This assessment is referred to as the SPPI test and it is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

EECL's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective of holding financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and of selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular-way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)

- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

#### Financial assets at amortized cost (debt instruments)

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

EECL's financial assets at amortized cost may include items such as trade receivables and loans to related parties, and they are included under other non-current financial assets.

#### Financial assets at fair value through OCI (debt instruments)

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of income and calculated in the same way as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

EECL's debt instruments at fair value through OCI include investments in listed debt instruments shown under other non-current financial assets.

#### Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI provided they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the income statement when the right of payment has been established, except when EECL benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company elected to classify irrevocably its non-listed equity investments in this category.

#### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of income.

This category includes derivatives and listed equity investments which EECL had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognized as other income in the statement of income when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset outside the fair value through profit or loss category.



## Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from EECL's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that EECL has retained.

Continuing involvement that takes the form of a guarantee on the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that EECL could be required to pay.

## Impairment

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that EECL expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages:

- For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from events of default that may occur within the next 12 months (a 12-month ECL).
- For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, EECL applies the low credit risk simplification. At every reporting date, EECL evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, EECL reassesses the internal credit rating of the debt instrument. In addition, EECL considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, EECL may also consider a financial asset to be in default when internal or external information indicates that EECL is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, as loans and borrowings, as accounts payable, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans, borrowings, and accounts payable, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings, including bank overdrafts, and financial derivatives.

### Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

Financial liabilities at fair value through profit or loss

Financial liabilities at amortized cost (loans and borrowings)

#### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchase in the near term. This category also includes financial derivatives entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the income statement. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

### 3.7.3 Financial liabilities

#### Financial liabilities at amortized cost (loans and borrowings)

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of income.

### Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, canceled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of income.

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

### 3.7.4 Derivatives and Hedge Transactions

#### Derivative financial instruments and hedge accounting

##### Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment;
- cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecasted transaction or the foreign currency risk in an unrecognized firm commitment;
- hedges of a net investment in a foreign business.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is “an economic relationship” between the hedged item and the hedging instrument;
- The effect of credit risk does not “dominate the value changes” that result from that economic relationship;
- The hedge ratio is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for as described below:

##### Fair value hedges

The change in the fair value of a hedging instrument is recognized in the statement of income as other expenses. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognized in the statement of income as other expenses.

For fair value hedges relating to items carried at amortized cost, any adjustment to carrying value is amortized through profit or loss over the remaining term of the hedge using the EIR method. The EIR amortization may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognized, the unamortized fair value is recognized immediately in profit or loss.

When an unrecognized firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognized as an asset or liability with the corresponding gain or loss recognized in profit or loss.

### Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognized in the cash flow hedge reserve in OCI, while any ineffective portion is recognized immediately in the statement of income. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Company uses forward currency contracts as hedges against its exposure to foreign currency risk in forecasted transactions and firm commitments, as well as forward commodity contracts for its exposure to the volatility of commodity prices. The ineffective portion relating to foreign currency contracts is recognized as other expenses and the ineffective portion relating to commodity contracts is recognized in other operating income or expenses.

The Company designates only the spot element of forward contracts as a hedging instrument. The forward element is recognized in OCI and accumulated in a separate component of equity, under hedging reserve cost.

The amounts accumulated in OCI are accounted for according to the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and added to the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognized in OCI for the period. This also applies where the hedged forecasted transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment to which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for according to the nature of the underlying transaction, as described above.

The financial risk management strategy of Engie Energía Chile S.A. and its subsidiaries focuses on mitigating the exchange rate risk related to income, costs, investments of cash surpluses, investments in general and debt denominated in a currency other than the U.S. dollar.

Delays or changes in the payment flows may produce a mismatch between the hedge flows and the hedged item. To reduce the impact of these mismatches on the effectiveness of the hedge, the main hedged instruments are complemented by other instruments contracted on their due date, such as: (a) time deposits in UF, (b) repo agreements, (c) extensions of forwards or (d) new, opposite forwards.

EECL's hedges may only be interrupted in the following cases:

- The position of the designated hedge instrument expires, and no situation or renewal is predicted if it is sold or liquidated, exercised or closed.
- The hedge no longer meets one of the requirements for special hedge accounting.
- There is evidence that the predicted future transaction being hedged will not be consummated.
- Any subsidiary of the Company suspends its designation separately from the other subsidiaries.

## **3.8 INVENTORIES**

This category mainly includes spare parts for maintenance and inputs used in generating electricity. Inventories are recorded at cost, based on the weighted average. The cost of inventories excludes financing expenses and exchange differentials. The cost of inventories is debited against income as the inventories are consumed.

### 3.9 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

The Company classifies property, plant and equipment, intangible assets, investments in associates, joint ventures and disposal groups (a group of assets that will be sold together with the directly associated liabilities) as non-current assets held for sale, provided actions are being taken as of the closing date of the statement of financial position to sell them and it is considered highly likely that the sale will be consummated within twelve months following that date.

These assets or disposal groups are appraised at the lower of the carrying value or the estimated sale price after deducting the costs of sale, and they are no longer amortized as of the date that they are classified as non-current assets held for sale.

The assets no longer classified as held for sale or no longer considered part of a disposal group are appraised at the lower of the carrying value prior to classification, less depreciation, amortization or revaluation that would have been recognized if they had not been so classified, and the recoverable value on the date on which they will be reclassified in Non-Current Assets.

### 3.10 PROVISIONS

A provision is made if:

- the Company has a legal or implicit obligation as a result of a past event;
- it can be estimated reliably;
- it is likely that a cash outflow will be required to settle the obligation.

Obligations existing as of the date of the financial statements as a consequence of past events that are likely to result in equity damage for the Company, but the amount and payment date of which are uncertain, are recorded as provisions at the current value of the most probable amount that is estimated to be disburseable to discharge the obligation.

#### 3.10.1 Post-Employment Benefits and Other Similar Benefits

The Company recognizes the present value of severance indemnity obligations in liabilities (severance for years of employment) as of the closing date of its financial statements. These obligations are appraised using an actuarial calculation that utilizes assumptions on mortality rates, employee turnover, interest rates, derecognition dates, effects of employee salary raises, and the effects on benefit variations resulting from changes in the rate of inflation. The actuarial losses or gains from variations in the pre-established obligations are recorded directly in other comprehensive income. The actuarial losses and gains originate in the deviations between the estimated and real values of the actuarial assumptions or the reformulation of the established actuarial assumptions (see Note 27).

### 3.11 CLASSIFICATION OF CURRENT AND NON-CURRENT ASSETS AND LIABILITIES

The Company classifies its assets and liabilities by maturity. Current assets and liabilities mature in twelve months or less and any maturing beyond one year are classified as non-current.

Liabilities maturing in less than twelve months but securely refinanced in the long term, at the Company's discretion, through unconditional long-term credit facilities, may be classified as non-current liabilities, and the short-term portion as a current liability.

### 3.12 INCOME TAX AND DEFERRED TAXES

#### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to calculate the amount are those that have been enacted or substantively enacted as of the reporting date in the countries where the Company operates and generates taxable income. Current income tax relating to items recognized directly in equity is recognized in net equity, not



in the statement of income. Management periodically evaluates positions adopted in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation, and it establishes provisions where appropriate.

### Deferred taxes

Deferred taxes are calculated, using the liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes as of the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, it affects neither the book profit nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry-forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, it affects neither the book profit nor taxable profit or loss;
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will be reversed in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed on each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are re-assessed on each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted on the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction, either in other comprehensive income or directly in equity.

## 3.13 RECOGNITION OF INCOME AND EXPENSES

Revenue is recognized when there is a gross entry of economic benefits originating in the normal course of the Company's business in the period, provided that entry causes an increase in total equity unrelated to contributions from the owners of that equity and those benefits can be reliably appraised. Revenue is appraised at the fair value of the counter-entry received or receivable as a result.

EECL analyzes and takes into consideration all relevant facts and circumstances when it applies each step of the IFRS 15 model for contracts with customers: (i) identification of the contract; (ii) identification of performance obligations; (iii) determination of the transaction price; (iv) allocation of the price; and (v) recognition of revenue.

EECL also evaluates whether there are any incremental costs of obtaining a contract as well as the costs directly related to contract performance. Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal

in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

EECL recognizes revenue when the steps in IFRS 15 have been completed satisfactorily and it is likely that future economic benefits will flow to the company.

Revenue comes mainly from the sale of energy, capacity, port services, industrial services and electricity transmission, including services provided but not yet invoiced at the close of the period. Revenue is shown net of taxes, refunds, rebates and discounts and it is recorded when the amount can be reliably measured and it is likely that future economic benefits will flow to the Company. Said benefits are allocated on an accrual basis.

- Energy sales: Energy supplied and not invoiced as of the last day of the closing month is recorded as revenue, appraised at the prices in force in the relevant period of consumption. The energy cost is also included in income.
- Sales of services: Services are recorded in income in the period that the services are provided.
- Interest income: Interest income is recorded on the basis of the proportion of time elapsed, using the effective-interest-rate method.
- Leases: The current value of the payments for leased assets recognized as a financial lease is recorded as an account receivable. The difference between the gross amount receivable and the current value of such payment is recognized as a financial yield. This amount is recorded in income on a straight-line basis over the term of the lease.

### 3.14 EARNINGS (LOSS) PER SHARE

The basic earnings per share are calculated as a quotient between the net earnings (losses) in the fiscal year attributable to the Parent Company and the weighted average number of common shares in the Parent Company outstanding during the fiscal year, excluding the average number of Parent Company shares held by subsidiaries, if any.

### 3.15 DIVIDENDS

EECL's dividend policy is to pay the minimum dividend required by the law and the Company's bylaws. Dividends above the legal minimum can be approved if the company's conditions allow. Each year the board proposes a dividend payment based on financial results, available cash and the estimated financing needed for capital investments. The dividend proposed by the Board must be approved at an Ordinary Shareholders Meeting pursuant to law.

In relation to Circulars 1945 and 1983 of the Financial Market Commission, the Company's Board decided that the net distributable profit will be the fiscal year profit attributable to shareholders shown in the financial statements, without any adjustment.

A proposal may be made to the respective Ordinary Shareholders Meeting to distribute, as a final dividend, the profits not distributed as a dividend, which must be done within thirty days following the date of the respective Meeting.

### 3.16 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are comprised of cash on hand, unrestricted bank checking accounts, time deposits and marketable securities maturing within 90 days, which are easily convertible into known amounts of cash with negligible risk of significant changes in value.

### 3.17 OPERATING SEGMENTS

The Company's principal business is the generation and sale of electricity. It has thermal, combined-cycle, solar, wind and hydroelectric power plants that produce the energy that is sold to customers with whom it has power purchase agreements, pursuant to the Electricity Law. Its customers are classified as regulated customers, unregulated customers and the spot market.

There is no direct relationship between any one generating unit and the power purchase agreements as power purchase agreements are made in line with the Company's total capacity. PPAs are supplied by any of its power plants or, otherwise, energy is acquired from other generating companies.

EECL is part of the National Grid (SEN). The National Electricity Coordinator (CEN) defines how much each of the generating units will generate.

As EECL only operates on the National Grid, geographic segmentation does not apply.

Chilean electricity regulations define energy and capacity separately, not because they are different physical elements, but rather in order to set economically efficient prices. Energy prices are thus set in monetary units per unit of energy (KWh, MWh, etc.), and capacity prices are set in monetary units per unit of capacity-unit of time (KW-month).

Consequently, in accordance with IFRS 8, EECL's only operating segment is the entire business described above.

### 3.18 CONTINGENT ASSETS AND LIABILITIES

Contingent liabilities are not recorded in the financial statements, but rather are disclosed in the notes to the financial statements unless it is unlikely that they will occur. Contingent assets are not recorded in the financial statements and are disclosed only if the cash inflow is likely.

## NOTE 4 – REGULATION AND OPERATION OF THE ELECTRICITY SYSTEM

### 4.1 DESCRIPTION OF THE BUSINESS

The objectives of Engie Energia Chile S.A. are the production, transmission, distribution and supply of electricity; the purchase, sale and transportation of fuels, either in a liquid, solid or gaseous state; and the provision of engineering and management consultancy services as well as electrical system maintenance and repair services.

As of December 31, 2023, Engie Energia Chile S.A. had an installed capacity of 2,543 MW on the National Grid, thus giving it an approximate 8% share of the system's total gross capacity. The Company's transmission lines are operated over a distance of 2,409 kilometers, and it has a natural gas pipeline with the capacity to transport 8 million cubic meters per day for gas distribution and sale in the north of Chile.

### 4.2 REGULATION AND OPERATION OF THE ELECTRICITY SYSTEM

The electricity sector in Chile is regulated by the General Electricity Law contained in Statutory Decree 1, issued in 1982 by the Ministry of Mining, and by the Regulations to that law contained in Executive Decree 327 of 1998. Three government agencies are responsible for the enforcement of, and compliance with, the law: the National Energy Commission (Comisión Nacional de Energía, or NEC), which has the authority to propose regulated prices (node price) and to design indicative plans for the construction of new generation units; the Electricity and Fuels Commission (Superintendencia de Electricidad y Combustibles, or EFC), which supervises and enforces compliance with the laws, regulations and technical standards for the generation, transmission and distribution of electricity, liquid fuels and gas; and the Ministry of Economy, which reviews and approves the prices proposed by the NEC and regulates concessions granted to electricity generation, transmission and distribution companies based on a report prepared by the EFC. The law establishes a panel of experts primarily responsible for resolving any disputes that might arise among electricity companies.

The National Grid runs from Arica to Chiloé.

According to the Electricity Law, companies that generate for a power grid must coordinate their operations through the CEN so that the system operates at minimum cost while preserving service security. The CEN therefore plans and manages the operation of the system, including the calculation of the hourly marginal cost, which is the price used to appraise energy transfers among generators. Each company's generation is subject to the CEN operating plan. Companies may freely decide whether to sell electricity to regulated or unregulated customers. Any surplus or deficit between customer sales and production is sold to, or purchased from, other generators at the marginal cost.

### 4.3 TYPES OF CUSTOMERS

a) Regulated customers: Residential, commercial and small and mid-sized businesses with a connected capacity of no more than 5,000 KW that are located in a distribution company's concession area. The transfer price between generation and distribution companies will be the price resulting from tenders by distribution companies.

b) Unregulated customers: Customers that have an installed capacity above 5,000 KW, mainly mining and industrial companies. These customers can negotiate their power supply prices freely with generators and/or distributors. Customers with a capacity of 500 to 5,000 KW have the option of contracting energy at prices agreed with their suppliers, or to continue to be subject to regulated prices. They must remain in the chosen regime for a minimum of four years.

c) Spot or short-term market: Power purchase transactions between generating companies resulting from the coordination of the CEN to ensure an economic operation of the system. Any production surpluses (deficits) as compared to a generator's commercial commitments are transferred through sales to (purchases from) other generators who are members of the CEN. Energy transfers are appraised at the marginal cost, while capacity is appraised at the appropriate node price set by the authority every six months.

The capacity payable to each generator in Chile depends on the annual system-wide calculation made by the CEN that shows the sufficiency capacity for each power plant. This value is separate from load dispatching.

With the enactment of Law 20,018, since 2010 distribution companies must have a supply available constantly for their entire demand, which requires that they hold long-term public tenders.

### 4.4 PRINCIPAL ASSETS

The generating capacity of EECL and its subsidiaries is comprised mainly of combined-cycle thermal and coal-fired power plants that combined supply 2,543 MW to the National Grid, 8% of the total gross generation supplied to that grid.

It has 7 coal-fired and combined-cycle power plants in the Region of Antofagasta, 6 located in Mejillones and 1 in Tocopilla, with a total capacity of 1,670 MW, and other renewable power plants that, taken together, generate a total of 873 MW, which are located along the SEN.

### 4.5 RENEWABLE ENERGY

Renewable Energy Law 20,257 was enacted in April 2008 and amended by Law 20,698 passed in October 2013. It encourages the use of unconventional renewable energy (UCRE). The principal aspect of this law is that it obliges generators to generate at least 5% of their energy sold from renewable sources between 2010 and 2014. That requirement then rises progressively by 0.5% per annum from 2015 to 2024, the year when a total of 10% should be generated for contracts signed after August 31, 2007 but prior to July 1, 2013. For contracts signed after July 1, 2013, this requirement is 5% by 2013, with annual increases of 1% from 2014 until it totals 12% by 2020, and then annual increases of 1.5% as of 2021 to total 18% by 2024, followed by an increase of 2% in 2025 to become 20%.

In 2013, EECL opened the El Aguila I Photovoltaic Power Plant that has an installed capacity of 2 MWp.

The Pampa Camarones Photovoltaic Solar Power Plant began commercial operation on September 9, 2016. It has an installed capacity of 6 MWp.

On April 17, 2019, the Company acquired the subsidiaries "Solar Los Loros SpA," that has an installed capacity of 46 MWp, and "Solairdirect Generacion Andacollo SpA," that has an installed capacity of 1.3 MWp.

On July 1, 2020, the Company acquired "Eolica Monte Redondo SpA" that added to its renewable generation assets the Monte Redondo Wind Farm, with an installed capacity of 48 MW, and the Laja Hydroelectric Power Plant, with an installed capacity of 34.4 MW.

The Calama Wind Farm began commercial operation on October 29, 2021 and has an installed capacity of 152.6 MW.

The Tamaya Solar Farm began operation on January 14, 2022 and it has an installed capacity of 114 MWp.

The Capricornio Solar Farm began commercial operation on November 21, 2022. It has an installed capacity of 87.9 MWp.

On December 15, 2022, the Company acquired subsidiaries Alba SpA, Alba Andes SpA, Alba Pacifico SpA, Rio Alto S.A. and Energías de Abtao S.A. Those acquisitions included the renewable generation assets called the San Pedro I Wind Farm, with an installed capacity of 36 MW, and the San Pedro II Wind Farm, with an installed capacity of 65 MW.

The Coya Solar Farm began commercial operation on March 24, 2023 and has an installed capacity of 181.25 Mwac.

The Company purchases unconventional renewable energy (UCRE) on the market in order to comply with governing regulations.

## NOTA 5 – CORPORATE REORGANIZATIONS

### 5.1 ACQUISITION OF SUBSIDIARIES

5.1.1PV Coya SpA was merged with Engie Energia Chile S.A. on September 1, 2021.

5.1.2 On September 19, 2022, ENGIE Energia Chile S.A. presented a binding offer to Trans Antartic Energia Chile S.A., Trans Antartic Energia II S.A., Bosques de Chiloe S.A., Beltaine Renewable Energy S.L. and Inversiones Butalcura S.A., at that time the only shareholders in Alba SpA, Alba Andes SpA, Alba Pacifico SpA, Rio Alto S.A. and Energías de Abtao S.A. The offer was to purchase all shares in these latter companies.

These companies own: (i) the San Pedro I Wind Farm, located in the municipality of Dalcahue, Chiloe, Lake Region, where 18 small-scale wind turbines are in operation that have an installed capacity of 36 MW; (ii) the San Pedro II Wind Farm Enlargement Project, located in the municipality of Dalcahue, Chiloe, Lake Region, which consists of a wind generation project where 13 small-scale wind turbines are in operation that have an installed capacity of 65 MW; and (iii) a wind farm project currently under development, located in the municipality of Dalcahue, Chiloe, Lake Region, that will have an installed capacity of approximately 151 MW.

A purchase price allocation (PPA) was made among the subsidiaries Alba SpA, Alba Andes SpA, Alba Pacifico SpA, Río Alto SpA. and Energías de Abtao SpA as a result of their purchase, which meant the acquisition of the “San Pedro” plants and projects located on the island of Chiloé. This transaction was closed December 15, 2022. This PPA provided a fair value of these companies’ assets and liabilities and their impacts were incorporated to the 2022 closing balances as stipulated in IFRS 3, paragraphs 8 and 10. Mainly fair values of property, plant and equipment were recognized, as well as a dismantling provision and the respective impacts of deferred taxes resulting from the PPA.

5.1.3 The Company acquired Eolica Entre Cerros SpA on July 19, 2023.

(Details are provided in Appendix 1.a).



## NOTE 6 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of December 31, 2023 and 2022, classified by type of cash, are shown below:

| Types of Cash and Cash Equivalents (Presentation)  | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD |
|--|--------------------|--------------------|
| Cash   | 32                 | 31                 |
| Bank balances                                      | 12,783             | 47,322             |
| Short-term deposits classified as cash equivalents | 288,512            | 85,012             |
| <b>Total Cash and Cash Equivalent</b>              | <b>301,327</b>     | <b>132,365</b>     |

The balances of cash and cash equivalents shown in the Statement of Financial Position do not differ from those shown in the Statement of Cash Flow and are not subject to any type of restriction.

Cash and cash equivalents are itemized below:

### 6.1 CASH AVAILABLE

Cash available is comprised of cash held in tills and in bank current accounts, and the carrying value is the same as the fair value. valor libro es igual a su valor razonable.

## 6.2 TIME DEPOSITS

Time deposits include principal plus accrued interest and adjustments as of the closing date.

| Entity                    | Currency | Rate % | Expiration  | 12-31-2023<br>kUSD | Rate % | Expiration | 12-31-2022<br>kUSD |
|---------------------------|----------|--------|-------------|--------------------|--------|------------|--------------------|
| Banco BBVA                | USD      |        | -           | 0                  | 4.35%  | 5-Jan-2023 | 250                |
| Banco BCI                 | USD      | 5.34%  | 15-Jan-2024 | 5,013              | 4.75%  | 6-Jan-2023 | 15,707             |
| Banco BCI                 | USD      | 5.81%  | 25-Jan-2024 | 15,029             |        | -          | 0                  |
| Banco BCI                 | USD      | 5.81%  | 12-Feb-2024 | 30,057             |        | -          | 0                  |
| Banco de Chile            | USD      | 5.20%  | 4-Jan-2024  | 9,912              |        | -          | 0                  |
| Banco de Chile            | USD      | 5.60%  | 11-Jan-2024 | 4,976              |        | -          | 0                  |
| Banco de Chile            | USD      | 5.35%  | 16-Jan-2024 | 14,877             |        | -          | 0                  |
| Banco de Chile            | USD      | 5.75%  | 25-Jan-2024 | 9,908              |        | -          | 0                  |
| Banco Consorcio           | USD      |        | -           |                    | 5.05%  | 9-Jan-2023 | 16,032             |
| Banco Estado              | USD      | 5.00%  | 8-Jan-2024  | 15,025             | 4.00%  | 5-Jan-2023 | 8,002              |
| Banco Estado              | USD      | 5.05%  | 16-Jan-2024 | 2,001              |        | -          | 0                  |
| Banco Estado              | USD      | 5.13%  | 16-Jan-2024 | 10,013             |        | -          | 0                  |
| Banco Estado              | USD      | 5.50%  | 16-Jan-2024 | 5,025              |        | -          | 0                  |
| Banco Estado              | USD      | 5.65%  | 25-Jan-2024 | 5,026              |        | -          | 0                  |
| Banco Estado              | USD      | 5.40%  | 5-Feb-2024  | 5,007              |        | -          | 0                  |
| Banco Estado              | USD      | 5.60%  | 12-Feb-2024 | 4,959              |        | -          | 0                  |
| Banco Estado              | USD      | 5.50%  | 14-Feb-2024 | 5,007              |        | -          | 0                  |
| Banco Itaú Corpbanca      | USD      | 5.63%  | 11-Jan-2024 | 5,829              | 4.45%  | 6-Jan-2023 | 15,006             |
| Banco Itaú Corpbanca      | USD      | 5.50%  | 25-Jan-2024 | 5,002              |        | -          | 0                  |
| Banco Itaú Corpbanca      | USD      | 5.60%  | 25-Jan-2024 | 15,028             |        | -          | 0                  |
| Banco Itaú Corpbanca      | USD      | 5.68%  | 8-Feb-2024  | 15,028             |        | -          | 0                  |
| Banco Santander           | USD      | 5.90%  | 8-Jan-2024  | 5,010              | 5.00%  | 6-Jan-2023 | 15,006             |
| Banco Santander           | USD      | 5.80%  | 17-Jan-2024 | 5,004              |        | -          | 0                  |
| Banco Santander           | USD      | 5.70%  | 25-Jan-2024 | 13,551             |        | -          | 0                  |
| Banco Santander           | USD      | 5.75%  | 25-Jan-2024 | 13,057             |        | -          | 0                  |
| Banco Santander           | USD      | 5.80%  | 25-Jan-2024 | 15,029             |        | -          | 0                  |
| Scotiabank                | USD      | 5.54%  | 8-Jan-2024  | 10,018             | 5.18%  | 6-Jan-2023 | 15,009             |
| Scotiabank                | USD      | 5.70%  | 16-Jan-2024 | 9,053              |        | -          | 0                  |
| Scotiabank                | USD      | 5.70%  | 19-Jan-2024 | 5,010              |        | -          | 0                  |
| Scotiabank                | USD      | 5.75%  | 12-Feb-2024 | 30,058             |        | -          | 0                  |
| <b>Consolidated Total</b> |          |        |             | <b>288,512</b>     |        |            | <b>85,012</b>      |

## 6.3 CASH AND CASH EQUIVALENTS

| Liabilities originating in financing activities | Balance at 1/1/2023 (1) | Financing cash flows |                  |                | Changes not representing cash flows |                      |                       |                        |                      |                   | Balance at 12/31/2023 (1) |
|---|-------------------------|----------------------|------------------|----------------|-------------------------------------|----------------------|-----------------------|------------------------|----------------------|-------------------|---------------------------|
|   |                         | From                 | Used             | Total          | Acquisition of subsidiaries         | Sale of subsidiaries | Changes in fair value | Exchange differentials | New financial leases | Other changes (2) |                           |
|   | kUSD                    | kUSD                 | kUSD             | kUSD           | kUSD                                | kUSD                 | kUSD                  | kUSD                   | kUSD                 | kUSD              | kUSD                      |
| Unsecured bonds (Note 20)                       | 846,342                 | 0                    | -32,750          | (32,750)       | 0                                   | 0                    | 0                     | 0                      | 0                    | 26,432            | 840,024                   |
| Interest-bearing loans (Note 20)                | 931,679                 | 825,000              | (497,954)        | 327,046        | 0                                   | 0                    | 0                     | 0                      | 0                    | 17,764            | 1,276,489                 |
| Intercompany loans (Notes 10.5)                 | 7,766                   | 261,214              | (253,412)        | 7,802          | 0                                   | 0                    | 0                     | 0                      | 0                    | 0                 | 15,568                    |
| <b>Total</b>                                    | <b>1,785,787</b>        | <b>1,086,214</b>     | <b>(784,116)</b> | <b>302,098</b> | <b>0</b>                            | <b>0</b>             | <b>0</b>              | <b>0</b>               | <b>0</b>             | <b>44,196</b>     | <b>2,132,081</b>          |

(1) The balance includes the current and non-current portions.

(2) Interest accrued.

| Liabilities originating in financing activities | Balance at 1/1/2022 (1) | Financing cash flows |                  |                | Changes not representing cash flows |                      |                       |                        |                      |                   | Balance at 12/31/2022 (1) |
|---|-------------------------|----------------------|------------------|----------------|-------------------------------------|----------------------|-----------------------|------------------------|----------------------|-------------------|---------------------------|
|   |                         | From                 | Used             | Total          | Acquisition of subsidiaries         | Sale of subsidiaries | Changes in fair value | Exchange differentials | New financial leases | Other changes (2) |                           |
|   | kUSD                    | kUSD                 | kUSD             | kUSD           | kUSD                                | kUSD                 | kUSD                  | kUSD                   | kUSD                 | kUSD              | kUSD                      |
| Unsecured bonds (Note 20)                       | 847,773                 | 0                    | -32,750          | (32,750)       | 0                                   | 0                    | 0                     | 0                      | 0                    | 31,319            | 846,342                   |
| Interest-bearing loans (Note 20)                | 174,604                 | 667,000              | (446)            | 666,554        | 77,021                              | 0                    | 0                     | 0                      | 0                    | 13,500            | 931,679                   |
| Intercompany loans (Notes 10.5)                 | 8,065                   | 98,665               | (98,964)         | (299)          | 0                                   | 0                    | 0                     | 0                      | 0                    | 0                 | 7,766                     |
| <b>Total</b>                                    | <b>1,030,442</b>        | <b>765,665</b>       | <b>(132,160)</b> | <b>633,505</b> | <b>77,021</b>                       | <b>0</b>             | <b>0</b>              | <b>0</b>               | <b>0</b>             | <b>44,819</b>     | <b>1,785,787</b>          |

## NOTE 7 – OTHER FINANCIAL ASSETS

## Current

| Description of Instruments           | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD |
|--------------------------------------|--------------------|--------------------|
| Forward (1)                          | 12,391             | 17,865             |
| Mutual Funds                         | 50                 | 0                  |
| <b>Total, Other Financial Assets</b> | <b>12,441</b>      | <b>17,865</b>      |

(1) See further details in Note 21 – Derivative and Hedge Transactions

## Non-Current

| Description of Instruments           | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD |
|--------------------------------------|--------------------|--------------------|
| Forward (1)                          | 5,682              | 5,055              |
| <b>Total, Other Financial Assets</b> | <b>5,682</b>       | <b>5,055</b>       |

(1) See further details in Note 21 - Derivative and Hedge Transactions

### 7.1 FIXED-INCOME MUTUAL FUND SHARES

Mutual fund shares are recorded at their fair value and break down as follows:

| Entity                     | Currency | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD |
|----------------------------|----------|--------------------|--------------------|
| Banco Santander Río        | USD      | 50                 | 0                  |
| <b>Total, Mutual Funds</b> |          | <b>50</b>          | <b>0</b>           |

## NOTE 8 – OTHER CURRENT NON-FINANCIAL ASSETS

The amounts that the Company has recorded in this category correspond to services that will be provided in subsequent months, within one year from the closing date of the period being reported.

| Tipos de Pagos        | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD |
|-----------------------|--------------------|--------------------|
| Prepaid insurance (1) | 14,220             | 12,863             |
| VAT credit (2)        | 171,011            | 121,690            |
| Supplier advances (3) | 49,318             | 23,831             |
| Other                 | 3,119              | 1,896              |
| <b>Total</b>          | <b>237,668</b>     | <b>160,280</b>     |

(1) Damage, business interruption, civil liability and other insurance policies for EECL and associates.

(2) The VAT credit remaining and accumulated on the purchases of inputs used in generation, mainly coal and gas, and, to a lesser extent, the VAT credit related to the construction of renewable energy projects according to the company's investment plan.

(3) Payments for spare parts for overhauls.

## NOTE 9 – TRADE RECEIVABLES AND OTHER ACCOUNTS RECEIVABLE

In general, balances in this category do not accrue interest.

There are no restrictions on the disposal of significant amounts of this type of accounts receivable.

As required by paragraph 36 of IFRS 7, the Company carries no collateral for its commercial credit to customers.

The average maturity of customers' obligations is 15 calendar days from the invoice date. No individual customer has significant balances as compared to the Company's total sales or accounts receivable.

See Note 22 Risk Management for further analysis of the risk of uncollectibles.

The Company establishes an uncollectibles provision at the close of each quarter, taking into account aspects such as the age of its accounts receivable and a case-by-case analysis of each.

The Company has renegotiated accounts with one customer and has no protested portfolio or customers from whom collection is being sought through the courts.

The amounts included in this category relate to the following types of documents:

## 9.1 CURRENT TRADE RECEIVABLES AND OTHER ACCOUNTS RECEIVABLE

| Current trade receivable and other accounts receivable | 12-31-2023<br>KUSD | 12-31-2022<br>KUSD |
|--|--------------------|--------------------|
| Invoices and accounts receivable                       | 263,649            | 213,985            |
| Sundry receivables, current                            | 172                | 153                |
| Other accounts receivable, current                     | 7,350              | 6,429              |
| <b>Total</b>   | <b>271,171</b>     | <b>220,567</b>     |

## 9.2 NON-CURRENT TRADE RECEIVABLES AND OTHER ACCOUNTS RECEIVABLE

| Non-current trade receivable and other accounts receivable | 12-31-2023<br>KUSD | 12-31-2022<br>KUSD |
|--|--------------------|--------------------|
| Accounts receivable (*)                                    | 297,564            | 325,778            |
| Sundry receivables   | 20                 | 20                 |
| <b>Total</b>   | <b>297,584</b>     | <b>325,798</b>     |

(\*) These include the accounts receivable impacted by the Electricity Price Stabilization Law 21,185 ("PEC-1") and Customer Protection Mechanism Law 21,472 ("MPC" or "PEC-2"). During 2021, 2022 and 2023, the Company sold accounts receivable under PEC-1 for a nominal total of USD 272.9 million to Chile Electricity PEC SpA under the agreements signed with Goldman Sachs and IDB Invest, and later with Allianz. This sum includes the balances reported in the January 2020, July 2020, January 2021, July 2021, January 2022 and July 2022 average node price decrees. On August 30, 2023, the Company sold payment documents under PEC-2 for a nominal value of USD 200 million, plus interest. On October 30, 2023, it completed the second sale for USD 10.9 million and on December 28th, the last sale in 2023, for a total of USD 10.2 million. Therefore, in 2023, the company received a total of USD 232.1 million for the sale of payment documents under the PEC-2 mechanism, interest included.

The non-current receivables totaled USD 298.8 million as of December 31, 2023. These balances and the subsequent accruals can be monetized pursuant to the MPC Law described in the next paragraph or pursuant to a future law that is expected to be passed during 2024, or they may be recovered through re-settlements of invoicing to regulated customers.

On July 13, 2022, the Customer Protection Mechanism or "MPC" bill of law was passed into a law by the House of Representatives after ratifying the changes made by the Senate. This law aims to stabilize power prices for customers being supplied by public service distribution concessionaires regulated by the General Electricity Law. The purpose of the MPC is to pay the differences arising between the energy and capacity component invoiced by distribution companies to end customers and the amount payable to generators for power supply, based on the respective contractual terms or the respective decree, in the case of mid-sized systems. The resources accounted for in the MPC operation may not exceed USD 1.8 billion, and the law will continue in force until the balances created by its enforcement are extinguished. Effective in 2023, the National Energy Commission must forecast semi-annually the total payment of the Final Remaining Balance for a date that may not go beyond December 31, 2032. To that end, it will determine the charges to collect the amounts needed to fully reimburse the resources needed for the MPC to work properly. The National Energy Commission published Exempt Resolution 86 on March 14, 2023 that contains the technical rules for implementation of Law 21,472.

Under the MPC Law and the exempt resolution issued by the National Energy Commission, generators will receive Certificates of Payment from time to time from the Treasury General of the Republic of Chile (the "Treasury") equivalent to the difference between the prices in the power purchase agreements with distributors and the rates applicable pursuant to the MPC Law, for an aggregate of USD 1.8 billion. The Government asked IDB Invest to structure a financing mechanism for generators after the MPC Law enters into force. Under this mechanism, IDB Invest buys the certificates of payment issued by the Treasury to generators, resells part of them to a special-purpose company that then issues 144-A/Reg S and 4(a)2 promissory notes. IDB Invest appointed Goldman Sachs to lead the transaction structuring and JP Morgan and Itaú to lead the note placement together with Goldman Sachs. The certificates of payment include interest and financial expenses so that generators receive the total nominal amount of the invoices under their respective power purchase agreements with distribution companies. The certificates of payment must be paid in full by regulated users no later than December 31, 2032. The full reimbursement of the Certificates of Payment is guaranteed by the Republic of Chile.



The aged balances of the Company's gross receivables were as follows as of December 31, 2022:

|   |                        | Payment<br>Arrears | Payment<br>Arrears | Payment<br>Arrears | Payment<br>Arrears | Payment<br>Arrears | Payment<br>Arrears | Payment<br>Arrears | Payment<br>Arrears | Payment<br>Arrears    |                  |                          |
|---|------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-----------------------|------------------|--------------------------|
|   | Compliant<br>Portfolio | 1-30<br>days       | 31-60<br>days      | 61-90<br>days      | 91-120<br>days     | 121-150<br>days    | 151-180<br>days    | 181-210<br>days    | 211-250<br>days    | More than<br>250 days | Total<br>Current | Total<br>Non-<br>Current |
| Receivables                                 | kUSD                   | kUSD               | kUSD               | kUSD               | kUSD               | kUSD               | kUSD               | kUSD               | kUSD               | kUSD                  | kUSD             | kUSD                     |
| Current receivables for credit transactions | 216,153                | 44,007             | 2,675              | 1,673              | 1,212              | 48                 | 11                 | 54                 | 132                | 5,772                 | 271,737          | 298,799                  |
| Estimated uncollectibles                    | -859                   | 0                  | 0                  | 0                  | -1,212             | -48                | -11                | -54                | -132               | -5,772                | -8,088           | (1,235)                  |
| Current sundry receivables                  | 172                    | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                     | 172              | 20                       |
| Estimated uncollectibles                    | 0                      | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                     | 0                | 0                        |
| Other current accounts receivable           | 7,350                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                     | 7,350            | 0                        |
| <b>Total</b>                                | <b>222,816</b>         | <b>44,007</b>      | <b>2,675</b>       | <b>1,673</b>       | <b>0</b>           | <b>0</b>           | <b>0</b>           | <b>0</b>           | <b>0</b>           | <b>0</b>              | <b>271,171</b>   | <b>297,584</b>           |

The aged balances of the Company's gross receivables were as follows as of December 31, 2022:

|   |                   | Payment<br>Arrears | Payment<br>Arrears | Payment<br>Arrears | Payment<br>Arrears | Payment<br>Arrears | Payment<br>Arrears | Payment<br>Arrears | Payment<br>Arrears | Payment<br>Arrears    |                  |                       |
|---|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-----------------------|------------------|-----------------------|
|   | Cartera al<br>Día | 1-30<br>days       | 31-60<br>days      | 61-90<br>days      | 91-120<br>days     | 121-150<br>days    | 151-180<br>days    | 181-210<br>days    | 211-250<br>days    | More than<br>250 days | Total<br>Current | Total Non-<br>Current |
| Receivables                                 | kUSD              | kUSD               | kUSD               | kUSD               | kUSD               | kUSD               | kUSD               | kUSD               | kUSD               | kUSD                  | kUSD             | kUSD                  |
| Current receivables for credit transactions | 200,291           | 9,446              | 3,551              | 935                | 414                | 330                | 134                | 137                | 108                | 5,082                 | 220,428          | 329,023               |
| Estimated uncollectibles                    | -238              | 0                  | 0                  | 0                  | -414               | -330               | -134               | -137               | -108               | -5,082                | -6,443           | -3,245                |
| Current sundry receivables                  | 153               | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                     | 153              | 20                    |
| Estimated uncollectibles                    | 0                 | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                     | 0                | 0                     |
| Other current accounts receivable           | 6,429             | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                  | 0                     | 6,429            | 0                     |
| <b>Total</b>                                | <b>206,635</b>    | <b>9,446</b>       | <b>3,551</b>       | <b>935</b>         | <b>0</b>           | <b>0</b>           | <b>0</b>           | <b>0</b>           | <b>0</b>           | <b>0</b>              | <b>220,567</b>   | <b>325,798</b>        |

Balances expired for which no provision has been made correspond to customers who have no liquidity or solvency troubles. However, they have objected to a charge in some invoices and we were negotiating a solution on the date of these financial statements.

The rescheduled portfolio is defined as a non-performing portfolio or a portfolio with a significant increase in risk. No lower risk rating can be assigned until the entire debt is repaid. This ensures that a rescheduling will not cause any reduction in provisions.

| Segments of Payment<br>Arrears as of December<br>31, 2023 | Rescheduled Portfolio  |                | Portfolio Not Rescheduled |                | Total Gross Portfolio  |                |
|---|------------------------|----------------|---------------------------|----------------|------------------------|----------------|
|   | Number of<br>Customers | Amount<br>kUSD | Number of<br>Customers    | Amount<br>kUSD | Number of<br>Customers | Amount<br>kUSD |
| Compliant   | -                      | 0              | 1,855                     | 223,675        | 1,855                  | 223,675        |
| From 1 to 30 days   | -                      | 0              | 178                       | 44,007         | 178                    | 44,007         |
| From 31 to 60 days  | -                      | 0              | 117                       | 2,675          | 117                    | 2,675          |
| From 61 to 90 days  | -                      | 0              | 55                        | 1,673          | 55                     | 1,673          |
| From 91 to 120 days                                       | -                      | 0              | 254                       | 1,212          | 254                    | 1,212          |
| From 121 to 150 days                                      | -                      | 0              | 80                        | 48             | 80                     | 48             |
| From 151 to 180 days                                      | -                      | 0              | 13                        | 11             | 13                     | 11             |
| From 181 to 210 days                                      | -                      | 0              | 14                        | 54             | 14                     | 54             |
| From 211 to 250 days                                      | -                      | 0              | 17                        | 132            | 17                     | 132            |
| More than 251 days  | 1                      | 2,288          | 555                       | 3,484          | 556                    | 5,772          |
| <b>Total</b>  |                        | <b>2,288</b>   |                           | <b>276,971</b> |                        | <b>279,259</b> |

## NOTE 9 – TRADE RECEIVABLES AND OTHER ACCOUNTS RECEIVABLE (CONTINUED)

### 9.2 NON-CURRENT TRADE RECEIVABLES AND OTHER ACCOUNTS RECEIVABLE (CONTINUED)

| Segments of Payment<br>Arrears as of December<br>31, 2022 | Rescheduled Portfolio  |                | Portfolio Not Rescheduled |                | Total Gross Portfolio  |                |
|---|------------------------|----------------|---------------------------|----------------|------------------------|----------------|
|   | Number of<br>Customers | Amount<br>kUSD | Number of<br>Customers    | Amount<br>kUSD | Number of<br>Customers | Amount<br>kUSD |
| Compliant   | -                      | 0              | 1,174                     | 206,873        | 1,174                  | 206,873        |
| From 1 to 30 days   | -                      | 0              | 465                       | 9,446          | 465                    | 9,446          |
| From 31 to 60 days  | -                      | 0              | 75                        | 3,551          | 75                     | 3,551          |
| From 61 to 90 days  | -                      | 0              | 65                        | 935            | 65                     | 935            |
| From 91 to 120 days                                       | -                      | 0              | 26                        | 414            | 26                     | 414            |
| From 121 to 150 days                                      | -                      | 0              | 13                        | 330            | 13                     | 330            |
| From 151 to 180 days                                      | -                      | 0              | 12                        | 134            | 12                     | 134            |
| From 181 to 210 days                                      | -                      | 0              | 25                        | 137            | 25                     | 137            |
| From 211 to 250 days                                      | -                      | 0              | 11                        | 108            | 11                     | 108            |
| More than 251 days  | 1                      | 2,288          | 371                       | 2,794          | 372                    | 5,082          |
| <b>Total</b>  |                        | <b>2,288</b>   |                           | <b>224,722</b> |                        | <b>227,010</b> |

| Provisions and write-offs               | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD |
|---|--------------------|--------------------|
| Starting balance                        | <b>9,688</b>       | <b>9,884</b>       |
| Provision for portfolio not rescheduled | 456                | 439                |
| Recoveries in the period                | (442)              | (514)              |
| Miscellaneous                           | -379               | (121)              |
| <b>Ending balance</b>                   | <b>9,323</b>       | <b>9,688</b>       |

## NOTE 10 – ACCOUNTS RECEIVABLE, ACCOUNTS PAYABLE AND TRANSACTIONS WITH RELATED ENTITIES

### 10.1 COMPENSATION OF KEY MANAGEMENT PERSONNEL

The Company is managed by a Board of Directors comprised of seven members who hold office for a period of two years and may be re-elected.

The shareholders appointed all the members of the board, in accordance with Law 18,046, at the Ordinary Shareholders Meeting held on April 26, 2022. The Company has identified key personnel to be the Chief Executive Officer and Corporate Managers.

The Ordinary Shareholders Meeting approved compensation of UF 160 per meeting per director for the 2023 fiscal year, payable until the next Ordinary Shareholders Meeting. The chairman of the board receives compensation of U.F. 320 per meeting. The shareholders also resolved that alternate directors would receive no compensation for their duties, except when they attend meetings in replacement of a regular director.

No other compensation is paid but the fees received by the directors for their directorships, except as explained in the next paragraph.

In accordance with the article 50-bis of Companies Law 18,046, the minutes of the Ordinary Shareholders Meeting show that although the Company has no obligation to create a director's committee, it has done so voluntarily. The members of this committee are the independent directors. Their compensation will be UF 55 monthly, and the committee approved an annual expense budget of UF 5,000. The committee did not disburse against this budget in the 2023 fiscal year.

| Board Compensation              | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD |
|---------------------------------|--------------------|--------------------|
| Cristian Eyzaguirre, Director   | 111                | 98                 |
| Mauro Valdes, Director          | 111                | 98                 |
| Claudio Iglesias, Director      | 111                | 98                 |
| <b>Total Board Compensation</b> | <b>333</b>         | <b>294</b>         |

Engie Energia Chile S.A. did not pay any member of the Company's Board of Directors for any additional consulting in the 2023 fiscal year, and it recorded general expenses of kUSD 124 for the Board in the same period.

| Key Manager Compensation | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD |
|--------------------------|--------------------|--------------------|
| Compensation             | 3,144              | 2,832              |
| Short-term benefits      | 1,002              | 236                |
| <b>Total</b>             | <b>4,146</b>       | <b>3,068</b>       |

The costs include recurrent monthly salaries, part of which is variable and earned in the form of bonuses based on individual performance and the Company's results for the fiscal year. They also include severance indemnities.

## 10.2 KEY MANAGEMENT PERSONNEL

### Managers and Senior Executives

| Name                | Position  |
|---------------------|---|
| Rosaline Corinthien | Chief Executive Officer                                       |
| Fernando Valdés     | Chief Legal and Ethics Officer                                |
| Eduardo Milligan    | Chief Financial Officer                                       |
| Lucy Oporto         | Chief Of Human Resources and Internal Communications Officer  |
| Gabriel Marcuz      | Managing Director Flexible Generation & Retail                |
| Pablo Villarino     | Chief of Communications, CSR, Permits and Environment Officer |
| Juan Villavicencio  | Managing Director GBU Renewables                              |
| Mathieu Ablard *    | Managing Director GBU Renewables                              |
| Demian Talavera     | Managing Director GBU Networks Andes                          |
| Isak De Eskinazis   | Chief of Global Energy Management Officer                     |

\*Mathieu Ablard left the position of Managing Director of GBU Renewable on July 31, 2023 and Juan Villavencio was appointed in his replacement.

## 10.3 CURRENT RELATED-ENTITY ACCOUNTS RECEIVABLE

Accounts receivable from and payable to, and transactions with, related entities are in compliance with articles 44 and 49 of Companies Law 18,046. The Company has made no provisions for doubtful accounts because these obligations are paid when due, which varies from 7 to 30 days.

Related-entity accounts receivable were as follows:

| TAX I.D.                            | Company                              | Country | Relationship  | Currency | 31-12-2023<br>kUSD | 31-12-2022<br>kUSD |
|-------------------------------------|--------------------------------------|---------|---------------|----------|--------------------|--------------------|
| 76.134.397-1                        | ENGIE Gas Chile SpA                  | Chile   | Common Parent | USD      | 6,275              | 5,195              |
| 76.134.397-1                        | ENGIE Gas Chile SpA                  | Chile   | Common Parent | CLP      | 6                  | 7                  |
| 96.885.200-0                        | ENGIE Austral S.A.                   | Chile   | Parent        | CLP      | 77                 | 51                 |
| 96.885.200-0                        | ENGIE Austral S.A.                   | Chile   | Parent        | USD      | 496                | 0                  |
| 76.787.690-4                        | Transmisora Eléctrica del Norte S.A. | Chile   | Joint Control | USD      | 1                  | 3                  |
| 76.787.690-4                        | Transmisora Eléctrica del Norte S.A. | Chile   | Joint Control | CLP      | 0                  | 121                |
| 76.215.533-8                        | Engie Stream Solutions Chile SpA     | Chile   | Common Parent | CLP      | 7                  | 10                 |
| 76.775.710-7                        | Sociedad GNL Mejillones S.A.         | Chile   | Common Parent | USD      | 200                | 78                 |
| 76.775.710-7                        | Sociedad GNL Mejillones S.A.         | Chile   | Common Parent | CLP      | 48                 | 24                 |
| Foreign                             | Sustainability Solutions Latam SpA   | Chile   | Common Parent | USD      | 14                 | 17                 |
| Foreign                             | Engie Energía Peru S.A.              | Peru    | Common Parent | USD      | 283                | 26                 |
| Related-Entity Receivables, Current |                                      |         |               |          | 7,407              | 5,532              |

## 10.4 NON-CURRENT RELATED-ENTITY ACCOUNTS RECEIVABLE

| TAX I.D.                                       | Company                                  | Country | Relationship  | Currency | 31-12-2023<br>kUSD | 31-12-2022<br>kUSD |
|--|--|---------|---------------|----------|--------------------|--------------------|
| 76.787.690-4                                   | Transmisora Eléctrica del Norte S.A. (1) | Chile   | Joint Control | USD      | 16,017             | 14,787             |
| <b>Related-Entity Receivables, Non-Current</b> |  |         |               |          | <b>16,017</b>      | <b>14,787</b>      |

(1) A loan granted to Transmisora Eléctrica del Norte S.A. Interest accrues annually at the Term SOFR of 5.82106% + 2.7%. The loan expires on July 17, 2027.

## 10.5 CURRENT RELATED-ENTITY ACCOUNTS PAYABLE

| TAX I.D.                                | Company                                 | Country | Relationship  | Currency | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD |
|---|---|---------|---------------|----------|--------------------|--------------------|
| 76.134.397-1                            | Engie Gas Chile SpA                     | Chile   | Common Parent | USD      | 5,800              | 19                 |
| Foreign                                 | Engie Information et Technologies       | France  | Common Parent | EUR      | 225                | 39                 |
| Foreign                                 | Engie Impact Belgium                    | Belgium | Common Parent | EUR      | 24                 | 0                  |
| Foreign                                 | Engie S.A.                              | France  | Common Parent | EUR      | 585                | 0                  |
| 59.281.960-0                            | Laborelec Latin America                 | Chile   | Common Parent | EUR      | 181                | 130                |
| 76.775.710-7                            | Sociedad GNL Mejillones S.A.            | Chile   | Common Parent | USD      | 5,016              | 4,075              |
| 76.058.076-7                            | Tractebel Engineering S.A.              | Chile   | Common Parent | UF       | 88                 | 48                 |
| 76.787.690-4                            | Transmisora Eléctrica del Norte S.A.    | Chile   | Joint Control | USD      | 1,800              | 1,774              |
| 76.787.690-4                            | Transmisora Eléctrica del Norte S.A.(1) | Chile   | Joint Control | USD      | 1,849              | 1,681              |
| <b>Related-Entity Payables, Current</b> |   |         |               |          | <b>15,568</b>      | <b>7,766</b>       |

(1) The short-term portion of the lease payable for transmission facilities, in monthly installments over a period of 20 years.

## 10.6 NON-CURRENT RELATED-ENTITY ACCOUNTS PAYABLE

| TAX I.D.                                    | Company                                  | Country | Relationship  | Currency | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD |
|---|--|---------|---------------|----------|--------------------|--------------------|
| 76.787.690-4                                | Transmisora Eléctrica del Norte S.A. (1) | Chile   | Joint Control | USD      | 49,889             | 51,738             |
| <b>Related-Entity Payables, Non-Current</b> |  |         |               |          | <b>49,889</b>      | <b>51,738</b>      |

(1) The long-term portion of the lease payable for transmission facilities, in monthly installments over a period of 20 years.



## 10.7 RELATED-ENTITY TRANSACTIONS

| Entity       |   |            |               |          |                         | 12(31(2023 |                  | 12(31(2022 |                  |
|--------------|---|------------|---------------|----------|-------------------------|------------|------------------|------------|------------------|
| Tax I,D,     | Company                                   | Country    | Relationship  | Currency | Transaction Description | Amount     | Impact on Income | Amount     | Impact on Income |
|              |   |            |               |          |                         | kUSD       | kUSD             | kUSD       | kUSD             |
| Foreign      | CEF Services S,A,                         | Luxembourg | Common Parent | EUR      | Services Received       | 322        | (322)            | 59         | (59)             |
| Foreign      | Electrabel Corporate HQ Benelux           | Belgium    | Common Parent | USD      | Services                | 139        | (72)             | 0          | 0                |
| Foreign      | Engie (China) Energy Technology Co Ltd    | China      | Common Parent | USD      | Services                | 71         | 0                | 0          | 0                |
| 96,885,200(0 | Engie Austral S,A,                        | Chile      | Parent        | UF       | Leases                  | 366        | 366              | 214        | 214              |
| 96,885,200(0 | Engie Austral S,A,                        | Chile      | Parent        | USD      | Loans (Interest)        | 1,589      | (1,589)          | 84         | 84               |
| 96,885,200(0 | Engie Austral S,A,                        | Chile      | Parent        | USD      | Expense Recovery        | 0          | 0                | 133        | 133              |
| 96,885,200(0 | Engie Austral S,A,                        | Chile      | Parent        | CLP      | Expense Recovery        | 0          | 0                | 133        | 133              |
| 96,885,200(0 | Engie Austral S,A,                        | Chile      | Parent        | USD      | Services Provided       | 903        | 903              | 211        | 211              |
| Foreign      | Engie EBL SA ( EMS                        | Belgium    | Common Parent | EUR      | Services Received       | 0          | 0                | 42         | (42)             |
| Foreign      | Engie Energy Marketing Singapore Pte Ltd  | Singapore  | Common Parent | USD      | LNG Purchase            | 204,828    | (197,329)        | 0          | 0                |
| 76,134,397(1 | Engie Gas Chile SpA                       | Chile      | Common Parent | UF       | Leases                  | 36         | 36               | 34         | 34               |
| 76,134,397(1 | Engie Gas Chile SpA                       | Chile      | Common Parent | USD      | Services Provided       | 241        | 241              | 140        | 140              |
| 76,134,397(1 | Engie Gas Chile SpA                       | Chile      | Common Parent | USD      | Services Received       | 188        | (188)            | 166        | (166)            |
| 76,134,397(1 | Engie Gas Chile SpA                       | Chile      | Common Parent | USD      | Sale of Gas             | 25,752     | 25,752           | 35,765     | 35,765           |
| 76,134,397(1 | Engie Gas Chile SpA                       | Chile      | Common Parent | USD      | Gas Transport           | 1,109      | 1,109            | 1,127      | 1,127            |
| 76,134,397(1 | Engie Gas Chile SpA                       | Chile      | Common Parent | CLP      | Expense Recovery        | 8          | 8                | 11         | 11               |
| Foreign      | Engie GBS Latam S,A, de CV                | Mexico     | Common Parent | USD      | Services Received       | 887        | (887)            | 774        | (774)            |
| Foreign      | Engie GBS Latam S,A, de CV                | Mexico     | Common Parent | USD      | Services Provided       | 67         | 67               | 0          | 0                |
| Foreign      | Engie Information et Technologies Digital | France     | Common Parent | EUR      | Services Received       | 395        | (395)            | 304        | (288)            |
| Foreign      | Engie Impact Belgium S,A,                 | Belgium    | Common Parent | EUR      | Services Received       | 77         | (77)             | 0          | 0                |
| Foreign      | Engie Energía Perú S,A,                   | Peru       | Common Parent | USD      | Services Provided       | 283        | 283              | 314        | 314              |

| Entity       |                                    |         |               |          |                                       | 12-31-2023 |                  | 12-31-2022 |                  |
|--------------|------------------------------------|---------|---------------|----------|---------------------------------------|------------|------------------|------------|------------------|
| Tax I.D.     | Company                            | Country | Relationship  | Currency | Transaction Description               | Amount     | Impact on Income | Amount     | Impact on Income |
|              |                                    |         |               |          |                                       | kUSD       | kUSD             | kUSD       | kUSD             |
| Foreign      | Engie Energía Perú S.A.            | Peru    | Common Parent | USD      | Services Received                     | 1          | (1)              | 0          | 0                |
| Foreign      | Engie Mex Consultores S.A. de C.V. | Mexico  | Common Parent | USD      | Services Received                     | 588        | (588)            | 0          | 0                |
| Foreign      | Engie Renouvelables SAS            | France  | Common Parent | EUR      | Services Received                     | 108        | 0                | 0          | 0                |
| Foreign      | Engie S.A.                         | France  | Common Parent | EUR      | Services Received                     | 576        | (576)            | 301        | (301)            |
| Foreign      | Engie Services Perú S.A.           | Peru    | Common Parent | USD      | Services Received                     | 0          | 0                | 29         | (29)             |
| Foreign      | Engie Solar S.A.S                  | France  | Common Parent | USD      | Services Received                     | 0          | 0                | 42         | 0                |
| 76.215.533-8 | Engie Stream Solutions Chile SpA   | Chile   | Common Parent | CLP      | Expense Recovery                      | 28         | 28               | 20         | 20               |
| 76.215.533-8 | Engie Stream Solutions Chile SpA   | Chile   | Common Parent | UF       | Leases                                | 55         | 55               | 61         | 61               |
| 76.215.533-8 | Engie Stream Solutions Chile SpA   | Chile   | Common Parent | USD      | Services Provided                     | 206        | 206              | 131        | 131              |
| 59.281.960-0 | Laborelec Latin America            | Chile   | Common Parent | EUR      | Services Received                     | 1,361      | (1,020)          | 1,072      | (863)            |
| 76.775.710-7 | Sociedad GNL Mejillones S.A.       | Chile   | Common Parent | USD      | Sale of Energy, Capacity and Services | 1,177      | 1,177            | 977        | 977              |
| 76.775.710-7 | Sociedad GNL Mejillones S.A.       | Chile   | Common Parent | USD      | Gas regasification service            | 53,867     | (53,867)         | 48,477     | (48,477)         |
| 76.775.710-7 | Sociedad GNL Mejillones S.A.       | Chile   | Common Parent | CLP      | Expense Recovery                      | 41         | 41               | 34         | 34               |
| 76.775.710-7 | Sociedad GNL Mejillones S.A.       | Chile   | Common Parent | UF       | Leases                                | 96         | 96               | 116        | 116              |
| 76.775.710-7 | Sociedad GNL Mejillones S.A.       | Chile   | Common Parent | USD      | Toll                                  | 1,897      | 1,897            | 1,169      | 1,169            |
| 76.775.710-7 | Sociedad GNL Mejillones S.A.       | Chile   | Common Parent | USD      | Services Provided                     | 594        | 594              | 277        | 277              |
| Foreign      | SSINERGIE blu.e                    | France  | Common Parent | EUR      | Services Received                     | 0          | 0                | 31         | (31)             |
| 77.209.127-3 | Engie Impact Chile SpA             | Chile   | Common Parent | USD      | Leases                                | 97         | 97               | 116        | 116              |
| 77.209.127-3 | Engie Impact Chile SpA             | Chile   | Common Parent | USD      | Services Provided                     | 87         | 87               | 7          | 7                |
| 77.209.127-3 | Engie Impact Chile SpA             | Chile   | Common Parent | USD      | Services Received                     | 121        | (121)            | 0          | 0                |
| 76.058.076-7 | Tractebel Engineering S.A.         | Chile   | Common Parent | UF       | Leases                                | 32         | 32               | 0          | 0                |
| 76.058.076-7 | Tractebel Engineering S.A.         | Chile   | Common Parent | UF       | Services Received                     | 702        | (98)             | 550        | (10)             |

| Entity       |                                      |         |               |          |   | 12-31-2023 |                  | 12-31-2022 |                  |
|--------------|--------------------------------------|---------|---------------|----------|---|------------|------------------|------------|------------------|
| Tax I.D.     | Company                              | Country | Relationship  | Currency | Transaction Description                 | Amount     | Impact on Income | Amount     | Impact on Income |
|              |                                      |         |               |          |   | kUSD       | kUSD             | kUSD       | kUSD             |
| 76.058.076-7 | Tractebel Engineering S.A.           | Chile   | Common Parent | EUR      | Services Received                       | 0          | 0                | 77         | (77)             |
| 76.058.076-7 | Tractebel Engineering S.A.           | Chile   | Common Parent | CLP      | Services Provided                       | 3          | 3                | 0          | 0                |
| 76.787.690-4 | Transmisora Eléctrica del Norte S.A. | Chile   | Joint Control | USD      | Loans (interest)                        | 1,230      | 1,230            | 626        | 626              |
| 76.787.690-4 | Transmisora Eléctrica del Norte S.A. | Chile   | Joint Control | USD      | Services Provided                       | 640        | 640              | 640        | 640              |
| 76.787.690-4 | Transmisora Eléctrica del Norte S.A. | Chile   | Joint Control | UF       | Lease of facilities                     | 274        | 274              | 240        | 240              |
| 76.787.690-4 | Transmisora Eléctrica del Norte S.A. | Chile   | Joint Control | UF       | Leases                                  | 56         | 56               | 57         | 57               |
| 76.787.690-4 | Transmisora Eléctrica del Norte S.A. | Chile   | Joint Control | CLP      | Expense Recovery                        | 12         | 12               | 2          | 2                |
| 76.787.690-4 | Transmisora Eléctrica del Norte S.A. | Chile   | Joint Control | CLP      | Tolls                                   | 12,889     | (12,889)         | 5,988      | (5,988)          |
| 76.787.690-4 | Transmisora Eléctrica del Norte S.A. | Chile   | Joint Control | CLP      | Sale of energy and capacity             | 606        | 606              | 853        | 853              |
| 76.787.690-4 | Transmisora Eléctrica del Norte S.A. | Chile   | Joint Control | USD      | Lease-Purchase Amortization (Principal) | 1,681      | 1,681            | 1,528      | 1,528            |
| 76.787.690-4 | Transmisora Eléctrica del Norte S.A. | Chile   | Joint Control | USD      | Lease-Purchase Amortization (Interest)  | 6,804      | (6,804)          | 6,347      | (6,347)          |
| 76.108.126-8 | IMA Automatización Ltda. (*)         | Chile   | Common Parent | UF       | Services Received                       | 0          | 0                | 146        | (146)            |
| 76.108.126-8 | IMA Automatización Ltda. (*)         | Chile   | Common Parent | USD      | Services Received                       | 0          | 0                | 24         | 0                |
| 88.689.100-8 | IMA Industrial Ltda. (*)             | Chile   | Common Parent | CLP      | Services Received                       | 0          | 0                | 5,524      | (5,524)          |
| 76.242.762-1 | IMA SpA (*)                          | Chile   | Common Parent | USD      | Services Provided                       | 0          | 0                | 38         | 38               |
| 96.902.900-6 | Térmika Ingeniería y Montaje SpA (*) | Chile   | Common Parent | UF       | Services Received                       | 0          | 0                | 58         | 0                |

(\*) The balances and transactions with these companies were from January 1 to September 30, 2022. These companies ceased to form a part of the ENGIE Group effective October 1, 2022.

Guarantees have been granted or received for transactions with related parties (see Note 40.2).

There are no doubtful accounts related to outstanding balances that warrant a provision or expense for this reason.

All transactions with related parties were performed under market terms and conditions.

## NOTE 11 – CURRENT INVENTORIES

Current inventories were comprised as follows at the close of the 2023 and 2022 fiscal years:

| Types of Inventories                 | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD |
|--------------------------------------|--------------------|--------------------|
| Operating materials and inputs       | 84,803             | 98,260             |
| Obsolescence provision               | (25,279)           | (29,619)           |
| Spare parts impairment provision (*) | (39,234)           | (36,144)           |
| Coal                                 | 85,778             | 196,537            |
| Bunker oil 6                         | 236                | 236                |
| Diesel oil                           | 8,304              | 5,178              |
| Hydrated lime                        | 11,060             | 10,338             |
| Limestone - Biomass - Silica Sand    | 2,867              | 2,391              |
| LNG                                  | 10,887             | 16,726             |
| Lubricants                           | 152                | 152                |
| <b>Total</b>                         | <b>139,574</b>     | <b>264,055</b>     |

Details on the inventory costs recorded in expenses in the 2023 and 2022 fiscal years are shown in the next table:

| Expenses in the period    | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD |
|---------------------------|--------------------|--------------------|
| Fuel for operations       | 543,185            | 604,349            |
| Other operating inputs    | 3,518              | 15,098             |
| Materials and spare parts | 9,866              | 11,497             |
| <b>Total</b>              | <b>556,569</b>     | <b>630,944</b>     |

The movements in the obsolescence provision were as follows:

| Inventories Obsolescence Provision (1)        | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD |
|---|--------------------|--------------------|
| Starting balance                              | 29,619             | 27,612             |
| Reversal of provision for sale of spare parts | 0                  | (590)              |
| Increase (decrease) in the provision          | (4,340)            | 2,597              |
| <b>Ending Balance</b>                         | <b>25,279</b>      | <b>29,619</b>      |

(1) See the provision criteria in Note 3.5 (Asset Impairment)

## NOTE 12 – CURRENT TAXES

### General Information

The balances of income tax recoverable and payable shown in current assets and liabilities, respectively, are comprised of the following:

#### a) Current Tax Assets

| Recoverable Taxes                            | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD |
|--|--------------------|--------------------|
| Provisional monthly tax payments             | 623                | 1,186              |
| Taxes recoverable from previous fiscal years | 15,853             | 33,687             |
| Training credit                              | 306                | 306                |
| <b>Total Recoverable Taxes</b>               | <b>16,782</b>      | <b>35,179</b>      |

#### b) Current Tax Liabilities

| Income Tax                 | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD |
|----------------------------|--------------------|--------------------|
| Current tax expense        | 15,363             | 12,560             |
| <b>Total Taxes Payable</b> | <b>15,363</b>      | <b>12,560</b>      |

## NOTE 13 – OTHER NON-CURRENT NON-FINANCIAL ASSETS

| Other Non-Financial Assets   | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD |
|--|--------------------|--------------------|
| Rights to other assets   | 2,161              | 2,161              |
| Project under development - Solar, Wind and Storage Power Plants (1) | 36,174             | 22,727             |
| Other projects under development (1)                                 | 581                | 513                |
| Adjustment for Purchase Price Allocation (2)                         | 0                  | 6,182              |
| Other  | 501                | 497                |
| <b>Total</b>   | <b>39,417</b>      | <b>32,080</b>      |

(1) The Company's policy is to show the costs of projects in a development stage in Other Non-Financial Assets in the Statement of Financial Position as long as the technical viability and economic profitability of the project are reasonably assured.

At the close of the 2022 fiscal year, kUSD 30,096 for the expenses of projects under development totaling were recorded in income for the projects that did not continue to be feasible and economically profitable.

The projects that continue to be active are:

- Solar and wind power plants and storage plants: photovoltaic and wind projects in an early stage of development, located between the Region of Arica and Parinacota and the Lake Region of Chile.
- Other projects under development: small transmission and other renewable energy projects.

(2) A purchase price allocation (PPA) was made among the subsidiaries Alba SpA, Alba Andes SpA, Alba Pacífico SpA, Río Alto SpA. and Energías de Abtao SpA as a result of their purchase on December 15, 2022. They are called the Chilote Project. The impacts are shown retroactive to the purchase date in 2022. The 2022 value was reclassified to "Project under development - Solar, Wind and Storage Power Plants" at the close of 2023.



## NOTE 14 – INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

### Companies under Joint Control

The details on the company accounted for by the equity method and the movements as of December 31, 2023 were as follows:

| Type of Relationship | Company                              | Number of Shares | Percentage Interest | Balance at 12/31/2022 | Profit (Loss) Accrued | Dividend Provision | Variation in the Hedge Derivatives Reserve as of 12/31/2023 | Total at 12/31/2023 |
|----------------------|--------------------------------------|------------------|---------------------|-----------------------|-----------------------|--------------------|---|---------------------|
|                      |                                      |                  | %                   | kUSD                  | kUSD                  | kUSD               | kUSD  | kUSD                |
| Joint Control        | Transmisora Eléctrica del Norte S.A. | 1,438,448        | 50.00%              | 124,313               | 3,427                 | 0                  | (2,343)   | 125,397             |
| <b>Total</b>         |                                      |                  |                     | <b>124,313</b>        | <b>3,427</b>          | <b>0</b>           | <b>(2,343)</b>  | <b>125,397</b>      |

| Profit (Loss) Accrued   | 12-31-2023 kUSD | 12-31-2022 kUSD |
|---|-----------------|-----------------|
| Share in earnings (loss) of associates and joint ventures accounted for using the equity method | <b>3,427</b>    | <b>5,513</b>    |

| Tax I.D.     | Company Name                         | Interest | Current Assets | Non-Current Assets | Total Assets | Current LIABILITIES | Non-Current Liabilities | Total Liabilities | Net Equity | Revenue | Ordinary Expenses | Net Profit (Loss) |
|--------------|--------------------------------------|----------|----------------|--------------------|--------------|---------------------|-------------------------|-------------------|------------|---------|-------------------|-------------------|
|              |                                      | %        | kUSD           | kUSD               | kUSD         | kUSD                | kUSD                    | kUSD              | kUSD       | kUSD    | kUSD              | kUSD              |
| 76.787.690-4 | Transmisora Eléctrica del Norte S.A. | 50.00%   | 96,012         | 690,537            | 786,549      | 47,906              | 598,482                 | 646,388           | 140,161    | 74,592  | 26,065            | 9,243             |

## NOTE 14 – INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

The details on the company accounted for by the equity method and the movements as of December 31, 2022 were as follows:

| Type of Relationship | Company                              | Number of Shares | Percentage Interest | Balance at 12/31/2021 | Profit (Loss) Accrued | Dividend Provision | Variation in the Hedge Derivatives Reserve as of 12/31/2022 | Total at 12/31/202 |
|----------------------|--------------------------------------|------------------|---------------------|-----------------------|-----------------------|--------------------|---|--------------------|
|                      |                                      |                  | %                   | kUSD                  | kUSD                  | kUSD               | kUSD  | kUSD               |
| Joint Control        | Transmisora Eléctrica del Norte S.A. | 1,438,448        | 50.00%              | 108,906               | 5,513                 | 0                  | 9,894   | 124,313            |
| <b>Total</b>         |                                      |                  |                     | <b>108,906</b>        | <b>5,513</b>          | <b>0</b>           | <b>9,894</b>  | <b>124,313</b>     |

| Tax I.D.     | Company Name                         | Interest | Current Assets | Non-Current Assets | Total Assets | Current LIABILITIES | Non-Current Liabilities | Total Liabilities | Net Equity | Revenue | Ordinary Expenses | Net Profit (Loss) |
|--------------|--------------------------------------|----------|----------------|--------------------|--------------|---------------------|-------------------------|-------------------|------------|---------|-------------------|-------------------|
|              |                                      | %        | kUSD           | kUSD               | kUSD         | kUSD                | kUSD                    | kUSD              | kUSD       | kUSD    | kUSD              | kUSD              |
| 76.787.690-4 | Transmisora Eléctrica del Norte S.A. | 50.00%   | 80,026         | 708,610            | 788,636      | 137,819             | 515,211                 | 653,030           | 135,606    | 73,361  | 25,081            | 13,415            |

## NOTE 15 – INTANGIBLE ASSETS OTHER THAN GOODWILL

Below are the movements and reconciliation of intangible assets of the Company as of December 31, 2023 and 2022.

| Intangible Assets, Net                         | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD |
|--|--------------------|--------------------|
| Intangibles, Contracts with Customers, net (1) | 133,053            | 168,211            |
| Easements, net                                 | 5,720              | 4,028              |
| <b>Net Total</b>                               | <b>138,773</b>     | <b>172,239</b>     |

(1) Intangible assets related to contracts with customers mainly come from power purchase agreements associated with projects of our subsidiaries Central Termoeléctrica Andina SpA and Inversiones Hornitos SpA, which began to be amortized in 2011 over a period of 30 years and 15 years, respectively. See the criteria in Note 3.4.

| Intangible Assets, Gross                     | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD |
|--|--------------------|--------------------|
| Intangibles, Contracts with Customers, gross | 362,134            | 362,134            |
| Easements, gross                             | 16,090             | 13,847             |
| <b>Gross Total</b>                           | <b>378,224</b>     | <b>375,981</b>     |

| Amortization of Intangible Assets                     | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD |
|---|--------------------|--------------------|
| Amortization of Intangibles, Contracts with Customers | (209,793)          | (193,923)          |
| Amortization of Easements                             | (10,370)           | (9,819)            |
| <b>Gross Total</b>                                    | <b>(220,163)</b>   | <b>(203,742)</b>   |

| Impairment of Intangible Assets                     | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD |
|---|--------------------|--------------------|
| Impairment of Intangibles, Contracts with Customers | (19,288)           | 0                  |
| <b>Gross Total</b>                                  | <b>(19,288)</b>    | <b>0</b>           |

The intangible asset associated with Inversiones Hornitos SpA was consumed entirely during 2023.

The movement in intangible assets by type is shown below for the 2023 and 2022 fiscal years.

The amortization of intangible assets is recorded under the cost of sales in the statement of income (Note 31).

In December 2009, as a result of the acquisition of the companies indicated in Note 16, the Company recognized intangible assets associated with contracts with customers of Central Termoeléctrica Andina SpA (CTA) and Inversiones Hornitos SpA (CTH), according to IFRS 3 Business Combinations.

These contracts were appraised using the multi-excess earning method (MEEM) that considers the value of the contracts with customers to be the present value of the excess cash flows generated by the intangible asset during its useful life, after deducting the cash flows associated with the remaining tangible and intangible operating assets, deducted at a discount rate that represents the risk of each asset.

| Intangible Assets, Net                           | Starting Gross Balance<br>01-01-2023 | Additions (Charge-Offs) in the Period | Ending Gross Balance at<br>12-31-2023 | Cumulative Amortization at<br>12-31-2022 | Amortization in the Period | Cumulative Amortization (Charge-Offs)<br>12-31-2023 | Cumulative Amortization at<br>12-31-2023 | Impairment<br>12-31-2023 | Net Balance at<br>31-12-2023 |
|--|--------------------------------------|---------------------------------------|---------------------------------------|--|----------------------------|---|--|--------------------------|------------------------------|
|  | kUSD                                 | kUSD                                  | kUSD                                  | kUSD                                     | kUSD                       | kUSD  | kUSD                                     | kUSD                     | kUSD                         |
| Contracts with Customers (business combinations) | 362,134                              | 0                                     | 362,134                               | (193,923)                                | (15,870)                   | 0   | (209,793)                                | (19,288)                 | 133,053                      |
| Easements  | 13,847                               | 2,243                                 | 16,090                                | (9,819)                                  | (551)                      | 0   | (10,370)                                 | 0                        | 5,720                        |
| <b>TOTAL</b>                                     | <b>375,981</b>                       | <b>2,243</b>                          | <b>378,224</b>                        | <b>(203,742)</b>                         | <b>(16,421)</b>            | <b>0</b>  | <b>(220,163)</b>                         | <b>(19,288)</b>          | <b>138,773)</b>              |

| Intangible Assets                                | Starting Gross Balance<br>01-01-2022 | Additions (Charge-Offs) in the Period | Ending Gross Balance at<br>12-31-2022 | Cumulative Amortization at<br>12-31-2021 | Amortization in the Period | Cumulative Amortization (Charge-Offs)<br>12-31-2022 | Cumulative Amortization at<br>12-31-2022 | Impairment<br>12-31-2022 | Net Balance at<br>31-12-2022 |
|--|--------------------------------------|---------------------------------------|---------------------------------------|--|----------------------------|---|--|--------------------------|------------------------------|
|  | kUSD                                 | kUSD                                  | kUSD                                  | kUSD                                     | kUSD                       | kUSD  | kUSD                                     | kUSD                     | kUSD                         |
| Contracts with Customers (business combinations) | 362,134                              | 0                                     | 362,134                               | (178,054)                                | (15,869)                   | 0   | (193,923)                                | 0                        | 168,211                      |
| Easements  | 13,063                               | 784                                   | 13,847                                | (9,395)                                  | (424)                      | 0   | (9,819)                                  | 0                        | 4,028                        |
| <b>TOTAL</b>                                     | <b>375,197</b>                       | <b>784</b>                            | <b>375,981</b>                        | <b>(187,449)</b>                         | <b>(16,293)</b>            | <b>0</b>  | <b>(203,742)</b>                         | <b>0</b>                 | <b>172,239</b>               |

The Company's ownership of intangible assets is unrestricted and there are no commitments to acquire new intangible assets (IAS 38, paragraph 122(c) and (d)).

The intangible asset associated with Inversiones Hornitos SpA was consumed entirely during 2023.

## NOTE 16 – GOODWILL

### 16.1 GOODWILL IN THE ACQUISITION OF SAN PEDRO I AND SAN PEDRO II

Based on the 2022 Impairment Test, the carrying value of EECL is higher than its value-in-use, so the impairment allocation approach in the standard requires that 100% of the goodwill existing through the previous fiscal year be adjusted in income.

| Goodwill  | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD |
|---|--------------------|--------------------|
| <b>Fair purchase value</b>                                  | <b>59,859</b>      | <b>59,859</b>      |
| <b>Identifiable assets acquired and liabilities assumed</b> |                    |                    |
| Fair value of property, plant and equipment                 | 49,054             | 49,054             |
| Fair value of ARO liability                                 | (11,964)           | (11,964)           |
| Deferred tax liabilities                                    | (10,015)           | (10,015)           |
| <b>Subtotal</b>   | <b>27,075</b>      | <b>27,075</b>      |
| <b>Goodwill</b>   | <b>32,784</b>      | <b>32,784</b>      |

A purchase price allocation (PPA) was made in 2023 among the subsidiaries Alba SpA, Alba Andes SpA, Alba Pacífico SpA, Río Alto SpA. and Energías de Abtao SpA as a result of their purchase, which was closed on December 15, 2022 and is called the San Pedro Project. The impacts are shown retroactive to the purchase date in 2022.

## NOTE 17 – PROPERTY, PLANT AND EQUIPMENT

The movements recorded in Property, Plant and Equipment were as follows in the 2023 fiscal year:

|   | Construction<br>in progress | Land           | Buildings        | Plant and<br>Equipment | Information<br>Technology<br>Equipment | Fixed<br>Facilities and<br>Accessories | Motor<br>Vehicles | Other Property,<br>Plant and<br>Equipment | Total Property,<br>Plant and<br>Equipment |
|---|-----------------------------|----------------|------------------|------------------------|--|--|-------------------|---|---|
| Movement in 2023                                    | kUSD                        | kUSD           | kUSD             | kUSD                   | kUSD                                   | kUSD                                   | kUSD              | kUSD                                      | kUSD                                      |
| <b>Gross Value</b>                                  | <b>330,861</b>              | <b>39,969</b>  | <b>339,074</b>   | <b>4,286,787</b>       | <b>45,022</b>                          | <b>490,535</b>                         | <b>10,638</b>     | <b>307,246</b>                            | <b>5,850,132</b>                          |
| <b>Cumulative<br/>Depreciation</b>                  | <b>0</b>                    | <b>0</b>       | <b>(136,313)</b> | <b>(1,965,172)</b>     | <b>(39,868)</b>                        | <b>(292,774)</b>                       | <b>(9,314)</b>    | <b>(208,079)</b>                          | <b>(2,651,520)</b>                        |
| <b>Impairment</b>                                   | <b>0</b>                    | <b>0</b>       | <b>(2,673)</b>   | <b>(613,586)</b>       | <b>(530)</b>                           | <b>(14,927)</b>                        | <b>0</b>          | <b>(11,878)</b>                           | <b>(643,594)</b>                          |
| <b>Starting balance<br/>at 1/1/2023</b>             | <b>330,861</b>              | <b>39,969</b>  | <b>200,088</b>   | <b>1,708,029</b>       | <b>4,624</b>                           | <b>182,834</b>                         | <b>1,324</b>      | <b>87,289</b>                             | <b>2,555,018</b>                          |
| Additions   | 555,115                     | 0              | 0                | (12,825)               | 0                                      | 3                                      | (8)               | 19,160                                    | 561,445                                   |
| Acquisitions of<br>PPE via business<br>combinations | 0                           | 0              | 0                | 0                      | 0                                      | 0                                      | 0                 | 0   | 0   |
| Derecognitions                                      | (7,718)                     | 0              | (242)            | (3,607)                | 0                                      | (273)                                  | 0                 | (95)                                      | (11,935)                                  |
| Impairment (1)                                      | (3,176)                     | (9,995)        | (114,998)        | (410,321)              | 0                                      | 0                                      | (67)              | (19,614)                                  | (558,171)                                 |
| Depreciation<br>expenses                            | 0                           | 0              | (9,234)          | (125,234)              | (3,165)                                | (11,793)                               | (645)             | (11,252)                                  | (161,323)                                 |
| Closing of work in<br>progress                      | (314,053)                   | 0              | 76               | 262,535                | 2,870                                  | 44,831                                 | 817               | 2,924                                     | 0   |
| <b>Total Changes</b>                                | <b>230,168</b>              | <b>(9,995)</b> | <b>(124,398)</b> | <b>(289,452)</b>       | <b>(295)</b>                           | <b>32,768</b>                          | <b>97</b>         | <b>(8,877)</b>                            | <b>(169,984)</b>                          |
| <b>Ending balance at<br/>12/31/2023</b>             | <b>561,029</b>              | <b>29,974</b>  | <b>75,690</b>    | <b>1,418,577</b>       | <b>4,329</b>                           | <b>215,602</b>                         | <b>1,421</b>      | <b>78,412</b>                             | <b>2,385,034</b>                          |

(1) Impairment in 2023

The contribution of some power plants to the portfolio was reassessed in 2023. The updated conclusion was that starting in 2026, they will not generate enough cash flow or represent material protection of our portfolio, so they have been evaluated separately from the EECL cash generating unit. That reassessment resulted in an impairment of kUSD 558,171.

The movements recorded in Property, Plant and Equipment were as follows in the 2022 fiscal year:

| Movement in 2022                              | Construction<br>in progress | Land          | Buildings        | Plant and<br>Equipment | Information<br>Technology<br>Equipment | Fixed<br>Facilities and<br>Accessories | Motor<br>Vehicles | Other Property,<br>Plant and<br>Equipment | Property,<br>Plant and<br>Equipment |
|---|-----------------------------|---------------|------------------|------------------------|--|--|-------------------|---|-------------------------------------|
|   | kUSD                        | kUSD          | kUSD             | kUSD                   | kUSD                                   | kUSD                                   | kUSD              | kUSD                                      | kUSD                                |
| <b>Gross Value</b>                            | <b>292,473</b>              | <b>39,262</b> | <b>279,524</b>   | <b>3,988,385</b>       | <b>43,571</b>                          | <b>488,545</b>                         | <b>12,016</b>     | <b>294,310</b>                            | <b>5,438,086</b>                    |
| <b>Cumulative Depreciation</b>                | <b>0</b>                    | <b>0</b>      | <b>(110,439)</b> | <b>(1,809,925)</b>     | <b>(37,019)</b>                        | <b>(281,921)</b>                       | <b>(10,196)</b>   | <b>(190,245)</b>                          | <b>(2,439,745)</b>                  |
| <b>Impairment</b>                             | <b>0</b>                    | <b>0</b>      | <b>(2,673)</b>   | <b>(222,190)</b>       | <b>(530)</b>                           | <b>(14,927)</b>                        | <b>0</b>          | <b>(11,878)</b>                           | <b>(252,198)</b>                    |
| <b>Starting balance at 1/1/2022</b>           | <b>292,473</b>              | <b>39,262</b> | <b>166,412</b>   | <b>1,956,270</b>       | <b>6,022</b>                           | <b>191,697</b>                         | <b>1,820</b>      | <b>92,187</b>                             | <b>2,746,143</b>                    |
| Additions                                     | 153,005                     | 0             | 0                | 90,821                 | 3                                      | (85)                                   | 50                | 1,046                                     | 244,840                             |
| Acquisitions of PPE via business combinations | 0                           | 734           | 40,656           | 39,599                 | 60                                     | 0                                      | 0                 | 203                                       | 81,252                              |
| Adjustment for Purchase Price Allocation (2)  | 0                           | 0             | 0                | 42,931                 | (60)                                   | 0                                      | 0                 | 0   | 42,871                              |
| Derecognitions                                | 0                           | 0             | (52)             | (975)                  | 0                                      | (26)                                   | 0                 | (2)                                       | (1,055)                             |
| Impairment (1)                                | 0                           | 0             | 0                | (391,396)              | 0                                      | 0                                      | 0                 | 0   | (391,396)                           |
| Depreciation expenses                         | 0                           | 0             | (7,670)          | (127,863)              | (2,824)                                | (10,863)                               | (568)             | (17,849)                                  | (167,637)                           |
| Closing of work in progress                   | (114,617)                   | 0             | 742              | 98,631                 | 1,423                                  | 2,111                                  | 0                 | 11,710                                    | 0                                   |
| <b>Total Changes</b>                          | <b>38,388</b>               | <b>734</b>    | <b>33,676</b>    | <b>(248,252)</b>       | <b>(1,398)</b>                         | <b>(8,863)</b>                         | <b>(518)</b>      | <b>(4,892)</b>                            | <b>(191,125)</b>                    |
| <b>Ending balance at 12/31/2022</b>           | <b>330,861</b>              | <b>39,996</b> | <b>200,088</b>   | <b>1,708,018</b>       | <b>4,624</b>                           | <b>182,834</b>                         | <b>1,302</b>      | <b>87,295</b>                             | <b>2,555,018</b>                    |

(1) The 2022 Impairment Test showed that the carrying value of EECL was greater than its value in use, so according to impairment allocation criteria in the standard, an adjustment of kUSD 380,999 was made to income and an impairment of kUSD10,397 in the provision for the dismantling of Mejillones' coal-fired units 1 and 2 and Tocopilla's coal-fired units 14 and 15.

According to accounting standards, if there is an impairment to a CGU, all impairment losses must be allocated to reducing the carrying value of the assets in a specific order: first, to reduce any existing goodwill; and second, proportionally to the other assets. Entities may not reduce the carrying value of an asset below the higher of its fair value less disposal costs, its value in use and zero. Lastly, when it is infeasible to estimate the recoverable amount of each individual asset in a CGU, IFRS require an arbitrary allocation of the impairment loss among the assets in that CGU.

(2) A purchase price allocation (PPA) was made among the subsidiaries Alba SpA, Alba Andes SpA, Alba Pacífico SpA, Río Alto SpA. and Energías de Abtao SpA as a result of their purchase on December 15, 2022. They are called the Chilote Project. The impacts are shown retroactive to the purchase date in 2022.



The movements recorded in the dismantling provision within Property, Plant and Equipment were as follows as of December 31, 2023 and 2022:

| Movement in Assets<br>because of Dismantling in<br>2022 | Combined Cycle<br>Thermal Power<br>Plants | Thermal Power<br>Plants | Hydroelectric<br>Power Plants | Photovoltaic<br>Power Plants | Wind Farms    | Transmission<br>Lines | Total Dismantling |
|---|---|-------------------------|-------------------------------|------------------------------|---------------|-----------------------|-------------------|
|   | kUSD                                      | kUSD                    | kUSD                          | kUSD                         | kUSD          | kUSD                  | kUSD              |
| Gross Value   | 12,101                                    | 88,604                  | 4,590                         | 22,024                       | 25,732        | 0                     | <b>153,051</b>    |
| Cumulative Depreciation                                 | 0   | (7,732)                 | (246)                         | (411)                        | (5,689)       | 0                     | <b>(14,078)</b>   |
| Impairment  | 0   | (28,833)                | 0                             | 0                            | 0             | 0                     | <b>(28,833)</b>   |
| <b>Balance on 1/1/2023</b>                              | <b>12,101</b>                             | <b>52,039</b>           | <b>4,344</b>                  | <b>21,613</b>                | <b>20,043</b> | <b>0</b>              | <b>110,140</b>    |
| Changes   | (895)                                     | 5,953                   | (1,107)                       | (2,732)                      | 900           | 1,059                 | <b>3,178</b>      |
| Depreciation  | (1,210)                                   | (3,386)                 | (131)                         | (859)                        | (982)         | 0                     | <b>(6,568)</b>    |
| Impairment  | 0   | 0                       | 0                             | 0                            | 0             | 0                     | <b>0</b>          |
| <b>Ending Balance on<br/>12/31/2023</b>                 | <b>9,996</b>                              | <b>54,606</b>           | <b>3,106</b>                  | <b>18,022</b>                | <b>19,961</b> | <b>1,059</b>          | <b>106,750</b>    |

| Movement in Assets<br>because of Dismantling in<br>2022 | Combined Cycle<br>Thermal Power<br>Plants | Thermal Power<br>Plants | Hydroelectric<br>Power Plants | Photovoltaic<br>Power Plants | Wind<br>Farms | Transmission<br>Lines | Total<br>Dismantling |
|---|---|-------------------------|-------------------------------|------------------------------|---------------|-----------------------|----------------------|
|   | kUSD                                      | kUSD                    | kUSD                          | kUSD                         | kUSD          | kUSD                  | kUSD                 |
| Gross Value   | 12,101                                    | 88,604                  | 4,590                         | 22,024                       | 25,732        | 0                     | <b>153,051</b>       |
| Cumulative Depreciation                                 | 0   | (7,732)                 | (246)                         | (411)                        | (5,689)       | 0                     | <b>(14,078)</b>      |
| Impairment  | 0   | (28,833)                | 0                             | 0                            | 0             | 0                     | <b>(28,833)</b>      |
| <b>Ending Balance on<br/>12/31/2022</b>                 | <b>12,101</b>                             | <b>52,039</b>           | <b>4,344</b>                  | <b>21,613</b>                | <b>20,043</b> | <b>0</b>              | <b>110,140</b>       |

Property, plant and equipment were comprised as follows as of December 31, 2023 and 2022:

| Types of Property, Plant and Equipment, Net (Presentation) | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD |
|--|--------------------|--------------------|
| <b>Construction in Progress</b>                            |                    |                    |
| Renewable Energy Plants                                    | 417,508            | 251,844            |
| Transmission Substations                                   | 85,296             | 49,687             |
| Other Projects   | 58,225             | 29,330             |
| <b>Land</b>  | <b>29,974</b>      | <b>39,969</b>      |
| <b>Buildings</b>   | <b>75,690</b>      | <b>200,088</b>     |
| <b>Plant and Equipment</b>                                 |                    |                    |
| Combined Cycle Thermal Power Plants                        | 28,575             | 40,202             |
| Thermal Power Plants                                       | 633,623            | 1,110,899          |
| Diesel-Fired Power Plants                                  | 677                | 820                |
| Hydroelectric Power Plants                                 | 19,207             | 21,311             |
| Photovoltaic Power Plants                                  | 212,203            | 131,720            |
| Wind Farm  | 419,757            | 284,660            |
| Gas pipelines  | 58,599             | 68,844             |
| Ports  | 45,936             | 49,573             |
| <b>Information Technology Equipment</b>                    | <b>4,329</b>       | <b>4,624</b>       |
| <b>Fixed Facilities and Accessories</b>                    |                    |                    |
| Power lines and substations                                | 214,928            | 182,079            |
| Other fixed facilities and accessories                     | 674                | 755                |
| <b>Motor Vehicles</b>                                      | 1,421              | 1,324              |
| <b>Other Property, Plant and Equipment</b>                 |                    |                    |
| Leased Buildings   | 10,809             | 11,126             |
| Leased Power Lines and Substations                         | 40,591             | 41,903             |
| Other Leased Property, Plant and Equipment                 | 3,417              | 3,513              |
| Other Property, Plant and Equipment                        | 23,595             | 30,747             |
| <b>Total Property, Plant and Equipment</b>                 | <b>2,385,034</b>   | <b>2,555,018</b>   |

| Types of Property, Plant and Equipment, Gross (Presentation) | 12-31-2023<br>KUSD | 12-31-2022<br>KUSD |
|--|--------------------|--------------------|
| <b>Construction in Progress</b>                              |                    |                    |
| Renewable Energy Plants                                      | 440,546            | 251,844            |
| Transmission Substations                                     | 100,315            | 49,687             |
| Other Projects   | 39,476             | 29,330             |
| <b>Land</b>  | <b>39,969</b>      | <b>39,969</b>      |
| <b>Buildings</b>   | <b>332,446</b>     | <b>339,074</b>     |
| <b>Plant and Equipment</b>                                   |                    |                    |
| Combined Cycle Thermal Power Plants                          | 328,974            | 329,869            |
| Thermal Power Plants   | 2,756,061          | 2,757,633          |
| Diesel-Fired Power Plants                                    | 42,191             | 42,191             |
| Hydroelectric Power Plants                                   | 40,839             | 41,931             |
| Photovoltaic Power Plants                                    | 242,590            | 152,434            |
| Wind Farm  | 548,196            | 384,322            |
| Gas pipelines  | <b>428,325</b>     | <b>428,325</b>     |
| Ports  | 149,908            | 150,082            |
| <b>Information Technology Equipment</b>                      | <b>47,898</b>      | <b>45,022</b>      |
| <b>Fixed Facilities and Accessories</b>                      |                    |                    |
| Power lines and substations                                  | 471,097            | 428,923            |
| Other fixed facilities and accessories                       | 61,761             | 61,612             |
| <b>Motor Vehicles</b>  | 11,392             | 10,638             |
| <b>Other Property, Plant and Equipment</b>                   |                    |                    |
| Leased Buildings   | 12,716             | 12,716             |
| Leased Power Lines and Substations                           | 52,386             | 52,386             |
| Other Leased Property, Plant and Equipment                   | 3,990              | 3,990              |
| Other Property, Plant and Equipment                          | 260,032            | 238,154            |
| <b>Total Property, Plant and Equipment</b>                   | <b>6,411,108</b>   | <b>5,850,132</b>   |

| Types of Cumulative Depreciation, Property Plant and Equipment (Presentation) | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD |
|---|--------------------|--------------------|
| <b>Buildings</b>  | <b>(139,085)</b>   | <b>(136,313)</b>   |
| <b>Plant and Equipment</b>  |                    |                    |
| Combined Cycle Thermal Power Plants   | (289,577)          | (278,845)          |
| Thermal Power Plants  | (1,159,473)        | (1,094,090)        |
| Diesel-Fired Power Plants   | (41,161)           | (41,018)           |
| Hydroelectric Power Plants  | (21,632)           | (20,620)           |
| Photovoltaic Power Plants   | (30,387)           | (20,714)           |
| Wind Farm   | (128,439)          | (99,662)           |
| Gas pipelines   | (349,412)          | (339,167)          |
| Ports   | (74,519)           | (71,056)           |
| <b>Information Technology Equipment</b>                                       | <b>(43,039)</b>    | <b>(39,868)</b>    |
| <b>Fixed Facilities and Accessories</b>                                       |                    |                    |
| Power lines and substations   | (241,242)          | (231,917)          |
| Other fixed facilities and accessories  | <b>(61,087)</b>    | <b>(60,857)</b>    |
| <b>Motor Vehicles</b>   | <b>(9,904)</b>     | <b>(9,314)</b>     |
| <b>Other Property, Plant and Equipment</b>                                    |                    |                    |
| Leased Buildings  | (1,907)            | (1,590)            |
| Leased Power Lines and Substations  | (11,795)           | (10,483)           |
| Other Leased Property, Plant and Equipment                                    | (573)              | (477)              |
| <b>Other Property, Plant and Equipment</b>                                    | (204,945)          | (195,529)          |
| <b>Total Cumulative Depreciation of Property, Plant and Equipment</b>         | <b>(2,808,177)</b> | <b>(2,651,520)</b> |

| Types of Impairment, Property Plant and Equipment (Presentation) | 12(31(2023<br>kUSD | 12(31(2022<br>kUSD |
|--|--------------------|--------------------|
| <b>Construction in Progress</b>                                  | <b>(3,176)</b>     | <b>0</b>           |
| <b>Land</b>  | <b>(9,995)</b>     | <b>0</b>           |
| <b>Buildings</b>   | <b>(117,671)</b>   | <b>(2,673)</b>     |
| <b>Plant and Equipment</b>                                       |                    |                    |
| Cumulative Impairment of Diesel(Fired Power Plants               | (353)              | (353)              |
| Cumulative Impairment of Thermal Power Plants                    | (962,965)          | (552,644)          |
| Cumulative Impairment of Combined Cycle Thermal Power Plants     | (10,822)           | (10,822)           |
| Cumulative Impairment of Ports                                   | (29,453)           | (29,453)           |
| Cumulative Impairment of Gas Pipelines                           | (20,314)           | (20,314)           |
| <b>Information Technology Equipment</b>                          | <b>(530)</b>       | <b>(530)</b>       |
| <b>Fixed Facilities and Accessories</b>                          | <b>(14,927)</b>    | <b>(14,927)</b>    |
| <b>Motor Vehicles</b>  | <b>(67)</b>        | <b>0</b>           |
| <b>Other Property, Plant and Equipment</b>                       | <b>(31,492)</b>    | <b>(11,878)</b>    |

The Company's ownership of property, plant and equipment is unrestricted.

Property, Plant and Equipment are appraised at the amortized cost, which does not differ significantly from the fair value.

The Company had no items of property, plant and equipment temporarily out of service on the date of these financial statements.

## 17.1 CAPITALIZED FINANCING COSTS

| Project                   | 12-31-2023    |               | 12-31-2022    |              |
|---------------------------|---------------|---------------|---------------|--------------|
|                           | Interest Rate | kUSD          | Interest Rate | kUSD         |
| Renewable Energy Projects | 5.594%        | 9,685         | 3,659%        | 7,882        |
| Substation Projects       | 5.594%        | 1,228         | 3,659%        | 555          |
| <b>Total</b>              |               | <b>10,913</b> |               | <b>8,437</b> |

The rate used is the weighted rate of the Company's loans.



## 17.2 RECONCILIATION OF MINIMUM PAYMENTS FOR LEASED ASSETS

| Reconciliation of minimum financial lease payments by lessee | 31-12-2023          |                  |                       |
|--|---------------------|------------------|-----------------------|
|  | Gross Value<br>kUSD | Interest<br>kUSD | Present Value<br>kUSD |
| Less than one year   | 7,023               | 5,174            | 1,849                 |
| From 1 to 5 years  | 28,093              | 18,651           | 9,442                 |
| More than 5 years  | 63,209              | 22,762           | 40,447                |
| <b>Total</b>   | <b>98,325</b>       | <b>46,587</b>    | <b>51,738</b>         |

| Reconciliation of minimum financial lease payments by lessee | 31-12-2023          |                  |                       |
|--|---------------------|------------------|-----------------------|
|  | Gross Value<br>kUSD | Interest<br>kUSD | Present Value<br>kUSD |
| Less than one year   | 7,023               | 5,342            | 1,681                 |
| From 1 to 5 years  | 28,093              | 19,510           | 8,583                 |
| More than 5 years  | 70,234              | 27,079           | 43,155                |
| <b>Total</b>   | <b>105,350</b>      | <b>51,931</b>    | <b>53,419</b>         |

See Notes 10.5 and 10.6.

## NOTE 18 – RIGHT-OF-USE ASSETS

As of December 31, 2023, the balance of right-of-use assets was kUSD 122,900, which was the net carrying value of the assets subject to a financial lease. EECL currently records financial leases for its vehicles and concessions with the Government. The right-of-use assets recognized as leases as of December 31, 2023 and 2022 are shown below:

| Movements in 2023                     | Land<br>kUSD    | Motor Vehicles<br>kUSD | Total<br>kUSD   |
|---------------------------------------|-----------------|------------------------|-----------------|
| <b>Right-of-Use Assets</b>            | <b>175,087</b>  | <b>2,907</b>           | <b>177,994</b>  |
| <b>Cumulative Amortization</b>        | <b>(15,097)</b> | <b>(1,407)</b>         | <b>(16,504)</b> |
| <b>Starting balance at 1/1/2023</b>   | <b>159,990</b>  | <b>1,500</b>           | <b>161,490</b>  |
| New contracts                         | 0               | 0                      | 0               |
| Contract amendments                   | 8,486           | 0                      | 8,486           |
| Finished contracts                    | (43,817)        | 0                      | (43,817)        |
| Amortization Expense                  | (3,320)         | (750)                  | (4,070)         |
| Amortización (*)                      | (2,209)         | 0                      | (2,209)         |
| Amortization of finished contracts    | 3,020           | 0                      | 3,020           |
| <b>Total Changes</b>                  | <b>(37,840)</b> | <b>(750)</b>           | <b>(38,590)</b> |
| <b>Final Balance as of 12/31/2023</b> | <b>122,150</b>  | <b>750</b>             | <b>122,900</b>  |

| Movements in 2022                     | Land<br>kUSD    | Motor Vehicles<br>kUSD | Total<br>kUSD   |
|---------------------------------------|-----------------|------------------------|-----------------|
| <b>Right(of)Use Assets</b>            | <b>176,687</b>  | <b>2,763</b>           | <b>179,450</b>  |
| <b>Cumulative Amortization</b>        | <b>(10,584)</b> | <b>(691)</b>           | <b>(11,275)</b> |
| <b>Starting balance at 1/1/2022</b>   | <b>166,103</b>  | <b>2,072</b>           | <b>168,175</b>  |
| New contracts                         | 0               | 0                      | 0               |
| Contract amendments                   | (100)           | 144                    | 44              |
| Finished contracts                    | (1,500)         | 0                      | (1,500)         |
| Amortization Expense                  | (2,429)         | (716)                  | (3,145)         |
| Amortización (*)                      | (3,584)         | 0                      | (3,584)         |
| Amortization of finished contracts    | 1,500           | 0                      | 1,500           |
| <b>Total Changes</b>                  | <b>(6,113)</b>  | <b>(572)</b>           | <b>(6,685)</b>  |
| <b>Final Balance as of 12/31/2022</b> | <b>159,990</b>  | <b>1,500</b>           | <b>161,490</b>  |

(\*) The amortization of some leases (rights of use) has been capitalized in the corresponding construction projects.

(\*\*) On June 19th, the Ministry of Public Property issued Exempt Resolution #150 declaring that the pay-for-use concession for the "Pampa Yolanda" land was extinguished. On August 17th, the Ministry of Public Property issued Exempt Resolution #230 declaring that the pay-for-use concession for the "Calama C" land was extinguished.

## 18.1 RECONCILIATION OF MINIMUM PAYMENTS FOR LEASED ASSETS

12-31-2023

| Reconciliation of minimum financial<br>lease payments by lessee | Gross<br>kUSD  | Interest<br>kUSD | Short-Term<br>Present Value<br>kUSD | Long-Term<br>Present Value<br>kUSD |
|---|----------------|------------------|-------------------------------------|------------------------------------|
| Less than one year  | 8,651          | 3,264            | 5,387                               | 0                                  |
| From 1 to 3 years   | 19,414         | 9,158            | 0                                   | 10,256                             |
| From 3 to 5 years   | 12,454         | 5,576            | 0                                   | 6,878                              |
| More than 5 years   | 125,520        | 41,434           | 0                                   | 84,086                             |
| <b>Total</b>  | <b>166,039</b> | <b>59,432</b>    | <b>5,387</b>                        | <b>101,220</b>                     |

12-31-2022

| Reconciliation of minimum financial<br>lease payments by lessee | Gross<br>kUSD  | Interest<br>kUSD | Short-Term<br>Present Value<br>kUSD | Long-Term<br>Present Value<br>kUSD |
|---|----------------|------------------|-------------------------------------|------------------------------------|
| Less than one year  | 10,796         | 4,380            | 6,416                               | 0                                  |
| From 1 to 3 years   | 24,767         | 12,338           | 0                                   | 12,429                             |
| From 3 to 5 years   | 16,066         | 7,597            | 0                                   | 8,469                              |
| More than 5 years   | 172,248        | 57,981           | 0                                   | 114,267                            |
| <b>Total</b>  | <b>223,877</b> | <b>82,296</b>    | <b>6,416</b>                        | <b>135,165</b>                     |

## NOTE 19 – DEFERRED TAXES

Deferred taxes correspond to the taxes that the Company will have to pay (liabilities) or that it may recover (assets) in future years, related to temporary differences between the tax base and carrying value of certain assets and liabilities.

Our subsidiary Gasoducto Nor Andino Argentina S.A. takes the following into account:

The Tax Reform Law 27,430, amended by Law 27,478 and Law 27,541, stipulates the following regarding the tax adjustment for inflation, effective for the fiscal years starting January 1, 2018:

- (a) The adjustment will apply in the fiscal year in which the CPI varies by more than 100% in the thirty-six months prior to the close of the fiscal year being taxed;
- (b) This procedure will apply to the first, second and third fiscal years after it takes effect provided the CPI variation, calculated since the start through the close of each of those fiscal years, exceeds 55% for the first year, 30% for the second year and 15% for the third year the adjustment is applicable; and
- (c) One-sixth of the tax inflation adjustment, whether positive or negative, for the first and second fiscal years as from January 1, 2019, to be calculated should the assumptions in letters (a) and (b) above hold true, must be allocated in that fiscal year and the remaining five-sixths in equal portions in the next succeeding fiscal years.

The Company determines the impact of the income tax using the deferred income tax method, which consists of recognizing the tax effect of temporary differences between the book value and tax value of assets and liabilities as a credit or debt, at the rate of 30% or 25%, which is then allocated to income in the fiscal years in which they are reversed, also considering the possibility of applying the tax breaks in the future.

The temporary differences result in deferred income tax assets or liabilities provided the future reversal will decrease or increase the taxes calculated. When cumulative tax breaks may reduce future taxable profits or when income tax deferred due to temporary differences becomes an asset, they are recognized in the accounting as credits provided the Company's Management believes they can be used.

The Tax Reform passed December 27, 2017, amended by Law 27,541, introduced a reduction in the tax aliquot of income tax that will be implemented gradually, as follows:

| Fiscal year starting | Aliquota |         |
|----------------------|----------|---------|
|                      | Minimum  | Maximum |
| January 1, 2022      | 25%      | 35%     |
| January 1, 2023      | 25%      | 35%     |

The impact of the gradual change in the income tax aliquot mentioned above was considered in the measurement of deferred tax assets and liabilities originating in temporary differences that are estimated to be reversed in the periods in which the new aliquots are in effect.

## 19.1 DEFERRED TAX ASSETS AT CLOSING

| Deferred Tax Assets   | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD |
|---|--------------------|--------------------|
| relating to provisions  | 22,744             | 14,394             |
| relating to the fair value of property, plant and equipment (not at cost) | 270,792            | 181,578            |
| relating to pre-operating income  | 3,898              | 4,122              |
| relating to tax losses  | 248,893            | 223,248            |
| relating to intangibles   | 445                | 486                |
| relating to deferred income   | 2,101              | 2,725              |
| relating to other items   | 4,364              | 3,128              |
| Adjustment for Purchase Price Allocation (1)                              | 2,277              | 3,230              |
| <b>Deferred Tax Assets</b>  | <b>555,514</b>     | <b>432,911</b>     |

The recovery of deferred tax assets depends on whether there will be enough taxable income in the future. According to the Company's management, future income as forecasted should suffice for the recovery of these assets.

(1) A purchase price allocation (PPA) was made among the subsidiaries Alba SpA, Alba Andes SpA, Alba Pacífico SpA, Río Alto SpA. and Energías de Abtao SpA as a result of their purchase on December 15, 2022. They are called the Chilote Project. The impacts are shown retroactive to the purchase date in 2022.

## 19.2 DEFERRED TAX LIABILITIES AT CLOSING

| Deferred tax liabilities   | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD |
|--|--------------------|--------------------|
| relating to depreciation   | 234,289            | 233,636            |
| relating to post-employment benefit obligations  | 1,154              | 1,154              |
| relating to intangibles  | 40,435             | 50,769             |
| relating to compoundable interest  | 52,221             | 49,719             |
| relating to cost differentials for property, plant and equipment of subsidiaries                           | 104,776            | 110,376            |
| for the historic cost differential of property, plant and equipment of Gasoducto Nor Andino Argentina S.A. | 7,976              | 10,976             |
| relating to other items  | 23,289             | 18,511             |
| Adjustment for Purchase Price Allocation (1)   | 11,414             | 13,245             |
| <b>Deferred Tax Liabilities</b>  | <b>475,554</b>     | <b>488,386</b>     |

(1) A purchase price allocation (PPA) was made among the subsidiaries Alba SpA, Alba Andes SpA, Alba Pacífico SpA, Río Alto SpA. and Energías de Abtao SpA as a result of their purchase on December 15, 2022. They are called the Chilote Project. The impacts are shown retroactive to the purchase date in 2022.

Deferred taxes are shown in the balance sheet as explained below:

| Deferred taxes                       | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD |
|--------------------------------------|--------------------|--------------------|
| Non-current deferred tax assets      | 108,970            | 82,391             |
| Non-current deferred tax liabilities | 29,010             | 137,866            |
| <b>Net</b>                           | <b>(79,960)</b>    | <b>55,475</b>      |

The Company is potentially subject to income tax audits by the tax authorities of each country. Those audits are limited to a number of tax years, which are generally not open to audit after the statute of limitations has expired. Tax audits are, by nature, often complex and may take several years. The tax periods potentially subject to audit are summarized below:

| Country   | Period    |
|-----------|-----------|
| Chile     | 2018-2023 |
| Argentina | 2019-2023 |

### 19.3 RECONCILIATION OF EFFECTIVE RATES

The reconciliation of tax expense was as follows as of December 31, 2023 and 2022:

#### 19.3.1 Consolidated

| Item   | 12(31(2023      |                | 12(31(2022       |                |
|--|-----------------|----------------|------------------|----------------|
|  | 27% tax         | Effective Rate | 27% tax          | Effective Rate |
|  | kUSD            | %              | kUSD             | %              |
| Theoretical tax on financial income                    | (134,594)       | 27,00          | (140,397)        | 27,00          |
| Present value of permanent differences in subsidiaries | (925)           | 0,18           | (1,489)          | 0,29           |
| Other permanent differences                            | 47,469          | (9,54)         | 9,228            | (1,85)         |
| <b>Total Permanent Differences</b>                     | <b>46,544</b>   | <b>(9,36)</b>  | <b>7,739</b>     | <b>(1,56)</b>  |
| <b>Income Tax Expense</b>                              | <b>(88,050)</b> | <b>17,64</b>   | <b>(132,658)</b> | <b>25,44</b>   |

#### 19.3.2 Domestic Entities

| Item  | 12-31-2023      |                | 12-31-2022       |                |
|---|-----------------|----------------|------------------|----------------|
|   | 27% tax         | Effective Rate | 27% tax          | Effective Rate |
|   | kUSD            | %              | kUSD             | %              |
| Theoretical tax on financial income                     | (132,549)       | 27,00          | (135,535)        | 27,00          |
| Present value of permanent differences for subsidiaries | (925)           | 0,18           | (1,489)          | 0,30           |
| Other permanent differences                             | 46,805          | (9,53)         | 9,476            | (1,89)         |
| <b>Total Permanent Differences</b>                      | <b>45,880</b>   | <b>(9,35)</b>  | <b>7,987</b>     | <b>(1,59)</b>  |
| <b>Income Tax Expense</b>                               | <b>(86,669)</b> | <b>17,65</b>   | <b>(127,548)</b> | <b>25,41</b>   |

(1) Mainly unrecoverable deferred taxes.



## 19.3.3 Foreign Entities

| Item  | 12-31-2023     |                | 12-31-2022     |                |
|---|----------------|----------------|----------------|----------------|
|   | 25% tax        | Effective Rate | 25% tax        | Effective Rate |
|   | kUSD           | %              | kUSD           | %              |
| <b>Theoretical tax on financial income, Gasoducto Nor Andino Argentina S.A.</b> | <b>(2,045)</b> | <b>25,00</b>   | <b>(4,862)</b> | <b>25,00</b>   |
| Other permanent differences   | 664            | (8,12)         | (248)          | 1,28           |
| <b>Total Permanent Differences</b>  | <b>664</b>     | <b>(8,12)</b>  | <b>(248)</b>   | <b>1,28</b>    |
| <b>Income Tax Expense</b>   | <b>(1,381)</b> | <b>16,88</b>   | <b>(5,110)</b> | <b>26,28</b>   |

## 19.3.4 Effects of income tax and deferred taxes on income

The debit or credit against income for income tax was as follows:

| Item  | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD |
|---|--------------------|--------------------|
| Current tax expense (tax provision)   | 43,532             | 5,681              |
| Tax expense adjustment (previous fiscal year)                                 | (7,373)            | 254                |
| Impact of deferred tax assets and liabilities in the fiscal year              | (83,687)           | (66,669)           |
| Tax benefit for tax losses  | (35,077)           | (79,220)           |
| Tax differentials for other jurisdictions                                     | (164)              | (389)              |
| Income tax on investments in equity instruments in other comprehensive income | (5,281)            | 7,685              |
| <b>Total</b>  | <b>(88,050)</b>    | <b>(132,658)</b>   |

## 19.3.5 Income tax related to other comprehensive income

| Item  | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD |
|---|--------------------|--------------------|
| Income tax on investments in equity instruments in other comprehensive income | 5,281              | (7,685)            |
| <b>Total</b>  | <b>5,281</b>       | <b>(7,685)</b>     |

## 19.4 TAXABLE INCOME OF DOMESTIC SUBSIDIARIES AT THE END OF THE PERIOD

Taxable income was kUSD 125,314 as of December 31, 2023 and kUSD 83,384 as of December 31, 2022.

## NOTE 20 - OTHER FINANCIAL LIABILITIES

As of December 31, 2023 and 2022, other financial liabilities were:

| Other Financial Liabilities     | 12-31-2023     |                  | 12-31-2022     |                  |
|---------------------------------|----------------|------------------|----------------|------------------|
|                                 | Current        | Non-Current      | Current        | Non-Current      |
|                                 | kUSD           | kUSD             | kUSD           | kUSD             |
| Interest-bearing loans          | 325,204        | 1,805,093        | 383,061        | 1,392,613        |
| Hedge derivatives (see note 21) | 6,500          | 8,437            | 0              | 0                |
| <b>Total</b>                    | <b>331,704</b> | <b>1,813,530</b> | <b>383,061</b> | <b>1,392,613</b> |

The Company's financial liabilities are described in detail in Notes 20.1 and 20.2.

### Interest-bearing loans

| Types of interest-bearing loans | 12-31-2023     |                  | 12-31-2022     |                  |
|---------------------------------|----------------|------------------|----------------|------------------|
|                                 | Current        | Non-Current      | Current        | Non-Current      |
|                                 | kUSD           | kUSD             | kUSD           | kUSD             |
| Bank loans                      | 311,420        | 965,069          | 369,277        | 555,640          |
| Bonds                           | 13,784         | 840,024          | 13,784         | 836,973          |
| <b>Total</b>                    | <b>325,204</b> | <b>1,805,093</b> | <b>383,061</b> | <b>1,392,613</b> |

## 20.1 INTEREST-BEARING LOANS

## 20.1.1 Interest-Bearing Loans, Current

| Borrower                              |                          |         | Lender   |                               |         |          |                      |                |              | Out to 90 days |            | 90 days to 1 year |            | Total      | Total      |
|---------------------------------------|--------------------------|---------|----------|-------------------------------|---------|----------|----------------------|----------------|--------------|----------------|------------|-------------------|------------|------------|------------|
| Tax I.D.                              | Name                     | Country | Tax I.D. | Name                          | Country | Currency | Type of Amortization | Effective Rate | Nominal Rate | 12-31-2023     | 12-31-2022 | 12-31-2023        | 12-31-2022 | 12-31-2023 | 12-31-2022 |
|                                       |                          |         |          |                               |         |          |                      |                |              | kUSD           | kUSD       | kUSD              | kUSD       | kUSD       | kUSD       |
| 88.006.900-4                          | Engie Energia Chile S.A. | Chile   | Foreign  | IDB Invest (1)                | USA     | USD      | Amortizable          | 4.510          | 4.510        | 0              | 0          | 237               | 237        | 237        | 237        |
| 88.006.900-4                          | Engie Energia Chile S.A. | Chile   | Foreign  | IDB Invest (1)                | USA     | USD      | Amortizable          | 4.510          | 4.510        | 0              | 0          | 114               | 115        | 114        | 115        |
| 88.006.900-4                          | Engie Energia Chile S.A. | Chile   | Foreign  | IDB Invest (1)                | USA     | USD      | Bullet               | 1.000          | 1.000        | 0              | 0          | 7                 | 7          | 7          | 7          |
| 88.006.900-4                          | Engie Energia Chile S.A. | Chile   | Foreign  | Banco de Crédito del Perú (2) | Peru    | USD      | Bullet               | 0.990          | 0.990        | 0              | 50,450     | 0                 | 0          | 0          | 50,450     |
| 88.006.900-4                          | Engie Energia Chile S.A. | Chile   | Foreign  | Banco Santander (3)           | Chile   | USD      | Bullet               | 1.660          | 1.660        | 0              | 30,448     | 0                 | 0          | 0          | 30,448     |
| 88.006.900-4                          | Engie Energia Chile S.A. | Chile   | Foreign  | Scotiabank (4)                | Chile   | USD      | Bullet               | 2.550          | 2.550        | 0              | 0          | 0                 | 50,882     | 0          | 50,882     |
| 88.006.900-4                          | Engie Energia Chile S.A. | Chile   | Foreign  | Banco de Crédito del Perú (5) | Peru    | USD      | Bullet               | 2.700          | 2.700        | 0              | 0          | 0                 | 20,362     | 0          | 20,362     |
| 88.006.900-4                          | Engie Energia Chile S.A. | Chile   | Foreign  | Banco Itaú (6)                | Chile   | USD      | Bullet               | 3.000          | 3.000        | 0              | 0          | 0                 | 30,602     | 0          | 30,602     |
| 88.006.900-4                          | Engie Energia Chile S.A. | Chile   | Foreign  | Banco BCI (7)                 | Chile   | USD      | Bullet               | 3.150          | 3.150        | 0              | 0          | 0                 | 50,958     | 0          | 50,958     |
| 88.006.900-4                          | Engie Energia Chile S.A. | Chile   | Foreign  | Scotiabank (8)                | Chile   | USD      | Bullet               | 3.540          | 3.540        | 0              | 0          | 0                 | 51,077     | 0          | 51,077     |
| 88.006.900-4                          | Engie Energia Chile S.A. | Chile   | Foreign  | Scotiabank (9)                | Chile   | USD      | Bullet               | 4.748          | 4.748        | 0              | 0          | 3,237             | 2,816      | 3,237      | 2,816      |
| 88.006.900-4                          | Engie Energia Chile S.A. | Chile   | Foreign  | Scotiabank (10)               | Chile   | USD      | Bullet               | 4.748          | 4.748        | 0              | 0          | 2,162             | 1,409      | 2,162      | 1,409      |
| 88.006.900-4                          | Engie Energia Chile S.A. | Chile   | Foreign  | Banco Chile (11)              | Chile   | USD      | Bullet               | 6.810          | 6.810        | 0              | 0          | 0                 | 50,435     | 0          | 50,435     |
| 88.006.900-4                          | Engie Energia Chile S.A. | Chile   | Foreign  | Banco Santander (12)          | Chile   | USD      | Bullet               | 6.280          | 6.280        | 0              | 0          | 0                 | 25,194     | 0          | 25,194     |
| 88.006.900-4                          | Engie Energia Chile S.A. | Chile   | Foreign  | Banco Santander (13)          | Chile   | USD      | Bullet               | 6.531          | 6.531        | 498            | 0          | 0                 | 0          | 498        | 0          |
| 88.006.900-4                          | Engie Energia Chile S.A. | Chile   | Foreign  | Banco Santander (14)          | Chile   | USD      | Bullet               | 6.990          | 6.990        | 31,910         | 0          | 0                 | 0          | 31,910     | 0          |
| 88.006.900-4                          | Engie Energia Chile S.A. | Chile   | Foreign  | Banco Estado (15)             | Chile   | USD      | Bullet               | 6.250          | 6.250        | 52,847         | 0          | 0                 | 0          | 52,847     | 0          |
| 88.006.900-4                          | Engie Energia Chile S.A. | Chile   | Foreign  | Banco BCI (16)                | Chile   | USD      | Bullet               | 7.300          | 7.300        | 0              | 0          | 37,910            | 0          | 37,910     | 0          |
| 88.006.900-4                          | Engie Energia Chile S.A. | Chile   | Foreign  | Banco BCI (17)                | Chile   | USD      | Bullet               | 7.200          | 7.200        | 0              | 0          | 52,230            | 0          | 52,230     | 0          |
| 88.006.900-4                          | Engie Energia Chile S.A. | Chile   | Foreign  | Banco Scotiabank (18)         | Chile   | USD      | Bullet               | 6.230          | 6.230        | 0              | 0          | 101,246           | 0          | 101,246    | 0          |
| 88.006.900-4                          | Engie Energia Chile S.A. | Chile   | Foreign  | IFC (19)                      | USA     | USD      | Amortizable          | 6.970          | 6.970        | 6,601          | 0          | 18,418            | 0          | 25,019     | 0          |
| 88.006.900-4                          | Engie Energia Chile S.A. | Chile   | Foreign  | DEG (19)                      | Germany | USD      | Amortizable          | 6.970          | 6.970        | 901            | 0          | 2,632             | 0          | 3,533      | 0          |
| 88.006.900-4                          | Engie Energia Chile S.A. | Chile   | Foreign  | Banco Chile (20)              | Chile   | USD      | Bullet               | 7.350          | 7.350        | 0              | 0          | 470               | 0          | 470        | 0          |
| 76.376.043-k                          | Energías de Abtao S.A.   | Chile   | Foreign  | Banco Itaú (21)               | Chile   | USD      | Amortizable          | 8.539          | 8.539        | 0              | 0          | 0                 | 4,285      | 0          | 4,285      |
| Total Interest-Bearing Loans, Current |                          |         |          |                               |         |          |                      |                |              | 92,757         | 80,898     | 218,663           | 288,379    | 311,420    | 369,277    |

- (1) The interest accrued on the IDB Invest loan for USD 125 million described in Note 20.1.2.
- (2) This is a short-term loan for USD 50 million with Banco de Crédito del Perú (BCP). It was accruing interest at a fixed rate and expired February 2, 2023. It was renewed upon expiration through August 1, 2023, when it was paid in full.
- (3) The short-term loans for USD 30 million with Banco Santander accrued interest at a fixed rate and expired February 6, 2023. It was documented by a simple promissory note recording the obligation to make payment on the agreed date. There were no financial or operating restrictions and the Company could prepay it without being charged any prepayment fee. This loan was prepaid on January 23, 2023.
- (4) The short-term loan for USD 50 million with Scotiabank was accruing interest at a fixed rate and expired April 21, 2023. This loan was renewed on April 20, 2023 together with the loan in (8), and the new principal expiration date is October 21, 2024, with semi-annual interest payments. The loan for USD 100 million resulting from these renewals is described in (18).

- (5) A short-term loan for USD 20 million from Banco de Crédito del Perú (BCP). It was accruing interest at a fixed rate, to expire April 28, 2023. It was paid on that date.
- (6) A short-term loan for USD 30 million with Banco Itaú. It was accruing interest at a fixed rate and expired April 28, 2023. It was renewed on June 28, 2023 and paid in full on that date. It was documented by a simple promissory note recording the obligation to make payment on the agreed date. There were no financial or operating restrictions and the Company could prepay it without being charged any prepayment fee.
- (7) A short-term loan for USD 50 million with Banco BCI. It was accruing interest at a fixed rate and expired May 21, 2023. It was renewed for 18 months, through November 12, 2024. The renewal of this loan is described in (17).
- (8) A short-term loan for USD 50 million with Scotiabank was accruing interest at a fixed rate and expired May 19, 2023. This loan was renewed on April 20, 2023 together with the loan in (4), and the new principal expiration date is October 21, 2024, with semi-annual interest payments. The loan for USD 100 million resulting from these renewals is described in (18).
- (9) and (10) The interest accrued on the Scotiabank loan for USD 250 million described in Note 20.1.2.
- (11) A short-term loan for USD 50 million with Banco Chile that is accruing interest at a fixed rate. Its original expiration date was November 15, 2023. It was renewed for three years on November 15, 2023 and the new expiration date is November 16, 2026, so this loan is described in (6) of Note 20.1.2 because it was long-term debt at the closing of the 2023 financial statements.
- (12) A short-term loan for USD 50 million with Banco Santander. It was accruing interest at a fixed rate and expired May 20, 2023, the date when it was paid in full. It was documented by a simple promissory note recording the obligation to make payment on the agreed date. There are no financial or operating restrictions and the Company could prepay it without being charged any prepayment fee.
- (13) The interest accrued on the loan from Banco Santander that totals USD 170 million and is described in Note 20.1.2.
- (14) Short-term loans for USD 30 million with Banco Santander. This is the renewal of the fixed-rate loan described in (3). Its expiration date was extended to February 6, 2023. It was paid on January 23, 2024 after the closing of these financial statements. It was documented by a simple promissory note recording the obligation to make payment on the agreed date. There are no financial or operating restrictions and the Company could prepay it.
- (15) A short-term loan for USD 50 million with Banco Estado is accruing interest at a fixed rate and expires January 31, 2024. It has been documented by a simple promissory note recording the obligation to make payment on the agreed date. There are no financial or operating restrictions and the Company can prepay it without being charged any prepayment fee. This loan was renewed on January 12, 2024, after the closing of these financial statements, and extended for two years, expiring January 12, 2026. This loan is documented by a peso promissory note and a cross-currency swap agreement under which the company's obligation is in dollars at a fixed interest rate.
- (16) A green loan for USD 35 million from BCI. It is accruing interest at a fixed rate and expires May 16, 2024. It has been documented by a simple promissory note recording the obligation to make payment on the agreed date. There are no financial or operating restrictions and the Company can prepay it without being charged any prepayment fee.
- (17) A green loan for USD 50 million from BCI resulting from the renewal of the loan in number (7) for 18 months, now to expire November 12, 2024. It has been documented by a simple promissory note recording the obligation to make payment on the agreed date. There are no financial or operating restrictions and there is a prepayment option.
- (18) An 18-month loan for USD 100 million with Scotiabank resulting from the renewal of the two USD 50 million loans described in (4) and (8) above. This loan expires October 21, 2024. It is documented by a peso promissory note and a cross-currency swap agreement under which the company's obligation is in dollars at a fixed interest rate.
- (19) This includes interest accrued and the first principal installment of the loans from International Finance Corporation (IFC) and Deutsche Investitions und Entwicklungsgesellschaft (DEG) for a total of USD 400 million, described in Note 20.1.2.
- (20) The interest accrued on the USD 50 million loan from Banco de Chile described in number (11) of this note and in number (6) of Note 20.1.2, on a long-term loan at the close of the 2023 financial statements. The original expiration was November 15, 2023. It was renewed for three years on that date and the new expiration date is November 16, 2026. It is documented by a peso promissory note and a cross-currency swap agreement under which the company's obligation is in dollars at a fixed interest rate.
- (21) This is the current portion of the project financing of Energías de Abtao S.A. (owner of the San Pedro 2 Wind Farm). The project financing totals USD 79.4 million and it is owed to Banco Itaú, Consorcio Seguros de Vida and Banco Consorcio. The short-term portion includes two installments payable April 15, 2023 and October 15, 2023. This loan was prepaid in full on April 15, 2023.

## 20.1.2 Interest-Bearing Loans, Non-Current

| Borrower                                  |                          | Lender  |          |                     |         |          |                      | Effective Rate | Nominal Rate | 1 to 3 years |            | 3 to 5 years |            | More than 5 years |            | Total as of |            |
|---|--------------------------|---------|----------|---------------------|---------|----------|----------------------|----------------|--------------|--------------|------------|--------------|------------|-------------------|------------|-------------|------------|
|   |                          |         |          |                     |         |          |                      |                |              | 12-31-2023   | 12-31-2022 | 12-31-2023   | 12-31-2022 | 12-31-2023        | 12-31-2022 | 12-31-2023  | 12-31-2022 |
| Tax I.D.                                  | Name                     | Country | Tax I.D. | Name                | Country | Currency | Type of Amortization |                |              | kUSD         | kUSD       | kUSD         | kUSD       | kUSD              | kUSD       | kUSD        | kUSD       |
| 88.006.900-4                              | Engie Energia Chile S.A. | Chile   | Foreign  | IDB Invest (1)      | USA     | USD      | Amortizable          | 4.510          | 4.510        | 3,276        | 1,801      | 12,829       | 9,126      | 57,334            | 62,514     | 73,439      | 73,441     |
| 88.006.900-4                              | Engie Energia Chile S.A. | Chile   | Foreign  | IDB Invest (1)      | USA     | USD      | Amortizable          | 4.510          | 4.510        | 1,594        | 876        | 6,244        | 4,440      | 27,896            | 30,417     | 35,734      | 35,733     |
| 88.006.900-4                              | Engie Energia Chile S.A. | Chile   | Foreign  | IDB Invest (1)      | USA     | USD      | Bullet               | 1.000          | 1.000        | 0            | 0          | 0            | 0          | 14,891            | 14,782     | 14,891      | 14,782     |
| 88.006.900-4                              | Engie Energia Chile S.A. | Chile   | Foreign  | Scotiabank (2)      | Chile   | USD      | Bullet               | 4.748          | 4.748        | 0            | 0          | 148,367      | 147,977    | 0                 | 0          | 148,367     | 147,977    |
| 88.006.900-4                              | Engie Energia Chile S.A. | Chile   | Foreign  | Scotiabank (2)      | Chile   | USD      | Bullet               | 4.748          | 4.748        | 0            | 0          | 98,912       | 98,652     | 0                 | 0          | 98,912      | 98,652     |
| 88.006.900-4                              | Engie Energia Chile S.A. | Chile   | Foreign  | Banco BCI (3)       | Chile   | USD      | Bullet               | 7.300          | 7.300        | 0            | 35,319     | 0            | 0          | 0                 | 0          | 0           | 35,319     |
| 88.006.900-4                              | Engie Energia Chile S.A. | Chile   | Foreign  | Banco Santander (4) | Chile   | USD      | Bullet               | 6.372          | 6.372        | 0            | 0          | 170,000      | 0          | 0                 | 0          | 170,000     | 0          |
| 88.006.900-4                              | Engie Energia Chile S.A. | Chile   | Foreign  | IFC (5)             | USA     | USD      | Amortizable          | 6.970          | 6.970        | 72,221       | 0          | 72,716       | 0          | 182,074           | 0          | 327,011     | 0          |
| 88.006.900-4                              | Engie Energia Chile S.A. | Chile   | Foreign  | DEG (5)             | Germany | USD      | Amortizable          | 9.970          | 9.970        | 10,320       | 0          | 10,391       | 0          | 26,004            | 0          | 46,715      | 0          |
| 88.006.900-4                              | Engie Energia Chile S.A. | Chile   | Foreign  | Banco Chile (6)     | Chile   | USD      | Bullet               | 7.350          | 7.350        | 50,000       | 0          | 0            | 77,000     | 0                 | 0          | 50,000      | 77,000     |
| 76.376.043-k                              | Energías de Abtao S.A.   | Chile   | Foreign  | Banco Itaú (7)      | Chile   | USD      | Amortizable          | 8.539          | 8.539        | 0            | 75,083     | 0            | 0          | 0                 | 0          | 0           | 75,083     |
| Total Interest-Bearing Loans, Non-Current |                          |         |          |                     |         |          |                      |                |              | 137,411      | 113,079    | 519,459      | 337,195    | 308,199           | 107,713    | 965,069     | 557,987    |

- (1) On August 27, 2021, the Company drew down the entire USD 125 million loan from IDB Invest granted December 23, 2020. The facility is comprised of an IDB Invest senior loan for USD 74 million, USD 36 million from the China Fund for co-financing in Latin America and the Caribbean and USD 15 million of mixed funding from the Clean Technology Fund. The first two tranches, for a total of USD 110 million, are at a variable rate and are payable in 16 installments of different amounts starting June 15, 2025 and ending December 15, 2032. The USD 15 million CTF loan is accruing interest at a fixed rate of 1% annually and is payable in one single installment on December 15, 2032. The purpose of the loan is to finance the construction, operation and maintenance of the Calama wind farm. The facility uses an innovative financial instrument that encourages the acceleration of decarbonization by monetizing the real reduction in carbon dioxide (CO<sub>2</sub>) emissions through the early closing of coal-fired power plants whose generation will be substituted by the Calama wind farm. If there is no carbon credit market, the loan structure will set a minimum price for emissions that will be used to lower the cost of the CTF loan. The base rate of the portion of the loan at a variable rate changed from the 6-month LIBOR to SOFR, compounded daily as of December 15, 2023. To hedge against the interest rate exposure, the company contracted interest rate swaps with Banco Chile for a notional amount equal to 50% of the principal of the variable-rate loan. The SOFR was fixed at an average rate of 4.15% annually on a notional amount of USD 55 million.
- (2) On July 26, 2022, the Company signed a green loan agreement with Scotiabank for USD 250 million. It drew down the first loan for USD 150 million on July 28th, and the remainder was disbursed on September 7th, both with semi-annual interest payments and principal payable in one single installment in July 2027. The loan is accruing interest at a variable rate, based on the SOFR plus a spread. To hedge against interest rate risk, the Company invested in interest rate swaps with Banco de Chile for a notional amount equivalent to 70% of the loan principal. The SOFR then became fixed at an average rate of 2.872% annually.
- (3) On November 16, 2022, the Company signed a green loan agreement with BCI for USD 35 million to finance renewable energy projects. It will expire May 22, 2024. It has been documented by a simple promissory note recording the obligation to make payment on the agreed date. There are no financial or operating restrictions except regarding the use of funds, and the Company can prepay it without being charged any prepayment fee. This loan is also described in number (16) of Note 20.1.1 because it was short-term debt at the close of 2023.
- (4) On December 15, 2022, the Company signed a five-year loan agreement with Banco Santander for a total committed amount of USD 170 million. It drew down the first USD 77 million on December 15, 2022 to pay for the purchase of shares in the San Pedro Wind Farms in Chiloé. The remaining USD 93 million were drawn down on February 15, 2023. The principal is payable in one single installment on December 14, 2027. The loan is accruing interest at a variable rate, based on the 6-month SOFR plus a spread. To hedge against interest rate risk, the Company invested in interest rate swaps with Banco Santander for a notional amount equivalent to 70% of the loan principal. The SOFR then became fixed at an average rate of 3.493% annually for that portion of the loan effective March 15, 2023, the effective date of the derivative. Banco Santander assigned portions of the loan to other banks during 2023 and each of those banks finally is owed a principal amount of USD 34 million. The banks include Banco Santander, Rabobank, Banco Estado, Société Générale and Intesa Sao Paolo.



- (5) On June 20, 2023, the Company signed a USD 350 million green, sustainability-linked loan with International Finance Corporation (IFC), a member of the World Bank Group, which, when combined with a parallel loan from DEG, a German bank and member of the KfW development bank group, meant a committed total of USD 400 million out to 10 years. USD 200 million of the loan was provided by IFC, USD 114.5 million by investors under the IFC-managed co-lending portfolio program, USD 35.5 million by the ILX Fund, an SDG-centered investor, under the IFC B Loan Program, and USD 50 million by the DEG loan. The Company drew down the first USD 200 million under this loan on July 28, 2023. The remaining USD 200 million were disbursed on December 19, 2023. The loan is payable in 19 equal, semi-annual installments beginning July 15, 2024 and ending July 15, 2033. It accrues interest at a variable rate based on the SOFR, compounded daily, plus a spread, and 70% of the interest-rate risk is hedged via an interest-rate swap with Banco de Chile. The SOFR was set at an average of 3.815% annually. The loan requires meeting certain sustainability indicators that, if met, would mean a reduction in the loan spread by 0.2% annually beginning in 2027.
- (6) A short-term loan for USD 50 million with Banco Chile described in number (11) of Note 20.1.1. Its original expiration date was November 15, 2023. It was renewed for three years on November 15, 2023 and the new expiration date is November 16, 2026. It is documented by a peso promissory note and a cross-currency swap agreement under which the company's obligation is in dollars at a fixed interest rate.
- (7) On December 15, 2022, the Company assumed the long-term project financing totaling USD 79.4 million owed by Energías de Abtao S.A. (owner of the San Pedro 2 Wind Farm) to Banco Itaú, Consorcio Seguros de Vida and Banco Consorcio. USD 4.3 million of that loan expires in 2023. In assuming this debt, EECL agreed to prepay all principal owed no later than October 15, 2024. The Company paid interest accrued on, and through, December 27, 2022 (USD 1.3 million) and received a set-off of USD 2.4 million because of the breakage of the interest rate swap held with Banco Itaú. The loan was accruing interest at the 6-month LIBOR, plus 4%, and the usual project financing restrictions were in place, in addition to EECL's guarantee to cover debt servicing. This loan was prepaid in full on February 15, 2023, so the company is no longer subject to those restrictions.

## 20.2. BONDS

### 20.2.1 Bonds, current

| Borrower        |                          |         | Lender   |                             |         |          |                      |                |              | Out to 90 days |            | 91 days to 1 year |            | Total      | Total      |
|-----------------|--------------------------|---------|----------|-----------------------------|---------|----------|----------------------|----------------|--------------|----------------|------------|-------------------|------------|------------|------------|
| Tax I.D.        | Name                     | Country | Tax I.D. | Name                        | Country | Currency | Type of Amortization | Effective Rate | Nominal Rate | 12-31-2023     | 12-31-2022 | 12-31-2023        | 12-31-2022 | 12-31-2023 | 12-31-2022 |
|                 |                          |         |          |                             |         |          |                      |                |              | kUSD           | kUSD       | kUSD              | kUSD       | kUSD       | kUSD       |
| 88.006.900-4    | Engie Energía Chile S.A. | Chile   | Foreign  | The Bank of New York Mellon | USA     | USD      | Bullet               | 5.228          | 4.500        | 6,606          | 6,606      | 0                 | 0          | 6,606      | 6,606      |
| 88.006.900-4    | Engie Energía Chile S.A. | Chile   | Foreign  | The Bank of New York Mellon | USA     | USD      | Bullet               | 3.669          | 3.400        | 7,178          | 7,178      | 0                 | 0          | 7,178      | 7,178      |
| Total for Bonds |                          |         |          |                             |         |          |                      |                |              | 13,784         | 13,784     | 0                 | 0          | 13,784     | 13,784     |

## 20.2.2 Bonds, non-current

| Borrower        |                          |         | Lender   |                                 |         |          |                      |                |              |            | 1 to 3 years |            | 3 to 5 years |            | More than 5 years |            | Total as of |            |
|-----------------|--------------------------|---------|----------|---------------------------------|---------|----------|----------------------|----------------|--------------|------------|--------------|------------|--------------|------------|-------------------|------------|-------------|------------|
| Tax I.D.        | Name                     | Country | Tax I.D. | Name                            | Country | Currency | Type of Amortization | Effective Rate | Nominal Rate | Face Value | 12-31-2023   | 12-31-2022 | 12-31-2023   | 12-31-2022 | 12-31-2023        | 12-31-2022 | 12-31-2023  | 12-31-2022 |
|                 |                          |         |          |                                 |         |          |                      |                |              |            | kUSD         | kUSD       | kUSD         | kUSD       | kUSD              | kUSD       | kUSD        | kUSD       |
| 88.006.900-4    | Engie Energía Chile S.A. | Chile   | Foreign  | The Bank of New York Mellon (1) | USA     | USD      | Bullet               | 5,228          | 4,500        | 373.625    | 347.290      | 345.288    | 0            | 0          | 0                 | 0          | 347.290     | 345.288    |
| 88.006.900-4    | Engie Energía Chile S.A. | Chile   | Foreign  | The Bank of New York Mellon (2) | USA     | USD      | Bullet               | 3,669          | 3,400        | 610.500    | 0            | 0          | 0            | 0          | 492.734           | 491.685    | 492.734     | 491.685    |
| Total for Bonds |                          |         |          |                                 |         |          |                      |                |              |            | 347.290      | 345.288    | 0            | 0          | 492.734           | 491.685    | 840.024     | 836.973    |

- (1) On October 29, 2014, EECL made a bond issue on the international market for a total of US\$350,000,000 under Rule 144-A and Regulation S of the U.S. Securities Act of 1933. It was listed in the Official List of the Luxembourg Stock Exchange to be traded on the Euro MTF Market of the Luxembourg Stock Exchange. The bonds have a term of 10 years and the coupon interest rate is 4.500%. Interest is payable semi-annually starting January 29, 2015, and the principal is repayable in one single installment on January 29, 2025.
- (2) On January 23, 2020, EECL made a bond issue on the international market for a total of US\$500,000,000. A significant part of the funds from the new issue was allocated to payment of the offer made under the voluntary early redemption of bonds for US\$400,000,000 originally expiring in January 2020 ("Any and All Tender Offer"). The Company then made use of the prepayment option contained in the documentation on the bond expiring in January 2021 to be able to retire the bond and pay the balance outstanding to bondholders who did not participate in the voluntary redemption program. In February 2020, the Company was able to pay the US\$400M bond in full that was to expire in January 2021. The remainder of the new issue was allocated to debt payment, transaction costs and other general purposes of the company. Premiums paid on the early redemption totaled US\$13,618,079.36 that was debited entirely against 2020 fiscal year income. The new US\$500M bond is for 10 years at a coupon interest rate of 3.400% annually. Interest will be paid semi-annually starting July 28, 2020, and principal will be amortized in one single installment on January 28, 2030.

## 20.2.3 Bonds, face value

## 2023

| Borrower     |                          | Lender  |          |                             |         |          |                      |                |              |            |            | 0 to 1 year | 1 to 3 years | 3 to 5 years | More than 5 years | Total   |
|--------------|--------------------------|---------|----------|-----------------------------|---------|----------|----------------------|----------------|--------------|------------|------------|-------------|--------------|--------------|-------------------|---------|
| Tax I.D.     | Name                     | Country | Tax I.D. | Name                        | Country | Currency | Type of Amortization | Effective Rate | Nominal Rate | Face Value | 12-31-2023 | 12-31-2023  | 12-31-2023   | 12-31-2023   | 12-31-2023        | kUSD    |
|              |                          |         |          |                             |         |          |                      |                |              |            | kUSD       | kUSD        | kUSD         | kUSD         | kUSD              | kUSD    |
| 88.006.900-4 | Engie Energía Chile S.A. | Chile   | Foreign  | The Bank of New York Mellon | USA     | USD      | Bullet               | 5,228          | 4,500        | 373,625    | 15,750     | 357,875     | 0            | 0            | 0                 | 373,625 |
| 88.006.900-4 | Engie Energía Chile S.A. | Chile   | Foreign  | The Bank of New York Mellon | USA     | USD      | Bullet               | 3,669          | 3,400        | 610,500    | 17,000     | 34,000      | 34,000       | 525,500      | 610,500           | 610,500 |
| Total        |                          |         |          |                             |         |          |                      |                |              |            | 984,125    | 32,750      | 391,875      | 34,000       | 525,500           | 984,125 |

## 2022

| Borrower     |                          | Lender  |          |                             |         |          |                      |                |              |            |            | 0 to 1 year | 1 to 3 years | 3 to 5 years | More than 5 years | Total     |
|--------------|--------------------------|---------|----------|-----------------------------|---------|----------|----------------------|----------------|--------------|------------|------------|-------------|--------------|--------------|-------------------|-----------|
| Tax I.D.     | Name                     | Country | Tax I.D. | Name                        | Country | Currency | Type of Amortization | Effective Rate | Nominal Rate | Face Value | 12-31-2023 | 12-31-2023  | 12-31-2023   | 12-31-2023   | 12-31-2023        | kUSD      |
|              |                          |         |          |                             |         |          |                      |                |              |            | kUSD       | kUSD        | kUSD         | kUSD         | kUSD              | kUSD      |
| 88.006.900-4 | Engie Energía Chile S.A. | Chile   | Foreign  | The Bank of New York Mellon | USA     | USD      | Bullet               | 6,098          | 5,625        | 389,375    | 15,750     | 373,625     | 0            | 0            | 0                 | 389,375   |
| 88.006.900-4 | Engie Energía Chile S.A. | Chile   | Foreign  | The Bank of New York Mellon | USA     | USD      | Bullet               | 5,228          | 4,500        | 627,500    | 17,000     | 34,000      | 34,000       | 542,500      | 627,500           | 627,500   |
| Total        |                          |         |          |                             |         |          |                      |                |              |            | 1,016,875  | 32,750      | 407,625      | 34,000       | 542,500           | 1,016,875 |

## NOTE 21 – DERIVATIVES AND HEDGE TRANSACTIONS

The assets and liabilities in financial derivatives classified as hedge transactions were recognized in the statement of financial position as of December 31, 2023 and 2022, as shown below:

| Exchange Rate Hedge | 12-31-2023    |              |              |              | 12-31-2022    |              |           |             |
|---------------------|---------------|--------------|--------------|--------------|---------------|--------------|-----------|-------------|
|                     | Asset         |              | Liability    |              | Asset         |              | Liability |             |
|                     | Current       | Non-Current  | Current      | Non-Current  | Current       | Non-Current  | Current   | Non-Current |
|                     | kUSD          | kUSD         | kUSD         | kUSD         | kUSD          | kUSD         | kUSD      | kUSD        |
| Cash flow hedges    | 12,391        | 5,682        | 6,500        | 8,437        | 17,865        | 5,055        | 0         | 0           |
| <b>Total</b>        | <b>12,391</b> | <b>5,682</b> | <b>6,500</b> | <b>8,437</b> | <b>17,865</b> | <b>5,055</b> | <b>0</b>  | <b>0</b>    |

The financial hedge derivatives and underlying asset or liability are shown below:

| Hedge Instrument | Description of Hedge Instrument | Description of Hedged Instruments | Fair Value of Hedged Instruments |                    | Nature of the Risks Hedged |
|------------------|---------------------------------|-----------------------------------|----------------------------------|--------------------|----------------------------|
|                  |                                 |                                   | 12-31-2023<br>kUSD               | 12-31-2022<br>kUSD |                            |
| Forward          | Exchange rate                   | Costs in pesos (CLP)              | 120,000                          | 108,000            | Cash flow                  |
| Forward          | Exchange rate                   | Investment Projects               | 1,292                            | 0                  | Cash flow                  |
| Swap             | Commodity Price                 | Power purchase agreements         | 198,000                          | 0                  | Cash flow                  |
| Swap             | Exchange rate                   | Interest rates                    | 584,000                          | 294,000            | Cash flow                  |

At the close of the fiscal years ending December 31, 2023 and 2022, the Company had not recognized any gains or losses due to the ineffectiveness of cash flow hedges.

Derivative contracts have been made to hedge against interest-rate risk exposure. The effects of forwards are shown in income when the Company does not meet the formal documentation requirements needed to qualify those instruments as hedge instruments.

Forwards that qualify as cash-flow hedges are to reduce the variability of the cash flows in a currency other than the functional currency (USD) and under fuel purchase and sale contracts.

The financial instruments recorded at fair value in the statement of financial position are classified at their fair value, according to the levels indicated in Note 3.7.1.

|  | 12-31-2023             | 12-31-2023         | 12-31-2022             | 12-31-2022         |
|--|------------------------|--------------------|------------------------|--------------------|
| Financial Instruments  | Carrying Value<br>kUSD | Fair Value<br>kUSD | Carrying Value<br>kUSD | Fair Value<br>kUSD |
| <b>Cash and cash equivalents</b>   |                        |                    |                        |                    |
| Cash on hand   | 32                     | 32                 | 31                     | 31                 |
| Bank balances  | 12,783                 | 12,783             | 47,322                 | 47,322             |
| Short-term deposits classified as cash equivalents                       | 288,512                | 288,512            | 85,012                 | 85,012             |
| <b>Financial Assets</b>  |                        |                    |                        |                    |
| Trade receivables and other accounts receivable, current and non-current | 568,755                | 568,755            | 546,365                | 546,365            |
| Related-entity receivables   | 7,407                  | 7,407              | 5,532                  | 5,532              |
| <b>Financial liabilities</b>   |                        |                    |                        |                    |
| Other financial liabilities  | 2,145,234              | 772,083            | 1,775,674              | 754,857            |
| Trade payables and other accounts payable                                | 294,249                | 294,249            | 229,766                | 229,766            |
| Related-entity payables, current and non-current                         | 65,457                 | 65,457             | 59,504                 | 59,504             |

| Financial Instruments Measured at Fair Value          | 12-31-2023<br>kUSD | LEVEL 1<br>kUSD | LEVEL 2<br>kUSD | LEVEL 3<br>kUSD |
|---|--------------------|-----------------|-----------------|-----------------|
| <b>Financial Assets</b>                               |                    |                 |                 |                 |
| Financial assets at fair value through profit or loss | 18,073             | 18,073          | 0               | 0               |
| <b>Total</b>  | <b>18,073</b>      | <b>18,073</b>   | <b>0</b>        | <b>0</b>        |
| <b>Financial Liabilities</b>                          |                    |                 |                 |                 |
| Financial derivatives used as a cash-flow hedge       | 14,937             | 0               | 14,937          | 0               |
| <b>Total</b>  | <b>14,937</b>      | <b>0</b>        | <b>14,937</b>   | <b>0</b>        |

| Financial Instruments Measured at Fair Value          | 12-31-2023<br>kUSD | LEVEL 1<br>kUSD | LEVEL 2<br>kUSD | LEVEL 3<br>kUSD |
|---|--------------------|-----------------|-----------------|-----------------|
| <b>Financial Assets</b>                               |                    |                 |                 |                 |
| Financial assets at fair value through profit or loss | 22,920             | 22,920          | 0               | 0               |
| <b>Total</b>  | <b>22,920</b>      | <b>22,920</b>   | <b>0</b>        | <b>0</b>        |
| <b>Financial Liabilities</b>                          |                    |                 |                 |                 |
| Financial derivatives used as a cash-flow hedge       | 0                  | 0               | 0               | 0               |
| <b>Total</b>  | <b>0</b>           | <b>0</b>        | <b>0</b>        | <b>0</b>        |

### **Hedge Effectiveness – Prospective**

Hedge effectiveness should be measured prospectively, simulating different scenarios in the USD-Libor interest-rate curve using the “hypothetical derivative” method, which consists of structuring a derivative in such a manner that it is 100% effective in hedging the syndicated loan. The changes in the fair value of the hypothetical derivative will be compared to the changes in the fair value of the “real derivative,” which is the derivative obtained by the Company on the market to make the hedge. The quotient of the change in both fair values attributable to the hedged risk must range between 80%-125% throughout the life of the hedge in order to meet the standard specified in IFRS 9. This test is performed at each accounting closing, simulating different scenarios in the USD-Libor interest-rate curve, which are described below:

Scenario 1: -50 bps

Scenario 2: -25 bps

Scenario 3: -15 bps

Scenario 4: +15 bps

Scenario 5: +25 bps

Scenario 6: +50 bps

The results support the fact that the expected effectiveness of the hedge is high in the case of changes in cash flows attributable to the hedged risk (USD Libor), satisfactorily achieving the set-off.

### **Hedge Effectiveness – Retrospective**

The effectiveness of the hedge should be measured retrospectively, using the hypothetical derivative method. This effectiveness must be measured by evaluating changes in the fair value of the hypothetical derivative and of the real derivative using the real changes that occurred on the market for the inputs used in the appraisal.

### **Hedge Ineffectiveness**

The ineffectiveness of a hedge is the difference between the fair value of the real derivative and that of the hypothetical derivative, which must be recognized as a gain or loss in the statement of income for the period of measurement.



## NOTE 22 – LEASE LIABILITIES

Lease liabilities were as follows as of December 31, 2023 and 2022:

| Lease Liabilities | 12-31-2023   |                | 12-31-2022   |                |
|-------------------|--------------|----------------|--------------|----------------|
|                   | Current      | Non-Current    | Current      | Non-Current    |
|                   | kUSD         | kUSD           | kUSD         | kUSD           |
| IFRS 16 Leases    | 5,387        | 101,220        | 6,416        | 135,165        |
| <b>Total</b>      | <b>5,387</b> | <b>101,220</b> | <b>6,416</b> | <b>135,165</b> |

### 22.1 LEASE LIABILITIES, CURRENT

| Lessee                  |                                    |         | Lessor                                |                  |                           |                   |                 | Out to 90 days |            | 91 days to 1 year |            | Total      |            |
|-------------------------|------------------------------------|---------|---------------------------------------|------------------|---------------------------|-------------------|-----------------|----------------|------------|-------------------|------------|------------|------------|
| Tax I.D.                | Name                               | Country | Name                                  | Currency         | Type of Amortiza-<br>tion | Effective<br>Rate | Nominal<br>Rate | 12-31-2023     | 12-31-2022 | 12-31-2023        | 12-31-2022 | 12-31-2023 | 12-31-2022 |
|                         |                                    |         |                                       |                  |                           |                   |                 | kUSD           | kUSD       | kUSD              | kUSD       | kUSD       | kUSD       |
| 88.006.900-4            | Engie Energia Chile S.A.           | Chile   | Ministry of National Defense          | Monthly Tax Unit | Semi-Annual               | 4.455             | 4.455           | 52             | 53         | 24                | 24         | 76         | 77         |
| 88.006.900-4            | Engie Energia Chile S.A.           | Chile   | Ministry of Public Property           | UF               | Annual                    | 3.810             | 3.810           | 115            | 122        | 181               | 180        | 296        | 302        |
| 88.006.900-4            | Engie Energia Chile S.A.           | Chile   | Ministry of Public Property           | UF               | Annual                    | 3.810             | 3.810           | 82             | 87         | 129               | 128        | 211        | 215        |
| 88.006.900-4            | Engie Energia Chile S.A.           | Chile   | Ministry of Public Property (*)       | UF               | Annual                    | 3.810             | 3.810           | 0              | 152        | 0                 | 225        | 0          | 377        |
| 88.006.900-4            | Engie Energia Chile S.A.           | Chile   | Ministry of Public Property           | UF               | Annual                    | 3.810             | 3.810           | 28             | 30         | 64                | 63         | 92         | 93         |
| 88.006.900-4            | Engie Energia Chile S.A.           | Chile   | Deka Inmobiliaria Chile One SpA       | UF               | Monthly                   | 2.430             | 2.430           | 174            | 176        | 503               | 506        | 677        | 682        |
| 88.006.900-4            | Engie Energia Chile S.A.           | Chile   | Sencorp Rentas Inmobiliarias SpA      | UF               | Monthly                   | 2.450             | 2.450           | 93             | 94         | 269               | 270        | 362        | 364        |
| 88.006.900-4            | Engie Energia Chile S.A.           | Chile   | Ministry of Public Property           | UF               | Annual                    | 2.940             | 2.940           | 229            | 240        | 302               | 301        | 531        | 541        |
| 88.006.900-4            | Engie Energia Chile S.A.           | Chile   | Ministry of Public Property           | UF               | Annual                    | 3.560             | 3.560           | 21             | 22         | 29                | 29         | 50         | 51         |
| 88.006.900-4            | Engie Energia Chile S.A.           | Chile   | Ministry of Public Property           | UF               | Annual                    | 2.670             | 2.670           | 9              | 9          | 22                | 20         | 31         | 29         |
| 88.006.900-4            | Engie Energia Chile S.A.           | Chile   | Ministry of Public Property           | UF               | Annual                    | 2.870             | 2.870           | 27             | 28         | 61                | 60         | 88         | 88         |
| 88.006.900-4            | Engie Energia Chile S.A.           | Chile   | Ministry of Public Property           | UF               | Annual                    | 2.640             | 2.640           | 25             | 27         | 83                | 83         | 108        | 110        |
| 88.006.900-4            | Engie Energia Chile S.A.           | Chile   | Ministry of Public Property           | UF               | Annual                    | 2.590             | 2.590           | 6              | 6          | 22                | 22         | 28         | 28         |
| 88.006.900-4            | Engie Energia Chile S.A.           | Chile   | Arrendadores de Vehiculos S.A.        | UF               | Mensual                   | 0.800             | 0.800           | 140            | 141        | 424               | 419        | 564        | 560        |
| 88.006.900-4            | Engie Energia Chile S.A.           | Chile   | Ministry of Public Property (*)       | UF               | Annual                    | 3.010             | 3.010           | 0              | 460        | 0                 | 381        | 0          | 841        |
| 88.006.900-4            | Engie Energia Chile S.A.           | Chile   | Ministry of Public Property           | UF               | Annual                    | 3.010             | 3.010           | 793            | 743        | 798               | 615        | 1,591      | 1,358      |
| 76.019.239-2            | Eólica Monte Redondo SpA           | Chile   | Monte Redondo S.A.                    | USD              | Quarterly                 | 4.006             | 4.006           | 84             | 84         | 176               | 169        | 260        | 253        |
| 76.019.239-2            | Eólica Monte Redondo SpA           | Chile   | Arrendadores de Vehiculos S.A.        | UF               | Monthly                   | 0.800             | 0.800           | 9              | 9          | 26                | 26         | 35         | 35         |
| 76.247.976-1            | Solar Los Loros SpA                | Chile   | Sociedad Agrícola Río Escondido Ltda. | UF               | Annual                    | 4.371             | 4.371           | 85             | 83         | 0                 | 0          | 85         | 83         |
| 76.708.710-1            | Central Termoeléctrica Andina SpA. | Chile   | Ministry of Public Property           | CLP              | Monthly                   | 2.960             | 2.960           | 10             | 10         | 7                 | 30         | 17         | 40         |
| 76.708.710-1            | Central Termoeléctrica Andina SpA. | Chile   | Ministry of National Defense          | Monthly Tax Unit | Semi-Annual               | 2.500             | 2.500           | 130            | 133        | 118               | 119        | 248        | 252        |
| 78.974.730-K            | Gasoducto Nor Andino SpA           | Chile   | Arrendadores de Vehiculos S.A.        | UF               | Monthly                   | 0.800             | 0.800           | 9              | 9          | 28                | 28         | 37         | 37         |
| Total Lease Liabilities |                                    |         |                                       |                  |                           |                   |                 | 2,121          | 2,718      | 3,266             | 3,698      | 5,387      | 6,416      |

(\*\*) On June 19th, the Ministry of Public Property issued Exempt Resolution #150 declaring that the pay-for-use concession for the “Pampa Yolanda” land was extinguished. On August 17th, the Ministry of Public Property issued Exempt Resolution #230 declaring that the pay-for-use concession for the “Calama C” land was extinguished.

## 22.2 LEASE LIABILITIES, NON-CURRENT

| Lessee                  |                                    |         | Lessor                                |                  |                      |                |              | 1 to 3 years |            | 3 to 5 years |            | more than 5 years |            | Total as of |            |
|-------------------------|------------------------------------|---------|---------------------------------------|------------------|----------------------|----------------|--------------|--------------|------------|--------------|------------|-------------------|------------|-------------|------------|
| Tax I.D.                | Name                               | Country | Name                                  | Currency         | Type of Amortization | Effective Rate | Nominal Rate | 31-12-2023   | 31-12-2022 | 31-12-2023   | 31-12-2022 | 31-12-2023        | 31-12-2022 | 31-12-2023  | 31-12-2022 |
|                         |                                    |         |                                       |                  |                      |                |              | kUSD         | kUSD       | kUSD         | kUSD       | kUSD              | kUSD       | kUSD        | kUSD       |
| 88.006.900-4            | Engie Energia Chile S.A.           | Chile   | Ministry of National Defense          | Monthly Tax Unit | Semi-Annual          | 4.455          | 4.455        | 156          | 153        | 116          | 114        | 952               | 1,041      | 1,224       | 1,308      |
| 88.006.900-4            | Engie Energia Chile S.A.           | Chile   | Ministry of Public Property           | UF               | Annual               | 3.810          | 3.810        | 586          | 581        | 429          | 425        | 6,157             | 6,562      | 7,172       | 7,568      |
| 88.006.900-4            | Engie Energia Chile S.A.           | Chile   | Ministry of Public Property           | UF               | Annual               | 3.810          | 3.810        | 418          | 415        | 306          | 303        | 4,395             | 4,683      | 5,119       | 5,401      |
| 88.006.900-4            | Engie Energia Chile S.A.           | Chile   | Ministry of Public Property (**)      | UF               | Annual               | 3.810          | 3.810        | 0            | 727        | 0            | 532        | 0                 | 8,210      | 0           | 9,469      |
| 88.006.900-4            | Engie Energia Chile S.A.           | Chile   | Ministry of Public Property           | UF               | Annual               | 3.810          | 3.810        | 207          | 205        | 151          | 150        | 4,114             | 4,313      | 4,472       | 4,668      |
| 88.006.900-4            | Engie Energia Chile S.A.           | Chile   | Deka Inmobiliaria Chile One SpA       | UF               | Monthly              | 2.430          | 2.430        | 2,106        | 2,118      | 1,175        | 1,497      | 0                 | 450        | 3,281       | 4,065      |
| 88.006.900-4            | Engie Energia Chile S.A.           | Chile   | Sencorp Rentas Inmobiliarias SpA      | UF               | Monthly              | 2.450          | 2.450        | 1,164        | 1,154      | 655          | 836        | 0                 | 250        | 1,819       | 2,240      |
| 88.006.900-4            | Engie Energia Chile S.A.           | Chile   | Ministry of Public Property           | UF               | Annual               | 2.940          | 2.940        | 961          | 961        | 689          | 688        | 16,940            | 17,793     | 18,590      | 19,442     |
| 88.006.900-4            | Engie Energia Chile S.A.           | Chile   | Ministry of Public Property           | UF               | Annual               | 3.560          | 3.560        | 93           | 92         | 67           | 67         | 688               | 744        | 848         | 903        |
| 88.006.900-4            | Engie Energia Chile S.A.           | Chile   | Ministry of Public Property           | UF               | Annual               | 2.670          | 2.670        | 70           | 68         | 54           | 52         | 806               | 858        | 930         | 978        |
| 88.006.900-4            | Engie Energia Chile S.A.           | Chile   | Ministry of Public Property           | UF               | Annual               | 2.870          | 2.870        | 190          | 190        | 136          | 136        | 1,877             | 2,003      | 2,203       | 2,329      |
| 88.006.900-4            | Engie Energia Chile S.A.           | Chile   | Ministry of Public Property           | UF               | Annual               | 2.640          | 2.640        | 263          | 263        | 187          | 187        | 1,761             | 1,910      | 2,211       | 2,360      |
| 88.006.900-4            | Engie Energia Chile S.A.           | Chile   | Ministry of Public Property           | UF               | Annual               | 2.590          | 2.590        | 69           | 69         | 49           | 49         | 423               | 461        | 541         | 579        |
| 88.006.900-4            | Engie Energia Chile S.A.           | Chile   | Arrendadores de Vehiculos S.A.        | UF               | Monthly              | 0.800          | 0.800        | 0            | 579        | 0            | 0          | 0                 | 0          | 0           | 579        |
| 88.006.900-4            | Engie Energia Chile S.A.           | Chile   | Ministry of Public Property (**)      | UF               | Annual               | 3.010          | 3.010        | 0            | 1212       | 0            | 870        | 0                 | 23,914     | 0           | 25,996     |
| 88.006.900-4            | Engie Energia Chile S.A.           | Chile   | Ministry of Public Property           | UF               | Annual               | 3.010          | 3.010        | 2,348        | 1957       | 1,686        | 1405       | 44,146            | 38,617     | 48,180      | 41,979     |
| 76.019.239-2            | Eólica Monte Redondo SpA           | Chile   | Monte Redondo S.A.                    | USD              | Quarterly            | 4.006          | 4.006        | 761          | 732        | 560          | 538        | 1,101             | 1,386      | 2,422       | 2,656      |
| 76.019.239-2            | Eólica Monte Redondo SpA           | Chile   | Arrendadores de Vehiculos S.A.        | UF               | Monthly              | 0.800          | 0.800        | 0            | 35         | 0            | 0          | 0                 | 0          | 0           | 35         |
| 76.247.976-1            | Solar Los Loros SpA                | Chile   | Sociedad Agrícola Río Escondido Ltda. | UF               | Annual               | 4.371          | 4.371        | 123          | 119        | 93           | 93         | 636               | 706        | 852         | 918        |
| 76.708.710-1            | Central Termoelectrica Andina SpA. | Chile   | Ministry of Public Property           | CLP              | Monthly              | 2.960          | 2.960        | 0            | 17         | 0            | 0          | 0                 | 0          | 0           | 17         |
| 76.708.710-1            | Central Termoelectrica Andina SpA. | Chile   | Ministry of National Defense          | Monthly Tax Unit | Semi-Annual          | 2.500          | 2.500        | 741          | 744        | 525          | 527        | 90                | 366        | 1,356       | 1,637      |
| 78.974.730-K            | Gasoducto Nor Andino SpA           | Chile   | Arrendadores de Vehiculos S.A.        | UF               | Monthly              | 0.800          | 0.800        | 0            | 38         | 0            | 0          | 0                 | 0          | 0           | 38         |
| Total Lease Liabilities |                                    |         |                                       |                  |                      |                |              | 10,256       | 12,429     | 6,878        | 8,469      | 84,086            | 114,267    | 101,220     | 135,165    |

(\*\*) On June 19th, the Ministry of Public Property issued Exempt Resolution #150 declaring that the pay-for-use concession for the "Pampa Yolanda" land was extinguished. On August 17th, the Ministry of Public Property issued Exempt Resolution #230 declaring that the pay-for-use concession for the "Calama C" land was extinguished.

## NOTE 23 – RISK MANAGEMENT

### Financial Risk Management Policy

The energy sector is susceptible to diverse and changing economic, political, regulatory, social and competitive conditions. Our company is exposed in the ordinary course of business to several risk factors, both operational and financial, that may impact its performance and financial condition, which are monitored closely from time to time by each Risk Owner of the company's different processes, under the coordination of the Planning and Management Control Areas of the company.

ENGIE Energía Chile has procedures for Risk Management where the method of risk assessment and analysis is described, including the building of the risk matrix. The risk matrix is updated and reviewed quarterly and the progress in action plans is constantly monitored and risks are updated as part of Enterprise Risk Management (ERM), the purpose of which is to preserve and continuously improve the value, reputation and internal motivation of the company and to foster a risk-taking level that is reasonable in social, human and legal terms, is acceptable to stakeholders and is economically sustainable.

Risk management is presented to the Company's board annually. The Company's financial risk strategy aims to protect ENGIE Energía Chile's stability and sustainability in relation to all components of financial uncertainty or material risk events.

The market risk management policy of the Company and its subsidiaries can be summarized as follows.

### Risk Factors

#### 23.1 MARKET RISK

Market risk is the risk that the fair value of future cash flows from a financial instrument may fluctuate due to changes in market prices. It is composed of four types of risk: interest rate risk, exchange rate risk, commodity risk, and other risks.

The financial instruments exposed to market risk are mainly bank debt, bank loans, financial leasing transactions, time deposits, and financial derivatives.

##### 23.1.1. Exchange Rate Risk

Exchange rate risk is the risk that the value of an asset or liability (including the fair value of future cash flows of a financial instrument) fluctuate due to variations in exchange rates.

Since most of our income, costs and financial debt are denominated in dollars, our exposure to the risk of fluctuations and exchange rates is limited. The Company's income is mostly denominated in, or indexed to, dollars. The rate for regulated contracts with distribution utilities is set in dollars and converted to pesos using the average monthly observed dollar exchange rate, so the exposure of these contracts to the exchange rate is limited in terms of the impact on the company's results. However, there is an impact on the company's cash flow because of the backlog in publishing the decrees on the Average Node Price. This means that monthly invoicing is at exchange rates different from the monthly exchange rates stipulated in each contract. Although these temporary differences are re-settled once the Average Node Price decrees are published, effective hedging by derivatives is not possible given the uncertainty of the time of re-settlement. This backlog in collecting the differences between the exchange rates invoiced and the exchange rates applicable by law to the accounts receivable from distribution companies has risen significantly after approval of the Electricity Rate Stabilization Law in November 2019. The technical rules on implementation of that law were disclosed in March 2020, in Exempt Resolution 72 of the National Energy Commission and in the MPC Law passed in August 2022. Those rules caused an increase in the accounts receivable from distribution companies and the rate of increase and subsequent payment will largely depend on the trend in exchange rates and in fuel prices, among other variables. To confront this risk and mitigate its impacts on cash flow, in early 2021, the Company signed agreements with Goldman Sachs and IDB Invest to sell these receivables, without recourse to the Company, to a special-purpose company called Chile Electricity PEC SpA. On January 29, 2021, Chile Electricity PEC SpA placed Rule 144A/Regulation S bonds worth USD 489 million on the international market. Part of the funds were allocated to purchasing the accounts receivable under the January 2020 Average Node Price Decree, and the remainder to buying the receivables under the July 2020 Average Node Price Decree.

On June 30, 2021, EECL formalized the sale to Chile Electricity PEC SpA of the receivables corresponding to the January 2021 Average Node Price Decree. Chile Electricity PEC SpA received funding from a Form 4a2 private placement in which Allianz, IDB Invest and Goldman Sachs participated. Once the following node price decrees were each published, similar transactions were performed on March 4, 2022 for the fourth group of accounts receivable, on July 14, 2022 for the fifth group of accounts receivable, and on May 12, 2023 for the sixth group. The sales were in dollars, at a discount and without recourse to the selling generation companies, so EECL and EMR were able to reduce their exchange rate exposure and credit risk associated with these receivables and recover their liquidity at the cost of a discount that has had impacts on the financial statements for 2021, 2022 and 2023. This financial cost totaled USD 51 million in 2021, it reached USD 15.4 million in 2022 and USD 12.6 million in 2023. So, financial expenses of the PEC-1 program totaled USD 79.1 million. The first sales of payment documents issued under the PEC-2 program were made August 30, October 30 and December 28, 2023, but were not subject to financial discounts and generated cash income of USD 232.1 million, interest included.

The main cost in Chilean pesos relates to employees and administrative expenses, which account for approximately 10% of our operating costs. Therefore, since most of the company's income is denominated in, or linked to, the dollar, but some operating costs are in Chilean pesos, the Company has decided to partially hedge the peso payment flows for recurrent items that have known payment dates, such as wages and salaries and some service contracts, through forwards. As of December 31, 2023, the Company held forward dollar sales contracts with banks for a total notional amount of USD 120 million and monthly expirations of USD 8 to USD 12 million from January to December 2024. The purpose was to reduce the effects of the dollar/peso exchange rate fluctuation on the company's financial results. In addition, the Company has signed cash flow hedge derivative agreements for the payments under the EPC agreements for project construction until the end of the respective periods of construction of the projects, which are usually considered regular payment flows in currencies other than the Dollar (CLF and EUR). The Company has thus avoided variations in the costs of investments in property, plant and equipment as a result of fluctuations in exchange rates beyond its control. At this time, the Company has dollar forwards for a notional amount of USD 62 million to hedge regular payments in UF to contractors of the Lomas de Taltal project. These derivatives were contracted with Banco de Chile and they hedge regular payment flows through March 2025.

In the aim of reducing exposure to exchange rate volatility, the Cash Surplus Investment Policy of the Company stipulates that at least 80% of the cash surpluses must be invested in U.S. dollars unless a different percentage is required to keep assets and liabilities naturally matched by currency. This policy provides a natural hedge of commitments or debt in currencies other than the dollar. As of December 31, 2023, 99.1% of the current accounts and short-term investments used in cash management were denominated in U.S. dollars. The Company's exposure to other foreign currencies is immaterial.

The Company has a purely accounting exchange-rate risk related to the pay-for-use concessions and other types of contracts, such as the rental of vehicle fleets that are considered financial leases under IFRS 16. These contracts cover right-of-use assets that are non-monetary and recorded at their initial cost in dollars, the Company's functional currency. The counter-entries are the monetary liabilities that reflect the present value of the installments payable under the financial contracts. Most of these liabilities are denominated in Unidades de Fomento (UF) or Monthly Tax Units (UTM). Since these liabilities are monetary, they are adjusted from time to time and are translated to dollars using the observed dollar exchange rate at the close of each accounting period. Liabilities in CLP, UF and UTM are ultimately subject to periodic adjustments and are exposed to exchange rate fluctuations, while assets are fixed in dollars. This mismatching can lead to accounting profits or losses because assets are fixed in dollars. However, financially, the value of right-of-use assets is intimately related to the liability's value since both should reflect the present value of the installments payable under financial contracts. As of December 31, 2023, lease liabilities in currencies other than the dollar totaled USD 106.6 million.

### 23.1.2 Interest-rate risk

Interest-rate risk is the risk that arises from changes in the fair value of the cash flows from the financial instruments in the general balance sheet due to changes in market interest rates. Exposure to interest-rate risk arises mainly from long-term debt at floating interest rates. The Company and its subsidiaries manage interest rate risk through fixed interest rates or interest-rate swaps (IRS) in which the Company agrees to swap from time to time the difference between a fixed rate and a variable rate calculated on an agreed notional amount. As of December 31, 2022, 83.8% of the consolidated financial debt of EECL was at a fixed rate or hedged via derivatives, and 16.2%, or US\$287.5 million, was at a variable rate. These proportions do not include the financial leasing debt accounted for according to IFRS 16.

To minimize the risk of interest rate fluctuations, we try to contract our financial debt at fixed interest rates, except for a portion of the debt equal to the company's cash balances, which are invested at interest rates that fluctuate in line with the changes in the base rate of variable-rate liabilities. As of September 30, 2023, 84.5% of our financial debt was at a fixed rate or hedged via derivatives, and 15.5% of the financial debt (USD 110 million of the IDB Invest loan, USD 75 million of the Scotiabank loan, USD 51 million of the Santander loan, and USD 60 million of the IFC and DEG loan) was at a variable rate. These proportions do not include the financial leasing debt at a variable rate accounted for according to IFRS 16.

| Interest Rate          | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD |
|------------------------|--------------------|--------------------|
| Fixed interest rate    | 83.84%             | 87.70%             |
| Variable interest rate | 16.16%             | 12.30%             |
| <b>Total</b>           | <b>100.00%</b>     | <b>100.00%</b>     |

### 23.2 SHARE PRICE RISK

Neither EECL nor its subsidiaries held investments in equity instruments as of December 31, 2023 or December 31, 2022.

### 23.3 FUEL PRICE RISK

We import a significant part of our fuel supply under short-, medium- and long-term agreements, which makes us vulnerable to potential supply shortages or defaults by our suppliers. We also acquire a significant portion of coal, natural gas and other fuels from a limited number of suppliers. If any of those material suppliers experiences a disruption in their production chain or is incapable of fulfilling their obligations under supply contracts, we might be forced to purchase at higher prices, either the same fuel or a substitute, and we might be incapable of adjusting the price of electricity sold under the price adjustment mechanisms in our agreements with customers, with the consequent reduction in our operating margins. This risk became real in early 2023 when the main liquefied natural gas supplier did not confirm supply of a volume of close to 13.2 TBtu for 2023 under long-term contracts, exposing the company to looking for alternative sources of fuel supply and to filing legal actions.

ENGIE Energía Chile is exposed to the volatility of certain commodities since its generation activities require a continuous supply of fossil fuels, mainly coal, diesel oil and liquefied natural gas. The international prices of those fuels fluctuate according to market factors beyond the Company's control. Coal is purchased mostly under annual contracts in which prices are linked to traditional indexes for the international coal market, such as API 2, API 10 and Newcastle. Diesel oil and certain purchases of liquefied natural gas are bought at prices based on international oil prices (ULSD or Brent). The Company has made long-term liquefied natural gas purchase agreements in which the prices are linked to the Henry Hub index and it has bought LNG on the spot market.



Fuel prices and availability are key factors in the dispatching of the company's thermal power plants, in its average generation costs, and in its marginal costs on the grid where it operates. Historically, the company's policy has been to include price-indexing mechanisms in its power purchase agreements based on fluctuations in the prices of fuels material to determining its variable operating costs. That is how the company has been able to align its production and power supply costs to its power purchase agreement income. However, in its energy transformation plan, the company has given preference to indexing prices in certain contracts to the change in the consumer price index instead of indexing to fuel prices. This has temporarily increased its commodity price risk exposure until it has a sufficient renewable generation asset base to back all inflation-indexed power purchase agreements. In the past, the company has made derivatives agreements to hedge its income and cash flow exposure against the volatility of fuel prices, and it has implemented a hedging strategy for 2024 to hedge its long-term Henry Hub exposure. This risk materialized in 2021 and has continued through the first half of 2023. The 2021-2022 and 2022-2023 hydrological years were extremely dry in Chile and that drought has continued through June 2023, with the consequent decrease in hydraulic power generation. Simultaneously, there have been difficulties in receiving a supply of coal and natural gas because of the rise in demand, combined with restrictions around the world on the production of those fuels, coupled with freight hindrances. This translated into price rises to very high levels. Then, because of the war between Russia and the Ukraine, gas and coal prices zoomed to levels never before seen.

Accordingly, through the first half of 2023, the mean costs of self-generation and marginal costs of the system have reached levels quite higher than in previous years, seen in the reduction in the operating margins of the electricity business. Please note that the marginal costs were also impacted by other factors, such as grid disconnection, transmission system congestion and the unavailability of power plants. The Company is partially mitigating its exposure to fuel price fluctuations by (i) signing supply contracts with other generators in the system that have helped reduce its purchase of power on the spot market (3.2 TWh contracted for 2023, above the 2.1 TWh in 2022) and, therefore, its marginal cost exposure; (ii) its long-term LNG supply contracts and purchases on the spot market; (iii) the startup of new renewable energy generation projects that will reduce the dependency on fossil fuels; (iv) the acquisition of renewable assets with no contracts in areas where there is greater exposure to the marginal cost; and (v) the transfer of the cost increases to end prices. Any default by our suppliers on the terms of their contracts for the supply of liquefied natural gas or coal would also expose the Company to having to generate power using alternative fuels or to having to purchase more energy on the spot market, which would increase its exposure to the variables that are determining to the marginal costs of the system.

## 23.4 CREDIT RISK

### **Our income is dependent upon certain important customers.**

We are exposed to credit risk in the ordinary course of our business and when investing our cash balances. In the power generation business, our main customers are large mining companies of renowned solvency who generally present a low level of risk. However, those companies are subject to the variation in the world prices of copper and other raw materials and to a decrease in, or depletion of, mineral resources or other operating, climate, political, tax, social, environmental or labor issues. Even though our customers have proven to be strong in confronting adverse cycles, our Company conducts regular reviews of commercial risks.

We also have regulated customers who supply residential and commercial customers whose credit risk is low, although we have seen delays in the payments by small regulated customers like cooperatives. A lower growth in energy demand by end users could impact our financial condition, operating income and cash flows. The Electricity Rate Stabilization Law enacted in November 2019 has not materially affect our income as shown in the statement of income, but it has adversely impacted our cash flow, with the consequent financial cost associated with a temporary rise in working capital. To confront this risk and mitigate the impact on cash flows, in early 2021 the company signed agreements with Goldman Sachs and IDB Invest to sell these receivables, on a non-recourse basis, to Chile Electricity PEC SpA, a special-purpose company. Between February 8 and May 12, 2023 the Company finalized 6 sales of accounts receivables under the January 2020, July 2020, January 2021, July 2021,

January 2022 and July 2022 Average Node Price Decrees for a nominal price of USD 272.9 million. It received net resources of USD 193.8 million and reported a total financial cost of USD 79.1 million. Since the enactment of the MPC Law, balances receivable continue to arise because of the difference between the stabilized price (PEC) and the contractual prices. Since the publication of both the July 2022 Average Node Price Decree and the Exempt Resolution that set down the terms and conditions for an effective application of the Law, the Treasury Service has begun to issue Payment Documents that the Company can sell in a way similar to the way implemented for the PEC Law, but this time without assuming the costs of financial discounts. The deferred collection because of the delay in the publication of decrees has had a significant impact on the company's liquidity and indebtedness. The first three sales of Payment Documents were made on August 30, October 30 and December 28, 2023 in which the company received net resources totaling USD 232.1 million, interest included.

In recent years, the electricity industry has begun to evolve toward a greater atomization of its customer base due to the right of consumers with a demand of 500 kV to 500 MW to contract their power supply directly with generating companies instead of through power distribution companies. As a result of this elimination of intermediaries, the Company has signed PPAs with smaller commercial and industrial customers who could entail a greater credit risk. To mitigate this risk, the Company has implemented a commercial counterparty risk policy that requires, among other things, a review of the credit risk prior to signature of power purchase agreements. At this time, PPAs with small and mid-sized commercial and industrial customers represent a small percentage of our contract portfolio. The company has stopped actively marketing power to that segment in order to balance its contract portfolio and reduce its buying position on the energy spot market.

The company is usually one of the main net payers in the chain of payments in the Chilean electricity sector because of its contractual position. It is exposed to delinquency and failure to pay by operators in the electricity sector, but the amounts represent a relatively small percentage of monthly collections. Default by other operators in the electricity system could expose the Company to an increase in the volume of sales to regulated customers at the rates in their outstanding contracts. The insolvency of other operators on the electricity market with whom the company has power purchase agreements to reduce its exposure to the spot market might make the company vulnerable once again to having to buy on the spot market.

Our investment policy stipulates investing our cash resources in the short term with investment-grade institutions. We also consider the financial risk of our counterparties when contracting exchange rate or interest rate derivative hedges and we set maximum limits for investments with each counterparty in order to manage and diversify our credit risk.

## 23.5 FINANCIAL ASSETS AND DERIVATIVES

The credit risk to which the Company is exposed in transactions with banks and financial institutions for current accounts, time deposits, mutual funds and financial derivatives is managed by the Corporate Finance Division in accordance with the Company's policy. Investments can only be made with authorized counterparties within the credit limits assigned to each counterparty. The Company also has term and risk diversification limits per financial counterparty. Counterparty credit limits are set on the basis of the national or international risk rating and of liquidity and solvency indicators for each institution, which are reviewed from time to time by management. Limits are set in order to minimize the concentration of risk and thus mitigate losses in the event of default by counterparties.

## 23.6 LIQUIDITY RISK

Liquidity risk is related to the need for money to meet payment obligations when due. The Company's objective is to maintain a balance between cash availability and financial flexibility through normal operating cash flows, loans, short-term investments and lines of credit. The company regularly evaluates the concentration of risk in relation to debt refinancing.

The Company's liquidity has been impacted by the regulated customer price stabilization law because it will limit full collection stipulated in power purchase agreements with distributors and those balances will accrue, estimated to total approximately USD 309 million as of December 31, 2023. Although the short-term debt is currently at levels above those reported in previous fiscal years, in January 2024, the Company reduced its debt expiring in less than one year and is engaged in extending the mean maturity profile of its debt. The Company has access to financial markets that enable it to face its short-term financial and trade commitments. To confront the financing needs of renewable energy projects and liability refinancing, the company signed a 10-year loan for USD 400 million with IFC and DEG, both development banks. The company has also begun to monetize trade receivables from distributors originating in the second regulated customer price stabilization law (the MPC Law) using the same mechanisms agreed with the Inter-American Development Bank. During 2023, it received funds totaling USD 232.1 million, interest included. This money and the money that the company expects to receive in 2024 will help restore its liquidity and extend the maturity profiles of its debts.

The payment, renewal and assumption of debt are described in Note 20 of these financial statements and in the Management Commentary on the Financial Statements.

## 23.7 INSURANCE

We carry insurance for our properties, operations, third parties, directors and executives, personnel and businesses.

We carry an Operational All-Risk policy for EECL and associates. This policy covers our physical assets, such as plants, offices and substations, as well as business interruption. The policy includes coverage for machinery damage, fire, explosions and risks of nature.

Our company and its subsidiaries also carry coverage for transportation under a cargo insurance policy with limits that vary by the type of merchandise carried; and global charterer liability insurance that provides protection and indemnities for ship risks and damage. We also carry a general civil liability insurance policy that covers employer liability and supply outages, as well as motor vehicle accident insurance. Directors and executives are insured under the Director and Officer liability policy.

The Company has contracted other insurance programs, such as life insurance and vehicle, building, content, contractor equipment and contractor liability insurance policies.

The projects are insured against all risks of construction, including consequential damages caused by delays in start-up (DSU), civil liability, employer civil liability and freight.

### 23.8 RISK RATING

As of December 31, 2023, EECL was risk-rated as follows:

| International Risk Rating | Solvency | Outlook |
|---------------------------|----------|---------|
| Standard and Poor's       | BBB      | Stable  |
| Fitch Ratings             | BBB      | Stable  |

| National Risk Rating | Solvency | Outlook | Shares                         |
|----------------------|----------|---------|--------------------------------|
| Feller - Rate        | AA-      | Stable  | 1 <sup>st</sup> Class, Level 2 |
| Fitch Ratings        | AA-      | Stable  | 1 <sup>st</sup> Class, Level 2 |

On March 31, 2023, Standard & Poor's changed its outlook from Stable to Negative but kept the solvency rating at BBB. On September 11, 2023, Standard and Poor's returned its outlook for the ENGIE Energia Chile risk rating to Stable because of the improvement in the company's liquidity. In October 2022, Fitch Ratings lowered the international long-term debt rating of Engie Energia Chile from BBB+ to BBB while maintaining the Stable outlook. Fitch Ratings ratified this BBB rating and stable outlook in August 2023. Nationally, in August 2023, Fitch Ratings ratified the Company's solvency rating of AA-, with a Stable outlook, while in December 2023, Feller-Rate ratified the rating of AA- with a Stable outlook. Both agencies maintain the rating of Engie Energia Chile's shares as 1st Class, Level 2.

## NOTE 24 – TRADE PAYABLES AND OTHER ACCOUNTS PAYABLE

Trade payables and other accounts payable are itemized below:

| Trade Payables and Other Accounts Payable, Current     | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD |
|--|--------------------|--------------------|
| Invoices payable to foreign suppliers                  | 60,331             | 27,980             |
| Invoices payable to domestic suppliers                 | 176,695            | 163,005            |
| Invoices receivable for domestic and foreign purchases | 57,223             | 38,781             |
| <b>Total</b>   | <b>294,249</b>     | <b>229,766</b>     |

The carrying value of these obligations does not differ significantly from their fair value because they are paid on average at 30 days.

| Type of supplier  | Amounts by Expiration     |                       |                       |                        |                         |                                | 12-31-2023<br>KUSD | Average<br>Period of<br>Payment<br>(days) |
|-------------------|---------------------------|-----------------------|-----------------------|------------------------|-------------------------|--------------------------------|--------------------|---|
|                   | Out to<br>30 days<br>KUSD | 31-60<br>days<br>KUSD | 61-90<br>days<br>KUSD | 91-120<br>days<br>KUSD | 121-365<br>days<br>KUSD | 366 days<br>and longer<br>KUSD |                    |   |
| Products          | 95,385                    | 55,242                | 0                     | 0                      | 0                       | 0                              | 150,627            | 30  |
| Services          | 143,590                   | 0                     | 0                     | 0                      | 0                       | 0                              | 143,590            | 30  |
| Dividends payable | 0                         | 0                     | 0                     | 0                      | 0                       | 0                              | 0                  |   |
| <b>Total kUSD</b> | <b>238,975</b>            | <b>55,242</b>         | <b>0</b>              | <b>0</b>               | <b>0</b>                | <b>0</b>                       | <b>294,217</b>     |   |

| Type of supplier  | Amounts by Days Past-Due  |                       |                       |                        |                         |                                | 12-31-2023<br>KUSD |
|-------------------|---------------------------|-----------------------|-----------------------|------------------------|-------------------------|--------------------------------|--------------------|
|                   | Out to 30<br>days<br>KUSD | 31-60<br>days<br>KUSD | 61-90<br>days<br>KUSD | 91-120<br>days<br>KUSD | 121-365<br>days<br>KUSD | 366 days<br>and longer<br>KUSD |                    |
| Products          | 0                         | 0                     | 0                     | 0                      | 5                       | 0                              | 5                  |
| Services          | 22                        | 4                     | 1                     | 0                      | 0                       | 0                              | 27                 |
| Dividends payable | 0                         | 0                     | 0                     | 0                      | 0                       | 0                              | 0                  |
| <b>Total kUSD</b> | <b>22</b>                 | <b>4</b>              | <b>1</b>              | <b>0</b>               | <b>5</b>                | <b>0</b>                       | <b>32</b>          |

The amounts payable between 31 and 365 days relate to an extension of the period for payment of debt owed to fuel suppliers.

| Type of supplier  | Amounts by Expiration     |                       |                       |                        |                         |                                | 12-31-2022<br>KUSD | Average<br>Period of<br>Payment<br>(days) |
|-------------------|---------------------------|-----------------------|-----------------------|------------------------|-------------------------|--------------------------------|--------------------|---|
|                   | Out to 30<br>days<br>KUSD | 31-60<br>days<br>KUSD | 61-90<br>days<br>KUSD | 91-120<br>days<br>KUSD | 121-365<br>days<br>KUSD | 366 days<br>and longer<br>KUSD |                    |   |
| Products          | 91,656                    | 0                     | 0                     | 0                      | 0                       | 0                              | 91,656             | 30  |
| Services          | 134,589                   | 0                     | 0                     | 0                      | 0                       | 0                              | 134,589            | 30  |
| Dividends payable | 0                         | 0                     | 0                     | 0                      | 0                       | 0                              | 0                  |   |
| <b>Total kUSD</b> | <b>226,245</b>            | <b>0</b>              | <b>0</b>              | <b>0</b>               | <b>0</b>                | <b>0</b>                       | <b>226,245</b>     |   |

| Type of supplier  | Amounts by Days Past-Due  |                       |                       |                        |                         |                                | 12-31-2022<br>KUSD |
|-------------------|---------------------------|-----------------------|-----------------------|------------------------|-------------------------|--------------------------------|--------------------|
|                   | Out to 30<br>days<br>KUSD | 31-60<br>days<br>KUSD | 61-90<br>days<br>KUSD | 91-120<br>days<br>KUSD | 121-365<br>days<br>KUSD | 366 days<br>and longer<br>KUSD |                    |
| Products          | 725                       | 725                   | 0                     | 5                      | 4                       | 36                             | 1,495              |
| Services          | 220                       | 182                   | 3                     | 1,489                  | 114                     | 18                             | 2,026              |
| Dividends payable | 0                         | 0                     | 0                     | 0                      | 0                       | 0                              | 0                  |
| <b>Total kUSD</b> | <b>945</b>                | <b>907</b>            | <b>3</b>              | <b>1,494</b>           | <b>118</b>              | <b>54</b>                      | <b>3,521</b>       |

The amounts by days past-due may be for different situations, such as credit notes pending receipt, invoices not collected by suppliers, and invoices lacking support for payment.



## NOTE 25 – CURRENT PROVISIONS FOR EMPLOYEE BENEFITS

| Provisions for Employee Benefits, Current       | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD |
|---|--------------------|--------------------|
| Vacation provision                              | 8,271              | 7,080              |
| Annual bonus provision                          | 12,013             | 6,058              |
| Social security and health insurance deductions | 960                | 920                |
| Tax withholdings                                | 626                | 724                |
| Other compensation                              | 10,041             | 391                |
| <b>Total</b>                                    | <b>31,911</b>      | <b>15,173</b>      |

## NOTE 26 – OTHER NON-FINANCIAL LIABILITIES

Other current non-financial liabilities were as follows:

| Other Current Non-Financial Liabilities               | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD |
|---|--------------------|--------------------|
| Debitable VAT   | 3,125              | 4,646              |
| Withholding taxes                                     | 937                | 632                |
| Prepaid income (1)                                    | 10,374             | 1                  |
| Prepaid income under GTA with Engie Gas Chile SpA (2) | 0                  | 198                |
| <b>Total</b>  | <b>14,436</b>      | <b>5,477</b>       |

(1) Unique Charges invoiced but not yet transferred to end customers.

(2) As a result of the sale of Engie Gas Chile S.A., ENGIE Energia Chile S.A. received a prepayment for the gas transportation agreement (GTA).

The carrying value of these obligations does not differ significantly from their fair value since they are paid on average within 60 days.

Other Non-Current Non-Financial Liabilities are shown below:

| Other Non-Current Non-Financial Liabilities | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD |
|---|--------------------|--------------------|
| Income from guarantees                      | 81                 | 81                 |
| <b>Total</b>                                | <b>81</b>          | <b>81</b>          |

## NOTE 27 – OTHER NON-CURRENT PROVISIONS

| Other Non-Current Provisions                         | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD |
|--|--------------------|--------------------|
| <b>Gasoducto Nor Andino S.A. tax contingency (1)</b> |                    |                    |
| Starting balance                                     | 152                | 351                |
| Movement   | (152)              | (199)              |
| <b>Subtotal</b>                                      | <b>0</b>           | <b>152</b>         |
| (1) See Note 40.5.c)                                 |                    |                    |
| <b>GTA</b>   |                    |                    |
| Starting balance                                     | 0                  | 198                |
| Movement   | 0                  | -198               |
| <b>Subtotal</b>                                      | <b>0</b>           | <b>0</b>           |
| <b>Dismantling Provision</b>                         |                    |                    |
| Starting balance                                     | 157,675            | 57,997             |
| Movement (1)   | 8,849              | 87,714             |
| Adjustment for Purchase Price Allocation (2)         | -                  | 11,964             |
| <b>Subtotal</b>                                      | <b>166,524</b>     | <b>157,675</b>     |
| <b>Miscellaneous</b>                                 |                    |                    |
| Starting balance                                     | 4,000              | 0                  |
| Movement   | 0                  | 4,000              |
| <b>Subtotal</b>                                      | <b>4,000</b>       | <b>4,000</b>       |

(1) Dismantling Provision

The ENGIE Group is working on reaching Net Zero Carbon by the year 2045.

All generating units, the renewable energy Calama Wind Farm, Capricornio Solar Farm, Tamaya Solar Farm, Coya Solar Farm and the San Pedro I and San Pedro II Power Plants were included in the adjustment of the dismantling provision and the assessments were updated at the close of 2023 and 2022.

(2) A purchase price allocation (PPA) was made among the subsidiaries Alba SpA, Alba Andes SpA, Alba Pacífico SpA, Río Alto SpA. and Energías de Abtao SpA as a result of their purchase on December 15, 2022. They are called the Chilote Project. The impacts are shown retroactive to the purchase date in 2022.

## NOTE 28 – NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFITS

The balance of employee benefit obligations was as follows:

| Non-Current Provisions for Employee Benefits | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD |
|--|--------------------|--------------------|
| Severance indemnities                        | 43                 | 46                 |
| <b>Total</b>                                 | <b>43</b>          | <b>46</b>          |

Changes in the benefits obligations were:

| Non-Current Provisions for Employee Benefits                    | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD |
|---|--------------------|--------------------|
| Starting balance  | 46                 | 47                 |
| Payments in the period  | 0                  | 0                  |
| Actuarial severance indemnities (appraised at the closing rate) | (3)                | (1)                |
| <b>Total</b>  | <b>43</b>          | <b>46</b>          |

Expenses recognized in the Statement of Income

| Non-Current Provisions for Employee Benefits        | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD | Line where recognized in the Statement of Income |
|---|--------------------|--------------------|--|
| The cost of interest on defined benefit obligations | 12                 | 12                 | Ordinary and administrative expenses             |
| The cost of benefits under the defined plan         | 13                 | 13                 | Ordinary and administrative expenses             |
| <b>Total</b>  | <b>25</b>          | <b>25</b>          |  |

Actuarial assumptions

| Actuarial Assumptions Used       | 12-31-2023    | 12-31-2022    |
|----------------------------------|---------------|---------------|
| Nominal discount rate            | 1.63%         | 1.63%         |
| Expected rate of salary increase | Change in CPI | Change in CPI |
| Turnover rate                    | 1.36%         | 1.36%         |
| Women's retirement age           | 60 years      | 60 years      |
| Men's retirement age             | 65 years      | 65 years      |
| Mortality table                  | RV-2009       | RV-2009       |

## NOTE 29 - EQUITY

The Company's capital is represented by 1,053,309,776 issued, subscribed and paid-up shares in one single series of no par value, that are officially traded on Chilean stock exchanges.

The Company has not issued any shares or convertible instruments during the period, so the number of shares remained the same as of December 31, 2023.

| Other Equity Reserves  | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD |
|--|--------------------|--------------------|
| Investment in subsidiaries, business combination (1)         | 327,043            | 327,043            |
| Balance of investment to take over control of subsidiary (2) | 47,912             | 47,912             |
| Cash flow hedge net of taxes                                 | 14,240             | 19,416             |
| <b>Total</b>   | <b>389,195</b>     | <b>394,371</b>     |

(1) Increase in the fair value of capital due to the acquisition of Electroandina S.A., Gasoducto Nor Andino SpA, Gasoducto Nor Andino Argentina S.A., Central Termoeléctrica Andina SpA. and Inversiones Hornitos SpA on December 29, 2009.

(2) The differential between absorbing the minority interest and the valuation of the investment of 40% under the agreement with AMSA dated June 30, 2020, reported as a material disclosure to the Financial Market Commission.

### 29.1 DIVIDEND POLICY

EECL's dividend policy is flexible. At least the minimum mandatory dividend of 30% is distributed pursuant to law and the bylaws. If the business situation allows, taking into consideration the company's projects and development plans, final or interim dividends may be paid in excess of the mandatory minimum. Subject to the pertinent approvals, the company endeavors to pay two interim dividends and a final dividend in May of each year.

In relation to Circulars 1945 and 1983 of the Financial Market Commission, the Company's Board of Directors decided that distributable net profits will be the Fiscal Year Profit attributable to shareholders shown in the financial statements, without any adjustment.

### 29.2 CAPITAL MANAGEMENT

The corporate objective is to maintain an appropriate equilibrium so that there is sufficient capital to support operations and provide prudent leverage while optimizing the return for shareholders and maintaining a sound financial position.

Capital calls are made on the basis of the Company's financing needs, taking care to maintain an adequate level of liquidity and comply with the financial covenants set down in outstanding loan agreements.

## NOTE 30 – REVENUES

### REVENUES

Definición (ver nota 3.13)

| Ordinary Income                          | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD |
|--|--------------------|--------------------|
| Power sales                              | 1,985,950          | 1,754,656          |
| Gas sale and transportation              | 81,159             | 48,861             |
| Fuel sales                               | 46                 | 764                |
| Toll sales (1)                           | 103,216            | 100,064            |
| Lease of facilities                      | 1,258              | 1,209              |
| Port services (2)                        | 8,272              | 9,629              |
| Recovery of Capricornio Solar Plant Loss | 1,340              | 0                  |
| Other sales - income                     | 6,596              | 5,083              |
| <b>Total</b>                             | <b>2,187,837</b>   | <b>1,920,266</b>   |

(1) Income to which the owner of power lines and substations is entitled according to Article 114 of the General Electricity Law (Statutory Decree 4/Law 20,108).

(2) Services provided to the ship while it is docked at our pier during unloading, comprised of mooring/unmooring, wharfage, pier use and security, and a security fee. The latter two items are very linked to the ISPS Code.

### REVENUE FROM MAIN CUSTOMERS

| Main Customers   | 12-31-2023       |                | 12-31-2022       |                |
|--|------------------|----------------|------------------|----------------|
|  | kUSD             | %              | kUSD             | %              |
| Regulated customers (Central-South Segment of National Grid) | 614,738          | 28.10%         | 548,245          | 28.55%         |
| CODELCO Group  | 427,186          | 19.53%         | 391,256          | 20.38%         |
| EMEL regulated customers                                     | 221,877          | 10.14%         | 234,098          | 12.19%         |
| AMSA Group (1)   | 171,117          | 7.82%          | 168,376          | 8.77%          |
| GLENCORE Group   | 111,543          | 5.10%          | 107,258          | 5.59%          |
| El Abra  | 87,959           | 4.02%          | 84,285           | 4.39%          |
| Other customers  | 553,417          | 25.29%         | 386,748          | 20.13%         |
| <b>Total Sales</b>   | <b>2,187,837</b> | <b>100.00%</b> | <b>1,920,266</b> | <b>100.00%</b> |

(1) The numbers for the AMSA Group include commercial transactions with the companies operated by this Group: Minera Michilla SpA, Minera Centinela and Minera Antucoya.



## REVENUE

| Revenues           | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD |
|--------------------|--------------------|--------------------|
| Power sales        | 1,985,950          | 1,754,656          |
| Other income       | 201,887            | 165,610            |
| <b>Total Sales</b> | <b>2,187,837</b>   | <b>1,920,266</b>   |

## NOTE 31 – COST OF SALES

### COSTS OF SALES

| Costs of Sale                                 | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD |
|---|--------------------|--------------------|
| Fuel, lubricants and other materials          | 591,306            | 648,172            |
| Energy and capacity                           | 815,576            | 798,331            |
| Wages and salaries                            | 25,948             | 31,428             |
| Annual benefits                               | 13,290             | 8,341              |
| Other employee benefits                       | 20,185             | 8,307              |
| Post-employment obligations                   | 11                 | 11                 |
| Fuel cost of sale                             | 76,770             | 33,227             |
| Gas transportation                            | 0                  | 279                |
| Wharfage                                      | 10,832             | 11,414             |
| Maintenance and repairs                       | 31,734             | 17,926             |
| Outsourcing                                   | 42,279             | 31,344             |
| Consulting and fees                           | 2,097              | 1,790              |
| Gas pipeline operation and maintenance        | 570                | 737                |
| Tolls   | 77,417             | 65,823             |
| Depreciation of property, plant and equipment | 158,348            | 164,983            |
| Right-of-use asset amortization               | 2,179              | 2,043              |
| Depreciation of spare parts                   | (1,250)            | 2,007              |
| Amortization of intangibles                   | 16,421             | 16,293             |
| Property taxes and business licenses          | 6,482              | 6,198              |
| Insurance                                     | 33,521             | 28,541             |
| Other disbursements                           | 18,147             | 23,768             |
| <b>Total</b>                                  | <b>1,941,863</b>   | <b>1,900,963</b>   |

## NOTE 32 – OTHER OPERATING INCOME AND EXPENSES

### OTHER OPERATING INCOME AND EXPENSES

| Other Operating Income and Expenses       | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD |
|---|--------------------|--------------------|
| Sale of water                             | 2,975              | 2,512              |
| Recovery of uncollectibles                | 442                | 514                |
| Uncollectible receivables                 | (456)              | (439)              |
| Sale of property, plant and equipment (*) | 410                | 10                 |
| Sale of spare parts                       | 0                  | 95                 |
| Final recovery of Laja-EMR Loss           | 0                  | 475                |
| Recovery of Capricornio Solar Plant Loss  | 4,360              | 0                  |
| Other income                              | 13,092             | 10,155             |
| <b>Total</b>                              | <b>20,823</b>      | <b>13,322</b>      |

(\*) The property that the company used to own at Apoquindo 3721, 8th floor, and parking stalls in that building.

## NOTE 33 – ADMINISTRATIVE EXPENSES

### ADMINISTRATIVE EXPENSES

| Administrative Expenses                       | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD |
|---|--------------------|--------------------|
| Wages and salaries                            | 10,773             | 11,167             |
| Annual benefits                               | 4,956              | 3,386              |
| Other employee benefits                       | 3,135              | 3,292              |
| Post-employment obligations                   | 14                 | 14                 |
| Outsourcing and consulting                    | 19,094             | 11,383             |
| Depreciation of property, plant and equipment | 2,975              | 2,963              |
| Right-of-use asset amortization               | 1,891              | 1,102              |
| Property taxes and business licenses          | (910)              | 329                |
| Insurance                                     | 44                 | 26                 |
| Other   | 6,785              | 4,243              |
| <b>Total</b>                                  | <b>48,757</b>      | <b>37,905</b>      |

There are no regulations requiring securities issuers registered in the Securities Register to disclose the fees paid to their external auditors in their financial statements. However, we are disclosing the fees for the 2023 fiscal year at the request of our auditors.

| External auditors' fees | 12-31-2023<br>kUSD |
|-------------------------|--------------------|
| Auditing services       | 374                |
| Other services          | 34                 |
| <b>Total</b>            | <b>408</b>         |

## NOTE 34 – PERSONNEL EXPENSES

| Employee expenses           | 31-12-2023<br>kUSD | 31-12-2022<br>kUSD |
|-----------------------------|--------------------|--------------------|
| Wages and salaries          | 36,721             | 42,595             |
| Annual benefits             | 18,246             | 11,727             |
| Other employee benefits     | 23,320             | 11,599             |
| Post-employment obligations | 25                 | 25                 |
| <b>Total</b>                | <b>78,312</b>      | <b>65,946</b>      |

## NOTE 35 – OTHER EXPENSES (INCOME)

| Other expenses (income)   | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD |
|---|--------------------|--------------------|
| Derecognition of property, plant and equipment, Capricornio Solar Plant (1) | 7,718              | 0                  |
| Derecognition of right-of-use assets (2)                                    | 3,160              | 0                  |
| Derecognition of property, plant and equipment                              | 6,924              | 1,056              |
| Cost of sale of spare parts   | 0                  | 4,535              |
| Economic impairment (3)   | 577,459            | 412,568            |
| Expenses of projects under development (4)                                  | 0                  | 30,096             |
| Dismantling expenses (5)  | 18,666             | 0                  |
| <b>Total</b>  | <b>613,927</b>     | <b>448,255</b>     |

(1) This is a partial derecognition of the Capricornio Solar Plant Project because of a loss during the construction stage. The amount recovered is shown in Notes 30 and 32.

(2) On June 19th, the Ministry of Public Property issued Exempt Resolution #150 declaring that the pay-for-use concession for the “Pampa Yolanda” land was extinguished. On August 17th, the Ministry of Public Property issued Exempt Resolution #230 declaring that the pay-for-use concession for the “Calama C” land was extinguished.

(3) 2022 economic impairment.

According to accounting standards, if there is an impairment to a Cash-Generating Unit (CGU), all impairment losses must be allocated to reducing the carrying value of the assets in a specific order: first, to reduce any existing goodwill; and second, proportionally to the other assets. Entities may not reduce the carrying value of an asset below the higher of its fair value less disposal costs, its value in use and zero. Lastly, when it is infeasible to estimate the recoverable amount of each individual asset in a CGU, IFRS require an arbitrary allocation of the impairment loss among the assets in that CGU.

(3) 2023 economic impairment.

The carrying value of some assets is higher than their value in use, so according to the impairment policy in the standard, income was adjusted by kUSD 577,459.

The breakdown is as follows:

| <b>Economic impairment itemization</b>                        | <b>12-31-2023<br/>kUSD</b> | <b>12-30-2022<br/>kUSD</b> |
|---|----------------------------|----------------------------|
| Impairment due to dismantling of thermal units (see Note 17)  | 558,171                    | 380,999                    |
| Impairment of intangibles (see Note 15)                       | 19,288                     | 0                          |
| Goodwill of the ENGIE Group and Codelco (see Note 16.1)       | 0                          | 25,099                     |
| Impairment from dismantling of coal-fired units (see Note 17) | 0                          | 10,397                     |
| Reversal of impairment of spare parts sold (see Note 11)      | 0                          | (3,927)                    |
| <b>Total</b>  | <b>577,459</b>             | <b>412,568</b>             |

(4) The Company's policy is to show the costs of projects in a development stage in Other Non-Financial Assets in the Statement of Financial Position as long as the technical viability and economic profitability of the project are reasonably assured. All projects were analyzed at the close of the 2022 fiscal year and those that were no longer economically feasible and profitable were adjusted in income as Expenses of Projects under Development totaling kUSD 30,096.

(3)(4) The deferred tax asset associated with the recognition of impairment in the 2022 fiscal year totaled kUSD 102,699 and the deferred tax associated with project development expenses totaled kUSD 8,126, for a total of kUSD 110,825. The deferred tax asset associated with the recognition of impairment in the 2023 fiscal year totaled kUSD 86,341.

(5) This is the process for the adjustment of the dismantling provision, including adjusted quotations and using the discount rate for 2023.

## NOTE 36 – FINANCIAL INCOME

| <b>Financial Income</b> | <b>12-31-2023<br/>kUSD</b> | <b>12-31-2022<br/>kUSD</b> |
|-------------------------|----------------------------|----------------------------|
| Financial interest      | 23,414                     | 16,782                     |
| <b>Total</b>            | <b>23,414</b>              | <b>16,782</b>              |

## NOTE 37 – FINANCIAL EXPENSES

| <b>Financial Expenses</b> | <b>12-31-2023<br/>kUSD</b> | <b>12-31-2022<br/>kUSD</b> |
|---------------------------|----------------------------|----------------------------|
| Financial interest        | 120,960                    | 69,138                     |
| Lease financial interest  | 6,804                      | 6,347                      |
| <b>Total</b>              | <b>127,764</b>             | <b>75,485</b>              |

The increase of USD 52.3 million in financial expenses in 2023 compared to the previous year was mainly due to the progressive increase in financial debt during 2022 to pay for investments in renewable energy projects, to higher operating costs and to the accumulation of receivables under the regulated customer price stabilization mechanism. The mean cost of debt rose because of a general rise in interest rates on global markets. The average coupon rate of the company's financial debt went from 4.2% in 2022 to 5.4% in 2023. The variation in financial expenses also included the impact of the sale and assignment of the balances generated in favor of Engie under the temporary power price stabilization mechanism (Law 21,185 of November 2019 – "PEC"). The difference between the nominal amount of balances sold and the purchase price was recorded as a financial expense and includes the discount used and transaction expenses. This expense was USD 12.6 million in 2023 and USD 15.4 million in 2022.

## NOTE 38 – EXCHANGE DIFFERENTIALS

Assets and liabilities that gave rise to exchange differentials and the profit or loss on indexation units were as follows as of December 31, 2023 and 2022:

| Exchange Differentials                                       | Currency       | 12-31-2023<br>kUSD | 12-30-2022<br>kUSD |
|--|----------------|--------------------|--------------------|
| <b>Assets</b>  |                |                    |                    |
| Cash and Cash Equivalents                                    | CLP            | (6,594)            | (42,301)           |
| Cash and Cash Equivalents                                    | EUR            | 9,685              | 43,022             |
| Cash and Cash Equivalents                                    | Argentine Peso | 1,746              | (73)               |
| Trade receivables and other accounts receivable, current     | CLP            | (4,370)            | (9,861)            |
| Trade receivables and other accounts receivable, current     | EUR            | 16                 | (12)               |
| Trade receivables and other accounts receivable, current     | Argentine Peso | 0                  | (2)                |
| Trade receivables and other accounts receivable, current     | UF             | 2                  |                    |
| Current tax assets   | Argentine Peso | (2,159)            | (141)              |
| Related-entity receivables, current                          | CLP            | 415                | (51)               |
| Other non-financial assets                                   | CLP            | (7,949)            | 2,679              |
| Other non-financial assets                                   | EUR            | 94                 | 700                |
| Non-financial assets   | Argentine Peso | (91)               | (93)               |
| Trade receivables and other accounts receivable, non-current | CLP            | (66)               | (121)              |
| Other non-financial assets                                   | UF             | 4                  | 18                 |
| <b>Total Assets</b>  |                | <b>(9,267)</b>     | <b>(6,236)</b>     |
| <b>Liabilities</b>   |                |                    |                    |
| Lease liabilities, current                                   | CLP            | (140)              | (65)               |
| Trade payables and other accounts payable, current           | CLP            | 9,688              | (6,645)            |
| Trade payables and other accountspayable, current            | EUR            | (213)              | 377                |
| Trade payables and other accountspayable, current            | GBP            | (8)                | (3)                |
| Trade payables and other accountspayable, current            | YEN            | 0                  | (1)                |
| Trade payables and other accountspayable, current            | UF             | 112                | (424)              |
| Trade payables and other accountspayable, current            | Swiss Franc    | 1                  | (3)                |
| Current tax liabilities                                      | Argentine Peso | (401)              | (371)              |
| Related-entity payables, current                             | CLP            | 0                  | (372)              |
| Related-entity payables, current                             | EUR            | (14)               | 2                  |
| Related-entity payables, current                             | UF             | 0                  | 1                  |
| Other non-financial liabilities                              | CLP            | 1,509              | 1,342              |
| Deferred tax liabilities                                     | Argentine Peso | (232)              | (470)              |
| Non-current lease liabilities                                | CLP            | (3,046)            | (1,486)            |
| Employee benefit provisions                                  | CLP            | (361)              | (578)              |
| Other Provisions   | Argentine Peso | 78                 | 230                |
| <b>Total Liabilities</b>                                     |                | <b>6,973</b>       | <b>(8,466)</b>     |
| <b>Total Exchange Differentials</b>                          |                | <b>(2,294)</b>     | <b>(14,702)</b>    |



## NOTE 39 – EARNINGS PER SHARE

| Disclosures on Basic Earnings per Share   | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD |
|---|--------------------|--------------------|
| Earnings (loss) attributable to holders of equity instruments of the Controller | (411,054)          | (388,769)          |
| Basic earnings available to common shareholders                                 | (411,054)          | (388,769)          |
| Basic weighted average number of shares   | 1,053,309,776      | 1,053,309,776      |
| <b>Basic Earnings per Share</b>   | <b>USD -0,39</b>   | <b>USD -0,369</b>  |

## SHAREHOLDERS IN THE COMPANY

| Majority Shareholders as of December 31, 2023    | Number of Shares     | Percentage Interest |
|--|----------------------|---------------------|
| ENGIE Austral S.A.                               | 631,924,219          | 59.99%              |
| Banco Santander for account of foreign investors | 41,158,445           | 3.91%               |
| Banco de Chile for account of State Street       | 27,561,221           | 2.62%               |
| BCI Corredores de Bolsa S.A.                     | 18,950,513           | 1.80%               |
| AFP Provida S.A. Type C Fund                     | 16,527,230           | 1.57%               |
| Compass Small Cap Chile Investment Fund          | 15,913,246           | 1.51%               |
| Larrain Vial S.A. Corredora de Bolsa             | 14,976,765           | 1.42%               |
| AFP Habitat S.A. Type C Fund                     | 14,730,651           | 1.40%               |
| BANCHILE Corredores de Bolsa S.A.                | 11,255,929           | 1.07%               |
| AFP Provida S.A. Type B Fund                     | 11,056,095           | 1.05%               |
| AFP Habitat S.A. Type A Fund                     | 10,120,430           | 0.96%               |
| AFP Cuprum S.A. Type C Fund                      | 9,894,272            | 0.94%               |
| Other shareholders                               | 229,240,760          | 21.76%              |
| <b>Total</b>                                     | <b>1,053,309,776</b> | <b>100.00%</b>      |

## GUARANTEES PROVIDED TO THIRD PARTIES, OTHER CONTINGENT ASSETS AND LIABILITIES AND OTHER ITEMS

### 40.1 DIRECT GUARANTEES

| Name of Recipient  | Type of Collateral | Balances Pending Payment on the Financial Statement Closing Date |                    |
|--|--------------------|--|--------------------|
|  |                    | 12-31-2023<br>kUSD   | 12-30-2022<br>kUSD |
| National Electric Coordinator                                  | Bank Guarantee     | 197,286  | 196,638            |
| Regional Office of the Ministry of Public Property             | Bank Guarantee     | 36,197   | 38,030             |
| Ministry of Energy   | Bank Guarantee     | 9,538  | 17,891             |
| Hidroeléctrica San Andrés S.A.                                 | Bank Guarantee     | 2,200  | 0                  |
| Director General of the Maritime Territory and Merchant Marine | Insurance Policy   | 2,095  | 2,044              |
| Hidroeléctrica Rio Lircay S.A.                                 | Bank Guarantee     | 2,031  | 1,058              |
| Parque Solar Fotovoltaico Solar del Desierto SpA               | Bank Guarantee     | 2,000  | 2,000              |
| Sierra Gorda Sociedad Contractual                              | Bank Guarantee     | 1,500  | 1,500              |
| CGE Transmisión S.A.   | Bank Guarantee     | 1,302  | 1,100              |
| Transelec S.A.   | Bank Guarantee     | 1,176  | 1,258              |
| Hidroeléctrica Dos Valles SpA                                  | Bank Guarantee     | 980  | 0                  |
| Antofagasta and Tarapaca Region Roadworks Office               | Bank Guarantee     | 529  | 556                |
| Enaex S.A.   | Bank Guarantee     | 405  | 849                |
| Transelec Holdings Rentas Limitada                             | Bank Guarantee     | 352  | 258                |
| Hidroeléctrica Punta del Viento SpA                            | Bank Guarantee     | 310  | 0                  |
| Sistema de Transmisión del Sur S.A.                            | Bank Guarantee     | 264  | 172                |
| Hidroeléctrica Roblería SpA                                    | Bank Guarantee     | 210  | 0                  |
| El Agrio Hidro SpA   | Bank Guarantee     | 200  | 0                  |
| Hidroeléctrica Palacios SpA                                    | Bank Guarantee     | 200  | 0                  |
| Los Padres Hidro SpA   | Bank Guarantee     | 160  | 0                  |
| Compañía General de Electricidad S.A.                          | Bank Guarantee     | 147  | 86                 |
| Enel Distribución Chile S.A.                                   | Bank Guarantee     | 132  | 129                |
| Eolica La Estrella SpA   | Bank Guarantee     | 108  | 106                |
| Empresa de Transmisión Eléctrica Transemel S.A.                | Bank Guarantee     | 88   | 86                 |
| ENAEX Servicios S.A.   | Bank Guarantee     | 64   | 64                 |
| Complejo Metalúrgico Altonorte S.A.                            | Bank Guarantee     | 37   | 36                 |
| Dr. Ernesto Torres Galdames Hospital                           | Bank Guarantee     | 35   | 47                 |
| San Jose del Carmen Hospital                                   | Bank Guarantee     | 33   | 45                 |
| Dr. Juan Noé Crevanni Hospital                                 | Bank Guarantee     | 29   | 38                 |
| San Pablo Hospital   | Bank Guarantee     | 28   | 37                 |
| Huasco Provincial Hospital                                     | Bank Guarantee     | 14   | 18                 |
| Dr. Marcos Macuada Hospital                                    | Bank Guarantee     | 7  | 9                  |
| Fundación Nuevos Tiempos                                       | Bank Guarantee     | 6  | 6                  |
| Dr. Héctor Reyno Gutiérrez Family Health Care Center           | Bank Guarantee     | 3  | 4                  |
| Interchile S.A.  | Bank Guarantee     | 0  | 6,400              |
| Albemarle Limitada   | Bank Guarantee     | 0  | 1,546              |
| Colbun Transmisión S.A.  | Bank Guarantee     | 0  | 86                 |
| Don Goyo Transmisión S.A.                                      | Bank Guarantee     | 0  | 86                 |
| National Copper Corporation - Codelco                          | Bank Guarantee     | 0  | 48                 |
| <b>Total</b>   |                    | <b>259,666</b>   | <b>272,231</b>     |

No assets have been given in guarantee.

## 40.2 INDIRECT GUARANTEES

At the close of the financial statements, the Company had provided indirect guarantees for its subsidiary, Transmisora Eléctrica del Norte S.A. (TEN).

| Name of Recipient                 | Type of Collateral  | Balance Pending Payment on the<br>Financial Statement Closing Date |                    |
|-----------------------------------|---------------------|--|--------------------|
|                                   |                     | 12-31-2023<br>kUSD   | 12-30-2022<br>kUSD |
| Banco de Crédito e Inversiones    | Corporate guarantee | 6,000  | 6,000              |
| MUFG Union Bank, N.A.             | Corporate guarantee | 10,000   | 10,000             |
| Alstom Grid Chile S.A.            | Corporate guarantee | 303,219  | 297,499            |
| Ing. y Contruc.Sigdo Koppers S.A. | Corporate guarantee | 331,537  | 327,519            |
| <b>Total</b>                      |                     | <b>650,756</b>   | <b>641,018</b>     |

### 40.3 GUARANTEES RECEIVED FROM THIRD PARTIES

| Name  |  | 12-31-2023<br>kUSD | 12-30-2022<br>kUSD |
|---|--|--------------------|--------------------|
| <b>In favor of ENGIE ENERGIA CHILE S.A.</b>       |  |                    |                    |
| Goldwind Chile SpA                                | Contract performance bond              | 63,710             | 0                  |
| Sungrow Power Supply Co. Ltd.                     | Contract performance bond              | 50,290             | 0                  |
| Strabag   | Contract performance bond              | 15,616             | 0                  |
| Siemens Gesa Renewable Energy S.A.                | Contract performance bond              | 11,065             | 11,065             |
| OHL Industrial Chile S.A.                         | Contract performance bond              | 4,542              | 9,719              |
| Siemens Energy Chile SpA                          | Contract performance bond              | 10,685             | 4,053              |
| Grid Solutions Chile S.A.                         | Contract performance bond              | 1,696              | 1,802              |
| B. Bosch S.A.                                     | Contract performance bond              | 981                | 2,172              |
| Sergio Cortes Alucema e Hijo Ltda.                | Contract performance bond              | 1,500              | 1,500              |
| Elecnor Chile S.A.                                | Contract performance bond              | 1,674              | 1,653              |
| Global Energy Services Siemsa S.A.                | Contract performance bond              | 4,275              | 1,652              |
| Ima Industrial SpA                                | Contract performance bond              | 1,471              | 1,507              |
| Albemarle Ltda.                                   | Contract performance bond              | 1,546              | 1,546              |
| Hidroeléctrica Rio Lircay S.A.                    | Contract performance bond              | 1,058              | 0                  |
| Somacor S.A.                                      | Contract performance bond              | 942                | 966                |
| Mantenimiento Técnico Industrial Ltda.            | Contract performance bond              | 250                | 256                |
| Flesan Minería S.A.                               | Contract performance bond              | 228                | 223                |
| Sungrow Power Supply Co. Ltd.                     | Contract performance bond              | 221                | 221                |
| Import. y Servicios Advanced Computing Tech. S.A. | Contract performance bond              | 102                | 100                |
| Engineering Construction Co., Ltd.                | Contract performance bond              | 0                  | 21                 |
| Aguas de Antofagasta SpA                          | Contract performance bond              | 0                  | 850                |
| Promet Servicios SpA                              | Contract performance bond              | 2,839              | 0                  |
| Ingeniería y Constr. Sigdo Koppers S.A.           | Contract performance bond              | 10,489             | 0                  |
| SK Engineering & Construction Co.                 | Contract performance bond              | 21,334             | 0                  |
| Energía Eólica CJR Wind Chile Ltda.               | Contract performance bond              | 7,007              | 0                  |
| Siemens S.A.                                      | Contract performance bond              | 312                | 75                 |
| Miscellaneous                                     | General contract performance guarantee | 6,102              | 5,837              |
| <b>Subtotal</b>                                   |  | <b>219.935</b>     | <b>45.218</b>      |
| <b>In favor of Electroandina SpA.</b>             |  |                    |                    |
| Soc.Maritima y Com. Somarco Ltda.                 | Contract performance bond              | 249                | 190                |
| Miscellaneous                                     | General contract performance guarantee | 26                 | 99                 |
| <b>Subtotal</b>                                   |  | <b>275</b>         | <b>289</b>         |

| Name   |  | 12-31-2023<br>kUSD | 12-30-2022<br>kUSD |
|--|--|--------------------|--------------------|
| <b>In favor of Central Termoeléctrica Andina SpA</b> |  |                    |                    |
| Ima Industrial SpA                                   | Contract performance bond              | 735                | 754                |
| Servicios Industriales Ltda.                         | Contract performance bond              | 182                | 125                |
| Soc.Maritima y Com. Somarco Ltda.                    | Contract performance bond              | 0                  | 300                |
| Miscellaneous  | General contract performance guarantee | 168                | 234                |
| <b>Subtotal</b>                                      |  | <b>1,085</b>       | <b>1,413</b>       |
| <b>In favor of Inversiones Hornitos SpA</b>          |  |                    |                    |
| Minera Centinela                                     | Contract performance bond              | 0                  | 200,000            |
| ABB S.A.   | Contract performance bond              | 23                 | 23                 |
| Servicios Industriales Ltda.                         | Contract performance bond              | 182                | 125                |
| Inneria Chile SpA                                    | Contract performance bond              | 0                  | 88                 |
| Miscellaneous  | Contract performance bond              | 146                | 129                |
| <b>Subtotal</b>                                      |  | <b>351</b>         | <b>200,365</b>     |
| <b>In favor of Edelnor Transmisión S.A.</b>          |  |                    |                    |
| Copiapó Solar SpA                                    | Contract performance bond              | 3,639              | 0                  |
| Hyosung Heavy Industries Corporation                 | Contract performance bond              | 1,573              | 0                  |
| Kalpataru Power Chile SpA                            | Contract performance bond              | 0                  | 0                  |
| ABG Abengoa Chile S.A.                               | Contract performance bond              | 0                  | 683                |
| El Sol de Vallenar SpA                               | Contract performance bond              | 705                | 424                |
| Grid Solutions Chile SpA                             | Contract performance bond              | 0                  | 24                 |
| Siemens S.A.   | Contract performance bond              | 0                  | 121                |
| B. Bosch S.A.  | Contract performance bond              | 225                | 225                |
| Nortcontrol Chile SpA                                | Contract performance bond              | 65                 | 64                 |
| Pozo Almonte Solar 3 S.A.                            | Contract performance bond              | 66                 | 0                  |
| Globaltec Servicios y Construcción Ltda.             | Contract performance bond              | 382                | 0                  |
| Soc. de Ingeniería de la Energía Flow Energy         | Contract performance bond              | 25                 | 0                  |
| Miscellaneous  | Contract performance bond              | 293                | 0                  |
| <b>Subtotal</b>                                      |  | <b>6,973</b>       | <b>1,541</b>       |
| <b>In favor of Gasoducto Nor Andino SpA</b>          |  |                    |                    |
| Arrendadora de Vehiculos S.A.                        | Contract performance guarantee         | 15                 | 15                 |
| <b>Subtotal</b>                                      |  | <b>15</b>          | <b>15</b>          |



| Name  |                                | 12-31-2023<br>kUSD | 12-30-2022<br>kUSD |
|---|--------------------------------|--------------------|--------------------|
| <b>In favor of Eólica Monte Redondo SpA</b> |                                |                    |                    |
| Ingeteam Power Technology S.A.              | Contract performance guarantee | 653                | 639                |
| Pine SpA                                    | Contract performance guarantee | 129                | 257                |
| Asesoría Forestal Integral Ltda.            | Contract performance guarantee | 44                 | 43                 |
| Transportes José Carrasco Retamal E.I.R.L.  | Contract performance guarantee | 0                  | 4                  |
| GGP Servicios Industriales SpA              | Contract performance guarantee | 25                 | 25                 |
| Miscellaneous                               | Contract performance guarantee | 156                | 67                 |
| <b>Subtotal</b>                             |                                | <b>1,007</b>       | <b>1,035</b>       |
| <b>In favor of Solar Los Loros SpA</b>      |                                |                    |                    |
| GGP Servicios Industriales SpA              | Contract performance guarantee | 14                 | 15                 |
| Emerson Electric                            | Contract performance guarantee | 97                 | 0                  |
| Miscellaneous                               | Contract performance guarantee | 4                  | 3                  |
| <b>Subtotal</b>                             |                                | <b>115</b>         | <b>18</b>          |
| <b>In favor of Rio Alto SpA</b>             |                                |                    |                    |
| Gamesa Chile SpA                            | Contract performance guarantee | 10,012             | 0                  |
| Miscellaneous                               | Contract performance guarantee | 1                  | 0                  |
| <b>Subtotal</b>                             |                                | <b>10,013</b>      | <b>0</b>           |
| <b>Total</b>                                |                                | <b>239.769</b>     | <b>249.894</b>     |

#### 40.4 RESTRICTIONS

As of December 31, 2023, the Company owed short-term loans totaling USD 265 million to Banco Estado, Banco Santander, Scotiabank and BCI as described in Note 20.1.1. These loans are accruing interest at a fixed rate and are documented by a simple promissory note recording the obligation to make payment on the agreed date. There are no financial or operating restrictions and prepayment is possible.

As of December 31, 2023, EECL had two bonds outstanding: one for US\$500,000,000.00, issued in January 2020, and another for US\$350,000,000 issued in October 2014, both under Rule 144-A and Regulation S. The purpose of the bond issue in January 2020 was to fund (i) the early redemption of the US\$400M 144-A bond issued in December 2010 that was originally set to expire on January 15, 2020; (ii) the breakage cost paid to the bondholders because of the early redemption; and (iii) general purposes of the company. There are no financial covenants in the bond issues, but there are restrictions on the Company and its subsidiaries granting collateral and security, excluding the following types of guarantees permitted under the indenture agreements: (i) Guarantees on (a) assets built or acquired after the date of the bond issue or (b) shares, ownership interests or debt securities backed by assets related to the Company's main business, provided such pledges or guarantees are established simultaneously or in no more than 360 days after the acquisition of the assets or the completion of the construction of the relevant project or asset; (ii) collateral or security on assets of any entity that is being acquired by the Company that exist at the time of such acquisition; (iii) guarantees securing obligations owed by any subsidiary to the Company or to another Company subsidiary; (iv) any type of collateral or security existing on the date of the bond issue; and (v) any extension, renewal or total or partial replacement of the above guarantees, provided the amount of the debt secured by such guarantees is less than or equal to the value of the guarantees at the time of the extension, renewal or replacement. The indenture agreement also restricts leaseback transactions.

Se puede señalar que la Regla “144-A” permite que títulos emitidos por emisores extranjeros se puedan colocar en los Estados Unidos de Norteamérica sin necesidad de inscripción de la emisión con el regulador norteamericano (Securities Exchange Commission o ‘SEC’) en tanto los adquirientes sean inversionistas debidamente calificados. Por su parte, la Regulación “S” permite que dichos títulos sean simultáneamente colocados o posteriormente revendidos fuera de los Estados Unidos de Norteamérica.

Rule 144-A allows securities issued by foreign issuers to be placed in the United States of America without having to register the issue with the Securities and Exchange Commission (SEC), provided the purchasers are qualified investors. Regulation S allows those securities to be placed simultaneously or to later be resold outside of the United States.

The medium- and long-term bank debt totaled USD 995 million as of December 31, 2023 (USD 125 million with IDB Invest, USD 250 million with Scotiabank, a syndicated loan for USD 170 million with Banco Santander, Banco Estado, Rabobank, Société Générale and Intesa San Paolo, USD 50 million with Banco de Chile and USD 350 million with IFC plus USD 50 million with DEG. This latter loan for a total of USD 400 million includes USD 21.1 million classified as short-term debt because the first principal installment is payable in July 2024, while USD 378.9 million are classified as long-term debt. All these loans are described below.

On December 23, 2020, EECL signed a loan agreement for USD 125,000,000 with IDB Invest, comprised of a senior loan from IDB Invest and the China Fund for co-financing in Latin America and the Caribbean, limited to USD 110,000,000, and a loan for USD 15,000,000 from the Clean Technology Fund (CTF). The Company drew down the entire loan on August 27, 2021. The loan tranches at a variable rate total USD 110 million and the base rate changed from the 180-day LIBOR to SOFR, compounded daily starting December 15, 2023. The company contracted an interest-rate swap with Banco de Chile to set the interest rate for 50% of the principal of the loan at any time, so the base rate was fixed 4.15% annually on a notional amount of USD 55 million.

On July 26, 2022, EECL signed a loan agreement with Scotiabank for USD 250 million, which was drawn down in two disbursements. It drew down the first loan for USD 150 million on July 28, 2022, and the second on September 7, 2022. Both loans stipulate semi-annual interest payments in January and July of each year, and one single principal payment on July 26, 2027. The loans are accruing interest at a variable rate, equal to the SOFR, compounded daily, plus a spread. On August 19, 2022, EECL signed two interest rate swaps with Banco de Chile for a notional amount equivalent to 70% of the above loans, or a total of USD 175,000,000. The purpose was to set the base rate of the loans and thus hedge the company's cash flow against the risk of a rise in market interest rates. The base rate was thus fixed for these transactions at 2.874% annually.

On December 15, 2022, the Company signed a five-year loan agreement with Banco Santander for a total committed amount of USD 170 million. It drew down the first USD 77 million on December 15, 2022 to pay for the purchase of shares in the San Pedro Wind Farms in Chiloé. The remaining USD 93 million were disbursed on February 15, 2023. The loan is accruing interest at a variable rate, based on the 6-month Term SOFR plus a spread. To hedge against interest rate risk, the Company invested in interest rate swaps with Banco Santander for a notional amount equivalent to 70% of the loan principal. The SOFR then became fixed at an average rate of 2.872% annually for that portion of the loan. Banco Santander assigned portions of the loan during 2023 so that there are five lenders each owed USD 34 million: Banco Santander, Banco Estado, Rabobank, Société Générale and Intesa San Paolo.

On April 20, 2023, the company renewed the two loans with Scotiabank described in numbers (4) and (8) of Note 20.1.1 and merged them into one single loan for USD 100 million expiring October 21, 2024. It has been documented by a simple promissory note recording the obligation to make payment on the agreed date. There are no financial or operating restrictions and there is a prepayment option.

On May 22, 2023, the company renewed the USD 50-million loan with BCI described in number (17) of Note 20.1.1, extending its maturity to November 12, 2024. It has been documented by a simple promissory note recording the obligation to make payment on the agreed date. There are no financial or operating restrictions except for the requirement to use the funds for green projects.

On November 15, 2023, the company renewed a USD 50-million loan with Banco de Chile described in number (20) of Note 20.1.1, extending its maturity to November 15, 2026. The documentation on this loan includes a simple promissory note in Chilean pesos and a derivatives agreement with the same bank to make the loan payable in dollars at a fixed rate. The note records the obligation to make payment on the agreed date, it has a prepayment option that includes breakage costs, and no other financial or operating restrictions.

On December 15, 2022, the Company assumed the long-term project financing totaling USD 79.4 million owed by Energías de Abtao S.A. (owner of the San Pedro 2 Wind Farm) to Banco Itaú, Consorcio Seguros de Vida and Banco Consorcio. USD 4.3 million of that loan expired in 2023. The company prepaid the entire loan on February 15, 2023 and was thereby released from the guarantees and restrictions that it imposed.

International Finance Corporation (IFC), a member of the World Bank Group, announced the signature of a green, sustainability-linked loan to ENGIE Energía Chile S.A. (ENGIE Chile). This loan, coupled with a parallel loan from DEG, a German bank and member of the KfW development bank group, means a total commitment of USD 400 million out to 10 years. The purpose of this loan is to finance investments in renewable energy projects in line with the Company's energy transformation plan to help it move from fossil fuel-based power generation to renewable energy generation and to the installation of Battery Energy Storage Systems (BESS). USD 200 million of the loan was provided by IFC, USD 114.5 million by investors under the IFC-managed co-lending portfolio program, USD 35.5 million by the ILX Fund, an SDG-centered investor, under the IFC B Loan Program, and USD 50 million by the DEG loan. The Company received USD 200 million under this IFC-DEG loan on July 28, 2023, and drew down the remaining USD 200 million on December 19, 2023. These loans are accruing interest on the basis of SOFR, compounded daily, plus a spread. The company contracted interest-rate swaps with Banco de Chile to hedge 60% of the notional amount of the loan at any time. This fixed the base interest rate at 3.815% annually on an initial notional amount of USD 240 million.

The IFC/DEG and IDB Invest loans as well as the long-term loans from Scotiabank and Banco Santander impose certain restrictions usual to this type of financing. Those restrictions include the grant of guarantees by the company or its subsidiaries, except for the following types allowed under the indenture agreement: (i) guarantees on (a) assets built or acquired after the date of signature of the loan agreement; (b) shares or equity or debt securities backed by assets related to the company's main business, provided such pledges or collateral are established at the same time as, or no later than 360 days after, the acquisition of the assets or completion of the construction of the relevant asset or project; (ii) security or collateral on the assets of any entity being acquired by the company or existing at the time it was acquired by the company; (iii) collateral securing the obligations of any subsidiary owed to the company or to another company subsidiary; (iv) any type of security or collateral existing on the date of signature of the loan agreement; and (v) any extension, renewal or replacement of the above guarantees in whole or in part, provided the amount of the debt secured thereby is less than or equal to the value of the guarantees at the time of the extension, renewal or replacement. The loan agreement also places restrictions on leasebacks and limitations on an effective change in control of the company. A change in control without approval of the new controller by the lender will trigger a mandatory prepayment of the debt. These four loans are green loans, meaning the loans must be used for investment in renewable generation or power transmission projects that are rated green according to international standards, and the loans require that certain minimum levels of installed generating capacity be maintained and power purchase agreements during the term of the loans. None of the company's financial liabilities entail financial covenants or event-of-default triggers due to changes in risk ratings.

#### 40.5 OTHER CONTINGENCIES

a) Various easements are currently being processed with the authorities, which have not yet been granted, for the Chapiquiña-Putre, Capricornio-Alto Norte, Capricornio-Antofagasta and El Negro-Soquimich transmission lines; and for the tap-off at the El Negro Substation.

b) Damage Indemnity Claim against GasAtacama Chile S.A. EECL and its subsidiaries Central Termoelectrica Andina SpA, Inversiones Hornitos SpA and Electroandina SpA filed a claim against GasAtacama Chile S.A. before the 22nd Civil Court of Santiago seeking an indemnity for the damages caused to the plaintiffs by GasAtacama because it provided incorrect information to the Economic Load Dispatch Center from January 2011 to October 2015 that raised the costs of the members of the electric system.

On May 15, 2018, the 24th Civil Court of Santiago ordered that this case be joined to the claim filed by AES Gener. On April 18, 2019, a reconciliation hearing was held, but no reconciliation was reached. At the defendant's request, the Court ordered the plaintiffs to act through a common legal counsel or lawyer. EECL filed a subsidiary motion for reconsideration that the Court sustained. After the argument period ended, an order was issued in February 2020 to present evidence. The parties filed a motion for reconsideration of that order and, alternatively, an appeal. The motion for reconsideration was partially sustained on June 18, 2020 and the appeal was deemed filed. The docket was sent to the Santiago Court of Appeals on June 22, 2020 to decide on the appeal against the order on evidence to be presented. Both parties presented their arguments on November 10, 2020 and the case was settled by an agreement. The Court rendered a ruling on July 30, 2021 dismissing the appeal by EECL, CTH, CTA and Electroandina. The plaintiffs petitioned that the case be reactivated on December 15, 2021. An order to suspend the evidentiary period for 45 business days was issued on January 24, 2022, through March 16, 2022.

The evidentiary period expired and no evidentiary measures were pending, so the court summoned the parties to hear a first-instance decision.

The decision rendered on October 17, 2023 was in favor of Engie Energia Chile S.A. and ordered the defendant to pay a damage indemnity of CLP\$31,303,900,000 (corresponding to values for 2014 and 2015 and part of 2013), to pay costs, and to pay a portion that will be determined during the ruling enforcement stage.

On October 31, 2023, (i) Engie Energía Chile S.A., Central Termoeléctrica Andina S.A., Inversiones Hornitos S.A. and Electroandina S.A. filed an appeal against the decision; (ii) GasAtacama S.A. filed a motion for vacation of judgment based on technicalities and, alternatively, an appeal; and (iii) AES Genera S.A. and Empresa Eléctrica Angamos S.A. filed an appeal. The remedies are being reviewed for admissibility by the Santiago Court of Appeals and are pending addition to the agenda.

The claims are for the peso equivalent to US\$120,370,000 (EECL), US\$13,640,000 (Central Termoelectrica Andina S.A.), US\$18,910,000 (Inversiones Hornitos SpA) and US\$7,360,000 (Electroandina S.A.). The plaintiffs reserved the right to argue the type and amount of the loss of profit during the enforcement of the ruling or in a separate lawsuit.

c) Gasoducto Nor Andino Argentina S.A.: Income Tax Contingency

In October 2006, the AFIP rendered an official decision contesting the 2002 fiscal year income tax filing by Gasoducto Nor Andino Argentina S.A. The objection was based solely on the fact that the inflation adjustment was not in effect. The decision was appealed to the National Tax Court ("TFN") and a suspension requested. Two new expert accounting opinions were presented, one by an expert proposed by AFIP and another proposed by the Company. The Company's expert said that if no inflation adjustment would have been applied, the 2002 fiscal year income tax would have been 142.59% of the adjusted taxable profits for that fiscal year and 460.15% of the adjusted book profit. The AFIP's expert said that those same percentages were 85.68% and 93.64%, respectively. The decision rendered by the Supreme Court (in November 2012) was also informed opportunistically to the TFN in the aforesaid declarative action.

In November 2013, the TFN rendered a decision granting the Company's appeal and revoking the official decision. The Court held that both the Supreme Court's ruling rendered in the declarative action and the expert accounting opinion presented in the case—including if the percentages cited by AFIP's expert were used—clearly showed that an event of confiscation would have occurred if the inflation adjustment had not been applied.

The AFIP appealed to the Federal Administrative Appellate Court. Room V of that court decided to void the TFN's ruling (notified February 1, 2016) in the understanding that it was not a res judicata (meaning that the decision rendered in the declarative action did not end this lawsuit) and that the Tax Court had to decide on the way in

which the Company made the inflation adjustment and the measure of its actual impact on the resulting tax.

Consequently, without deciding on the substance of the matter, it ordered that the case file be returned to the TFN for a new ruling. In view of the Room V Court's decision, Gasoducto Nor Andino Argentina S.A. filed an Extraordinary Federal Appeal with the Supreme Court.

On April 14, 2023, the TFN ruled in favor of Gasoducto Nor Andino Argentina S.A and revoked the decision rendered in October 2006 by the tax authority demanding payment of income tax for the 2002 fiscal year.

The AFIP filed an appeal against this decision, but recently submitted a brief partially withdrawing its appeal. However, the AFIP decided not to appeal the issue of substance and is only continuing with the appeal regarding the costs. Consequently, the revocation of the AFIP's claim is final and it can no longer dispute the application of the inflation adjustment of taxes for that period.

At this time, only the costs of the lawsuit are being argued.

## NOTE 41 – NUMBER OF EMPLOYEES

As of December 31, 2023 and 2022, the Company had the following number of employees under a continuing employment contract:

| Number of Employees by Profession and Area | Engineers  | Technicians | Other Professionals | Total 2023   | Total 2022 |
|--|------------|-------------|---------------------|--------------|------------|
| Generation                                 | 186        | 371         | 2                   | 559          | 548        |
| Transmission                               | 58         | 63          | 0                   | 121          | 107        |
| Administration and Support                 | 234        | 92          | 0                   | 326          | 238        |
| <b>Total</b>                               | <b>478</b> | <b>526</b>  | <b>2</b>            | <b>1,006</b> | <b>893</b> |

## NOTE 42 – PENALTIES

Neither the Company nor its executives were penalized by the Financial Market Commission in the 2023 or 2022 fiscal years.



## NOTE 43 – THE ENVIRONMENT

The Company and its subsidiaries have an extensive environmental monitoring program that includes air emissions, air quality and discharges into water, marine monitoring, monitoring of avifauna, reforestation plans and environmental studies that ensure a total control of their operations in compliance with governing laws and strict internal regulations adopted to attain objectives in harmony with the environment.

In June 2006, the EECL Group received certification under ISO 9001, ISO 14001 and OHSAS 18001 from AENOR, a certification agency. Since then, the management system has been audited annually by AENOR to confirm that the system is working and is in compliance with the certified standard models. EECL has also verified that it has incorporated all the recent changes in the standards, such as the definitions of life cycle. AENOR, the certification agency, conducted a new annual audit of the Management System in June 2023. 6 minor nonconformities were found and 1 major nonconformity. A corrective action plan was presented to, and has been validated by, AENOR, so certification was renewed for another period. New facilities were added to the scope of the certification in 2023, namely: Tamaya Solar Farm, Capricornio Solar Farm and Los Loros Solar Farm.

The Company participates in several research and development initiatives in UCRE projects, some of which are undergoing an environmental assessment, some of which have received environmental approval or are under construction. In September 2019, the environmental authority was informed that the construction of the Calama Wind Farm and Capricornio Solar Power Plant had begun. It was disclosed in June 2020 that construction of the Tamaya Solar Power Plant Project had begun. The Calama Wind Farm began commercial operation in December 2021, followed by the Tamaya Solar Power Plant in January 2022, the Capricornio Solar Power Plant in November 2022 and the Coya Solar Farm in March 2023. The environmental integration of the San Pedro Wind Farm also began in the first quarter of 2023. A work schedule has been defined to adapt it to the organization's environmental standards.

The reconversion of the CTA and CTH thermal units was reported in 2021 that are operating entirely with biomass, and of the IEM unit, which will operate entirely with natural gas. Both reconversion projects have received environmental approval.

EECL informed the electricity authorities of the removal of units 12-13, and their disconnection was authorized in April 2019. These units were effectively removed from service on June 7, 2019, dismantled, and the waste disposed of. Unit 14 of the Tocopilla Power Plant was disconnected from the SEN in June 2022 and Unit 15 on September 30, 2022. Under ENGIE's transformation plan, it received approvals from the Antofagasta SEA during this quarter for the Tocopilla and Mejillones synchronous condenser projects and notice that the operational continuity of the Tocopilla crane does not need to be submitted to the SEIA. The National Energy Commission was informed of the removal and disconnection of the CTM1 and CTM2 thermal generating units, planned for December 31, 2025.

All generating units of the Tocopilla and Mejillones Power Plants were in line with the emissions standard for thermal power plants in 2022 (ED 13/2011), which regulates particulate matter, sulfur dioxide and nitrogen oxide, as stated in the reports issued by the SMA'S Oversight Division. The emissions measurements in 2023 were in compliance with the emission limits in the standard.

All generating units are CEMS-certified by the Environmental Commission (abbreviated as SMA in Spanish). These systems include a quality assurance program under which daily, quarterly and annual verifications are performed. The annual tests are performed by certified laboratories and the results will validate the CEMS for another year. The annual validations of the CEMS for 2023 were begun and completed according to the defined schedule. The original CEMS validation schedule has been changed and/or postponed because the generating units are not being dispatched often. This fact was reported to the environmental authorities.

A continuous emissions monitoring system (CEMS) was installed, validated and certified at the Tocopilla turbogas units (back-up units) to quantify the emissions subject to the emission standard for Thermal Power Plants. A DeNOx system was also implemented, so now the restriction was lifted of not operating more than 10% of the hours in the year. The SMA issued Exempt Resolution 1929 in November 2022 certifying the TG3 CEMS.

All of the generating units have received SMA approval of the emissions calculation methods for the payment of green taxes (Law 20,780), which are direct measurements (through CEMS) or indirect measurements (estimates) when there are no CEMS certified by the SMA. 2022 emissions have already been reported and validated and USD 17,866,910 were paid. The 35% decrease in the tax compared to the 2021 emissions was the result of a decrease in thermal power generation. The emissions reports on 2023 emissions assessed by green taxes are being prepared.

The authorities conducted 8 inspections in 2023: 5 by the Environmental Commission; 2 by the Regional Office of the Ministry of Health; and 1 by the Environmental Court. No environmental deviations were found. Only two health investigations were begun of the Tocopilla Power Plant in which defensive reports have been presented. Only one of those investigations has been resolved, resulting in a fine of 25 Monthly Tax Units (UTM, as abbreviated in Spanish).

No environmental incidents were reported to the authority in 2023.

On February 5, 2020, Eolica Monte Redondo SpA was served an environmental damage claim before the Third Environmental Court. The case number is D-33-2017. The claim is against the algae bloom occurring in the summer months in the Laja River reservoir due to the decreased flow, the increase in temperature and the nutrient content in the water column. The company has conducted environmental monitoring to gain an understanding of the problem. The community has participated in the monitoring and new measures to prevent and mitigate the algae bloom are being investigated. Some of these measures have been tried on a pilot scale and new preventive measures will continue to be evaluated. The results of the monitoring and control measures are reported annually to the environmental authorities. In March 2022, the Third Environmental Court inspected the Laja Power Plant and three sectors of the reservoir because of an environmental damage lawsuit. It noted that the water was clear, there were fish and birds, and no bad smells or algae bloom. The company has received the certificate of this inspection. A reconciliation hearing was later held at the company's request, and the Third Environmental Court issued terms and conditions of reconciliation with the technical and social objectives to resolve this claim. An action plan was proposed to the plaintiff in November 2022, who has not made any observations thus far to date. The deadline to present a reconciliation agreement was postponed to the end of March 2023. In the first quarter of 2023, the plaintiffs said that they would not continue with the reconciliation and they petitioned that the Environmental Court act as a mediator. The environmental claim (evidence and arguments) was heard in the 2nd quarter and is now pending a ruling by the Environmental Court.

We were served an environmental reparation claim on October 27, 2022, claiming damage to the facility where the Iquique diesel-fired power plant operated. It is being heard by the First Environmental Court under case number D-17-2022. The plaintiff is claiming that there has been damage to soil and water because of the power plant's operation. Studies are currently under way to determine the condition of the power plant and the necessary cleaning measures. The evidentiary stage began in March 2023, as did the arguments by both parties and the statements by expert witnesses. The Environmental Court now needs to decide on the next measures. Removal of the solid waste was completed during the 2nd quarter and the water was monitored on 3 occasions. It was determined that no hydrocarbons are present in the water. All this information was sent to the Environmental Court. The case is in a ruling stage at this time.

2 requests for a review of the Environmental Approvals (RCA, as abbreviated in Spanish) were presented in 2023 for Unit 2 of the Mejillones Thermoelectric Power Plant and for the Andino Thermal Power Plant according to article 25-quinquies of Law 19,300. Only one has been admitted at this time, for the review of the Mejillones Unit 2 Project's RCA, which will be done during 2024.

Finally, in 2023, Engie became a party to the remedy of claim before the 1st Environmental Court sponsored by FIMA against the Environmental Assessment Service that is petitioning for the invalidation of the RCA for the IEM Natural Gas Conversion Project. The Environmental Court has not rendered a decision as yet.

## NOTE 44 – SUMMARY FINANCIAL INFORMATION ON SUBSIDIARIES

Summary financial information is provided below as of December 31, 2023, according to International Financial Reporting Standards:

| Tax I.D.     | Name of Company                     | Interest | Current Assets | Non-Current Assets | Total Assets | Current Liabilities | Non-Current Liabilities | Total Liabilities | Revenue | Net Profit (Loss) |
|--------------|-------------------------------------|----------|----------------|--------------------|--------------|---------------------|-------------------------|-------------------|---------|-------------------|
|              |                                     | %        | kUSD           | kUSD               | kUSD         | kUSD                | kUSD                    | kUSD              | kUSD    | kUSD              |
| 96.731.500-1 | Electroandina SpA.                  | 100.00%  | 36,850         | 19,109             | 55,959       | 5,608               | 0                       | 5,608             | 7,635   | (1,926)           |
| 78.974.730-K | Gasoducto Nor Andino SpA            | 100.00%  | 19,887         | 42,263             | 62,150       | 1,872               | 12,481                  | 14,353            | 18,784  | 4,152             |
| Foreign      | Gasoducto Nor Andino Argentina S.A. | 100.00%  | 1,381          | 25,077             | 26,458       | 512                 | 6,155                   | 6,667             | 615     | (6,800)           |
| 76.708.710-1 | Central Termoeléctrica Andina SpA.  | 100.00%  | 80,564         | 134,682            | 215,246      | 39,345              | 43,167                  | 82,512            | 300,149 | (204,502)         |
| 76.046.791-K | Edelnor Transmisión S.A.            | 100.00%  | 15,601         | 73,220             | 88,821       | 37,239              | 41,725                  | 78,964            | 16,235  | 2,058             |
| 76.009.698-9 | Inversiones Hornitos SpA.           | 100.00%  | 85,224         | 0                  | 85,224       | 137,211             | 13,530                  | 150,741           | 45,033  | (221,757)         |
| 76.247.976-1 | Solar Los Loros SpA                 | 100.00%  | 3,005          | 43,917             | 46,922       | 518                 | 6,971                   | 7,489             | 2,064   | (342)             |
| 76.379.265-K | Parque Eólico Los Trigales SpA      | 100.00%  | 2              | 0                  | 2            | 45                  | 0                       | 45                | 0       | 1                 |
| 76.247.968-0 | Solairedirect Generación VI SpA     | 100.00%  | 0              | 164                | 164          | 134                 | 0                       | 134               | 0       | 3                 |
| 76.267.537-4 | Solairedirect Generación IX SpA     | 100.00%  | 0              | 164                | 164          | 134                 | 0                       | 134               | 0       | 3                 |
| 76.019.239-2 | Eolica Monte Redondo SpA            | 100.00%  | 19,770         | 85,575             | 105,345      | 1,986               | 12,884                  | 14,870            | 16,295  | 6,050             |
| 76.114.239-9 | Alba SpA                            | 100.00%  | 35,017         | 17,181             | 52,198       | 4,841               | 44,190                  | 49,031            | 4,488   | (4,407)           |
| 76.114.229-1 | Alba Andes SpA                      | 100.00%  | 2,311          | 12,014             | 14,325       | 12                  | 19,311                  | 19,323            | 1,358   | 1,622             |
| 76.114.213-5 | Alba Pacifico SpA                   | 100.00%  | 2,313          | 12,014             | 14,327       | 11                  | 19,222                  | 19,233            | 1,358   | 1,672             |
| 76.376.043-K | Rio Alto S.A.                       | 100.00%  | 10,726         | 25,638             | 36,364       | 675                 | 26,842                  | 27,517            | 7,379   | 2,623             |
| 76.379.265-K | Energias de Abtao S.A.              | 100.00%  | 15,186         | 55,593             | 70,779       | 1,315               | 76,111                  | 77,426            | 5,986   | (4,237)           |
| 77.708.483-6 | Eólica Entre Cerros SpA             | 100.00%  | 16             | 1,219              | 1,235        | 214                 | 0                       | 214               | 0       | 0                 |

The financial information on the companies included in the consolidation was as follows as of December 31, 2022:

| Tax I.D.     | Name of Company                     | Interest | Current Assets | Non-Current Assets | Total Assets | Current Liabilities | Non-Current Liabilities | Total Liabilities | Revenue | Net Profit (Loss) |
|--------------|-------------------------------------|----------|----------------|--------------------|--------------|---------------------|-------------------------|-------------------|---------|-------------------|
|              |                                     | %        | kUSD           | kUSD               | kUSD         | kUSD                | kUSD                    | kUSD              | kUSD    | kUSD              |
| 96.731.500-1 | Electroandina SpA.                  | 100.00%  | 39,290         | 20,383             | 59,673       | 7,396               | 0                       | 7,396             | 15,149  | 238               |
| 78.974.730-K | Gasoducto Nor Andino SpA            | 100.00%  | 12,919         | 52,521             | 65,440       | 4,196               | 17,598                  | 21,794            | 15,804  | (7,214)           |
| Foreign      | Gasoducto Nor Andino Argentina S.A. | 100.00%  | 2,017          | 3,203              | 5,220        | 305                 | 8,802                   | 9,107             | 4       | (14,337)          |
| 76.708.710-1 | Central Termoeléctrica Andina SpA.  | 100.00%  | 98,039         | 544,257            | 642,296      | 47,731              | 257,329                 | 305,060           | 276,565 | (14,154)          |
| 76.046.791-K | Edelnor Transmisión S.A.            | 100.00%  | 5,551          | 47,998             | 53,549       | 20,716              | 25,034                  | 45,750            | 13,312  | 2,263             |
| 76.009.698-9 | Inversiones Hornitos SpA.           | 100.00%  | 89,137         | 258,381            | 347,518      | 124,748             | 66,530                  | 191,278           | 105,284 | 62,575            |
| 76.247.976-1 | Solar Los Loros SpA                 | 100.00%  | 3,960          | 42,933             | 46,893       | 1,423               | 5,695                   | 7,118             | 3,706   | 1,243             |
| 76.379.265-K | Parque Eólico Los Trigales SpA      | 100.00%  | 2              | 0                  | 2            | 46                  | 0                       | 46                | 0       | 0                 |
| 76.247.968-0 | Solairedirect Generación VI SpA     | 100.00%  | 0              | 164                | 164          | 137                 | 0                       | 137               | 0       | 2                 |
| 76.267.537-4 | Solairedirect Generación IX SpA     | 100.00%  | 0              | 164                | 164          | 137                 | 0                       | 137               | 0       | 2                 |
| 76.019.239-2 | Eolica Monte Redondo SpA            | 100.00%  | 8,571          | 116,183            | 124,754      | 1,942               | 38,387                  | 40,329            | 19,673  | 10,252            |
| 76.114.239-9 | Alba SpA                            | 100.00%  | 30,442         | 13,829             | 44,271       | 5,923               | 42,715                  | 48,638            | 29      | (136)             |
| 76.114.229-1 | Alba Andes SpA                      | 100.00%  | 1,205          | 10,273             | 11,478       | 208                 | 11,940                  | 12,148            | 0       | 67                |
| 76.114.213-5 | Alba Pacifico SpA                   | 100.00%  | 946            | 10,280             | 11,226       | (48)                | 11,892                  | 11,844            | 0       | 61                |
| 76.376.043-K | Rio Alto S.A.                       | 100.00%  | 3,223          | 24,025             | 27,248       | 5,267               | 14,382                  | 19,649            | 659     | 589               |
| 76.379.265-K | Energias de Abtao S.A.              | 100.00%  | 26,286         | 51,012             | 77,298       | 1,541               | 83,535                  | 85,076            | 0       | (145)             |

## NOTE 45 - SUBSEQUENT EVENTS

No material events have occurred between January 1, 2024, and the date of issuance of these consolidated financial statements that might affect their presentation.

## APPENDIX 1 – COMPANIES IN THE ENGIE ENERGIA CHILE S.A. GROUP

a) The following companies are included in the consolidated financial statements:

| TAX I.D.     | Name of Company                     | Country of Origin | Functional Currency | Percentage Interest in 2023 |          |          | Percentage Interest in 2022 |          |          |
|--------------|-------------------------------------|-------------------|---------------------|-----------------------------|----------|----------|-----------------------------|----------|----------|
|              |                                     |                   |                     | Direct                      | Indirect | Total    | Direct                      | Indirect | Total    |
| 76.708.710-1 | Central Termoeléctrica Andina SpA   | Chile             | U.S. Dollar         | 99.9999                     | 0.0001   | 100.0000 | 99.9999                     | 0.0001   | 100.0000 |
| 76.046.791-K | Edelnor Transmisión S.A.            | Chile             | U.S. Dollar         | 99.9000                     | 0.1000   | 100.0000 | 99.9000                     | 0.1000   | 100.0000 |
| 96.731.500-1 | Electroandina SpA                   | Chile             | U.S. Dollar         | 99.9999                     | 0.0001   | 100.0000 | 99.9999                     | 0.0001   | 100.0000 |
| 76.019.239-2 | Eolica Monte Redondo SpA            | Chile             | U.S. Dollar         | 100.0000                    | 0.0000   | 100.0000 | 100.0000                    | 0.0000   | 100.0000 |
| Foreign      | Gasoducto Nor Andino Argentina S.A. | Argentina         | U.S. Dollar         | 88.8900                     | 11.1100  | 100.0000 | 78.9146                     | 21.0854  | 100.0000 |
| 78.974.730-K | Gasoducto Nor Andino SpA            | Chile             | U.S. Dollar         | 100.0000                    | 0.0000   | 100.0000 | 100.0000                    | 0.0000   | 100.0000 |
| 76.009.698-9 | Inversiones Hornitos SpA            | Chile             | U.S. Dollar         | 100.0000                    | 0.0000   | 100.0000 | 100.0000                    | 0.0000   | 100.0000 |
| 76.379.265-K | Parque Eólico Los Triguales SpA     | Chile             | U.S. Dollar         | 100.0000                    | 0.0000   | 100.0000 | 100.0000                    | 0.0000   | 100.0000 |
| 76.267.537-4 | Solairdirect Generación IX SpA      | Chile             | U.S. Dollar         | 100.0000                    | 0.0000   | 100.0000 | 100.0000                    | 0.0000   | 100.0000 |
| 76.247.968-0 | Solairdirect Generación VI SpA      | Chile             | U.S. Dollar         | 100.0000                    | 0.0000   | 100.0000 | 100.0000                    | 0.0000   | 100.0000 |
| 76.247.976-1 | Solar Los Loros SpA                 | Chile             | U.S. Dollar         | 100.0000                    | 0.0000   | 100.0000 | 100.0000                    | 0.0000   | 100.0000 |
| 76.114.239-9 | Alba SpA                            | Chile             | U.S. Dollar         | 100.0000                    | 0.0000   | 100.0000 | 100.0000                    | 0.0000   | 100.0000 |
| 76.114.229-1 | Alba Andes SpA                      | Chile             | U.S. Dollar         | 100.0000                    | 0.0000   | 100.0000 | 100.0000                    | 0.0000   | 100.0000 |
| 76.114.213-5 | Alba Pacifico SpA                   | Chile             | U.S. Dollar         | 100.0000                    | 0.0000   | 100.0000 | 100.0000                    | 0.0000   | 100.0000 |
| 76.376.043-K | Rio Alto S.A.                       | Chile             | U.S. Dollar         | 100.0000                    | 0.0000   | 100.0000 | 99.9999                     | 0.0001   | 100.0000 |
| 76.379.265-K | Energías de Abtao S.A.              | Chile             | U.S. Dollar         | 100.0000                    | 0.0000   | 100.0000 | 99.9990                     | 0.0010   | 100.0000 |
| 77.708.483-6 | Eólica Entre Cerros SpA             | Chile             | U.S. Dollar         | 100.0000                    | 0.0000   | 100.0000 | 0.0000                      | 0.0000   | 0.0000   |

See Note 2.4 Subsidiaries.

b) Companies accounted for using the equity method:

| Type of Relationship | TAX I.D.     | Name of Company                      | Country of Origin | Functional Currency | Percentage Interest as of |                   |
|----------------------|--------------|--------------------------------------|-------------------|---------------------|---------------------------|-------------------|
|                      |              |                                      |                   |                     | 12-31-2023 Direct         | 12-31-2022 Direct |
| Joint control        | 76.787.690-4 | Transmisora Eléctrica del Norte S.A. | Chile             | U.S. dollar         | 50.000                    | 50.000            |

See Note 2.5 Investments accounted for using the Equity Method

## APPENDIX 2 - ITEMIZATION OF ASSETS AND LIABILITIES IN A FOREIGN CURRENCY

Assets denominated in a foreign currency were as follows:

| Assets   | Currency                    | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD |
|--|-----------------------------|--------------------|--------------------|
| <b>Current Assets</b>  |                             |                    |                    |
| Cash and cash equivalents                                    | USD                         | 298,716            | 124,015            |
| Cash and cash equivalents                                    | Non-adjustable CLP\$        | 2,482              | 7,656              |
| Cash and cash equivalents                                    | Euro                        | 118                | 361                |
| Cash and cash equivalents                                    | Argentine peso              | 11                 | 333                |
| Other financial assets, current                              | USD                         | 12,441             | 17,865             |
| Current tax assets   | USD                         | 16,392             | 33,993             |
| Current tax assets   | Argentine peso              | 390                | 1,186              |
| Current inventories  | Non-adjustable CLP\$        | 0                  | 5,586              |
| Current inventories  | USD                         | 139,574            | 258,469            |
| Related-entity receivables                                   | Non-adjustable CLP\$        | 138                | 213                |
| Related-entity receivables                                   | USD                         | 7,269              | 5,319              |
| Other non-financial assets                                   | Non-adjustable CLP\$        | 177,915            | 128,800            |
| Other non-financial assets                                   | USD                         | 57,712             | 30,009             |
| Other non-financial assets                                   | Argentine peso              | 11                 | 206                |
| Other non-financial assets                                   | Euro                        | 2,030              | 1,265              |
| Trade receivables and other accounts receivable, current     | USD                         | 257,600            | 206,207            |
| Trade receivables and other accounts receivable, current     | Non-adjustable CLP\$        | 13,074             | 14,354             |
| Trade receivables and other accounts receivable, current     | Euro                        | 495                | 0                  |
| Trade receivables and other accounts receivable, current     | Argentine peso              | 2                  | 6                  |
| <b>Non-Current Assets</b>                                    |                             |                    |                    |
| Other financial assets, non-current                          | USD                         | 5,682              | 5,055              |
| Trade receivables and other accounts receivable, non-current | USD                         | 297,564            | 325,778            |
| Trade receivables and other accounts receivable, non-current | UF                          | 20                 | 20                 |
| Related-entity receivables, non-current                      | USD                         | 16,017             | 14,787             |
| Other non-current non-financial assets                       | Non-adjustable CLP\$        | 0                  | 1                  |
| Other non-current non-financial assets                       | USD                         | 39,247             | 31,912             |
| Other non-current non-financial assets                       | UF                          | 170                | 167                |
| Deferred tax assets  | USD                         | 108,970            | 82,391             |
| Investments accounted for using the equity method            | USD                         | 125,397            | 124,313            |
| Intangible assets other than goodwill                        | USD                         | 138,773            | 172,239            |
| Goodwill   | USD                         | 32,784             | 32,784             |
| Property, plant and equipment                                | USD                         | 2,385,034          | 2,555,018          |
| Right-of-use assets  | USD                         | 122,900            | 161,490            |
|  | <b>USD</b>                  | <b>4,062,072</b>   | <b>4,181,644</b>   |
|  | <b>Non-adjustable CLP\$</b> | <b>193,609</b>     | <b>156,610</b>     |
| <b>Subtotal</b>  | <b>Euro</b>                 | <b>2,643</b>       | <b>1,626</b>       |
|  | <b>UF</b>                   | <b>190</b>         | <b>187</b>         |
|  | <b>Argentine peso</b>       | <b>414</b>         | <b>1,731</b>       |
| <b>Total Assets</b>  |                             | <b>4,258,928</b>   | <b>4,341,798</b>   |



Liabilities denominated in a foreign currency broke down as follows:

| Current Liabilities                        |                         | Out to 90 days     |                    | From 90 days to 1 year |                    |
|--|-------------------------|--------------------|--------------------|------------------------|--------------------|
| Current Liabilities currently in Operation | Currency                | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD | 12-31-2023<br>kUSD     | 12-31-2022<br>kUSD |
| Related-entity payables                    | USD                     | 13,078             | 6,288              | 1,387                  | 1,261              |
| Related-entity payables                    | UF                      | 88                 | 48                 | 0                      | 0                  |
| Related-entity payables                    | Euro                    | 1,015              | 169                | 0                      | 0                  |
| Current tax liabilities                    | USD                     | 15,363             | 0                  | 0                      | 12,560             |
| Other non-financial liabilities            | Non-adjustable<br>CLP\$ | 14,434             | 5,263              | 0                      | 0                  |
| Other non-financial liabilities            | Argentine peso          | 2                  | 16                 | 0                      | 0                  |
| Other non-financial liabilities            | USD                     | 0                  | 66                 | 0                      | 132                |
| Trade payables and other accounts payable  | Euro                    | 15,256             | 3,040              | 0                      | 0                  |
| Trade payables and other accounts payable  | Non-adjustable<br>CLP\$ | 41,390             | 40,744             | 0                      | 0                  |
| Trade payables and other accounts payable  | Other currencies        | 167                | 403                | 0                      | 0                  |
| Trade payables and other accounts payable  | Argentine peso          | 231                | 95                 | 0                      | 0                  |
| Trade payables and other accounts payable  | USD                     | 228,719            | 179,547            | 0                      | 0                  |
| Trade payables and other accounts payable  | UF                      | 8,486              | 5,937              | 0                      | 0                  |
| Employee benefit provision, current        | Non-adjustable<br>CLP\$ | 31,911             | 15,173             | 0                      | 0                  |
| Other financial liabilities                | USD                     | 110,656            | 94,682             | 221,048                | 288,379            |
| Current lease liabilities                  | USD                     | 84                 | 84                 | 176                    | 169                |
| Current lease liabilities                  | Non-adjustable<br>CLP\$ | 10                 | 10                 | 7                      | 30                 |
| Current lease liabilities                  | UF                      | 1,845              | 2,438              | 2,941                  | 3,356              |
| Current lease liabilities                  | Other currencies        | 182                | 186                | 142                    | 143                |
| Subtotal                                   | USD                     | 367,900            | 280,667            | 222,611                | 302,501            |
|  | Non-adjustable<br>CLP\$ | 87,745             | 61,190             | 7                      | 30                 |
|  | Euro                    | 16,271             | 3,209              | 0                      | 0                  |
|  | UF                      | 10,419             | 8,423              | 2,941                  | 3,356              |
|  | Argentine peso          | 233                | 111                | 0                      | 0                  |
|  | Other currencies        | 349                | 589                | 142                    | 143                |
| Total Current Liabilities                  |                         | 482,917            | 354,189            | 225,701                | 306,030            |

| Non-Current Liabilities                      | Currency                | 1 to 3 years       |                    | 3 to 5 years       |                    | More than 5 years  |                    |
|--|-------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
|  |                         | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD | 12-31-2023<br>kUSD | 12-31-2022<br>kUSD |
| Deferred tax liabilities                     | USD                     | 5,992              | 10,251             | 5,992              | 11,203             | 17,026             | 116,412            |
| Related-entity payables                      | USD                     | 4,272              | 3,883              | 5,170              | 4,700              | 40,447             | 43,155             |
| Other non-current financial liabilities      | USD                     | 488,071            | 456,020            | 522,631            | 337,195            | 802,828            | 599,398            |
| Lease liabilities                            | USD                     | 761                | 732                | 560                | 538                | 1,101              | 1,386              |
| Lease liabilities                            | Non-adjustable<br>CLP\$ | 0                  | 17                 | 0                  | 0                  | 0                  | 0                  |
| Lease liabilities                            | UF                      | 8,598              | 10,783             | 5,677              | 7,290              | 81,943             | 111,474            |
| Lease liabilities                            | Other currencies        | 897                | 897                | 641                | 641                | 1,042              | 1,407              |
| Employee benefit provisions, non-current     | Non-adjustable<br>CLP\$ | 0                  | 0                  | 0                  | 0                  | 43                 | 46                 |
| Other non-current provisions                 | USD                     | 47,810             | 37,351             | 0                  | 0                  | 122,714            | 124,324            |
| Other non-current provisions                 | Argentine peso          | 0                  | 152                | 0                  | 0                  | 0                  | 0                  |
| Other non-current, non-financial liabilities | USD                     | 81                 | 81                 | 0                  | 0                  | 0                  | 0                  |
| Subtotal                                     | USD                     | 546,987            | 508,318            | 534,353            | 353,636            | 984,116            | 884,675            |
|  | Non-adjustable<br>CLP\$ | 0                  | 17                 | 0                  | 0                  | 43                 | 46                 |
|  | UF                      | 8,598              | 10,783             | 5,677              | 7,290              | 81,943             | 111,474            |
|  | Argentine peso          | 0                  | 152                | 0                  | 0                  | 0                  | 0                  |
|  | Other currencies        | 897                | 897                | 641                | 641                | 1,042              | 1,407              |
| Total Non-Current Liabilities                |                         | 556,482            | 520,167            | 540,671            | 361,567            | 1,067,144          | 997,602            |

## **Report of the Independent Auditor**

(Translation of the Report originally issued in Spanish)

To the Shareholders and Directors of  
Engie Energía Chile S.A.

### **Opinion**

We have audited the consolidated financial statements of Engie Energía Chile S.A. and its subsidiaries which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the years then ended, and the corresponding notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Engie Energía Chile S.A. and its subsidiaries as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended, in accordance with International Financial Reporting Standards.

### **Basis for Opinion**

We conducted our audits in accordance with generally accepted auditing standards in Chile. Our responsibilities under those standards are further described in the "Auditor's Responsibility for the Audit of the Consolidated Financial Statements" section of our report. We are required to be independent of Engie Energía Chile S.A. and its subsidiaries and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibility of Management for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate that raise substantial doubt about the ability of Engie Energía Chile S.A. and its subsidiaries, to continue as a going concern for at least the twelve months following the end of the reporting period, but not limited to that period.

### **Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with the generally accepted auditing standards in Chile will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards in Chile, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of the internal control relevant to an audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of Engie Energía Chile S.A. and its subsidiaries. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the ability of Engie Energía Chile S.A. and its subsidiaries to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies and material weaknesses in internal control that we identified during the audit.



EY Audit Ltda.

Santiago, January 30, 2024



DocuSign Envelope ID: 8013A300-D9E8-4889-913B-F3B69C766A2F



### DECLARACION DE RESPONSABILIDAD

En sesión de directorio celebrada el 30 de enero de 2023, los abajo firmantes se declaran responsables respecto de la veracidad de la información incorporada en el presente informe anual referido al 31 de diciembre de 2023, de acuerdo con el siguiente detalle:

**RUT : 88.006.900-4**

**RAZON SOCIAL : ENGIE ENERGIA CHILE S.A.**

Estados financieros consolidados bajo IFRS.

- a) Estado de situación financiera clasificado.
- b) Estado de resultados por función.
- c) Estado de resultados integrales.
- d) Estado de cambio en el patrimonio neto.
- e) Estado de flujo efectivo directo.
- f) Notas explicativas a los estados financieros.

Hechos Relevantes.

Análisis Razonado de los estados financieros.

| Nombre               | Cargo           | Rut          |
|----------------------|-----------------|--------------|
| Aníbal Prieto        | Presidente      | 9.387.791-8  |
| Cristian Eyzaguirre  | Director        | 4.773.765-6  |
| Mauro Valdes         | Director        | 7.011.106-3  |
| Claudio Iglesias     | Director        | 7.289.154-6  |
| Mireille Van Staeyen | Director        | 0-E          |
| Rosaline Corinthien  | Gerente General | 28.103.791-9 |

DocuSigned by:  
  
 049384F77DF94AE...

DocuSigned by:  
  
 4C07B4B7E8CF49E...

DocuSigned by:  
  
 B8A5D90FE28F405...

DocuSigned by:  
  
 529427F87071432...

DocuSigned by:  
  
 B92C4EF623174CA...

Fecha: 30 de enero de 2024





**Redacción, asesoría en pautas GRI, NCG 461, SASB y diseño gráfico:**  
Plus Comunica ([www.pluscomunica.cl](http://www.pluscomunica.cl))