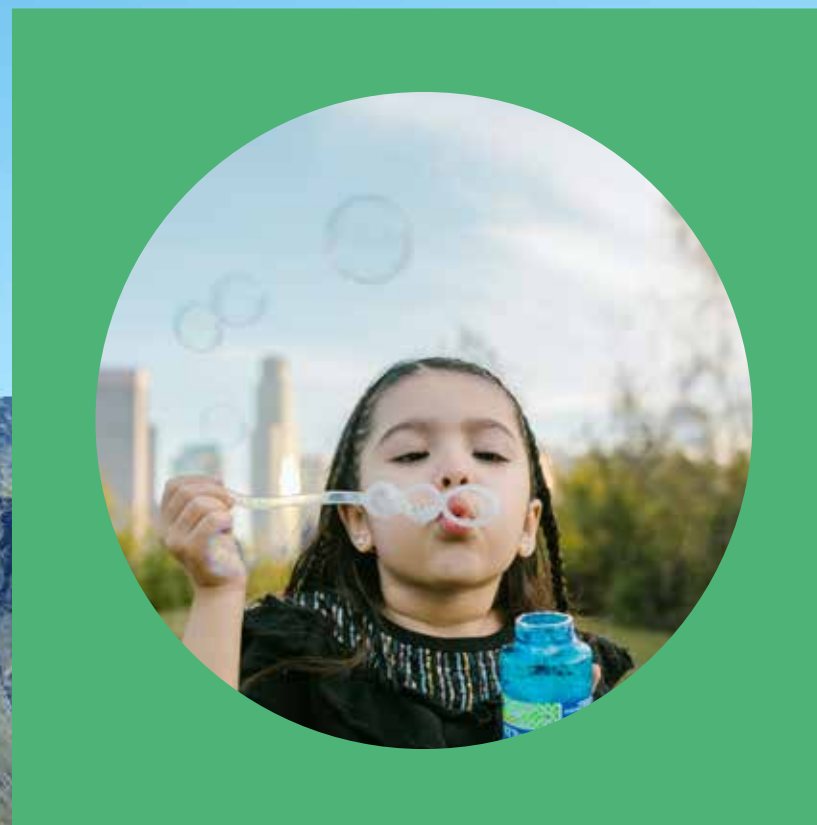




Inversiones Aguas Metropolitanas S.A.



2023 | Integrated  
Report

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Integrated  
report  
2023

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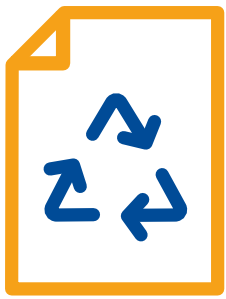
# 01

## Presentation

- 04 Corporate vision.
- 07 The company.
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# Integrated Report 2023

This integrated report of Inversiones Aguas Metropolitanas S.A. (IAM) makes available to its different stakeholders the information related to the financial and non-financial performance of the company and its health and non-health subsidiaries for the period between January 1, 2023 and December 31 of the same year, complying with its annual publication cycle. All of these entities are also included in the company's Financial Statements, which are presented in the final chapter of this document, and do not show significant changes with respect to the previous year. However, any changes in the information presented in previous periods are indicated in particular in each of its chapters.



## #Cerowaste

As in previous years, and in accordance with the commitment made by the Grupo Aguas with the sustainable development of the planet, this Integrated Report is available only in digital version. Protecting the environment is a shared responsibility, we appreciate your understanding and support.

The information contained herein has been prepared in accordance with the standards of the International Integrated Reporting Council (IIRC) and the regulatory framework defined in Chile by the Financial Market Commission (CMF) corresponding to General Standard 461. In addition, this integrated report has been reviewed and approved by the company's Board of Directors and the Executive Steering Committee.

The definition of non-financial content, related to the company's environmental, social and governance (ESG) management, is based on a double materiality analysis carried out in 2022 and its review for 2023. Throughout the report, the progress made in the 2021-2024 Sustainability Strategy defined by the company is presented.

## Inversiones Aguas Metropolitanas S.A. RUT: 77.274.820-5

### Legal domicile:

Av. Apoquindo 4800 Torre 2, piso 20, Las Condes, Santiago, Chile.  
Teléfono: (+56-2) 2739 6600

Website: [www.iam.cl](http://www.iam.cl)

### Point of contact Integrated Reporting

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### Shareholder information

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Av. Los Conquistadores 1730, piso 24, Torre Nueva Santa María, Providencia

Phone: (56-2) 2393 9003

# Letter from the President



The climate crisis is one of the main threats to the sustainability of life on the planet. While humanity as a whole is responsible for combating this phenomenon, companies also play a crucial role in achieving this goal, not only by offering services and products that improve people's quality of life, but also by transforming their processes so that they have a positive impact on the environment.

Along these lines, Inversiones Aguas Metropolitana, through its subsidiaries Aguas Andinas and others, has been materializing concrete solutions for more than two decades to provide sustainability to the use of the resource and care for the environment. As a milestone of the bicentennial, it achieved 100% of the wastewater treatment of Greater Santiago in record time, which made it possible to eradicate infectious diseases, recover public spaces for citizens and process 469 million cubic meters of wastewater per year, suitable for reuse in agricultural irrigation. In 2017, IAM deepened this commitment and decisively adopted a new corporate strategy for its subsidiaries based on the circular economy, with the goal of minimizing waste and maximizing the reuse of resources, in order to promote environmental sustainability and drive innovation and economic efficiency. This is how biofactories were born, facilities that generate new resources from the waste from the treatment of the city's water, such as fertilizers and biogas.

Along with this, the company took on a second major challenge: adapting the operations of its subsidiaries to the increasingly accelerating effects of climate change, especially drought and extreme weather events. To that end, it began a period of significant investments in resiliency infrastructure, new water sources, and the modernization of its facilities, totaling \$255 million over the past five years. In addition, raw water purchase agreements were signed with farmers in the first section of the Maipo River and massive public campaigns of responsible use were deployed, among other measures

that have allowed IAM's health subsidiaries to continue delivering their services continuously and safely, even in a critical and extreme environment such as that of recent years.

However, we must always be vigilant. Climate change is a constant demand that requires anticipatory, proactive and propositive work. That is why, in 2023, our subsidiary Aguas Andinas presented a new strategy called Biocidad, which involves a series of innovative projects that integrate water ecosystems and communities into initiatives in the search for the protection of natural balances and the resilience of watersheds. In short, it prepares the city of Santiago for the future challenges of climate change, so as not to change the lives of its inhabitants.

The plan is organized around five pillars of work: search for new water sources, resilience for the city, greater use of groundwater, implementation of nature-based solutions and responsible use of the resource. It is an investment that exceeds 800 million dollars.

Biocidad's projects include major engineering works, such as the construction of a pipeline with the capacity to transport up to 3,000 liters per second of purified water from the Mapocho-Trebal biofactory to the first section of the Maipo River, allowing the return of water to the river for dual use; additionally, the capture and alternative conduction of the Maipo, that will connect the El Yeso reservoir with the main drinking water production plants, in order to avoid events of extreme turbidity and building several wells in different sectors of the Metropolitan Region to increase the production of drinking water from underground sources, which would reduce dependence on surface sources. It also includes a work already inaugurated in 2023: the Bicentennial Pond, an underground structure that makes the region's supply network more flexible, first step on this challenging path that we have traced.

Biocidad also includes proposals to improve the hydraulic performance of the drinking water distribution network and household connections. At the same time, the subsidiary Aguas Andinas is working with the health authority with a view to establishing a tariff system that will allow the plan's investments to be gradually covered by the tariffs of the sanitary services from a certain level of consumption, once the works come into operation.

With these initiatives, IAM and its subsidiaries have set out to consolidate themselves as leading actors in climate action, promoting a change that began with the sanitation of Santiago's wastewater more than 20 years ago. We want to be leaders in environmental management and a benchmark committed to caring for the planet and creating social value in the city. But that leadership doesn't just have to be behind closed doors. It must contain a message that manages to penetrate other companies and industries and change the way we understand business in Chile. We are convinced that, by focusing efforts and promoting public-private collaboration in pursuit of this common goal, Biocidad will be able to mark a before and after in how cities that are more prepared and resilient in the face of increasingly complex future scenarios are built and organized.

Felipe Larraín Aspillaga  
President of IAM



**"IAM and its subsidiaries have set out to consolidate themselves as leading actors in climate action, continuing with the milestone of sewage sanitation in greater Santiago more than 20 years ago".**



# Letter from the General Manager



The year 2023 left us with several reasons to look to the future with optimism and trust in the vision that has guided us over the past decades. This, especially if we look at the ability of our healthcare subsidiaries to provide a continuous and quality service to the eight million inhabitants of Santiago even in extreme scenarios.

During the reporting year, the effects of climate change were particularly evident with the atmospheric river at the end of June, when extreme floods occurred in the turbidity and flows of the Maipo and Mapocho rivers, which reached levels not seen in the last three decades. In August and the summer months, several episodes of turbidity were also experienced in these rivers, caused by due to

rainfall with a high zero isotherm, which altered the normal operation of drinking water production plants. However, in all these events, the supply in the city operated without major impacts, thanks to the activation of the operational continuity plan that has been working with our subsidiary Aguas Andinas for more than ten years and the backup operational infrastructure developed within the framework of the resilience plan, such as the Pirque mega ponds and the Cerro Negro-Lo Mena wells.

In the first half of the year, the deep drought situation that the country has been going through for almost 14 years continued. In this context, during the first half of 2023, water scarcity continued to be managed, prioritizing water transfer agreements with the different actors in the Maipo River basin, which avoided, once again, having to restrict supply.

This shows that the efforts made have not been in vain. However, given that adaptation to climate change is a constant challenge, in 2023 we continue to deploy the investment effort in new health infrastructure to expand, diversify and strengthen the availability of supply sources, which at the end of the year reached \$166,726 million, an increase of 17.46% compared to 2022.

At the same time, IAM's subsidiaries continued to promote their efficiency program based on the Avanza transformation plan -relaunched in 2023 as Avanza Más-, which aims to consolidate a new sustainable business model, focused on risk mitigation, capture efficiencies, prioritize investments and incorporate technology, all supported by a new organizational culture. In line with the above, process improvement and digital transformation initiatives have been developed that made it possible during the year to generate efficiencies of \$4,798 million. Part of these efficiencies come from improvements in

network leak detection, procurement processes, and biosolids management.

In addition, commercial initiatives to recover debt due to non-performing loans made it possible to contain spending on bad debts, going from a ratio to revenues of 2.4% at the end of 2022 to 1.9% in December 2023. In this sense, they also contributed to the advances in measurements.

Thanks to cost containment and the addition of efficiencies, for IAM the year closed with an improvement in financial results compared to the previous year, consolidating the beginning of the recovery to pre-pandemic levels. The company's EBITDA maintained a sustained growth, reaching CH\$316,702 million at the end of the year, with a year-on-year increase of 7.6%. The solid generation of cash flow allowed us to maintain indebtedness in line with the company's objectives, while annual net income amounted to CH\$65,277 million, another sign of progressive recovery, driven especially by the moderation in inflation in the period, which had an impact on the readjustability of the financial debt in UF. In relation to stock market performance, IAM's share price rose 54.46% compared to 2022.

As a result of these results, IAM and its companies remained outstanding companies in the international market, both for their solvency and for their sustainable practices. In September 2023, Standard & Poor's ratified Aguas Andinas' rating at A- with a stable outlook. Meanwhile, at the local level, Fitch Ratings and ICR confirmed our subsidiary's solvency rating and public debt issuances at AA+ with a stable outlook. In the case of IAM shares, ICR allocated a first-class tier 1 rating and Fitch Ratings, a first-class tier 2 rating.

In short, we close the year very well positioned to continue fulfilling the responsibility we assumed in 1999 with the same high standards as always. A robust plan of new investments is being developed to ensure the promised supply for Greater Santiago under unfavorable weather conditions. It should be noted that in November, the eighth tariff process of Aguas Andinas began, the mechanism through which the rates of sanitary services for the period between 2025 and 2030 will be determined.

We are also supported by our controller, Veolia, one of the world's leading environmental services groups. In this first year of integration, we have been able to ratify a complete alignment in our objectives, interests, purpose and way of acting.

For an environmental services company, sustainability, resilience and efficiency are at its heart. We have the utmost interest in continuing to participate in this business, ensuring its sustainability from both a financial and operational point of view. We are working intensively to face all the risks, challenges and difficulties derived from climate change, taking this task as an opportunity for this company to be increasingly resilient and sustainable in all its aspects.

**Fernando Samaniego**  
*General Manager of IAM*



# The Company

Inversiones Aguas Metropolitanas S.A. (IAM) is the company that owns 50.1% of the shares of Aguas Andinas and its subsidiaries, the largest healthcare group in Chile and one of the largest in Latin America.



## Purpose

- Invest in shares of the Chilean corporation Aguas Andinas S.A. and provide all kinds of advisory, consulting and services related to the transfer of technology and know-how, technical assistance, and business and project management, especially those related to the management and operation of businesses related to the sanitary business.
- To be a resilient environmental services company that guarantees quality supply to its customers, in line with the Sustainable Development Goals (SDGs).



## Values

- Innovation as a competitive advantage and source of value
- Excellence in service delivery
- Development of a sustainable business, based on people and responsibility criteria.
- Dialogue with stakeholder engagement
- Local development of the community where we operate
- Partnerships to expand and improve access to water



## Mission

To deliver an essential and quality service to the clients of our health facilities, contributing to improving the quality of life of the inhabitants of the Santiago watershed.

# AM Tradition

Through Grupo Aguas, IAM has not only ensured the provision of sanitation services for Greater Santiago for nearly a quarter of a century. In addition, it has expanded its coverage and strengthened its security with large investments that today allow it to face the effects of climate change.



1999

Inversiones Aguas Metropolitanas (IAM) was created as a limited liability company, formed by the Agbar and Suez Environnement groups, in order to participate in the privatization process of the Metropolitan Sanitary Works Company S.A. (EMOS), now Aguas Andinas S.A.

IAM is awarded a stake in the international tender carried out by Corfo and subsequently takes control of Aguas Andinas, with the ownership of 51.2% of its share capital, through the purchase of additional shares on the Santiago Stock Exchange.

2000

The subsidiary Aguas Andinas acquires 100% of Aguas Cordillera and 50% of Aguas Manquehue.

2001

The operation of the El Trebal Sewage Treatment Plant begins.  
  
The subsidiaries Anam and EcoRiles are established.

2002

The subsidiary Aguas Andinas buys the remaining 50% of Aguas Manquehue.

2003

La Farfana, the largest wastewater treatment plant in Latin America, begins operations.

2005

IAM is transformed into an open corporation, allowing it to open up to the stock exchange through the placement of a share package corresponding to 43.4% of its shares.  
  
Following this operation, new shareholders were incorporated, with Agbar remaining the sole controller of the company with 56.6% of the ownership.

2006

IAM sells 1.1% of its shares in Aguas Andinas . It retains control of the health company with 50.1% of the shares.





## 2008

The subsidiary Aguas Andinas acquires 53.5% of Empresa de Servicios Sanitarios de Los Lagos (ESSAL), bringing IAM's health holding company to a market share of 42.5% nationwide.

## 2010

Indirectly, Suez Environnement obtains 75.01% of Agbar's shares and becomes the new controller of IAM.

The Clean Urban Mapocho project of Aguas Andinas is inaugurated.

## 2013

The Mapocho Sewage Treatment Plant comes into operation, achieving 100% sanitation of wastewater in the Region Metropolitana.

Aguas Andinas builds 7 wells and 14 drinking water storage ponds to increase the water autonomy of Santiago from 4 to 9 hours.

## 2014

Suez acquires the remaining 24.99% of Agbar and consolidates its position as the sole controller of IAM.

The subsidiary Aguas Andinas has the best historical rate in the Chilean capital market for corporate issuances with maturities of more than 20 years.

## 2015

IAM and Aguas Andinas are selected to be part of the Dow Jones Sustainability Index Chile, the first sustainability index of the Santiago Stock Exchange, composed of 12 companies.

## 2017

With a focus on the circular economy, Aguas Andinas is planning the world's first biofactory in the sanitation industry, a facility where waste is transformed into resources: the remaining sludge from sewage treatment is converted into fertilizer and the gas into biomethane to produce electricity or inject it into the natural gas network.



# 2018

Suez Inversiones Aguas del Gran Santiago Limitada sells 6.5% of its shareholding in IAM, increasing the liquidity of the shares issued by the company. By retaining 50.1% of IAM's property, Suez retains control of the company and Aguas Andinas.

The Aguas Andinas biofactory receives the United Nations Impulse for Change award in the Planetary Health category.

The healthcare subsidiary issues Chile's first green and social bond.

16 new wells and 9 storage ponds are inaugurated . The autonomy increases from 9 to 11 hours.

# 2019

IAM enters the S&P IPSA index, the main indicator of the Santiago Stock Exchange.

Aguas Andinas issues another green and social bond.

# 2020

Aguas Andinas sells 100% of its direct and indirect stake in ESSAL.

The Pirque mega ponds begin operating, increasing the autonomy of Santiago's water system to 34 hours, with a raw water reserve capacity of 1.5 hectometers.

# 2021

Aguas Andinas and the associations of irrigators of the first section of the Maipo River sign a cooperation agreement to maintain the sustainability of the watershed.

# 2022

The French group Veolia enters into a combination agreement with Suez defining the terms of the merger of the two companies. Veolia takes indirect control of Agbar, which in turn is the controlling shareholder of IAM and its subsidiaries.

The subsidiary Aguas Andinas completes its international rating process with Standard & Poor's, which gives it an A- rating. It is the first non-state-owned corporate company in Chile to receive such a high international rating.

Aguas Andinas is the second Chilean corporate issuer to place an international, green and social bond in the Asian market

The activation of the deep wells of Cerro Negro-Lo Mena allows us to achieve an autonomy of 37 hours.

# 2023

Aguas Andinas presents the Biociedad plan, a set of investment projects and concrete actions to ensure the supply of drinking water in Santiago in the coming decades, in a context of climate crisis



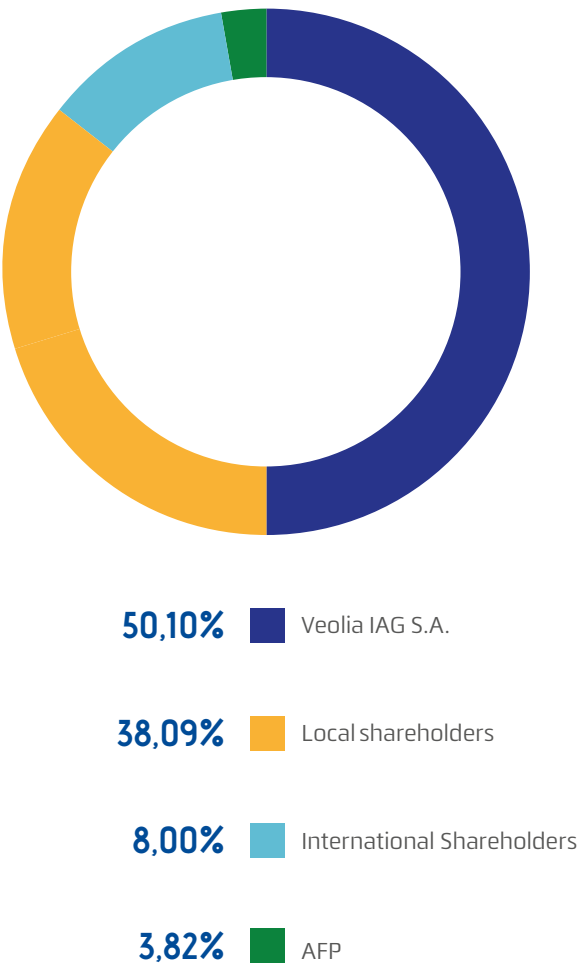
# Company Ownership

As of December 31, 2023, IAM's share capital consisted of 1,000,000,000 single-series, fully subscribed and paid-up shares, distributed to 328 shareholders.

At the end of the year, IAM's top 12 shareholders were:

Shareholders	TAX ID Nº (RUT)	SHARES	%
Veolia Inversiones Aguas del Gran Santiago Ltda.	77329730-4	501.000.000	50,10%
Larraín Vial S.A. Corredora de Bolsa	80537000-9	100.911.936	10,09%
Inversiones y Rentas Liguria SpA	87736700-2	80.235.215	8,02%
Banco de Chile on behalf of State Street	97004000-5	36.415.947	3,64%
AFP Habitat S.A.	98000100-8	36.342.417	3,63%
Banchile Corredores de Bolsa S.A.	96571220-8	24.542.328	2,45%
Banco Santander on behalf of foreign investors	97036000-k	22.137.408	2,21%
Santander Corredores de Bolsa Limitada	96683200-2	19.907.006	1,99%
Bci Corredor de Bolsa S.A.	96519800-8	18.428.026	1,84%
Bolsa de Comercio de Santiago Stock Exchange	90249000-0	13.892.869	1,39%
Banco de Chile on behalf of non-resident third parties	97004000-5	11.890.732	1,19%
BTG Pactual Chile S.A. Stock Brokers	84177300-4	9.802.707	0,98%
Others (316 shareholders)		124.493.409	12,45%
TOTAL		1.000.000.000	100%

# Shareholder composition





# Controller group

The Veolia Group indirectly controls Sociedad General de Aguas de Barcelona (Agbar), which in turn is the controlling shareholder of Inversiones Aguas Metropolitanas S.A. (IAM), through the ownership of 50.1% of the assets. For its part, IAM is the majority shareholder of Aguas Andinas and its subsidiaries with 50.1% of its shares.

- With more than 150 years of experience, Agbar is an international benchmark in water and environmental management. It provides services to 37 million people in Spain and Latin America.
- The Veolia Group has more than 160 years of experience designing and implementing innovative solutions for water, waste and energy management in several countries.





# Our bussines

Por Through the Aguas Group, the company provides comprehensive environmental and sanitation services. Each of its subsidiaries covers a field of action that allows it to respond with efficiency and high quality standards to an increasingly challenging climatic context for water resources management.

## Healthcare Subsidiaries

Aguas Andinas, Aguas Cordillera and Aguas Manquehue carry out the operation of the complete water cycle in a concession area that covers 71 thousand hectares of the Región Metropolitana region, the most densely populated in Chile.

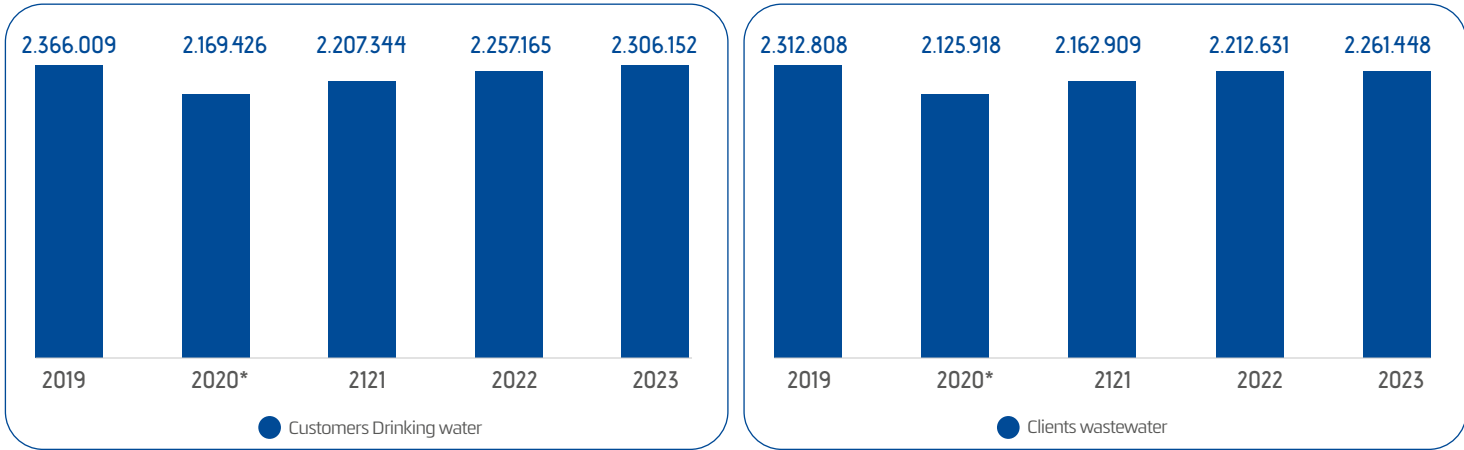


2,2 million residential, commercial and industrial customers – more than 8 million people – receive the group’s sanitation services, representing 43% of all drinking water and sewerage customers in the country.

Its coverage levels reach:

100% of rinking water supply, 98,8% in sewerage and 100% in wastewater treatment.

The inhabitants of Santiago are part of the 28% of the world’s population that lives in areas free of sewage pollution, according to data provided by the BID.



\* In 2020 is the sale of ESSAL.

# Enviromental Services Subsidiaries

The operation of these companies supports the core business of IAM’s healthcare subsidiaries through the delivery of ancillary services. Additionally, it allows society to venture into other environmental business niches .



## Anam

Leading national laboratory for physical, chemical and microbiological analysis of water resources, solid waste, hazardous waste, sludge and soil. In addition, it has an air quality area that monitors and analyzes odors and odorant gases. With a high share of the national drinking water market and more than 625 customers, it provides services to the country’s main wastewater and wastewater industries, including Aguas Andinas, and mining companies.

**Location: Av. Américo Vespucio 451, Santiago de Chile**  
<https://www.anam.cl/home>



## Ecoriles

It provides management and comprehensive management services for the water cycle, meeting the growing demand for industrial liquid waste treatment nationwide. With more than 270 clients, it is currently the main operator of this business in Chile. For Grupo Aguas, it plays a strategic role, as it prevents industries from discharging elements into the sewer system that are not permitted by regulations, with the risk of causing problems in treatment plants. Its contributions to the dairy, food, fishing, mining and paper industries are also noteworthy.

**Location: Walter Lihn 1868, Santiago de Chile**  
<https://www.ecoriles.cl/inicio>



## Hidrogestica

A comprehensive supplier of materials for drinking water and sewerage networks, it is Grupo Aguas’ logistics operator in this area. It complements its business model with the provision of specialized services for the water market, seeking to play an innovative role by incorporating new useful technologies that help optimize network management. Thus, it has strongly developed a business model based on trenchless technologies, such as robotic video inspection and the rehabilitation of collectors by means of sleeves with ultraviolet curing, in addition to other innovative solutions that include the intervention of drinking water pipes without the need to interrupt the supply (Line Stop and Hot Tapping).

**Location: José Ananías 530, Macul Santiago de Chile**  
<https://www.hidrogistica.cl/>



## Aguas del Maipo

Its main objective is the development and exploitation of products, by-products or projects derived from the use of facilities and natural assets of health companies, including biogas generation, electricity cogeneration and the sale of fertilizers.

Biogenera operates and maintains the methanation plant of the La Farfana biofactory, built in 2009 and expanded in 2017, which transforms the biogas generated into biomethane. The biomethane is injected into Santiago’s natural gas networks. In addition, since 2022 it has been in charge of the marketing and sales management of the fertilizer produced at the CIGB El Rital (Fertilizante Huechún).

**Location: Av. Presidente Balmaceda 1398, Santiago de Chile**

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# Water cycle

The regulated companies of the Aguas Group manage the complete water cycle, which includes the collection of raw water; the production, transportation and distribution of drinking water; the collection of wastewater and its sanitation. To this end, it has developed a robust infrastructure that ensures the continuity and efficiency of these services, minimizing the impact on water reserves.

## Raw water intake

824 million m³ withdrawn.  
77% from surface sources.  
23% from subway sources.  
285 deep wells and drains allow water to be extracted from 3 aquifers in the Central Zone.  
228.9 hm³ raw water reserves.

## Drinking water production

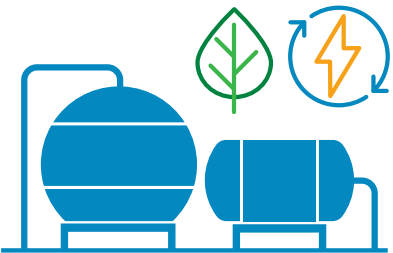
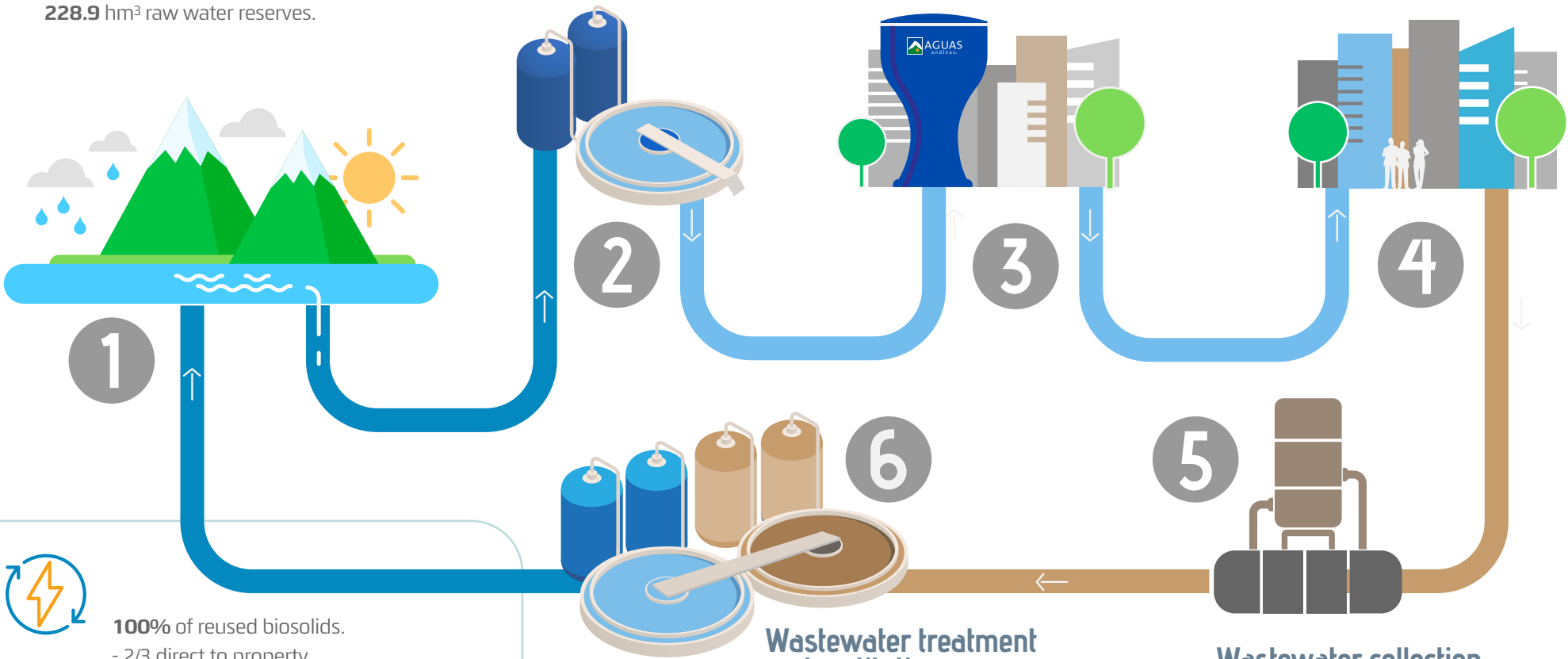
764.4 million m³ was the total production of water 100% fit for human consumption produced in 2023.  
10.78 m³/s of maximum production capacity of production in wells.  
22 production plants for surface water and groundwater.  
116 chlorination / fluoration centers.  
30 drinking water safety ponds with a total volume of 426,500 m³.

## Drinking water distribution

13,554 km of drinking water network.  
5 aqueducts in Greater Santiago.  
235 drinking water distribution tanks with a total volume of 953,630 m³.  
1,032 Pressure reducing valves.  
169 drinking water lifting plants.

2,306,152 customers supplied

Equivalent to approximately 8.5 million people.



100% of reused biosolids.  
- 2/3 direct to property  
- 1/3 Huechún  
43 GWh of self-generated electricity.  
59.2 million m3 of biogas produced.

## Wastewater treatment and restitution

469 million m³ of treated water in 2023.  
13 wastewater treatment plants.  
2 Biofactories.  
1 Biosolids Integral Management Center.

## Wastewater collection

10.993 km of wastewater networks.  
59 wastewater lifting plants.  
222 km of interceptors.

Assets for the production of drinking water

1- Raw water collection

Most of the water consumed by the inhabitants of Santiago is taken from the Maipo and Mapocho rivers, important water sources in the Región Metropolitana that originate in the Andes Mountains and have high levels of purity. In view of the decrease in these flows in the last decade, raw water is also increasingly being extracted from subway aquifers.

2- Drinking water production

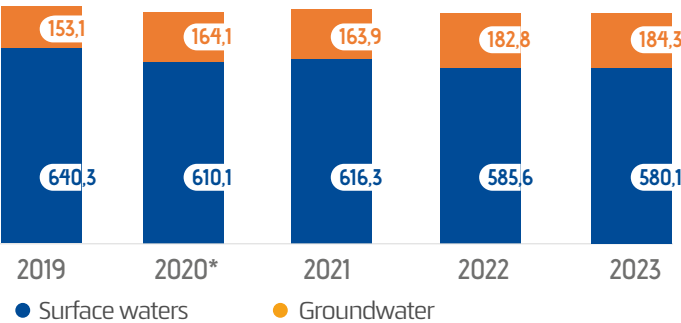
Potabilization is carried out in several plants with state-of-the-art technology and processes focused on water efficiency:

27,7 m³/s  
is the total  
potabilization  
capacity of  
Grupo Aguas.

- Complejo Las Vizcachas (16 thousand liters per second in three plants: Vizcachas, Vizcachitas and Antonio Tagle).
- Planta La Florida (4 thousand liters per sec.)
- Planta Chamisero (500 liters per sec.)
- Planta Chamisero (500 liters per sec.)
- Planta Padre Hurtado (2,300 liters per sec.)
- Other 16 smaller facilities, including those belonging to Aguas Cordillera and Aguas Manquehue.

More than 75% of the drinking water consumed by the inhabitants of the Región Metropolitana is produced at the Las Vizcachas complex.

Drinking water production by type of source (millions of m³)



\* In 2020 is the sale of ESSAL.







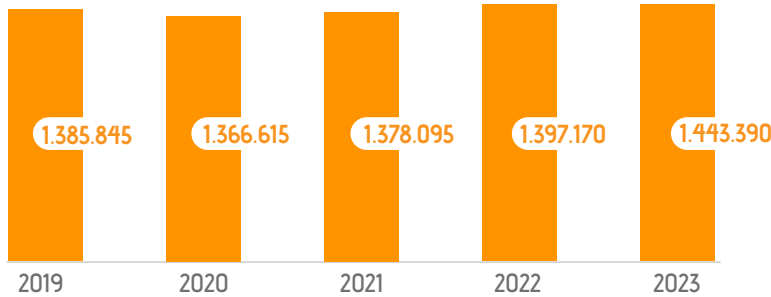
### 3- Transportation and distribution of drinking water

In their concession areas, IAM’s water utilities have a set of regulating reservoirs and an extensive subway water network. The former ensure that the supply reaches all sectors of the region with adequate pressure and provide a high degree of autonomy to the system:

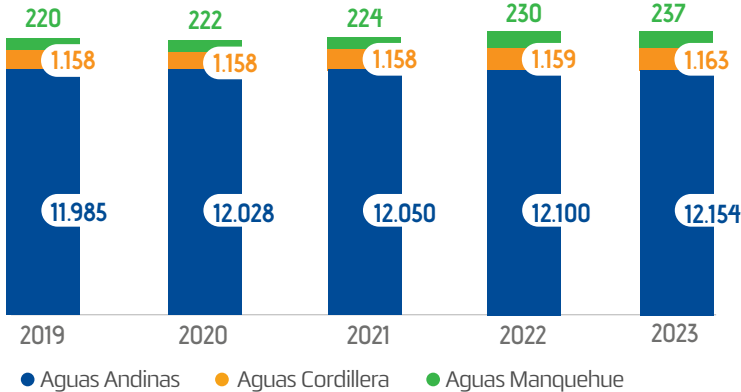
- 255 ponds in the Metropolitan Region, with a capacity of more than 1.3 million m<sup>3</sup>.
- 1,200,000 total m<sup>3</sup> of capacity

Meanwhile, the distribution network is three times the length of Chile.

Pond volumes m<sup>3</sup>



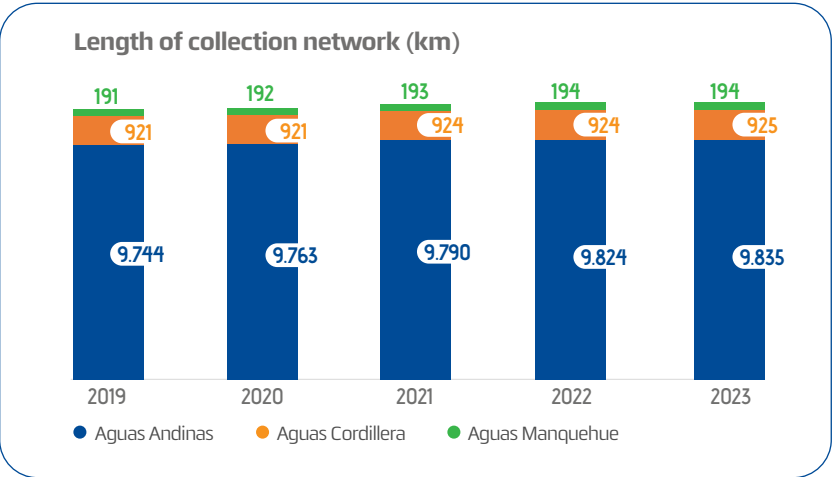
Length of the potable water distribution network (km)





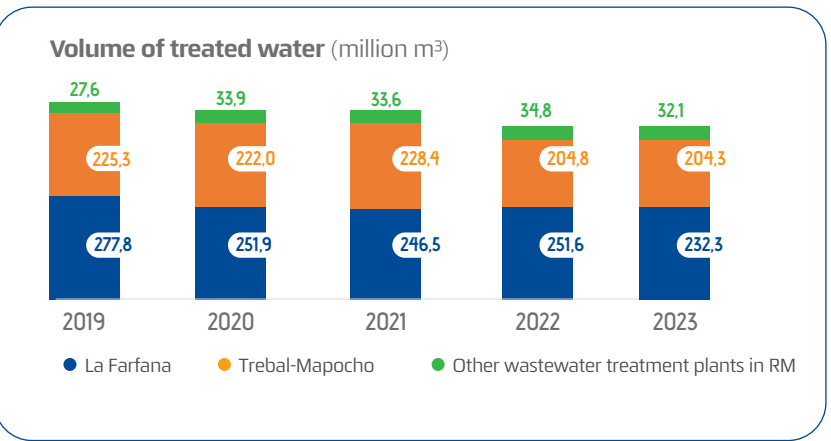
4- Wastewater collection

Wastewater is evacuated through the sewage system to the sanitation plants or final disposal points. For this purpose, there is an efficient collection network with a length of more than 10,000 kilometers, designed to operate by gravity flow from east to west, taking advantage of Santiago's location at the foot of the Andes mountain range.



5- Treatment and final disposal of wastewater

The wastewater undergoes a decontamination process that allows it to be returned to natural watercourses or used for irrigation, in accordance with the standards required by law. Wastewater is treated in two biofactories - the Mapocho-Trebal complex and the La Farfana plant - and in 12 smaller plants located in different localities.



468,7 million m³ of wastewater is treated annually

The application of a model based on the circular economy makes it possible to recover and reuse the waste obtained from the purification process, converting it into beneficial and value-added products.

MANAGEMENT SYSTEMS

IAM's sanitary subsidiaries meet the requirements of ISO 9000, ISO 9001, ISO 14000 and OHSAS 18000 certifications. They also continually invest in new technological tools to increase their efficiency, improve their response time to customer requirements, and increase the quality, safety and continuity of their services. In addition, they have state-of-the-art assets for daily management, such as the Operational Control Center, the Requirements Attention System, the Geographic Information System and a 24-hour contact center.

Since IAM took control of Aguas Andinas, it has adopted a zonal division structure that integrates the commercial and operational activities of a given geographic area under a common manager. This distribution has made it possible to optimize service and provide more efficient and closer attention.





## Regulatory framework

The main laws and regulations governing the operation of the sanitary sector and companies are:

- General Law of Sanitary Services (DFL MOP 382 of 1988) and its regulation (DS MOP 1199/2004): They contain the main provisions that regulate the concession regime and the activity of sanitary service providers.
- Sanitary Services Tariff Law (DFL MOP 70 of 1988) and its regulation (DS MINECON 453 of 1989): Establish the provisions governing the setting of drinking water and sewerage rates and reimbursable financing contributions.
- Law creating the Superintendency of Sanitary Services (Law 18,902 of 1990): Establishes the functions of the SISS<sup>1</sup>.
- Law on Subsidies for the Payment of Drinking Water and Sewerage Service Consumption (Law 18.778 of 1989) and its regulation (DS HACIENDA 195 of 1998): They establish a subsidy for the payment of drinking water and sewerage consumption for low-income customers.

IAM’s sanitary subsidiaries operate in strict compliance with this body of law. The Superintendencia de Servicios Sanitarios is (Superintendency of Sanitary Services) responsible for overseeing their operations and acts as a counterpart in the tariff regulation process.

## Tariff process

Tariffs are updated every five years through a process in which each sanitation company and the regulator participate. The adjustment is made objectively according to a technical model that considers the determination of the total long-term cost of a model company and a minimum annual return on assets of 7% after taxes. The procedure also contemplates updates linked to variations of polynomials integrated by the IPC, IPBI and IPPIM indexes.

The tariffs applied in 2023 were established in the seventh tariff process (2020-2025), through an agreement document signed on November 14, 2019. For Aguas Andinas and Aguas Cordillera, additional tariffs were established for future works, which are applied when the new infrastructure enters into operation.

In November 2023, the eighth tariff process (2025-2030) began, which will continue throughout 2024.

**According to The Global Water Tariff Survey, the current tariff in Santiago is one of the lowest among the world’s capitals. It is also the second cheapest of all Chile’s regional capitals, according to the 2002 Sanitation Sector Management Report prepared by the SISS. This is achieved without state subsidies.**

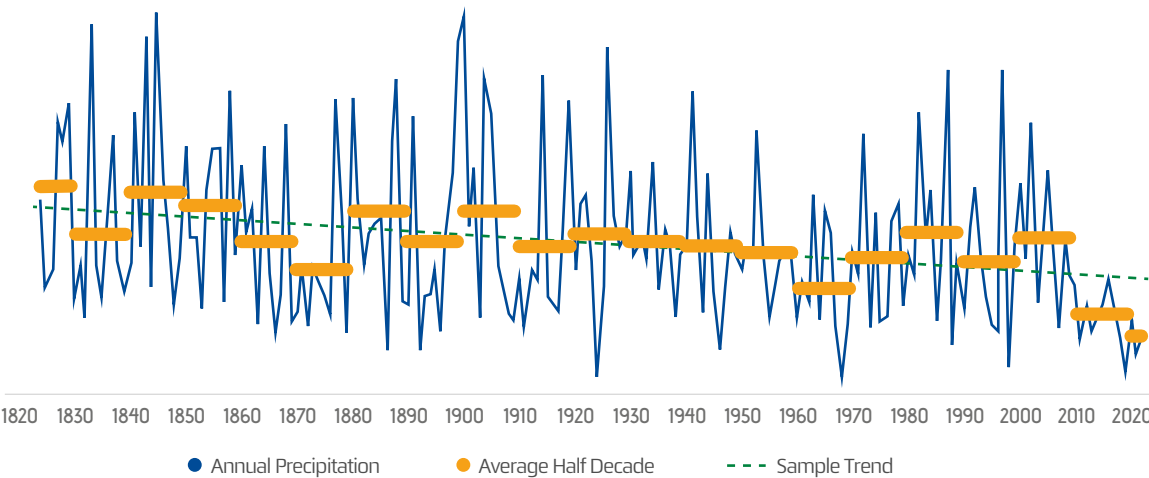
<sup>1</sup>. The SISS is a functionally decentralized agency, with legal personality and its own assets, which operates under the supervision of the President of the Republic, through the Ministerio de Obras Públicas (Ministry of Public Works).



Climate context and challenges for the city

In 2000, when IAM assumed responsibility for providing sanitation services to the inhabitants of Santiago through its subsidiaries, the main challenge was to expand wastewater treatment coverage from just 4% to 100%, a task that was completed in 2013. By then, a new challenge had already arisen: to maintain the continuity of drinking water supply in a scenario where the effects of climate change were beginning to affect the availability of water sources in the region, especially due to the decrease in rainfall and high altitude rains capable of causing high levels of turbidity in the Mapocho and Maipo rivers.

Precipitation in Santiago 1824 - 2022



The central zone of Chile has already had 14 years of drought -with a break in 2023 due to the El Niño phenomenon-, in addition to the sharp increase in the number of extreme turbidity events, which totaled nine during the year reported. However, the city has not suffered restrictions in the supply of drinking water and there have been no massive service cuts due to turbidity since 2017. This is the result of anticipatory, proactive and purposeful work, hand in hand with public-private collaboration, which has resulted in a series of actions:

- Construction of resilience infrastructure
- Modernization of water purification plants
- Search for new water sources
- Water efficiency plans
- Agreements with other water users in the region, including an agreement with the canal associations of the first section of the Maipo River.
- Public campaigns for responsible use
- Alliances with municipalities to contain water consumption, especially in relation to irrigation of parks and squares.

In total, in the last five years, IAM has invested USD 255 million in works and other measures to adapt to climate change in its sanitary facilities.

To be prepared for even more demanding future scenarios, in November 2023 the subsidiary Aguas Andinas presented a plan for the coming decades, called Biociudad. This new strategy includes a battery of concrete solutions for Santiago and its inhabitants that will strengthen resilience and sustainable water security, organized around five pillars:

Action pillars	Proyects
1.- New sources	<ul style="list-style-type: none"><li>• <b>Maipo Return</b> Construction of a pipeline with the capacity to transport 3,000 l/s of treated water from Mapocho-Trebal to the first section of the Maipo River for agricultural use.</li></ul>
2.- Resilience	<ul style="list-style-type: none"><li>• <b>Maipo Alternative Water Catchment and Pipeline</b> It connects the El Yeso reservoir with the drinking water production plants, helping to overcome extreme turbidity events in the rivers.</li></ul>
3.- Increased groundwater use	<ul style="list-style-type: none"><li>• <b>Santiago South Wells:</b> Subway production of 1,500 l/s through 16 wells in the southern area of the Metropolitan Region.</li><li>• <b>Santiago West wells:</b> Battery of 12 wells distributed in the communes of Estación Central and Lo Prado.</li><li>• <b>Bicentenario Pond :</b> Subway structure that strengthens and makes the region’s integrated supply network more flexible.</li><li>• <b>New West Maipo Fountains Conduction:</b> It includes the construction of a 50 km pipeline that will connect wells in the southwest area with the Las Vizcachas plant.</li></ul>
4.- Nature-based solutions	<ul style="list-style-type: none"><li>• <b>Infiltration trenches</b> Project to capture rainwater through 18 ditches located in the Aguas de Ramón park.</li></ul>
5.- Responsible use	<ul style="list-style-type: none"><li>• <b>Water Efficiency Plan</b> Improved hydraulic performance of the 13,700 km of distribution network and more than two million household connections.</li><li>• <b>Climate Change Tariff</b> It promotes a tariff system that aims to gradually cover the deployment of infrastructure to address climate change from a certain level of consumption.</li></ul>

Biociudad contemplates investments of **USD 800 million** between now and 2030, in addition to the more than USD 255 million already invested in resilience plans and plant modernization.



## Stakeholder engagement

The business of IAM and its subsidiaries is closely linked to the sustainability of its stakeholders.

On the one hand, the Aguas Group provides a basic service for its customers, such as drinking water, whose continuity and quality have a direct impact on people's lives and the country's development.

On the other hand, its relationship with the communities is an inseparable part of its daily management, since the operation of its subsidiaries -from the management of water sources to the reuse or disposal of waste- requires processes that directly or indirectly impact these groups in an extensive concession area.

Likewise, the continuity and quality of the drinking water supply depends on a collaborative and increasingly valuable relationship with its workers. This implies safety, training, employment benefits, career development, etc. The same is true for suppliers and contractors, with whom it is necessary to build solid bonds of trust based on mutual gain.

In addition, the company participates in a highly regulated industry, so it is essential to maintain transparent relations, strictly adhering to the law, and fluid channels of dialogue with the various authorities in the country, both the supervisory bodies and those who draft the laws and regulations that affect the business.

IAM and its subsidiaries share the use of an essential and increasingly scarce resource with other stakeholders. Managing it in a sustainable manner is key to maintaining the continuity of drinking water supply, which requires coordination bodies and a comprehensive vision that encompasses the entire watershed.

The scarcity and other effects of the climate crisis, such as extreme turbidity events, have intensified the need to raise public awareness about the importance of responsible water use, as well as to disseminate information in emergency contexts.

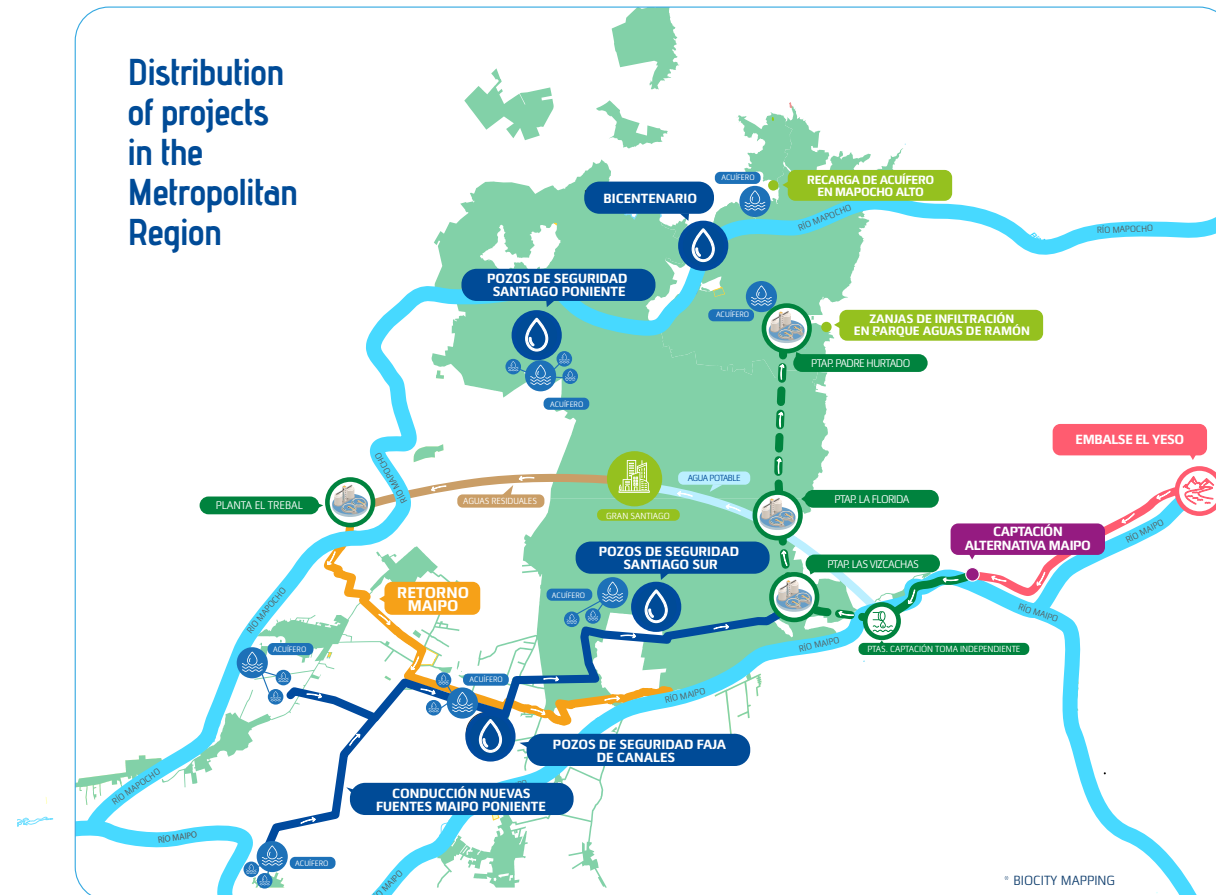
For this reason, communication with the media, opinion leaders, civil associations and specialized entities has also been strengthened.

Finally, the development of infrastructure to maintain high service standards in a scenario impacted by climate change requires a constant investment effort. This is why the relationship with capital providers is so important for IAM, which seeks to keep timely and accurate financial information available at all times.

Relations with the different stakeholders are managed through Aguas Andinas, which periodically monitors their needs and concerns. In the case of capital providers, the responsible for this task is the Investor Relations Management of the sanitation subsidiary. The contact for this area is duly identified on the company's website, a site that includes financial analysis tools, corporate presentations, news and related events.

**11 stakeholders have been identified:**

- Customers
- Suppliers and contractors
- Suppliers and contractors
- Water Group employees
- Authorities
- Capital providers
- Communities
- Water user associations
- Water user associations
- Media
- Civil society associations
- Opinion leaders
- Civil society associations
- Opinion leaders
- Specialized entities



More information about the plan is available at <http://www.biociudad.cl>.





## Governance and Corporate Integrity

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# Corporate governance

Following OECD guidelines, IAM believes that corporate governance should facilitate the creation of an environment of trust, transparency and accountability that promotes long-term investment, financial stability and business integrity, contributing to stronger growth and the development of more inclusive societies.<sup>1</sup> For this reason, governance is based on laws, ethics and industry best practices.

## Board of Directors

The Board of Directors of Inversiones Aguas Metropolitanas S.A. is the main body of its corporate governance, empowered to establish the company's strategic guidelines and lead the supervision of administrative tasks.

## Composition

- It is composed of seven regular members, elected by the General Shareholders' Meeting, in consideration of their competence and suitability for the position, without being a shareholder being an impediment to this.
- Each director has an alternate who may replace him permanently in case of vacancy or temporarily in case of absence or temporary impediment.
- Directors serve for three years and may be reelected indefinitely. At the end of the term, the Board of Directors is completely renewed. However, it may be revoked in its entirety before the expiration of its term of office by resolution of the Ordinary or Extraordinary Shareholders' Meeting, in which case the same meeting must elect a new Board of Directors. On the other hand, partial revocation of its members is not possible.

## Nomination of candidates to the Board of Directors

IAM's Board Nomination Policy, available to shareholders and the general public on the website, suggests to shareholders certain conditions that such candidates should have in order to reduce possible gender, social or cultural barriers on the Board.

The company also has a policy regarding the information that shareholders should receive so that they are aware of the candidates' experience, profession or trade, and whether they have had relevant relationships with the company's controller, its main competitors or its suppliers.

The Company has made available to shareholders technological systems that allow them to exercise their rights remotely, as if they were physically represented at the meeting.

## Operation

- The Board of Directors meets in ordinary and extraordinary sessions. The former are held at least once a month on dates predetermined by the Board of Directors. Extraordinary meetings are held when called by the Chairman or at the request of one or more directors, after qualification by the Chairman of the need for the meeting, unless requested by an absolute majority of the directors.
  - In both cases, the quorum for the meetings is the absolute majority of the members of the Board of Directors. Resolutions are adopted with the affirmative vote of the absolute majority of the directors in attendance, except for those that require a higher quorum according to IAM's bylaws, the law and its regulations or other special provisions.
  - It was agreed to set a minimum attendance at nine Board meetings per year (75% of the total), in recognition of the diversity of experience and expertise on the Board. In 2023 the average attendance was 100%.
- Like all members of IAM and its subsidiaries, directors must abide by the company's Code of Ethics, its Conflict of Interest Management Policy - the latest version of which was approved by the Board of Directors in August 2023-, the General Habituality Policy (2010) and other policies and procedures that make up the Compliance Management System.



## Induction and training of directors

- Within the first 15 working days after the Board or one of its members is renewed, the general manager and legal counsel must inform the incoming directors about the business, its strategic objectives, risks, including sustainability risks, policies, procedures, main accounting criteria and the company's legal framework.
- Annual training for Board members is also contemplated, which should include topics such as corporate governance best practices; advances in inclusion, diversity and sustainability reporting; risk management tools; rulings, sanctions or pronouncements involving other Boards; and examples of conflicts of interest.

Within this framework, during 2023, IAM's boards of directors participated in a training course on the new Law 21.595 on economic crimes and attacks against the environment, focusing on its implications in corporate governance, the Securities Market Law, insider trading and the associated risks. The course was given by the law firm of Gabriel Zaliasnik.

1 OCDE (2016). OECD and G20 Principles of Corporate Governance (p. 9). Éditions OCDE, Paris.



Hiring of consultants

For the proper fulfillment of their responsibilities, the Board of Directors and the Directors’ Committee may request the hiring of external advisors, whether national or foreign, in accounting, financial, legal, tax, environmental, human resources or other matters that they deem appropriate. Such hiring must be made on the basis of an economic proposal in accordance with market prices, and the advisor must have recognized prestige in the national or international market, proven experience in the subject matter of the advisory services and observe the highest standards of quality of service. The Board of Directors or the Directors’ Committee must adopt a resolution in this respect, recording compliance with these requirements.

Dissemination of information on corporate governance practices

IAM’s Compendium of Corporate Governance Policies and Procedures contains the policies and agreements approved by the Board of Directors to incorporate the criteria of the Financial Market Commission (CMF), including the guidelines for disseminating information on corporate governance practices contained in General Rule (NCG) 461. Its latest version dates from June 2023.<sup>2</sup>

Evaluation of directors

The general manager is responsible for managing this practice, which also covers the Board of Directors’ Committee. The general manager is responsible for managing this practice, which also covers the Board of Directors Committee. The last evaluation process took place during the fourth quarter of 2023 and was carried out by the Faculty of Economics and Business of the Universidad de Chile. On that occasion, the evaluation analyzed practical aspects, such as how far in advance the directors receive the information for the meetings and how the minutes are approved, as well as substantive issues, such as the degree of deliberation and the atmosphere of trust to put forward different points of view. The environmental, social and governance criteria applied in the decisions were also evaluated, along with the Board Nomination Policy, or cultural criteria that may impede the natural diversity of skills, visions, characteristics and conditions of the Board members.

o In addition, each year, all Board members carry out a self-evaluation, both considering their participation in the Board of Directors and in the

Committee for those who are members of the Board.

Information system

There is an information system -the Virtual Folder- for each director to have secure, remote, permanent and timely access to the documents summarizing the matters to be discussed at the meetings and other background information necessary for preparation. There they can also review the final text of the minutes.

Visits to company premises and facilities

Each year, the Board of Directors is obliged to visit at least two facilities of the subsidiaries in order to know in situ their condition and operation, the main roles and concerns of those who work in them and the improvements that, in the opinion of those responsible, should be made. It is up to the general manager to propose these visits, considering the most relevant works and facilities.

Presentations to the Board of Directors

Area	Frequency	Issues addressed	Participation of the general manager and other executives
<b>Risk</b>  (Risk Management area of the subsidiary Aguas Andinas)	Once a year	The company is familiar with and analyzes matters such as the functioning of the risk management process, the risk matrix used by the unit, the improvements that should be made and the contingency plans designed to react to critical events, including the continuity of the Board of Directors.	The general manager and other company executives may participate.
<b>Internal Audit</b>  (internal audit area of the subsidiary Aguas Andinas)	Once a year	Matters such as the annual audit plan, possible deficiencies or irregularities that should be reported to the auditing agencies or the Public Prosecutor’s Office, and improvements that should be made to minimize the occurrence of irregularities or fraud are discussed and analyzed.	The general manager and other company executives may participate.
<b>External audit firm</b>	Three times a year	the financial statement report, the annual audit plan and the internal control charter are analyzed.	The general manager and senior executives do not participate.

On November 13, 2023, visit to Aguas Andinas headquarters for the launch of the Biocuidad campaign.

On November 15, 2023, inauguration of subway ponds in Parque Bicentenario, Vitacura district.

Analysis of the information the company discloses to the market

The Company has a formal procedure for the analysis of the information that the Company must disclose to the market, by virtue of which, annually the Board of Directors evaluates the sufficiency, timeliness and relevance of the various communications that the Company has sent to the market in the last year, in order to improve the way in which the information is sent to the general public, both in relation to being easy to understand, as well as that such communications are provided to the market in a timely manner. This will be done with the advice of an external consultant.

Each month the IAM Board of Directors reviews the watersituationandthemainrisksassociated with climate change, as well as a review of social, environmental and sustainability issues in general, with the support of the sustainability area of Aguas Andinas.

Presentation 1

Corporate governance and integrity 2

Financial Management 3

ESG strategy and performance 4

Financial Statements 5

2 Available at: <https://www.iam.cl/-/media/Files/I/I/Iam-Corp/documents/compendium-of-policies-and-procedures-on-corporate-governance.pdf> This process allows for the detection and reduction of organizational and social barriers.

# Regular Directors

## Directors in office at the end of 2023

All members of the Board of Directors who were in office at the end of the reporting period assumed their positions on March 3, 2022:



### Felipe Larraín Aspillaga

#### Chairman

Chilean, RUT 6.922.002-9

69 years old

On the Board of Directors since April 30, 2014 and Chairman of IAM since June 29, 2016. He does not hold any executive position in the company.

Civil engineer from the Pontificia Universidad Católica de Chile. He was general manager of Aguas Andinas between 2004 and 2011, and its president from 2011 to 2016, as well as director of Sociedad del Canal de Maipo and Junta de Vigilancia del Río Maipo. Since 2016 he has been general manager of the Suez Group's BU Agua Chile South Pacific for the Southern Cone of Latin America and since July 2022 he has been country manager of Veolia Chile and Peru. He has chaired the Board of Directors of Aguas Andinas since September 2022.



### Alberto Muchnick Mlynarz

#### Vice-chairman

Chilean, RUT 6.447.493-6

64 years old

Business engineer and business administrator from Universidad de Chile.

Former Chief Executive Officer of HSBC Bank (United States) and Executive Vice President for Latin America of Republic National Bank. He is currently Executive Chairman of CGIS Securities, LLC in Miami (United States) and Chairman of Inmobiliaria Simonetti since 2022.



### Herman Chadwick Piñera

#### Director

Chilean, RUT 4.975.992-4

78 years old

Member of the Board of Directors since April 27, 2006.

A lawyer and law graduate from the Pontificia Universidad Católica de Chile, he is a partner in the law firm Chadwick & Cía. He is president of Enel Chile, director of Viña Santa Carolina and past president of the Arbitration and Mediation Center of the Santiago Chamber of Commerce. He is also a member of the Board of the Centro de Estudios Públicos, president of the San Ignacio del Huinay Foundation, director of Artequin and president of Club El Golf 50.

Regular Directors



Ignacio Guerrero Gutiérrez

Director

Chilean, RUT 5.546.791-9

70 years old

Business Engineer from the Pontificia Universidad Católica de Chile and MBA from Harvard Business School. Former Vice President of Citibank in New York, NMB Bank (now ING Bank) also in New York and Codelco Chile. He is currently partner and director of CMB Prime AGF SA and of several road infrastructure companies linked to Prime Infraestructura Investment Funds.



Hernán Cheyre Valenzuela

Director

Chilean, RUT 6.375.408-0

68 years old

On the Board of Directors since April 27, 2017.

Bachelor's degree in Economics and Business Engineer from the Pontificia Universidad Católica de Chile, Master in Economics from the University of Chicago.

He was a founding partner of Econsult, general manager of the risk rating agency Fitch Chile, executive vice president of Corfo and has held the position of director in various public and private companies. He is currently director of the Centro de Investigación Empresa y Sociedad (CIES) of the Economics and Business School of the Universidad del Desarrollo. He also participates in the board of Molymet S.A. and the business accelerator UDD Ventures.



Luis Enrique Álamos Olivós

Independent Director

Chilean, RUT 7.275.527-8

62 years old

On the Board of Directors since July 24, 2019.

Certified Public Accountant, Universidad de Santiago de Chile. PADE, ESE, Business School, Universidad de Los Andes. Joined PwC Chile in 1983. He has specialized in the retail, salmon, mass consumption and insurance industries, in the areas of tax consulting and planning for individuals and companies. Between 2010 and 2018 he served as senior partner of PwC Chile. He is a member of the ESE Directors' Circle and the G12/Directors' Group of Icare. He currently serves on the boards of Exportadora e Inversiones Agroberries S.A., landes Gestión Inmobiliaria and ICB S.A., among other companies.



Rodrigo Cristóbal Azócar Hidalgo

Director

Chilean, RUT 6.444.699-1

68 years old

On the Board of Directors since July 24, 2019.

Industrial civil engineer from Universidad de Chile, Chilean academic and consultant. He has been general manager of Credits at Banco del Estado; consultant to the Ministry of Economy, Development and Reconstruction; consultant to the Inter-American Development Bank (IDB); general manager of Metro de Santiago; prorector of Universidad de Viña del Mar; general manager of ENAP, ESVAL and Aguas del Valle; corporate manager of CORFO; chairman of the Board of Directors of Metro S. A. and director of Aguas Andinas S.A. He is currently a director of ENAP, ERSa and SIPETROL, of Fondo de Infraestructura S.A. and of Empresa Metro de Bogotá S.A.



# Alternate Directors



**Salomón Andrés Muchnick Cruz**

**Alternate Director**

Chilean, RUT 16.209.452-1

37 years old

On the Board of Directors from July 24, 2019.

Business Engineer from the Pontificia Universidad Católica de Chile. He has participated in specialization programs in Venture Capital at Berkeley and Value Investing and Real Estate at Columbia Business School. He has developed his career in the field of investments and advising companies.

He is involved in the food technology, investment, logistics and real estate industries. He is an advisor to Notco and AMM Capital and a director at Boosmap and RCR. He does not serve on other boards.



**Narciso Berberana Sáenz**

**Alternate Director**

Spaniard, RUT 0-E 55 years old

On the Board of Directors from July 24, 2019.

Industrial Civil Engineer with a Master's degree in New Technologies in Business Management from the Escuela de Organización Industrial, EOI in Madrid, and in Executive Development Planning from the Instituto de Empresa, IE in Madrid (Spain).

He has served as CEO in large environmental services companies. He has been part of the global Agbar group for more than 27 years, currently as a director, Chief Strategist Officer and CEO Agbar Catalunya. He was CEO of the Aguas Andinas group between 2016 and 2019. He currently does not participate in other boards.



**Rodrigo Castro Fernández**

**Alternate Director**

Chilean, RUT 10.570.170-5

52 years old

En el Directorio desde el 27 de abril de 2006

Business Engineer with a major in Economics from Universidad Gabriela Mistral and Master in Economics from Georgetown University, with specialization courses in Strategy and Finance at Stanford University and the University of California, Berkeley. He was Dean of the School of Economics and Business at Universidad del Desarrollo, President of the del Desarrollo, President of the Chilean Venture Capital Association and consultant to the World Bank and the IDB. He is a professor at the Universidad Adolfo Ibáñez. He is currently partner and director of Genesis Ventures.

## Alternate Directors



**Carlos Mladinic Alonso**

**Alternate Director**

Chilean, RUT 6.100.558-7

69 years old

On the Board of Directors since April 30, 2014.

Business Engineer from the Universidad de Chile and Economist. He was minister of two portfolios in the government of Eduardo Frei Ruiz-Tagle, as well as director of Banco del Estado, president of Sistema de Empresas Públicas (SEP) and of the Board of Directors of Televisión Nacional de Chile (TVN). He has also chaired the Foundation for the Development of Magallanes, the Technical Cooperation Service (Sercotec), the Board of Directors of the Europe-Chile Foundation (EuroChile) and was a director of Fundación Chile. He has been a director of several companies, including Empresa Eléctrica Pilmaiquén, Empresa Nacional del Carbón, Celulosa Arauco y Constitución, Aguas Andinas, Metro S.A. and ENAER. He does not currently serve on other boards.



**Hugo Silva Raveau**

**Alternate Director**

Chilean, RUT 6.863.031-2

70 years old

On the Board of Directors since April 27, 2017.

Industrial mechanic technician from Universidad Federico Santa María and graduated in Administration from Universidad Adolfo Ibáñez. Worked 42 years at General Electric in various roles, including regional director of Mining and regional president for Chile, Peru, Bolivia and Ecuador. He was Director of AmCham, leading the operation for the approval of the free trade agreement between the United States and Chile. He is currently a partner and director of Crisis Management Latin America.



**María José Uauy Cúneo**

**Alternate Director (independent)**

Chilean, RUT 16.611.278-8

35 years old

On the Board of Directors since July 24, 2019.

Business Engineer with a major in Administration from the Pontificia Universidad Católica de Chile, with a diploma in Public Policy from the Pontificia Universidad Católica de Chile. She was assistant manager of ETF's at Larrain Vial and investment analyst at Inversiones Liguria. She is currently executive director of Fundación Liguria.



**Cosme Sagnier Guimón**

**Alternate Director**

Spaniard, RUT 0-E

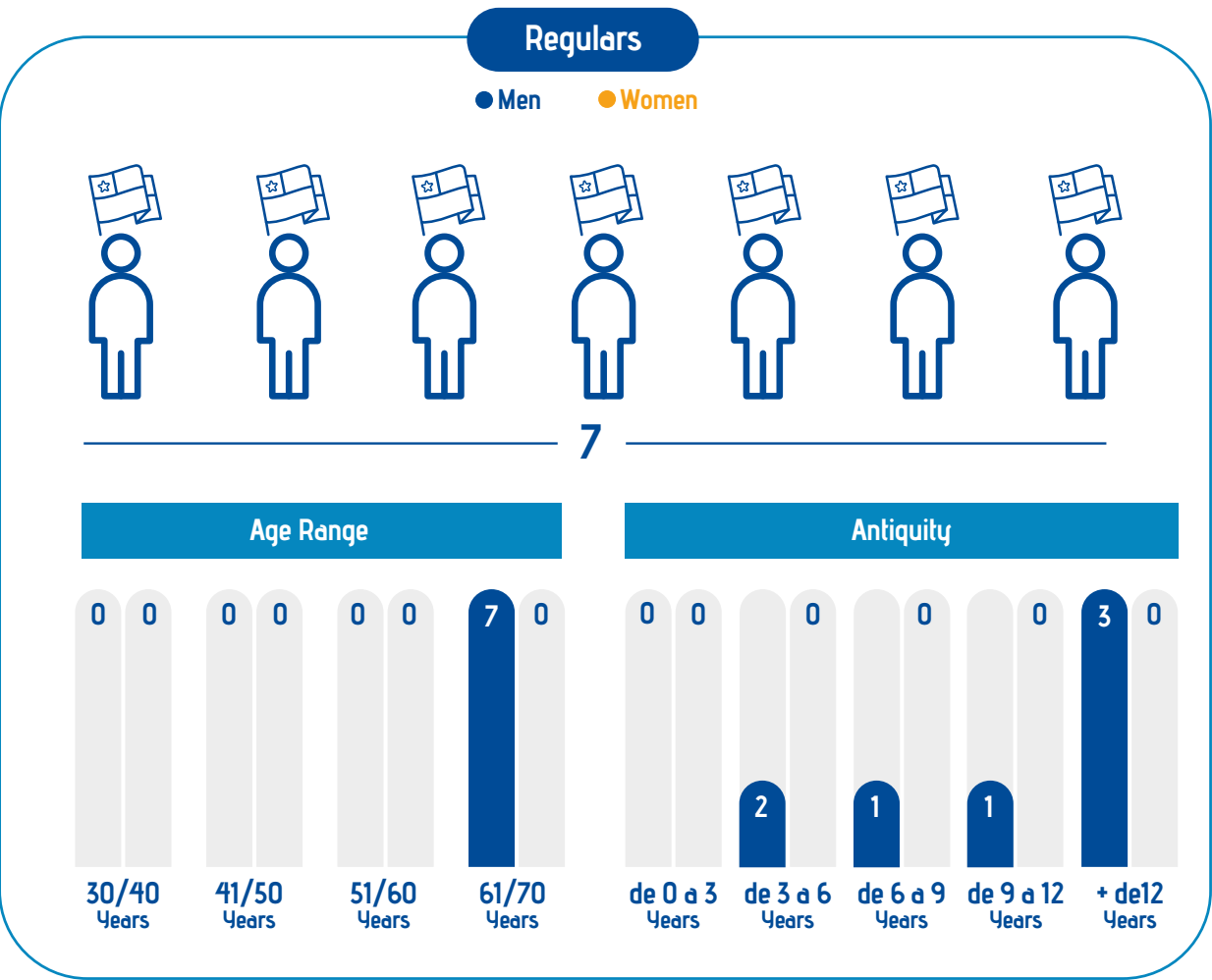
52 years old

On the Board of Directors since March 3, 2022.

Bachelor in Business Administration and MBA from ESADE Business School, Barcelona (Spain).

Former General Manager of IAM of IAM from 2013 to 2016 and director of Aguas Andinas in two periods: 2013-2016 and 2019-2022. He was Chief Financial Officer of Suez Spain from May 2016 to March 2022 and Director of Investment Control and Major Projects of the Veolia group from April 2022 to February 2024. He has been Chief Financial Officer of Veolia Spain since March 2024. He does not currently serve on any other boards.

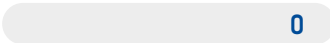
Board Diversity



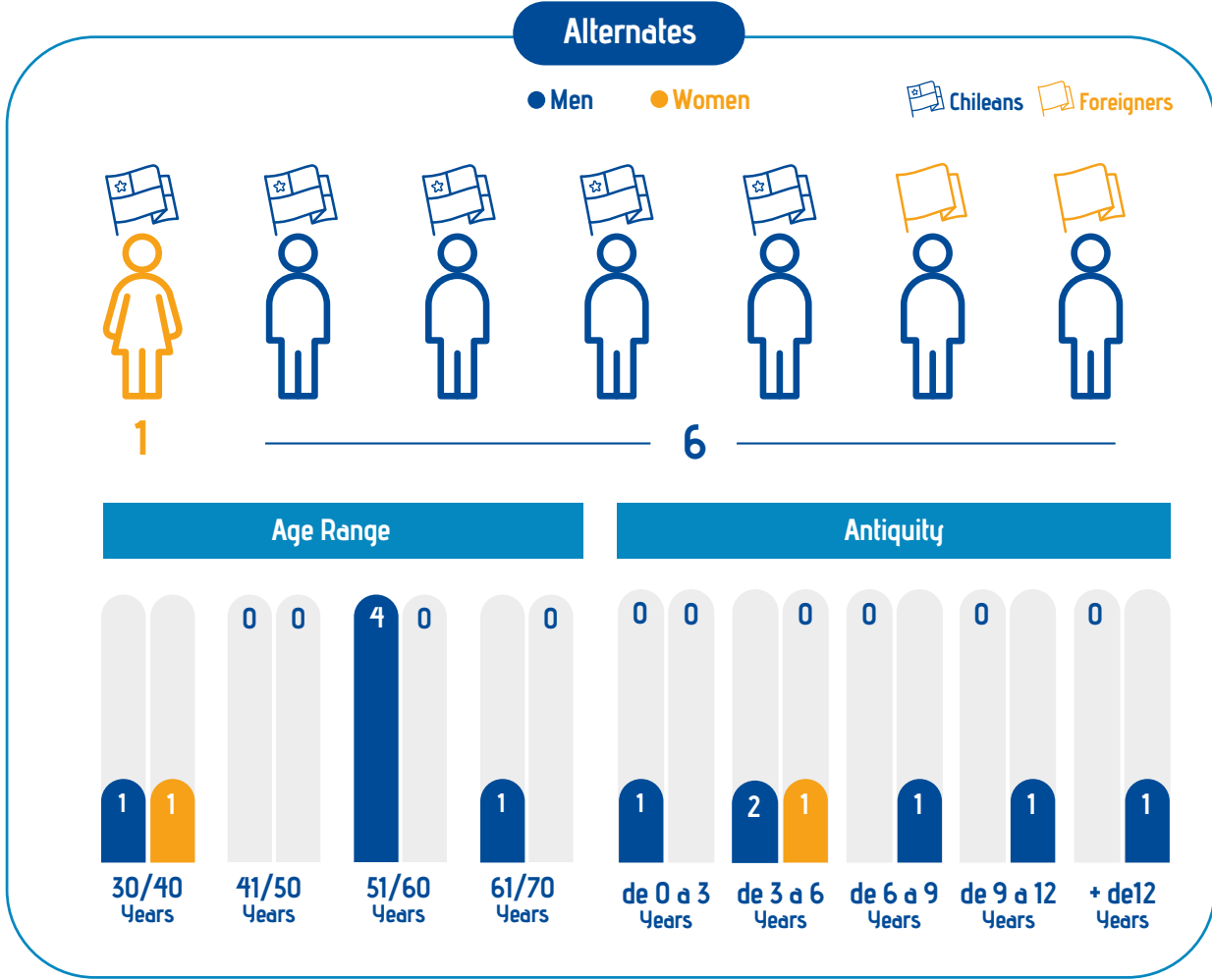
Disabled Directors



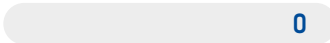
Men



Women



Disabled Alternates



Men



Women



Remuneration of directors

At the Ordinary General Shareholders’ Meeting held on April 10, 2023, it was agreed to pay a fixed monthly remuneration of UF 100 to the Chairman of the Board of Directors, UF 80 to the Vice Chairman and UF 60 to the regular and alternate directors, the same amounts as in the previous year. In addition, the Company maintained the payment of an attendance fee for each Board meeting of UF 140 for the Chairman, UF 100 for the Vice-Chairman and UF 60 for regular and alternate directors. The latter only receive it when they replace the respective incumbent.

During 2023, the Board of Directors’ expenses amounted to M\$ 43,853, mainly explained by advisory services for the crime prevention model and evaluation of the Board of Directors.



Remuneration of the Board of Directors (thousands of pesos)

Directors	Position	Fixed		Variable	
		2022	2023	2022	2023
Felipe Larrain Aspillaga	Chairman	39.827	43.245	60.199	60.543
Alberto Muchnick Mlynarz	Vice-Chairman	31.861	34.596	42.999	43.245
Herman Chadwick Piñera	Director	23.896	25.947	25.800	25.947
Ignacio Guerrero Gutiérrez	Director	23.896	25.947	25.800	25.947
Hernán Cheyre Valenzuela	Director	23.896	25.947	25.800	25.947
Rodrigo Azócar Hidalgo	Director	23.896	25.947	25.800	25.947
Luis Enrique Álamos Olivo	Director	23.896	25.947	25.800	25.947
Andrés Muchnick Cruz	Alternate Director	23.896	25.947	-	-
María José Uauy Cuneo	Alternate Director	23.896	25.947	-	-
Rodrigo Castro Fernández	Alternate Director	23.896	25.947	-	-
Carlos Mladinic Alonso	Alternate Director	23.896	25.947	-	-
Hugo Silva Raveau	Alternate Director	23.896	25.947	-	-
Totals		310.648	337.311	232.198	233.523

Skills



Environmental and Social	Governance	Sanitary Industry	Regulation	Finance and risk	IT and Cybersecurity	Communication and marketing
Has participated in civil society initiatives, demonstrating a perspective that transcends the merely commercial and economic. It recognizes that companies play a fundamental role in society and in protecting the environment. This is reflected in its commitment to the sustainable management of resources, the preservation of ecosystems and the promotion of corporate social responsibility..	Has a track record in management roles, either as a member of the board of directors of other companies or in senior executive positions. His participation in strategic planning processes his ability to effectively address the challenges inherent in the leadership of a business entity.	Has accumulated professional experience in the field of water distribution and/or in the utilities sector, either as an executive, consultant or director.	Has experience of the industry, its products, services, regulatory and legislative framework, as well as a solid understanding of the challenges it faces	Has previous experience in methodologies and procedures related to enterprise risk management. This includes a mastery of the terms and methods necessary to understand, analyze and audit financial statements.	Has experience in creating or reshaping a business model, especially through the development or implementation of digital technologies.	Has experience in developing communication and marketing strategies that highlight the quality of service, promote efficiency in the use of resources and establish positive relations with the community.







Diversity of experience of the Board of Directors

Directors	Name	Environmental and social	Gobernance	Sanitary Industry	Regulation	Finance and risk	IT and cybersecurity	Communication and marketing
Regulars	FELIPE LARRAIN ASPILLAGA	√√√	√√√	√√√	√√√	√√√	√	√√
	ALBERTO MUCHNICK MLYNARZ	√	√√	√	√	√√√	√	√
	HERMAN CHADWICK PIÑERA	√√	√√	√√	√√	√√	√	√√
	IGNACIO GUERRERO GUTIERREZ	√√	√√√	√	√	√√√	√	√√
	RODRIGO AZÓCAR HIDALGO	√√	√√√	√√√	√√√	√√√	√	√
	HERNÁN CHEYRE VALENZUELA	√√	√√√	√√	√√	√√√	√	√√
	LUIS ENRIQUE ÁLAMOS OLIVOS	√√	√√	√√	√√	√√√	√	√√
Alternates	COSME SAGNIER GUIMÓN	√	√√	√√	√√	√√√	√	√
	HUGO SILVA	√√	√√√	√√	√	√√	√√	√√
	ANDRES MUCHNICK CRUZ	√	√	√	√	√√√	√	√
	NARCISO BERBERANA SÁENZ	√√	√√√	√√√	√√	√√√	√	√
	CARLOS MLADINIC ALONSO	√	√√√	√√	√√√	√√	√	√√
	MARÍA JOSÉ UAUY	√	√	√	√	√√	√	√
	RODRIGO CASTRO FERNÁNDEZ	√√	√√	√	√	√√√	√	√√

√ Efficient      √√ Advanced      √√√ Vast experience



# Directors’ Committee

In compliance with Article 50 bis of Law 18,046, IAM has a Directors’ Committee, whose main powers and duties are as follows:

- To examine the external auditors’ reports, the balance sheet and other financial statements, and to express an opinion on them prior to their presentation to the shareholders;
- To propose to the Board of Directors the names of the external auditors and private risk classifiers
- Examine the background information on the transactions referred to in Title XVI and prepare a report on such transactions;
- Examine the remuneration systems and compensation plans for managers, chief executives and employees of the corporation.
- Prepare an annual report on its management, including its main recommendations to the shareholders.

## Composition

It is composed of three members, as required by law, the majority of whom must be independent directors. The Chairman of the Board of Directors may not be a member of the committee or its subcommittees, unless he is an independent director.

## Operation

Holds ordinary sessions once a month and extraordinary sessions whenever required, in order to deal with the matters entrusted to it by Article 50 bis of Law 18,046. The minimum quorum for meetings is two members. The deliberations, resolutions and its organization are governed by the rules relating to the meetings of the Board of Directors of the Company, in accordance with the law. The committee communicates to the Board of Directors the manner in which it will request information, as well as its resolutions on a quarterly basis. The average attendance at meetings of the Directors’ Committee in 2023 was 100%.

## Directors’ Committee in office at the end of 2023

As of March 3, 2022, IAM’s Directors’ Committee is composed of the controller’s independent director, Luis Enrique Álamos, and Ignacio Guerrero and Herman Chadwick, who were appointed by the independent director. The Chairman of the Committee is Luis Enrique Álamos and the Secretary is attorney Sebastián Oddó.

### Presentations to the Board Committee

Company area	Frequency	Issues addressed	Participation of the general manager or other executives
External audit firm	three times a year	The report on the financial statements, the annual audit plan and the internal control charter are analyzed.	The Chief Executive Officer and other senior executives do not participate.

### Remuneration and expenses of the Directors’ Committee

At the Ordinary Shareholders’ Meeting held on April 10, 2023, it was agreed to pay a fixed monthly remuneration of UF 25 to the members of the Directors’ Committee and UF 25 for attendance at each meeting. The expense budget for the year was UF 2,000, which was not used.

### Remuneration of the members of the Directors’ Committee

Members	Position	Compensation (thousands of pesos)		Assistance (%)
		2022	2023	2023
Herman Chadwick Piñera	Director	19.914	21.623	100%
Ignacio Guerrero Gutiérrez	Director	19.914	21.623	100%
Luis Enrique Álamos Olivos	Director	19.914	21.623	100%
María José Uauy Cúneo	Alternate Director	9.957	10.811	100%
Rodrigo Castro Fernández	Alternate Director	9.957	10.811	100%
Totals		79.656	86.491	100%

# 100%

was the average attendance at the Directors’ Committee in 2023.



Directors' Committee Report

The main activities carried out by the Committee during fiscal year 2023 were as follows:

- 1. Examination of the external auditors' reports, the balance sheet and other financial statements of Inversiones Aguas Metropolitanas S.A. for the year ended December 31, 2023.
- 2. Proposal to the Board of Directors of the external auditors and risk classifiers for the 2023 fiscal year.
- 3. Review of the reports of the external auditors, the balance sheet and other financial statements of Inversiones Aguas Metropolitanas S.A., prepared on a quarterly basis.
- 4. Analysis of the stock market performance of IAM and Aguas Andinas shares.
- 5. Examination of the background relating to operations referred to in Title XVI of Law 18,046.



Administration

At the end of the year, IAM's management and senior executives were composed of two professionals.



Fernando Samaniego Sangroniz  
General Manager

Chilean, RUT 6.374.438-7  
In office since May 26, 2021.  
Lawyer from Pontificia Universidad Católica de Chile, graduated in Competition Economics, Fundamentals for Lawyers, at Universidad de Los Andes. He is a partner of the firm Prieto Abogados. He is a member of the list of arbitrators of the Mediation and Arbitration Center of the CCS and the National Arbitration Center. He has been a director of Aguas Andinas since 2013.



Patricio Andrés Acuña Solorza  
Finance Director

Chilean, RUT 10.696.150-6  
In position since September 1, 2006.  
Commercial Engineer and Chartered Accountant from Universidad de Santiago de Chile, graduated in Tax Planning at Universidad de Chile and in IFRS Accounting Standards at Universidad Diego Portales. He has more than 35 years of experience in accounting and tax matters, in companies such as Enersis S.A. and Empresas CMPC.

General Manager Replacement Procedure

The company has a procedure to facilitate the succession of the general manager. In case of permanent absence, the Board of Directors may hire a headhunting or similar services company or hire the replacement directly, paying special attention to the technical suitability, educational level, experience and any other relevant factor of the person who will fill the vacancy.

Remuneration of senior executives

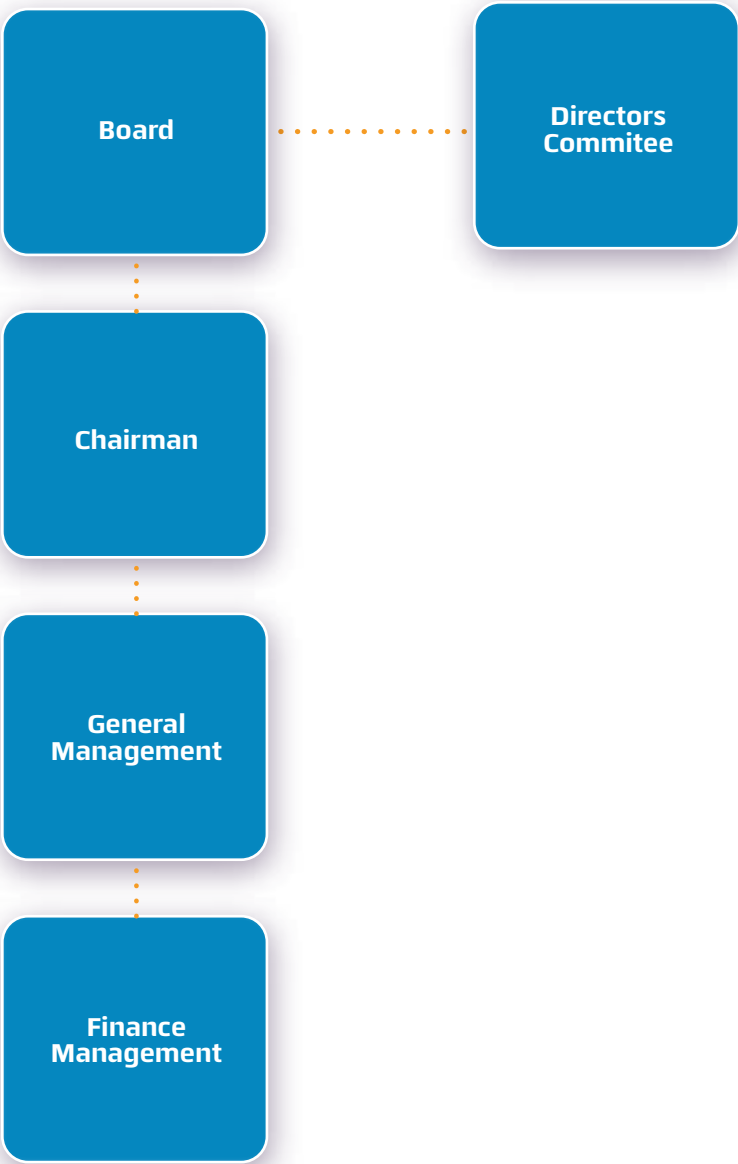
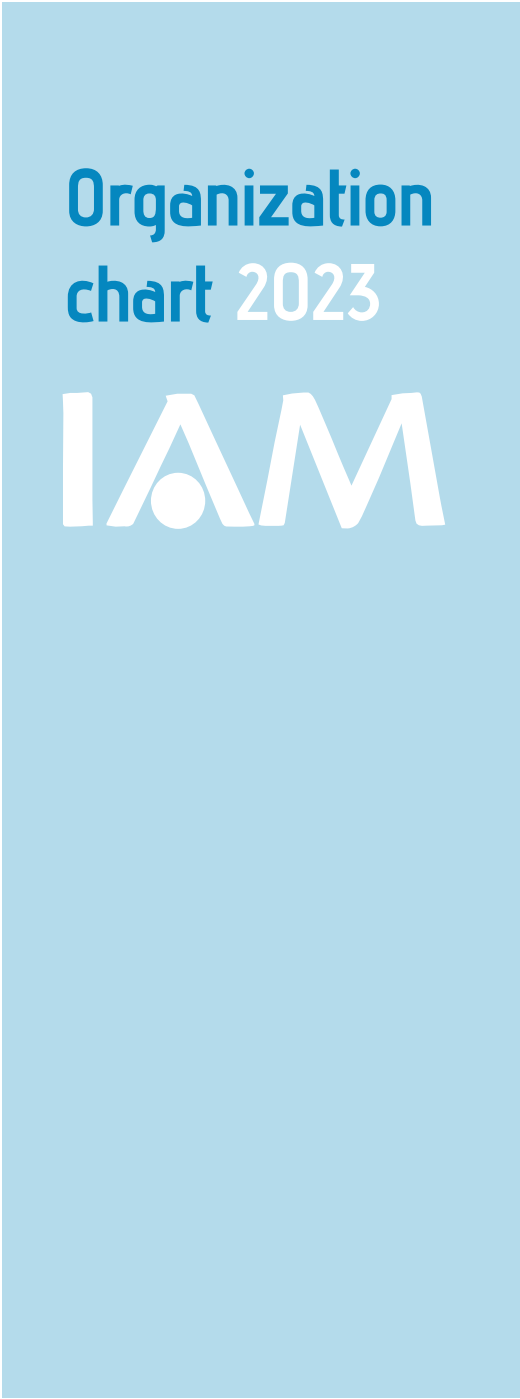
The general manager’s compensation policy takes into account two factors

- Achieved goals related to EBITDA and net income of the company;
- compliance with individual objectives defined by senior management, related to the assigned budget, accident rate indicators, occupational accident prevention and customer service indicators, among other matters. As established in the Executive Compensation Policy, the goals and objectives are evaluated annually by the Board of Directors. The policy and remuneration are not a matter for the Board of Directors.

Total compensation for IAM’s senior executives in 2023 was \$276 million, with \$235 million in fixed compensation and \$41 million in variable compensation. There were no severance payments.

Compensation of main executives millions of (\$)

Fixed		Variable		Total	
2022	2023	2022	2023	2022	2023
168	235	29	41	198	276



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# Corporate Integrity

## Ethics and compliance

The IAM<sup>3</sup> Code of Ethics, which is updated annually, establishes the fundamental principles that the company and its subsidiaries must apply in their relations with shareholders, customers, competitors, local communities and the environment:

- Comply with laws and regulations,
- Promote a culture of integrity,
- Show loyalty and honesty,
- Respect all people.

To implement these precepts, IAM has created a series of policies, codes and compliance models that make up a comprehensive anti-corruption management system.

### Anti-Corruption Policy<sup>4</sup>

Its purpose is to serve as a guide for the actions of the employees of IAM and its subsidiaries at all levels, orienting them with respect to what the company requires of their behavior when dealing with third parties, including business partners, the company's own employees and, in particular, public officials.

### Conflict of Interest Management Policy

It applies to the company's directors and includes the identification of the main situations that constitute conflicts of interest, mechanisms to avoid them, procedures for their declaration and how to resolve them.

### Crime Prevention Model (CPM)<sup>5</sup>

It establishes rules, protocols and procedures to prevent the commission of crimes covered by Law 20.393 by members of the company and its subsidiaries. Its application includes suppliers and contractors. It is headed by the person in charge of crime prevention, who is appointed by the Board of Directors with the mission of ensuring compliance with the model.

The Board of Directors meets every six months with the person in charge to review the implementation of the MDP, the events that have occurred, the complaints received, the investigations carried out, the updating of regulations and the preventive plans deployed.

3 Available at: <https://www.iam.cl/es/gobierno-corporativo/documentos>  
4 Available at: <https://www.iam.cl/-/media/Files/Iam-Corp/documents/iam-politica-anti-corrupcion.pdf>  
5 Available at: <https://www.iam.cl/es/gobierno-corporativo/documentos>

## Adaptation to the new Economic Crimes Law

In 2023 the Compendium of Corporate Governance Policies and Procedures, the Crime Prevention Model, the policies and procedures of the company's anti-corruption management system underwent an exhaustive review and adjustment process to adapt them to the new Law on Economic Crimes and Attacks against the Environment (21,595), which comes into force in September 2024 for legal entities. The risk matrix was also updated in light of the new law, which modifies various legal bodies that typify crimes against the socioeconomic order and adjusts the applicable penalties.

As part of this work, the new Procedure for Interaction with Public Officials and Lobbying was approved, which applies to IAM and all the companies that make up the Grupo Aguas.<sup>6</sup>

6 Available at: <https://www.iam.cl/-/media/Files/Iam-Corp/documents/procedimiento-de-interaccion-con-funcionarios-publicos-y-lobby.pdf>



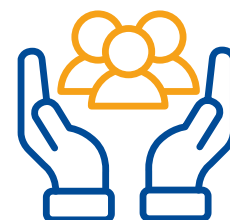
## Human rights

IAM and its subsidiaries recognize all internationally recognized human rights and freedoms, including the International Bill of Human Rights, which encompasses the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights. In addition, the company ensures that the rights of its employees are complied with in accordance with the ILO Declaration on Fundamental Principles and Rights at Work. Therefore, respect for and protection of people's dignity and fundamental rights are inalienable values - an essential part of the Code of Ethics - that IAM seeks to extend to the entire water cycle.

### Due diligence processes

This commitment is reflected in the human rights due diligence processes carried out by the subsidiary Aguas Andinas since 2018. The last one was developed between November 2021 and May 2022, with the support of the Vincular Center of the Catholic University of Valparaíso. In that instance, the actual and potential impacts were identified from the perspective of human rights in all Aguas Andinas operations, along its entire value chain. In total, five stakeholders -customers, community, internal workers, workers, suppliers and contractors-, 16 processes or operations and 27 potential impacts related to a total of 21 topics were evaluated.

As a result, there was a high level of compliance with the United Nations guiding principles that underpin respect for fundamental rights in business. In addition, 44 risks were identified, of which 29 were already included in the company's matrices and 15 were new, mostly related to labor-related impacts for internal and external workers. During 2023, the subsidiary continued to work on mitigating the findings.



## New Human Rights Policy

To further strengthen its commitment, in May 2023 IAM published its new Human Rights Policy<sup>7</sup>, applicable to the entire company and its subsidiaries. This document aims to guide the group's actions to ensure respect for the rights of all people involved in its value chain. It commits the company and its subsidiaries to take actions to understand, declare and monitor the greatest risks of human rights violations. As a first step, the subsidiary Aguas Andinas, a signatory of the Global Compact, signed the four commitments agreed under the National Action Plan on Human Rights and Business (PAN):

- 1. Formulation of a Human Rights Policy.**
- 2. Due diligence process.**
- 3. Stakeholder training on human rights.**
- 4. Mechanisms for complaints, claims or redress.**

The policy also reinforces that any employee or external third party who witnesses a breach of these rules can report it through the Aguas Group's Whistleblower Channel, available on Aquanet and on the website.<sup>8</sup>

Aguas Andinas' compliance officer is in charge of ensuring compliance with the new policy and reporting directly to the Board of Directors at least once a year on its progress.

<sup>7</sup> Available at: <https://www.iam.cl/-/media/Files/Iam-Corp/documents/politica-de-derechos-humanos.pdf>  
<sup>8</sup> Available at: <https://grupoaguas.ines.cl/grupoaguas/formulario/>

# Risk Management

On an annual basis, IAM's Finance Department carries out a survey of the company's main risks - credit, market, insurance and investment risks, among others - and proposes actions to mitigate them. In turn, the General Manager determines which are the most relevant and require more detailed follow-up. The Board of Directors is informed of these matters at least once a year.

In turn, each management of the Aguas Andinas subsidiary makes an annual survey of its main risks and proposes actions for their mitigation, which must be implemented by the management itself, accrediting its compliance at the request of internal auditors. Both direct risks and those of Aguas Andinas subsidiaries are considered. Then, the General Management determines the order of relevance and the risks whose follow-up must be more exhaustive. The Board of Directors is informed of these matters at least once a year, without prejudice to the annual meeting held with the Aguas Andinas risk unit.

For risk management, IAM and its subsidiaries use as a guide the national and international principles, guidelines and recommendations developed by The Committee of Sponsorship Organizations (COSO) or other similar organizations.



## Main risks

IAM presents a favorable situation in terms of risk, mainly due to the characteristics of the Chilean health industry, a highly regulated sector due to its monopoly status, which limits the levels of uncertainty. Nevertheless, the company presents risks inherent to the business that must be duly managed.

## Operational risks

### • Seasonality

The healthcare business is largely determined by its seasonality. The highest levels of demand and revenues are recorded during the summer (from December to March), while the lowest demand and revenues coincide with the winter (from June to September), which may cause possible variations in results from one quarter to the next.

### • Weather conditions

Precipitation, temperature, sediment entrainment, drought, among other factors, determine the quantity, quality and continuity of raw water available for drinking water treatment. In order to mitigate this risk, IAM's sanitary plants have water reserves and contingency plans that are constantly updated.

### • New investments

The company's subsidiaries must comply with development plans committed to the Superintendencia de Servicios Sanitarios (SISS), which involve significant economic, administrative and technical resources. These investments are included in the tariffs charged to customers, which guarantees a minimum profitability. In addition, the controller's experience ensures the necessary know-how to successfully and efficiently carry out these investment plans.

## Business risks

### • Regulatory risk

The local sanitation industry is highly regulated by the State of Chile due to its status as a natural monopoly. The legal framework regulates the operation of the concessions and the tariffs charged to customers. The tariff setting mechanism is carried out every five years, under technical criteria, with studies presented by the sanitation company and by the sector regulator, which is the Superintendencia de Servicios Sanitarios (SISS). In the event of differences between the two reports, these are resolved by a commission of experts made up of representatives of each of the parties. The current regulations have been characterized by their stability, which has generated favorable conditions for the realization of relevant works and long-term projects.

However, in December 2016, the Chamber of Deputies approved the bill

Bulletin 10795/33, which aims to amend the legislation applicable to public sanitation services, in terms of non-regulated services, tariff setting and compliance with development plans by providers. This initiative is in the Senate, in the second legislative procedure (in the Public Works Committee of the Upper House). In this instance, two reports were requested: one on its constitutionality from the General Secretariat of the Presidency (SEGPRES) and the other from the Ministry of Public Works (MOP). In the first case, the SEGPRES indicated that the initiative transgresses the norms on the formation of the law and that it deserves its rejection by the Senate. Meanwhile, the MOP indicated that it does not sponsor some changes, such as the decrease of the risk premium and the modifications to the composition and operation of the expert committee of the tariff setting process, among others. In April 2018, the chamber agreed that the bill should also be reported by the Committee on Water Resources, Drought and Desertification.

Also, in May 2018, the so-called Law for Strengthening the National Consumer Service, Bulletin 9369-03, came into force, which includes some modifications involving the sanitation sector. These changes generate the risk of fines for the suspension, paralyzation or non-provision without justification of basic drinking water and sewage services, which is punishable with a fine of up to 1,500 UTM. In addition, the Court may apply this fine for each consumer. The multiplicity of fines does not apply when the company has fully and effectively repaired the damage caused to all affected consumers, and that only a global amount will be charged, which cannot exceed 30% of the sales during the suspension or double the economic benefit. It also specifies that the fine may not exceed 45,000 UTA. The indemnities, on the other hand, have the following characteristics:

- They will be direct and automatic to the affected consumer.
- For each day of cut-off, an amount equivalent to the average daily value of the previous bill times ten will be indemnified.
- Four continuous hours of suspension or more, within a period of 24 hours from the beginning of the event, shall be understood as one day of cut-off. In all other cases, proportionality shall apply.
- It will only apply if the special law does not contemplate an indemnity of this nature.

In addition, the law incorporates the concept of moral damages in class actions.



• Investment risk

The development plans committed to before the SISS require the company to comply with a high level of investment. However, the tariffs charged - and which are regulated by law - incorporate these new investments, ensuring a minimum return. In addition, the experience of the controlling group and the company itself guarantees the necessary experience to efficiently manage these investments.

• Climate risk

The effects of climate change may alter the availability of raw water -indispensable for the processes of capturing and producing drinking water- due to the occurrence of long periods of drought or heavy rainfall events that increase the turbidity of the rivers. To mitigate this risk, the company is making significant investments in water reserves in order to extend the system's autonomy, hydraulic efficiency programs to optimize the distribution of the resource, and studies to exploit other alternative catchment sources, among other initiatives.

• Environmental contamination risks

The company is subject to various environmental contamination risks, including:

- Environmental contamination as a result of discharges into natural waterways;
- Pollution from odors emanating from sewage treatment plants; Presence of hydrocarbons in surface sources;
- Saturation of landfills where sludge from sewage treatment plants is deposited;
- Chlorine gas leaks;
- Obstructions to the sewage system.

To mitigate this risk, Aguas Andinas has an environmental management system certified under international standard ISO 14001, which helps manage and identify environmental risks associated with the company's activities. It has also developed an Emergency Management Plan, which provides guidelines for rapid action in case of emergency.

• Company infrastructure risks

Natural disasters of great magnitude, such as earthquakes, floods or volcanic eruptions, could cause serious failures in aqueducts and drinking water or sewage mains, as well as structural failures in the company's reservoirs, causing, in turn, the more or less prolonged suspension of the services it provides.

To address this risk, Aguas Andinas includes in its risk management the identification of threats to which its operations are exposed and has a business continuity management system based on the ISO22301 standard, whose main objective is to have resilient units, capable of continuing to operate at an acceptable level after a disruptive incident.



Financial risks

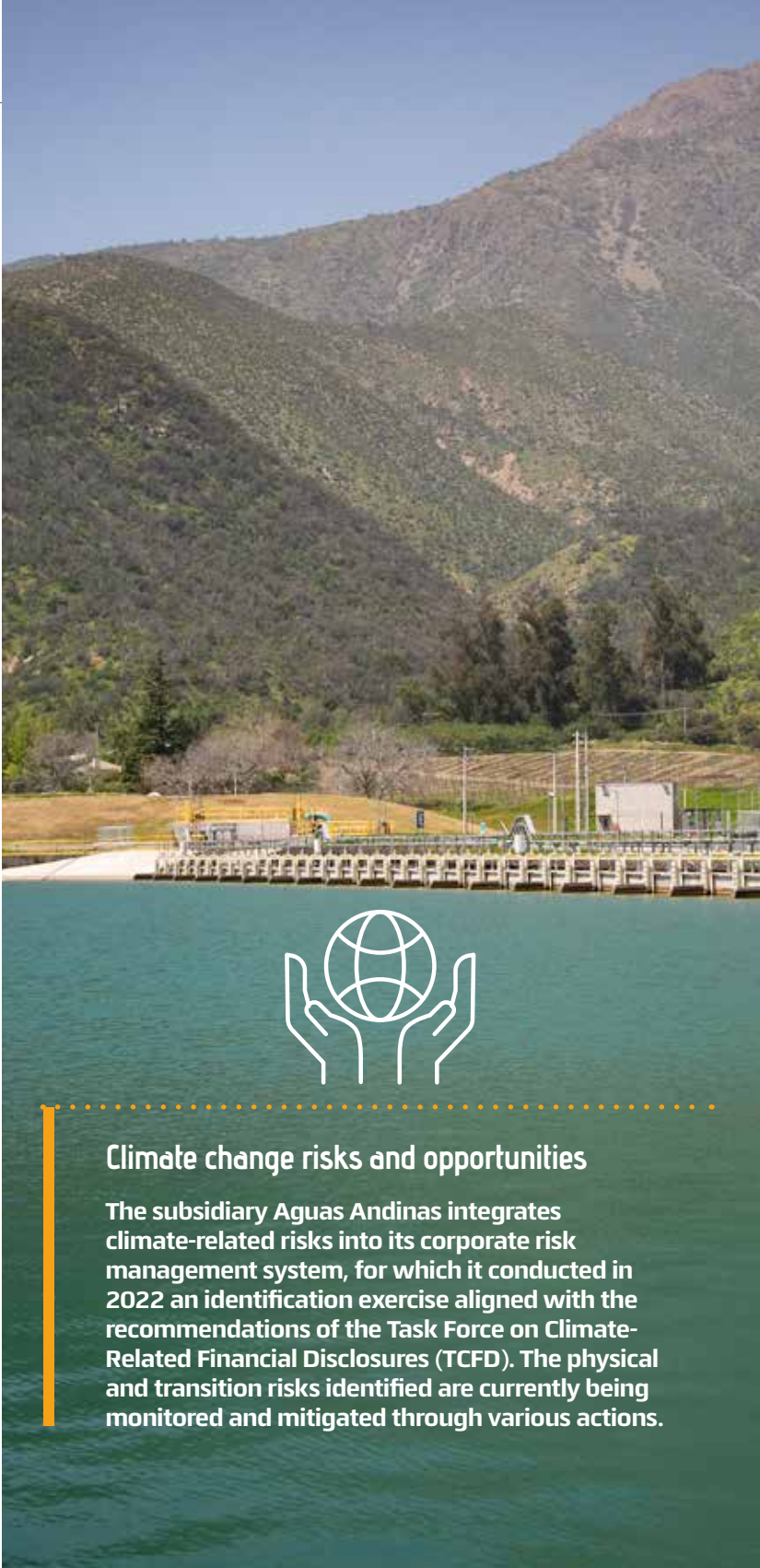
• Inflation

The company's revenues are directly correlated to inflation, since its debt is issued mainly in Unidades de Fomento.

• Interest rates

In terms of interest rate, 91.5% of its debt is at a fixed rate, which is composed of long-term bonds (72.2%), reimbursable financial contributions (15.5%) and a portion of loans (12.3%). The remaining 8.5% of debt is at variable rates and corresponds to loans with local banks.

In order to optimize the cost of financing, the company maintains a policy of monitoring and managing the interest rate, which permanently evaluates the hedging instruments available in the financial market.



Climate change risks and opportunities

The subsidiary Aguas Andinas integrates climate-related risks into its corporate risk management system, for which it conducted in 2022 an identification exercise aligned with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). The physical and transition risks identified are currently being monitored and mitigated through various actions.





IAM

## Financial Management

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# Financial management

IAM's financial strategy seeks to ensure efficient and responsible management of investments, seeking to promote green and social financing, the generation of shared value with the company's stakeholders and the dissemination of environmental, social and corporate governance sustainability practices.

## Financial results

The performance of IAM's subsidiaries showed an improvement in 2023 compared to the previous year, consolidating the recovery path initiated in 2022. This result was influenced by factors such as the capture of efficiencies enabled by the Avanza+ initiatives, the application of a new methodology to prioritize investments and the polynomial tariff indexations. Also noteworthy were the increases in revenues from domestic services (10% in potable water and 8% in wastewater), as well as in other sanitary revenues (22.6%) and non-sanitary revenues (17%), especially from engineering related to the extension of Line 7 of the Santiago Metro. The solid cash generation allowed us to keep indebtedness in line with our objectives and ensure the development of the investment plan foreseen for the year, which totaled \$166,726 in the year. Finally, the debt experienced a lower revaluation due to the variation of the Unidad de Fomento and financial income grew as a result of a better interest rate.

As a result, the profit for the year 2023 increased 58% year-on-year to \$65,277 million pesos.

### FINANCIAL SUMMARY (in millions of \$)

As of December 31	2019	2020	2021	2022	2023
Potable water revenue	193.821	195.788	205.176	231.961	255.428
Sewage revenue	229.779	219.124	229.805	265.582	287.315
Other regulated revenue	13.018	13.004	13.821	21.070	25.626
Other non-regulated revenue	47.707	50.853	57.656	61.854	72.286
<b>Total Revenue</b>	<b>484.325</b>	<b>478.769</b>	<b>506.458</b>	<b>575.465</b>	<b>640.856</b>
Operating income <sup>(1)</sup>	234.668	161.453	192.181	214.498	240.599
<b>Income for the year</b>	<b>69.918</b>	<b>48.225</b>	<b>48.990</b>	<b>41.320</b>	<b>65.277</b>
Total assets	2.273.846	2.419.031	2.501.822	2.651.930	2.696.476
Short-term liabilities	242.608	245.463	249.137	266.626	362.517
Long-term liabilities	1.072.110	1.059.920	1.138.295	1.274.907	1.175.813
Minority interest	364.587	419.527	420.425	418.601	442.179
Equity attributable to owners of the controller	594.540	694.121	693.965	691.794	715.850

(1) Ordinary income - consumption of raw materials and secondary materials - personnel expenses - depreciation and amortization - impairment losses - other miscellaneous operating expenses

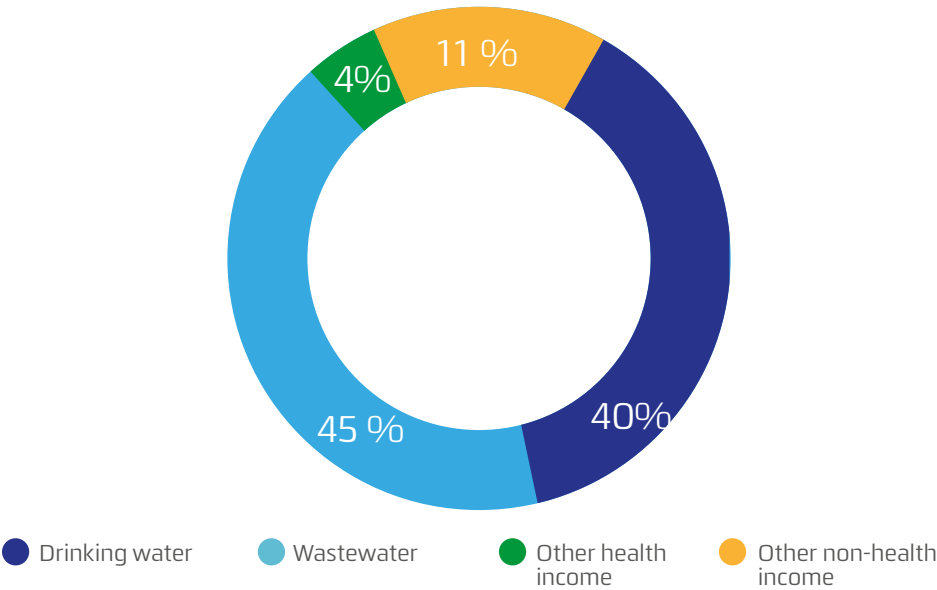




OPERATIONAL BACKGROUND

As of December 31	2019	2020	2021	2022	2023
Total potable water customers	2.132.607	2.169.426	2.207.344	2.257.165	2.306.152
Total sewage collection customers	2.089.505	2.125.918	2.162.909	2.212.631	2.261.448
Total water accrued (millions of m³)	559,4	533,9	535,7	524,3	526,0
Wastewater collection accrued (millions of m³)	536,0	511,3	514,2	503,7	504,5
Accrued wastewater treatment and disposal (millions of m³ )	461,8	440,6	443,6	435,9	468,7
Sewerage interconnection accrued (millions of m³)	128,8	124,7	124,3	120,2	118,7
Total drinking water coverage	100,0%	100,0%	100,0%	100,0%	100,0%
Total wastewater collection coverage	98,8%	98,8%	98,8%	98,8%	98,8%
Total wastewater treatment coverage	100,0%	100,0%	100,0%	100,0%	100,0%

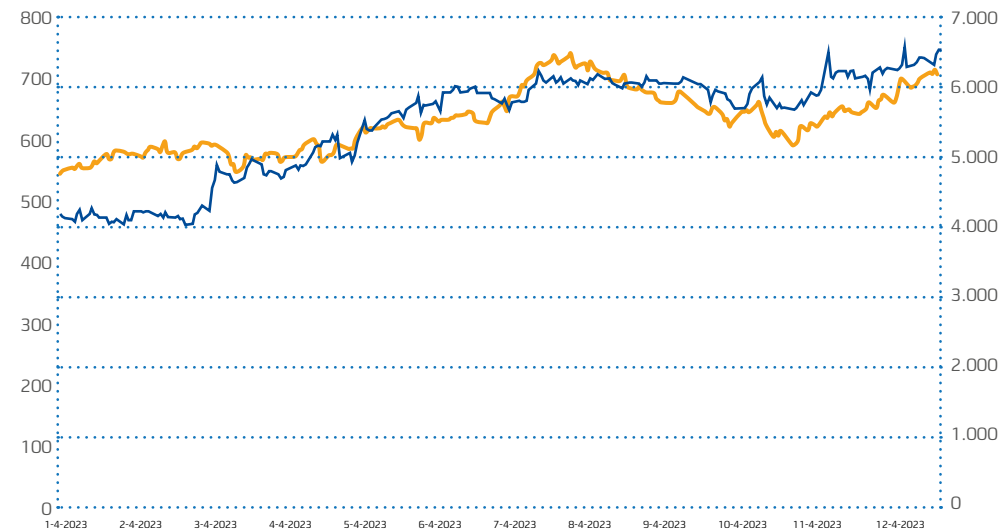
Distribution of service revenues in 2023



Ebidta

years	Millions of Pesos
2019	284.349
2020	233.976
2021	261.386
2022	294.322
2023	316.703

Stock market performance IAM 2023



IAM share price increased by **54,5%**  
IPSA increased by **20,7%**

IAM share price  
IPSA

Risk ratings

IAM's bylaws determine the company's dividend policy, which consists of distributing 30% of the distributable net income for the year, unless the shareholders unanimously agree to distribute a lower percentage. However, if the sum of the distributions of dividends or capital received in cash by the subsidiary Aguas Andinas S.A. during the year, less operating and non-operating expenses and provisions for the year that should be made according to applicable accounting standards, is an amount that exceeds 30%, the company must distribute this excess as an additional dividend, within 60 business days following the respective Ordinary Shareholders' Meeting, up to the total amount of distributable net income for the year.

# Management and policies

## Dividend policy

IAM’s bylaws determine the company’s dividend policy, which consists of distributing 30% of the distributable net income for the year, unless the shareholders unanimously agree to distribute a lower percentage. However, if the sum of the distributions of dividends or capital received in cash by the subsidiary Aguas Andinas S.A. during the year, less operating and non-operating expenses and provisions for the year that should be made according to applicable accounting standards, is an amount that exceeds 30%, the company must distribute this excess as an additional dividend, within 60 business days following the respective Ordinary Shareholders’ Meeting, up to the total amount of distributable net income for the year.

### Dividends (\$ per share)

\$ per share	2019	2020	2021	2022	2023
Book value	594,54	694,121	693,965	691,794	715,849
Profit	69,918	48,225	48,990	41,320	65,277
<b>Paid Amount</b>	<b>65,5216 <sup>(1)</sup></b>	<b>52,262 <sup>(2)</sup></b>	<b>52,319 <sup>(3)</sup></b>	<b>38,02575 <sup>(4)</sup></b>	<b>43,27843 <sup>(5)</sup></b>

<sup>(1)</sup> Includes two items: an interim dividend of \$21.656 per share, on account of 2018 earnings, paid on January 25, 2019; and a final dividend of \$43.8656 per share, corresponding to the 2017 profit distribution, paid on May 28, 2019.

<sup>(2)</sup> Includes two interim items: One of \$22.262 per share, on account of 2019 earnings, paid on January 23, 2020; and the other of \$30.00 per share, paid on December 18, 2020, on account of 2020 earnings.

<sup>(3)</sup> Includes two items: a final dividend of \$32.278 per share, on account of 2020 earnings, paid on May 24, 2021, and an interim dividend of \$20.041 per share, paid on November 11, 2021, on account of 2021 earnings.

<sup>(4)</sup> Includes two items: a final dividend of \$20.49075 per share, on account of 2021 earnings, paid on April 1, 2022, and an interim dividend of \$17.535 paid on December 21, 2022, on account of 2022 earnings.

<sup>(5)</sup> Includes two items: a final dividend of \$23.23753 per share, on account of 2022 earnings, paid on May 4, 2023, and an interim dividend of \$20.0409 paid on December 20, 2023, on account of 2023 earnings.



### Distributable income

Ítem	Year 2023 ThCh\$
Net income for the year 2023	65.277.258
Accumulated distributable income	52.821.240
Interim dividends on account of 2022 profit	-20.040.900
Remaining distributable profit	98.057.598
Dividends distributed as a % of net income for the year	30,70%





Secondary market share transactions

Stock Exchange

2023	Average Price (\$)	Units	Amount (\$)
Total 1º quarter	484,06	53.938.641	26.470.426.345
Total 2º quarter	613,39	48.256.528	29.702.602.521
Total 3º quarter	678,77	61.888.133	41.995.796.855
Total 4º quarter	685,54	37.475.565	25.318.279.098
Total 2023	615,4383	201.558.867	123.487.104.819

Electronic stock exchange

2023	Average Price (\$)	Units	Amount (\$)
Total 1º quarter	487,98	12.062.354	5.844.434.851
Total 2º quarter	614,67	3.877.282	2.383.258.060
Total 3º quarter	676,27	5.771.952	3.903.369.287
Total 4º quarter	674,71	4.419.183	2.981.676.329
Total 2023	613,4075	26.130.771	15.112.738.527

Ownership interest of directors and senior executives 31.12.2023

Name or Company Name	Issuer				Custody Brokerage	Issuer re- gistration	Related	Position
	IAM		Aguas Andinas					
	Shares	%	Shares	%				
Inversiones y Rentas Liguria Ltda	80.235.215	8,02%	–	–		X	Maria José Uauy Cúneo	Director
Inversiones y Asesorías Iculpe Ltda	5.607.953	0,56%	–	–	X	–	Ignacio Guerrero	Director
Ignacio Guerrero	184.000	0,02%	–	–	X	–	Ignacio Guerrero	Director
María Joanna Queriolo	955.412	0,10%	–	–	–	X	Maria José Uauy Cúneo	Director
Juan Bautista Cuneo	772.155	0,08%	–	–	–	X	Maria José Uauy Cúneo	Director
Giorgianna Cúneo Queirolo	534.747	0,05%	–	–	–	X	Maria José Uauy Cúneo	Director
Paola Cuneo	503.991	0,05%	–	–	–	X	Maria José Uauy Cúneo	Director
Inversiones Mejana Limitada	575.365	0,06%	–	–	X	–	Andrés Muchnick	Director
Inversiones Aliestar Chile Limitada	185.354	0,02%	–	–	X	–	Alberto Muchnick	Director
Inversiones y Asesorías Garinim Limitada	100.000	0,01%	–	–	X	–	Andrés Muchnick	Director
AYF Inversiones SpA	320.000	0,03%	–	–	X	–	Andrés Muchnick	Director
Asesorías e Inversiones el Maestro	85.923	0,01%	20.006	0,00%	X	–	Sebastian Oddo	Secretary of the Board



# Management and policies

## Supplier management

The supplier companies of IAM and its subsidiaries fulfill several strategic functions for the group's operation, such as the maintenance of networks and civil works, the supply of network products and chemical supplies, the operation of the Contact Center, meter reading and distribution of bills, among others.

In relation to the management with its suppliers, IAM, together with its subsidiaries, commits its entire supply chain to sustainable development, promoting fair and responsible relations with suppliers, complying with corporate management standards and timely payment rules, as well as promoting fair competition in bidding processes. These principles are gathered in the following documents:

- Supplier Policy: Specifies the commitments in relation to its suppliers.<sup>6</sup>
- Purchasing Policy: Provides the guidelines for the procurement of goods and the contracting of services.
- Supplier Decalogue: Establishes the expected behavior of all suppliers of goods and services of the group<sup>7</sup>.

In addition, each year the company applies an internal quality survey to the services provided by its main suppliers, with an evaluation scale from 1 to 7. Those with insufficient marks must submit improvement action plans, the effectiveness of which is evaluated by the contract manager in charge of the service. The areas evaluated are quality management, compliance, environmental, energy, occupational health and safety, business continuity, labor inclusion, gender equality, human rights and work-life balance.

For better control, all the group's suppliers must periodically update critical information on their services, including environmental and safety indicators, on a digital platform. Keeping this data up to date is a requirement for the release of payments. In addition, the group's healthcare companies carry out on-site audits and supervisions, especially in the works that present the greatest risks, with a focus on occupational safety.

**Aguas Andinas, Aguas Cordillera and Aguas Manquehue are certified under the Propyme seal, granted by the Ministry of Economy, which commits to pay suppliers classified as pymes (SMEs) within a maximum of 30 days from the date of acceptance of their invoices.**

**Two suppliers each account for more than 10% of total supplier spending by 2023."**

### Key Facts 2023

**1. On November 22, 2023, the CMF was informed that:** On this date, in Ordinary Meeting No. 11, the Board of Directors of the Company unanimously agreed by its members present, to distribute among the shareholders the amount of CLP\$20,040,900,000, as an interim dividend, on account of the profits for the year 2023. In view of the above, the Company's interim dividend number 40 will amount to the sum of CLP\$20.0409 per share and will be payable as of December 20, 2023.



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<sup>6</sup> More information at <https://portalproveedores.aguasandinas.cl/proveedores/home/politica-de-proveedores>  
<sup>7</sup> More information at <https://portalproveedores.aguasandinas.cl/proveedores/home/decalogo-proveedores>





## ESG strategy and performance

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ESG strategy and performance

IAM companies promote a long-term strategy focused on the sustainable development of the city, the well-being of people and care for the natural environment, which also integrates the best ESG practices of its controlling groups -Agbar and Veolia-, recognized for being at the forefront of the industry worldwide. At the same time, the strategy is aligned with the criteria of the circular economy and the 17 Sustainable Development Goals (SDGs) defined by the UN for the year 2030. To materialize it, a roadmap was drawn up in 2017, the last update of which took place in 2021. On that occasion, goals for the year 2024 were incorporated that address new issues related to the country's social problems and more profound actions to address the effects of climate change.

Strategic approaches					
Resilience	Circular Economy	Sustainable investments	Digitalization and innovation	New forms of leadership and work	Positive social value
Challenges					
To guarantee the supply for the urban water cycle, with special emphasis on current and future conditions of water scarcity and extreme events associated with the climate crisis, through the development of projects that, with a medium- and long-term outlook, consider water efficiency, promote alternative water sources, protect ecosystem services, advance in nature-based solutions, and promote efficient water demand by consumers.	To be leaders in climate action, contributing to the global goal of limiting global warming to 1.5°C with the implementation of the 2030 decarbonization plan, energy efficiency projects, a waste management plan and the development of a carbon-neutral strategy.	To ensure an efficient investment management that allows us to deliver an excellent service through a responsible investment plan aimed at adapting to the climate crisis, promoting green and social financing, having a positive impact on all of the company's stakeholders, promoting the development of SMEs and disseminating our environmental, social and corporate governance sustainability practices.	Redesign processes with the aim of increasing the efficiency and digital transformation of the company, promoting R&D&I projects, an active digital management and connection of the operation, the improvement of customer experience and the availability and transparency of information.	Promote a culture of leadership and new ways of working through the incorporation of new profiles, the promotion of Smart Work and equal opportunities, guaranteeing the safety and occupational health of internal and external workers, and always ensuring their labor satisfaction.	Strengthen relationships of trust and collaborate with universal access to potable water through the promotion of community dialogue, dissemination of climate action and water care, and support for collaborative social investment projects.
Objectives					
<ul style="list-style-type: none"><li>- Implement a strategy to adapt to climate change, strengthening operational resilience.</li><li>- Protect and restore the biodiversity of ecosystems as a measure to adapt to climate change.</li><li>- Generate alliances to raise awareness about the responsible use of water.</li><li>- Promote water reuse.</li></ul>	<ul style="list-style-type: none"><li>- Reduce and offset GHG emissions to limit temperature increase to 1.5°C.</li><li>- Achieve energy sustainability by optimizing process consumption and increasing the consumption of renewable energy</li><li>- Achieve zero waste to disposal by promoting waste reuse and valorization.</li></ul>	<ul style="list-style-type: none"><li>- To be a sustainable company.</li><li>- Establish an investment strategy with a positive social and environmental impact.</li><li>- Procurement management with ESG criteria.</li><li>- Green and social financing and investment optimization for the company's growth and operational resilience.</li></ul>	<ul style="list-style-type: none"><li>- Promote R&amp;D&amp;I and be a leader in innovation in the water and environment sector.</li><li>- Be a leading company in an Industry 4.0 context.</li><li>- Lead the digital connection with customers and improve the user experience.</li><li>- Evolve in data management.</li></ul>	<ul style="list-style-type: none"><li>- Attract and retain talent for the current and future needs of the organization.</li><li>- Promote new ways of working.</li><li>- Implement equal opportunities, creating inclusive and diverse environments that promote the well-being of workers.</li><li>- Strengthen a new style of leadership that is transformational, change-driven, collaborative, challenging and inclusive.</li><li>- Promote well-being and ensure occupational health and safety</li></ul>	<ul style="list-style-type: none"><li>- Strengthen relationships of trust with different stakeholders based on transparency, dialogue and collaboration.</li><li>- Lead and disseminate Aguas Andinas' environmental commitment and its active work to address global warming.</li><li>- Collaborate in access to drinking water and sanitation in urban and rural areas, proposing innovative and sustainable solutions.</li><li>- Contribute to projects of shared value and community benefit.</li></ul>

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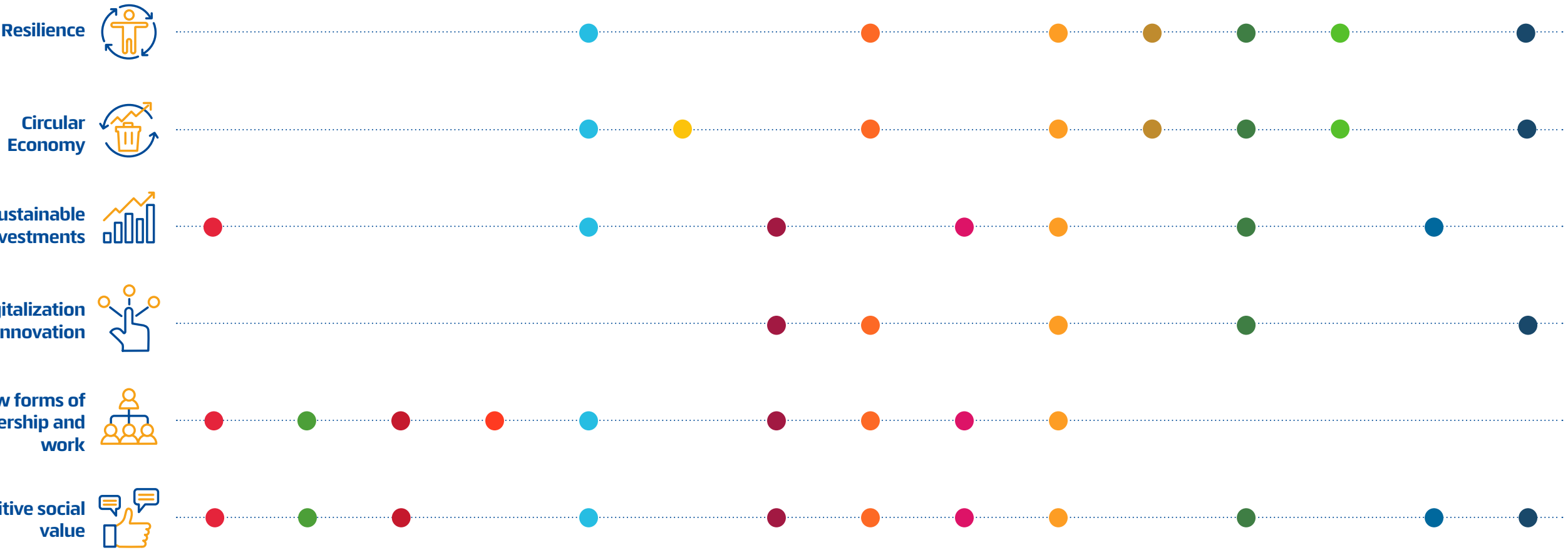
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Alignment of the strategy with the SDGs





# Resilience

## Biocity Plan: facing the climate crisis

The Biociudad plan, launched at the end of 2023, contains a series of initiatives organized into five pillars of action to proactively address the challenges of the climate crisis. Several of its actions were already underway and made significant progress during the year.

Investments in resilience infrastructure over the last decade helped ensure that none of the nine events of extreme turbidity recorded in 2023 required massive supply cuts. Only on January 9, due to rains in the high mountain range, there was a limited outage in a sector of Chicureo, which lasted for a few hours during the night. The rapid construction of an additional well for the Chamisero water treatment plant avoided having to stop production during the following extreme events of the year.

### Infrastructure investments

Pillar	Proyect	Progress in 2023	Estimated cost
New sources	<b>Maipo Return</b> Construction of a pipeline that will transport up to 3,000 l/s of treated water from Mapocho-Trebal to the first section of the Maipo River to exchange it for raw water used by farmers in that area as part of the agreement signed in 2021 between the company and seven irrigation associations.	The preliminary engineering design was completed and progress was made on the environmental impact study.	\$ 150.000 million
Resilience	<b>Maipo Alternative Water Collection and Piping</b> New intake in the first section of the Maipo River, further upstream than the current Independent Intake, from where 25 m3/s of water with low turbidity levels will be sent to the production plants through a series of works that will be interconnected with other existing ones, without the flow mixing with the turbid waters of the river during extreme weather events. Thus, the current 37 hours of drinking water supply autonomy will be extended to at least 48.	On November 16, 2023, Aguas Andinas submitted the project to the Environmental Assessment Service, where it must complete its processing. The construction of the pipeline will be carried out using the "tunnel liner" method, which produces fewer negative impacts on the environment.	\$ 70.800 million
Increased groundwater use	<b>Bicentenario pond</b> Pond located in Vitacura's Parque Bicentenario to store water from four wells on the Américo Vespucio Oriente axis. Its purpose is to maximize the use of these facilities and provide the districts of Vitacura and Las Condes with an additional supply to the Mapocho River, whose flow is less than that of the Maipo and has been greatly reduced by the effects of climate change.	It was inaugurated on November 15.	\$ 8.500 million
	<b>West Santiago wells</b> It covers a battery of 12 wells distributed in the communes of Estación Central and Lo Prado.	Under study phase.	To be determined
Nature-based solutions	<b>Infiltration trenches</b> Construction of 18 ditches (2,780 m in total) in the Aguas de Ramón park, which channel rainwater to 26 drains (wells) that infiltrate the water table to recharge it. The system has the capacity to infiltrate about 1,400 m3 per hectare per year.	The pilot was successfully completed and the initiative is expected to be extended to six similar projects in 2024.	Not reported.

Responsible use

Another of Biociedad’s work pillars aims to make more efficient use of water resources and sanitation infrastructure in Greater Santiago. This encompasses the entire cycle of raw water extraction and drinking water production, from how the region’s natural sources are managed to the commercial distribution of the water produced and its consumption.

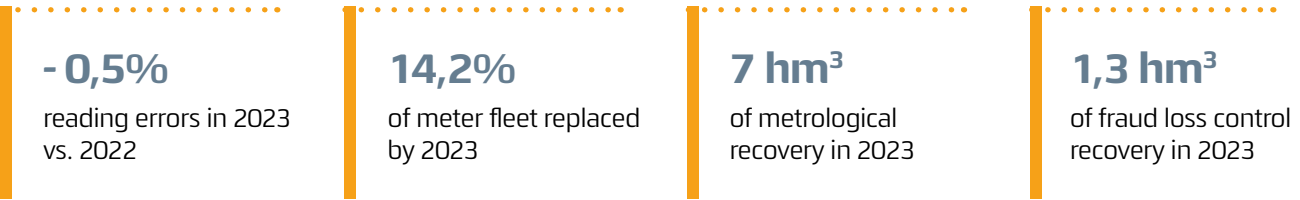
	Scope of work	Initiatives	Progress in 2023
Raw water from the source	Improved watershed management	<p>The Aguas Group companies participate in the oversight boards of the first sections of the Maipo River, the Mapocho and the Arrayán estuary. This collaborative work has made it possible to improve management through online monitoring of the flows captured at the users’ intakes and water balances with the data recorded by the software implemented, among other measures.</p> <p>In addition, a dispatch table was established for the canal associations of the first section of the Maipo to voluntarily transfer their surpluses to the company during periods when operations are halted or when their base demand is covered, so that it can be used for human consumption responsibly and efficiently.</p>	<p><b>60 hm3 of additional raw water</b> per year have been gained for human consumption thanks to the dispatching table.</p> <p><b>8%</b> of the Grupo Aguas potable water production in 2023 was realized with surface resources transferred at the dispatching table.</p>
Raw water from the source	Advanced well management	Since 2022, Aguas Andinas has been implementing a plan to rehabilitate wells and increase the efficiency of their performance through sensorization and online control, with the goal of extracting more water at a lower operating cost. The plan is to intervene 285 wells until 2025.	<p><b>97 wells</b> intervened by the end of 2023.</p> <p><b>1 m3/s</b> of flow gained, which in one day is equivalent to the average monthly consumption of 65,000 families.</p>
Raw water	Reduction of losses in raw water pipelines from their sources to the drinking water treatment plants.	<p>Since 2017, the measurement of losses in the Laguna Negra Cordillerano Aqueduct (ALNC) and in the different raw water channels has been reinforced. The maximum portage of each pipeline was also defined to avoid overflows and weekly inspections of critical points are carried out.</p> <p>For the maintenance of the ALNC, multi-year investment plans were established and improvements and piping of some sections of the canals have been carried out.</p>	<p><b>40 hm³</b> of raw water per year have been recovered thanks to these measures.</p>
Process Water	Efficiency gains within drinking water production plants	<p>A series of actions have been implemented to reduce process water losses<sup>1</sup> at the drinking water treatment plants, such as structural improvements in sluice gates, automation of pre-decantation unit purges and installation of macro meters.</p> <p>In 2023, the Vizcachitas-Tagle and Padre Hurtado plants continued to renew filters and the system for washing them, all of which helps to save process water. A project to recirculate water for filter washing is also being studied.</p>	<p>The Vizcachitas-Tagle plant filter renovation project is <b>70% complete</b>.</p> <p>The renovation of filters at the Padre Hurtado plant is <b>55% complete</b>.</p>
Potable water without pressure	Management of drinking water aqueducts and regulating reservoirs	<p>To avoid overflows in the aqueducts, since 2019 their operational control has been optimized with adjustments to the demand prediction model and measurement systems to keep a daily balance. More recently, inspections began to be carried out with a submersible robot to diagnose the condition of critical sections.</p> <p>In the regulation tanks, operational controls and monthly balances were implemented to avoid overflow losses.</p>	<p>Between 2021 and 2023, cumulative water loss was reduced by half in aqueducts and by a quarter in primary ponds, placing it within the global industry range.</p>
Pressurized drinking water	Water Efficiency Plan (matrices and minor networks)	<p><b>Greater control of the network</b></p> <p>Since 2016, technologies have been incorporated to monitor flows and pressures, as well as the use of Aquadvanced, a platform for the operational management of the network in an integrated manner with the company’s other platforms.</p> <p>In 2023, a daily operational follow-up team was added from the Aguas Andinas Control Center, with the support of an analysis team, to monitor the performance of actions and quantify their results.</p>	<p>As a result of these measures, it has been possible to optimize service conditions for customers and to visualize the sectors with higher than expected loss levels.</p>
		<p><b>Leak detection</b></p> <p>In 2022, a project was launched to triple the capacity to detect non-visible leaks caused by the natural deterioration of the network using new methods and technologies. Of particular note is the incorporation of acoustic detection equipment and others that use tracer gases (helium).</p> <p>For more accurate diagnostics, a project is being implemented to subdivide the network into district metering areas (DMA<sup>2</sup>). Sensors, macro meters and other technologies are being installed in these smaller sections to monitor inflows and outflows, among other parameters, so that data can be compared with those obtained in neighboring DMAs.</p>	<p><b>5,325 km</b> of network traveled on average in 2023 and 2022, 80% more than in 2021, before the plan.</p> <p><b>14,870 leaks</b> repaired in 2023, almost six times more than in 2021.</p> <p><b>886 l/s</b> of water recovered in 2023, 306% more than in 2021.</p> <p><b>40% progress</b> of the network sectorization plan in DMA by the end of 2023.</p>
		<p><b>Increased network renewal</b></p> <p>The information gathered through network sensorization has made it possible to accelerate the pace and accuracy of interventions. In addition, a methodology is being applied to prioritize investments focusing on leakage risks.</p>	<p><b>44,82 km</b> of drinking water network renewed in 2023, 10% more than in 2022 and 87% more than in 2021.</p>

1 That which has already gone through the mechanical processes, but not the chemical processes, so that it has no turbidity, but is not yet potable. It is used for the preparation of chemical inputs, filter backwashing and the washing of pre-decantation and decantation units.  
2 District meter areas.



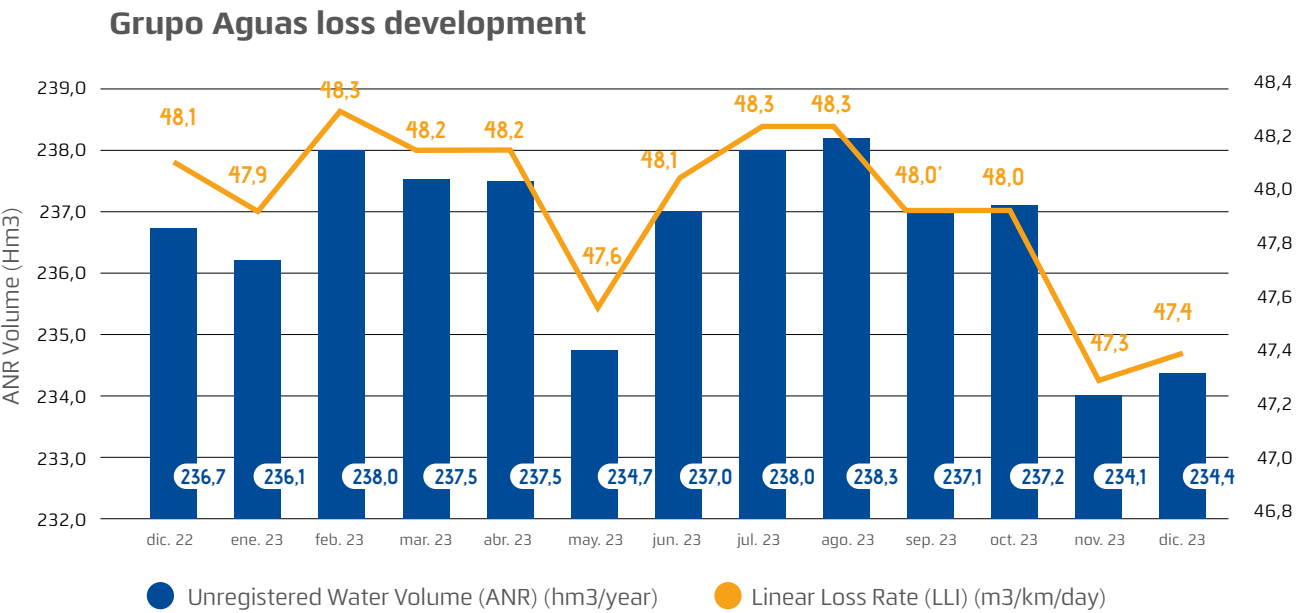
• Commercial apparent loss management

To improve efficiency in the measurement of customer consumption and avoid billing errors, starting in 2022 the replacement rate of volumetric meters will be doubled. The goal is to replace some 400,000 units in three years (2022-2024), 30% of the fleet, reducing metrological loss from 6.4% to 4.2% and the average age from 11.4 to 9.9 years. As a complement, the inspection rate was increased to detect and deter fraud, and a BI (Business Intelligence) model was created to optimize meter management, a strategy that includes a consumption analysis bot that minimizes the possibility of errors.



• Results

The implementation of the water efficiency plan has made it possible to control the increase in non-revenue water - the percentage of total potable water produced that is not recorded - stabilizing it at around 30% since 2022, with a slight drop in 2023. The challenge for the future is to achieve more pronounced reductions. Meanwhile, the linear loss rate (LRI) - the cubic meters lost per kilometer of network each day - has shown a downward trend since 2019, the year in which the results of the efficiency plan began to materialize.



End-consumer awareness

Since a comprehensive solution to water scarcity also involves end consumers, Aguas Andinas has deployed a series of actions to promote the responsible use of water in the community:

- **Public awareness campaign:** The company has been alerting residential consumers about the consequences of the drought for years with information campaigns through its digital networks and mass media.
- **Aguas Andinas Water Efficiency Award:** The company established in 2023 a recognition for companies and institutions that achieve significant water savings through measures that are an example for other organizations. In 2023 the institutions recognized were the Municipality of Ñuñoa, Enx, the Pontificia Universidad Católica de Chile and Mall Plaza.
- **Alliances with municipalities:** In 2023, the second phase of the Territorial Clean Water Efficiency Production Agreement signed by Aguas Andinas and the Municipality of Lo Barnechea a year earlier entered its second phase. This stage considers defining reduction goals for schools, universities, commerce and other actors in the commune. In addition, the IAM subsidiary participates in the Local Water Council of Las Condes, composed of the mayor of the commune and the governor of the Metropolitan Region, among other members. The body was constituted in January 2023 and held quarterly sessions. In addition, in September a collaboration agreement was signed with that municipality that establishes voluntary reduction goals for Aguas Andinas customers.
- **Climate change tariff:** The company promotes the adoption of a system of tariffs defined according to progressive brackets and differentiated by consumption level, to encourage savings. According to the Global Water Intelligence database, out of a sample of around 600 cities, 63% have progressive tariffs.



# Circular economy

To collaborate with the mitigation of the climate crisis, the group’s companies have developed a circular economy model that allows them to maximize efficiency in water and energy consumption, make use of the by-products of their processes and reduce their carbon footprint. It also promotes partnerships and collaborative work with other stakeholders in water management in its concession area.

At the core of this model are the biofactories, a novel concept that the company introduced in 2017 to the global environmental services industry. Unlike traditional purification plants, which consume external energy and produce waste, the biofactories use a series of technologies to valorize the byproducts of wastewater treatment, aiming at energy self-sufficiency and not generating waste or environmental impacts in the long term. The company has two of these production centers, La Farfana and Mapocho-Trebal, together with another 15 smaller plants.

## Infrastructure investments

Water purification	Valorization of biosolids for agriculture	Energy generation				
<p>Some 1.3 billion liters per day of wastewater reach these treatment facilities through the sewage network, without passing through the Mapocho River or other waterways. Once treated and cleaned, the water is returned to natural watercourses, suitable for agricultural irrigation and industrial activities, complying with legal standards.</p> <p><b>+468.7 million m<sup>3</sup></b> of treated water in 2023.</p> <p><b>45.7 million m<sup>3</sup></b> of treated water reused in 2023</p> <div><table><tr><td>80%</td><td>20%</td></tr><tr><td>Agricultural use</td><td>Others</td></tr></table></div> <ul style="list-style-type: none"><li>• Transferred to canal operators: 36,642,039 m<sup>3</sup></li><li>• Transferred to Anglo American: 5.177.637 m<sup>3</sup></li><li>• Internal irrigation: 171,727 m<sup>3</sup></li><li>• Internal processes: 3,670,105 m<sup>3</sup></li></ul>	80%	20%	Agricultural use	Others	<p><b>100%</b> of the organic waste separated from the water during the purification process is used in agriculture and regeneration of degraded soils.</p> <p><b>2/3</b> are used directly as biosolids, after undergoing a series of quality controls.</p> <p><b>1/3</b> is subjected to a bio-drying process at the El Rural Biosolids Integral Management Center and is sold as dry fertilizer through the Huechún brand.</p>	<p>LThe biodegradation reactions of organic matter generate biogas, a fuel composed of methane and carbon dioxide that is used for the plants’ boilers and energy production for self-supply.</p> <p><b>63%</b> of the electricity consumed by the Mapocho-Trebal biofactory comes from biogas.</p> <p>At La Farfana, methane is separated from carbon dioxide and injected into the Metrogas network.</p> <p><b>256,350 BTU<sup>3</sup></b> of methane injected in 2023.</p> <p>In <b>2023</b>, a plan was designed for the La Farfana methanization plant to increase its processing capacity by 36%, and the Mapocho-Trebal cogeneration equipment underwent extensive maintenance to ensure that it will continue to produce electricity for years to come.</p>
80%	20%					
Agricultural use	Others					

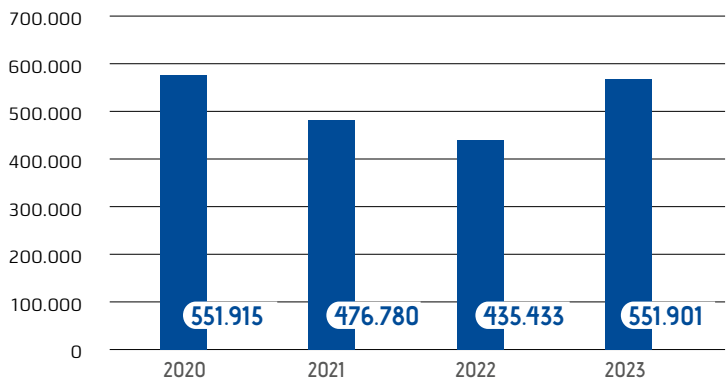
3 BTU = British Thermal Units



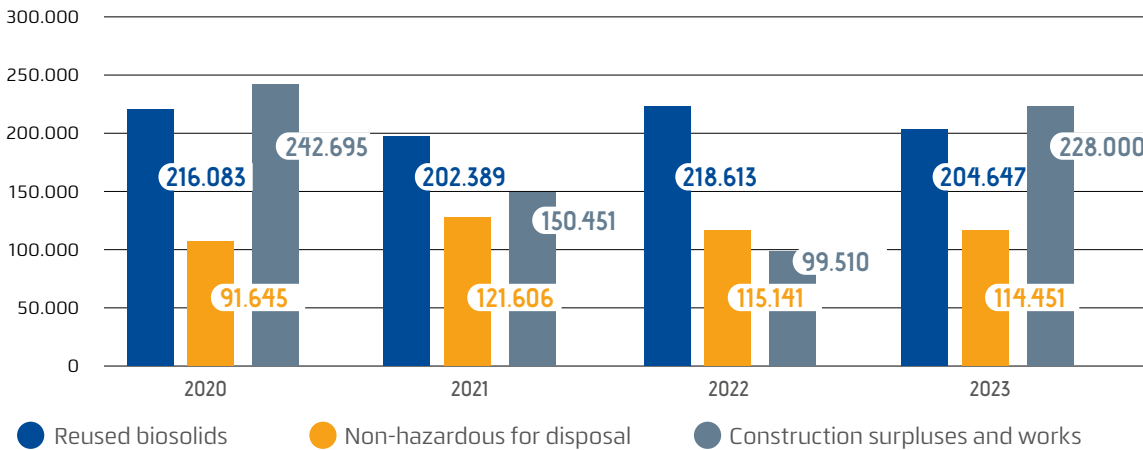
Waste management

Aguas Andinas applies its circular economy model in all its processes, seeking to reduce, reuse and revalue its waste. The use of biosolids for agriculture and soil regeneration is one of the main steps in that direction, but metals contained in materials that used to be considered waste, such as chlorine cylinders and disused pipes, are also recovered.

Total waste generated (tons)



Non-hazardous waste generated (tons)



Hazardous waste in 2023 (t)	
Total treated	Total transferred to secure landfill
230,5	200

12.493 t was the total amount of waste disposed of in 2023.

5.721 t was the total amount of waste taken to landfill in 2023.



# Decarbonization and energy sustainability plan

In 2019 Aguas Andinas became the first company in the sanitation sector worldwide to establish emissions reduction targets approved by The Science Based Targets Initiative (SBTi) , with a scientific basis and the ambition to limit the average global temperature increase to 1.5°C, in accordance with UN guidelines and the Paris Agreement. To achieve these goals by 2030, the Avanza+ program incorporated in 2023 a work front focused on energy, with three pillars of action:

- **Energy efficiency:** Reduce consumption ratios in processes, with emphasis on those with higher levels, such as groundwater extraction, drinking water lifting plants and larger wastewater treatment plants. This also seeks to comply with Law 21,305 on energy efficiency.
- **Renewable energy generation:** Evaluate projects to maximize production at existing facilities, with the goal of achieving a positive balance between renewable energy generation and company consumption.
- **Commercial optimization:** Evaluate projects with potential to achieve better prices in each operational process and in energy sales.

Aguas Andinas is among the six companies located in the quadrant of low exposure and high preparedness for climate change according to the report Radiography of corporate vulnerability to climate change, carried out by the SCX Climate Exchange of Santiago. The study, which was presented at COP28, evaluated the 110 leading companies in Chile according to their sales. In terms of footprint measurement, decarbonization ambition, compliance with emission reduction targets and acceleration via residual footprint offsetting, the company ranked second in terms of best performance, together with seven other companies.

## Energy efficiency

Driven by the increased extraction of water from wells, energy consumption is on the rise, as are energy prices, which have increased by 15% to 20% each year. This has a significant and permanent impact on the cost structure. In fact, this variable already represents around 15% of the company's annual budget. On the other hand, Law 21,305 commits the company to a 4% reduction in energy intensity by 2026, with 2021 as the base year. In this context, Aguas Andinas has proposed to reduce the kWh consumed in all its processes, especially in the most energy-demanding ones.

## Well efficiency

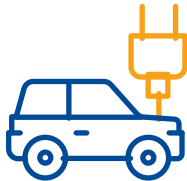
Not only has subway extraction increased, but also groundwater levels have dropped as a result of the drought, increasing the energy used in this process by 12%. Thus, obtaining water from wells already represents 25% of the energy consumption in the entire water cycle. Consequently, a plan is being implemented to make the performance of the wells more efficient through the application of sensors that record a series of parameters, including the energy used, and online controls. Between the beginning of the 2022 plan and the close of the reported fiscal year, 97 wells have been intervened out of a total of 261 contemplated until 2025.

8,1 GWh  
achieved consumption  
savings by the end of  
2023.

The biofactories are certified under the ISO 50001 Energy Management System standard. In 2023, the audit was carried out to renew the certification, which was extended until 2026.

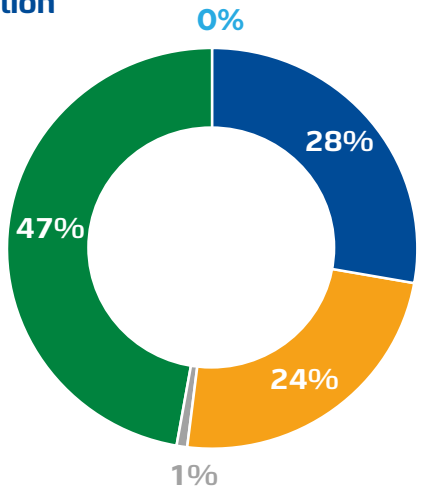
## Efficiency in drinking water lifting plants

Lift plants account for another 25% of energy consumption in the water cycle. However, they present stable conditions that make it possible to model their operation, monitor them and propose improvements to their operation and maintenance. For this reason, the company initiated a plan to measure equipment performance in order to prioritize those that need to be intervened and evaluate possible equipment changes. The goal is to reduce energy consumption through this program by about 600,000 kWh per year.



Energy consumption

- Drinking water production
- Transportation and distribution
- Collection
- Wastewater treatment
- Buildings



**83,3%**  
of the energy used in 2023 came from renewable sources, 7 percentage points more than in 2022.

**100% of the energy**  
that supplies the biofactories is renewable through contracts with energy companies.

Carbon footprint measurement

The company quantifies its greenhouse gas (GHG) emissions for the stages of production, transportation and distribution of drinking water, wastewater collection and treatment, and in non-productive buildings, which are verified by a third party in accordance with the guidelines of the GHG Protocol standard and the ISAE 3410 standard, Assurance Engagements on Greenhouse Gas Statements.



**39%**  
**63,3 kton CO2e**  
Direct emissions  
(Scope 1)

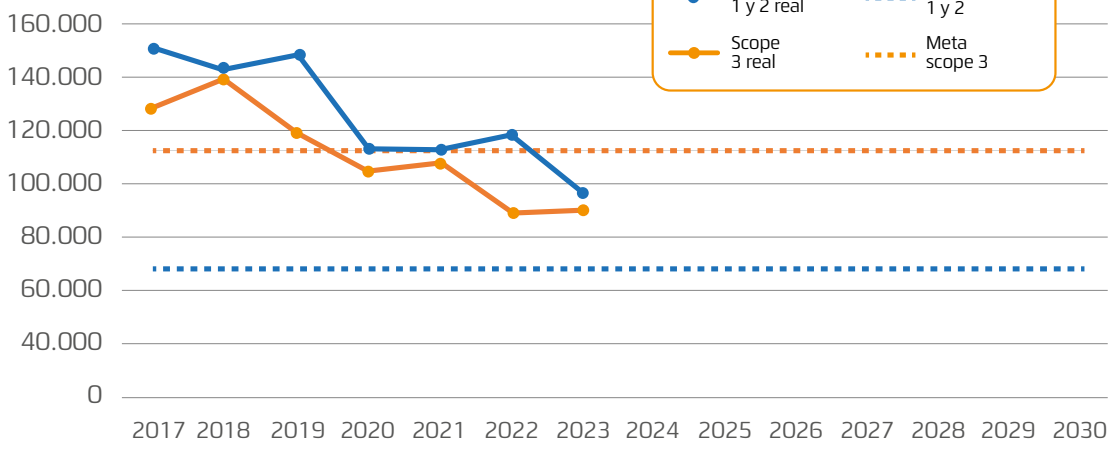


**14%**  
**24,58 kton CO2e**  
Indirect emissions related  
to electricity consumption  
(Scope 2)



**47%**  
**74,1 kton CO2e**  
Other indirect  
emissions  
(Scope 3)

GHG emissions trajectory





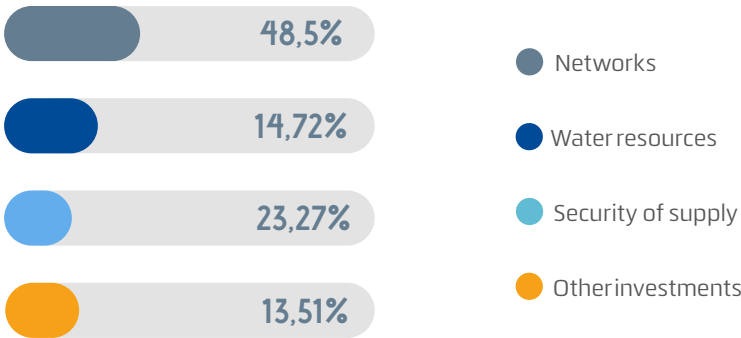
# Sustainable Investments

For years, IAM’s sanitation subsidiaries have been promoting an ambitious investment plan that includes both projects committed to with the SISS in the Development Plan and initiatives that the group considers necessary to continue optimizing its operations and delivering its services with the required quality and continuity. In 2023 it presented the Biociedad plan, with a battery of new projects to strengthen the resilience and water security of Santiago, so it is projected that investment levels will remain high in the coming years.

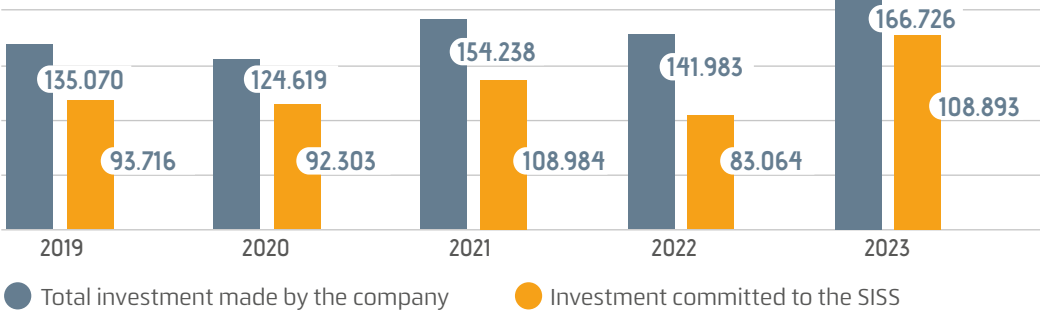
On the other hand, economic sustainability has always been a priority objective, which implies a strict control of indebtedness and profitability. Striking a balance between both needs will continue to be one of the company’s management focuses, in order to ensure the financial strength that has enabled it to obtain solvent credit ratings and access to financing.

Therefore, as part of Avanza+, a monthly Capex committee was established to analyze and prioritize long-term investment requirements, and a methodology is being applied to prioritize projects of different types (mandatory, to avoid operational risk or to improve profitability). With these and other data, in 2023 we began to design a strategy for the coming years, which will maintain the company’s commitment to include ESG criteria in its financing lines, whether through green and social bonds as in the past or other instruments.

## Investments in 2023 \$166.726 Millions



## Investments committed by the SISS versus investments made (millions of pesos)



## Financial indicators (in millions of pesos)

	2022	2023
Total assets	2.379.350	2.423.351
Short-term liabilities	265.797	361.672
Long-term liabilities	1.274.661	1.175.540
Minority interest	30	31
Equity attributable to owners of the controller	838.862	886.108



## Risk ratings

In 2023 Fitch Ratings and ICR ratified Aguas Andinas’ local credit rating and public debt issues at AA+ with stable outlook, while Standard & Poors ratified its international rating of A- with stable outlook, based on the company’s solid business profile, revenue growth, investments in production and autonomy to strengthen supply, and a conservative and stable credit profile over time, with an operating cash flow that allows it to finance the distribution to its shareholders and a large part of its investments.





# Digitalization and innovation

The challenges faced by IAM’s healthcare companies require a high degree of innovation, which is fostered within the organization with a strategy updated in 2023 and a system for the search for new solutions, with three main objectives:

- Water resources and climate change adaptation
- Strengthening operational resilience
- Sustainable development and shared value

The Innovation area of Aguas Andinas is in charge of developing the entire process, providing support to project leaders, their sponsors and the Innovation Committee -composed of the Assistant Manager of Innovation and representatives from various areas-, along with maintaining contact with the technology ecosystem in search of new project opportunities. Progress in this area is reported to the Board of Directors of Aguas Andinas every six months.



## Project portfolio

The group’s innovation focuses on applied research and experimental development of new products or processes. One of the main lines of work is the inspection program for drinking water and sewage networks, which encompasses several initiatives to obtain a complete diagnosis of pipelines under demanding conditions -high-speed flows, poor visibility, slopes- without the need to interrupt service.

Proyect	Development	Results
Robotic inspection of aqueducts	In alliance with Maquintel, a local robotics start-up, it consists of the development of a submersible ROV <sup>5</sup> to inspect the three large aqueducts that supply drinking water to Santiago. It was evaluated between 2020 and 2021 and is in the scaling-up phase.	<b>65% of the aqueduct network</b> has been diagnosed with this system, generating large savings.
Rapid assessment of the sewerage network with acoustic technology	It was validated on 25.3 km of network with very good results in terms of efficiency and diagnostic accuracy.  Its use became widespread as of November 2023.	Helps design more effective and focused maintenance programs where infrastructure renewal is most needed.
Artificial intelligence for video processing in sewer inspections	After an international search for alternatives to automatically process the images captured during inspections, the company and Fluid Robots adapted a solution that showed very good performance in the industrial validation stage. It is already in the scaling-up phase.	<b>Diagnostics 10 times faster</b> and much more reliable than those performed by human operators.
Inspection and diagnostic system for large sewage pipelines	In partnership with Maquintel and with the support of Corfo, a robotic inspection system was developed to monitor the interior of large collectors while they are in operation, providing world- class operational and structural diagnostics. The project was validated in 2023 and started the scaling-up phase.	<b>90% of the large sewers</b> can be inspected by the new robotic system under actual operating conditions.

## Innovation awards

**In 2023 Aguas Andinas obtained first place in the Utilities category in the Most Innovative Companies ranking, prepared by El Mercurio, ESE Business School Chile and MIC Business Consulting, taking into consideration dimensions of innovative processes such as strategy, culture and leadership.**

**In addition, the Innovation Club awarded Aguas Andinas in the category Innovation with Impact of the Year for leading projects that highlight its commitment to sustainability and have a positive impact on climate change adaptation, among them, the Huechún fertilizer.**

**Another noteworthy distinction was awarded by the School of Biochemical Engineering of the Pontificia Universidad Católica de Valparaíso to the company for its trajectory and leadership in research.**

5 Remotely operated vehicle o vehículo operado de manera remota.

Digital transformation



Significant gains in efficiency and closeness to customers have been achieved thanks to the digitalization of operations. In this area, one of the work fronts is data governance, with the goal of systematizing the use of information in a single, traceable database to ensure its timely availability and correct use. Another area of action is the expansion of telecontrol of the facilities, which will make it possible to automate operations. In the area of customer service, the digitalization of contact channels is one of the strategic pillars, since it facilitates the resolution of requirements and provides more information on users to manage their needs.



Scope of action	Initiatives	Results
Data Governance	<b>Automated regulatory reporting</b> Thirteen initiatives are being developed to optimize data governance, including the design of a governance model and a mechanism to generate automatic regulatory reports with digital verification based on information stored in a single repository.	<b>7 directorates and 4 subsidiaries</b> were already generating reports through the new system by the end of 2023, which helped expedite the submission of tariff studies.
	<b>Single repository of network information</b> There are several initiatives aimed at integrating data on the condition and operation of the networks into a single platform in order to have the best possible information on the parameters that have an impact on the deterioration of the pipelines.	The concentration and organization of information in a central repository made it possible to segment the network into district metering units (DMA), one of the initiatives of the Water Efficiency Plan.
Telecontrol	<b>Automation of Punta de Águilas Plant</b> In 2023, the company completed the start-up of the automation of this drinking water production plant of Aguas Manquehue. Thus, since December 2023 it has been operating without operators. It is the first of the group to reach this standard. The possibility of automating other plants is under study.	It has allowed for a more adaptable operation to the climate crisis and greater efficiency in the use of chemical inputs.
Customer experience	In February, a new version of the Aguas Andinas app was launched, giving more visibility to the main customer transactions.	<b>30,000 transactions</b> per month were conducted through the app in 2023.
	Changes were introduced in the virtual office to facilitate automatic bill payment (PAC) and more banking platforms were integrated to offer new payment options (Itaú and Banco Estado were added in 2023).	<b>6,000 new PAC enrollees</b> in the first three months. <b>1,100,000 clients</b> enrolled in the virtual office by the end of 2023, 86% more than before the pandemic.
	Video-call customer service continued to gain ground. As a pilot plan, in some agencies they were implemented for claims that cannot be resolved by the local agents.	<b>+ 400 videocalls</b> were scheduled per month in 2023.





### Data privacy and cybersecurity

The development of digital channels has been accompanied by greater protection of customer, employee and supplier information. To this end, the company has a Comprehensive Security Policy and an Information Security Management System incorporated into corporate risk management. A team of specialists monitors the channels that provide data and regularly evaluates the risks that may affect information assets. In the event of situations that put information privacy at risk, business continuity plans are activated. To involve all personnel, there is an annual cybersecurity training plan. In addition, privacy practices are included in the design of projects and bids, and in 2023 all the controls required by the Computer Crimes Law (21,459) were implemented. Progress in these matters is reported periodically to the General Management and the Board of Directors. The reports include a summary of cyber-attacks, challenges and achievements for the period.

- Aguas Andinas is the first company in Chile to have ISO 27001 certification on information security, version 2022. It is also PCI DSS 2.0.<sup>6</sup> certified.
- In 2023, four audits were conducted, covering the review of policies, procedures, incident response and controls for data handling and leakage, compliance with regulations (ISO 27001 and PCI standards) and effectiveness of the training plan. The audits were conducted by external firms.
- In 2023, there were no incidents or complaints of privacy violations or loss of customer data, nor were there any information leaks.

6 Payment Card Industry Data Security Standard.







# New forms of leadership and work

## Endowment

The Biociudad plan, launched at the end of 2023, contains a series of initiatives organized into five pillars of action to proactively address the challenges of the climate crisis. Several of its actions were already underway and made significant progress during the year.

- **The well-being of people and their families, contributing to their occupational health and safety and to an adequate work-life balance;**
- **training and improving their employability;**
- **a good working environment, based on an organization open to diversity and the contribution of all, without discrimination and seeking gender equity.**



**Grupo Aguas personnel by gender as of December 31, 2023**

Corporation	Women	Men	Total
Aguas Andinas	295	1072	1367
Aguas Cordillera	13	108	121
Aguas Manquehue	1	12	13
Ecoriles	20	244	264
Hidrogística	15	58	73
ANAM	108	185	293
Aguas del Maipo	0	2	2
IAM	1	3	4
<b>Total</b>	<b>453</b>	<b>1684</b>	<b>2137</b>

94,94%

of our personnel have permanent contracts.

100%

works full time.

88,65%

of the total are unionized.



## IAM Diversity Table

4 people are employed by IAM:

Gender	Age	Length of service in the company	100% of the IAM endowment
Men 3	Between 30 y 40 years old 1	Less than 3 years 1	Has a permanent contract
Women 1	Between 51 and 60 years old 2	Between 3 and 6 years 1	It has a full working day
	Between 61 and 70 years old 1	More than 12 years 2	No disabilities
			Are Chilean

## Collective bargaining

In 2023, collective bargaining took place with the three largest unions of Aguas Andinas, with approximately 1,200 members. In one case a non-regulated process was carried out and in the other two it was decided to follow the procedure established by law. Agreements were reached with all of them within the legal deadlines, in a climate of cooperation and dialogue, which demonstrates the high degree of maturity that labor relations have reached in the company. Among the agreements contained in the new collective bargaining agreements are improvements in professional development scholarships and variable income options.



Cultural transformation

One of the great challenges is to increase the company’s adaptive capacity, making work methods more flexible, developing new leadership profiles in line with the challenges of the hybrid mode and reinforcing internal commitment, a key factor for competitiveness.

Scope	Initiatives in 2023	Results
Labor flexibility	<b>New policy for hybrid work mode</b> The company published its Hybrid Work Policy, which consolidates the system of three days of face-to-face work and two days of telework (3 x 2), regulating definitions, scope and digital disconnection times, among other issues.	<b>25% of IAM’s subsidiaries’</b> staff operated in hybrid mode at the end of 2023
Commitment and work environment	<b>Evaluation and leadership training</b> The competencies that the company’s leaders should develop to ensure an optimal hybrid experience for all members of their teams were defined. Then, a 360-degree evaluation was carried out to identify any shortcomings that leaders -from the head of the company to management- may have with respect to these competencies, after which workshops and training sessions were held to strengthen the required aspects. This process will continue in 2024.	<b>62 leaders</b> were evaluated and then participated in training sessions and hybrid leadership workshops.
Customer experience	<b>Great Place to Work Survey</b> Aguas Andinas again participated in this survey to measure the level of satisfaction of its workers, a process that resulted in a work plan to address the findings.	<b>72%</b> was the percentage of satisfaction, 2 percentage points higher than the target. <b>76%</b> of employees responded to the survey <sup>7</sup> .

Talent management

In 2023, key expert knowledge needs for the business were identified from the performance evaluations that feed a large part of the development of people within the company, in order to acquire, transfer or retain it, depending on the case. Based on these results, mentoring for experts and succession and career development plans for current and future positions will be designed in 2024.

To meet the demand for expert knowledge in the future, an internship plan was also established and, in parallel, the company participated as an employer brand in several job fairs and maintained agreements with higher education institutes, such as Inacap and DUOC. This is a central guideline for Veolia, which invited Aguas Andinas to a global project to define the attributes that should strengthen the group’s subsidiaries in each community to attract young talent.

A two-dimensional matrix was implemented to identify critical and expert positions.

50% of the addresses identified their expertise in 2023.

A total of 146 critical positions were defined, equivalent to 19% of the total number of positions, which will be prioritized in the retention matrix.

7 The measurement included job satisfaction, purpose, happiness in relation to work and stress, among other items.







## Performance evaluation and development programs

Each year a performance evaluation process is carried out, designed to determine the competencies that need to be strengthened and to identify those who have the potential to meet the needs of the business, seeking to ensure a balanced representation of women and men in positions of responsibility. The process includes multidimensional<sup>8</sup> and management-by-objectives evaluations<sup>9</sup>.

- **95%** of the staff participated in performance evaluations in 2023 and 20% were rated as high potential.

## Internal mobility

One of the objectives of Grupo Aguas is that each employee can develop a challenging and motivating career within the organization. To this end, training programs and talent maps encourage internal mobility. Vacancies are advertised on the intranet and mentoring is offered to employees with promotions who have not yet led teams. In 2023, the Promotion and Internal Mobility Policy was updated.

- **307** vacancies occurred in Grupo Aguas in 2023.
- **41%** of vacant positions were filled by internal candidates (vs. 33.4% in 2022).

## Training

In 2023, the contents of the corporate induction program were reformulated and a program for contract managers was rolled out, the first version of which was attended by 29 participants. In addition, a system was implemented to measure the effectiveness of the training programs. At the close of this report, Veolia was in the process of opening the Veolia training platform for its new Chilean subsidiaries, which will give them access to a much broader vision of crucial issues for the sanitation industry worldwide.

- The average investment in training per worker in 2023 was **\$282,622**, 44% more than in 2022.
- The total investment in training was **\$586 million**, 29% more than in 2022.
- **97,325** hours were the total hours of training, 6% more than in 2022.
- The average number of training hours received by each individual was **47.02**, exceeding the annual target of 42 hours and the 2022 average (45.1).

8 A system in which employee performance is evaluated using a variety of data, not just the objectives set by a manager. This may include an evaluation of how the employee meets the values and objectives of the area or company, receiving feedback from peers, direct subordinates and other employees where a "360 degree" view of employee performance is provided.

9 Systematic process where employees have predefined, measurable goals that are collaboratively set at least once a year in conjunction with their line manager and routinely followed up on.





### Diversity and inclusion

For IAM, diversity and inclusion offer a competitive advantage in the sustainable development of the business, in addition to allowing it to put its corporate vision and cultural values into practice. With this framework, the healthcare subsidiaries have been applying a Diversity and Inclusion Policy<sup>10</sup> since 2018 based on four pillars - gender equity, cultural diversity, inclusion of people with disabilities and sexual diversity - and which is embodied in annual plans under the responsibility of the Diversity and Equality Committee, composed of 13 people from different areas. In 2023, we worked more intensely on the pillars of gender equity and inclusion of people with disabilities.



Pillar	Initiative	Results 2023
Gender equity	<b>Expansion of Chilean Standard 3262</b> In 2023 Aguas Andinas was recertified in Chilean Standard 3262 on Gender Equality and Work-Life Balance, version 2021, along with extending the scope to the Santa Olga, La Florida and Las Vizcachas plants, and two operating centers: Lo Gallo and Lo Prado.	24 sites certified in NC 3262, corresponding to 60% of Aguas Andinas, 20 percentage points more than in 2022.
	<b>Female leadership</b> The blind résumé system continued to be applied in the selection process for executive positions, so that applicants are qualified exclusively on the basis of their work merits. The final shortlist must include at least one female applicant who meets the required profile.  The company has also adapted its recruitment and selection processes so that at least 50% of new STEM (science, technology, engineering and mathematics) recruits are women, an indicator that is monitored on a monthly basis.	<b>58.3%</b> of new STEM hires were women, 27.3% more than in 2022.
	<b>Wage gap</b> The group has a Compensation Policy that defines annual hiring, promotion and evaluation procedures according to criteria based on equity and non-discrimination. This policy applies to the entire organization, including directors and senior executives.	There was no gender pay gap in favor of men in 5 out of 8 areas, and in 2 the gap was less than 10%.
	<b>New breastfeeding room</b> The group's first breastfeeding room was inaugurated, which has the privacy, comfort, infrastructure and sanitation standards suitable for the extraction and maintenance of breast milk, as well as for breastfeeding. It is located in the corporate building and was recognized in the last NC 3262 audit. This is in addition to the bonus granted by the company for the payment of kindergarten for mothers and legal guardians of children up to five years of age.	
Inclusion of people with disabilities	Four company employees were certified as labor inclusion managers by Chile Valora <sup>11</sup> , in compliance with Law 21,275.  The strategic alliance with Fundación Descúbreme <sup>12</sup> was maintained to facilitate the necessary procedures for workers with disabilities to qualify for the social benefits to which they are entitled.	<b>1.5%</b> of the staff is made up of people with disabilities, more than the 1% required by Law 21.015.

10 Available at: <https://www.aguasandinas.cl/web/aguasandinas/comunidad-y-personas>  
11 More information about Chile Valora at: <https://www.chilevalora.cl/>  
12 More information about Fundación Descúbreme at: <https://www.descubre.me/>

Benefit programs

In addition to the regular salary, Aguas Andinas offers benefits to directly improve the quality of life, health and welfare of workers and their families. In this area, no distinctions are made by type of contract and many have been agreed as collective bargaining agreements. In 2023, we continued to offer the Integral Physical and Mental Health programs -with preventive medical checkups carried out on the premises of the group’s companies-, Estar Bien -with talks, gymnastics breaks and psychological support, among other benefits-, sports branches and study scholarships. In addition, there is a complementary health, life and dental insurance plan, which covers 100% of the cost of these benefits, and there is an annual influenza vaccination campaign.

- 26 active sports branches in 2023 with 683 people enrolled at the end of the year.
- 11 campuses with gymnastics breaks twice a week.
- 329 people with psychological accompaniment at the end of 2023.
- 40 undergraduate scholarships to begin, continue or conclude technical or university studies awarded in 2023. including people continuing their studies.
- 20 postgraduate scholarships on business-critical subjects awarded in 2023.

**Flexible leave and flexible working hours for education and care reasons.**

**The company adapts the schedules of those who work exceptional shifts so that they can complete their higher education in an optimal manner. On the other hand, those who are caring for people with serious illnesses are given the option of teleworking.**

Occupational health and safety

IAM is committed to the safety and well-being of its employees and its subsidiaries. Occupational health and safety (OHS) management in its sanitation companies is focused on reducing occupational accidents and occupational diseases, also maintaining the goal of zero fatal and serious accidents. These purposes are reflected in Aguas Andinas’ Occupational Health and Safety Policy<sup>13</sup> (2021), which is based on risk control, a positive approach to health and safety, and a proactive culture of self-care and protection of others.

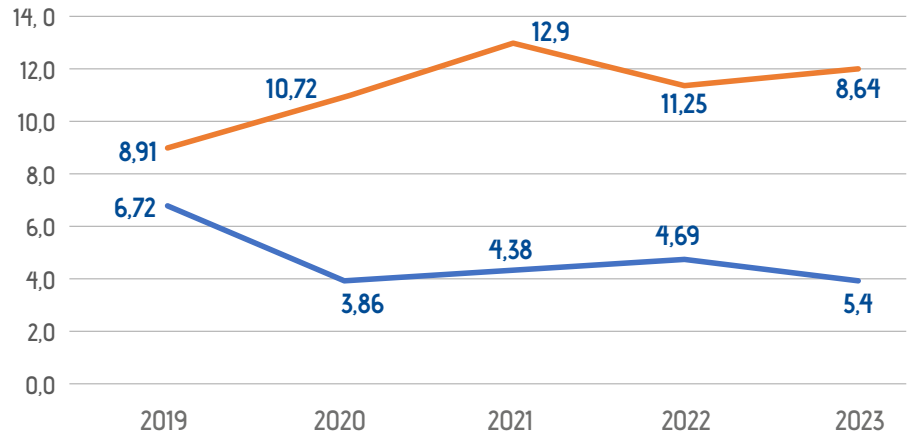


The OHS programs of Aguas Andinas, Aguas Cordillera, Aguas Manquehue and ANAM have been certified under the ISO 45001 standard, which covers 100% of the employees of these companies.



13 Its Spanish version is available at: <https://www.aguasandinas.cl/web/aguasandinas/sistemas-de-gestion>  
Its English version is available at: <https://www.aguasandinasinversionistas.cl/-/media/Files/A/Aguas-IR-v2/policy-documents/en/ga010002-occupational-health-and-safety-policy.pdf>





Accident frequency index (IF)

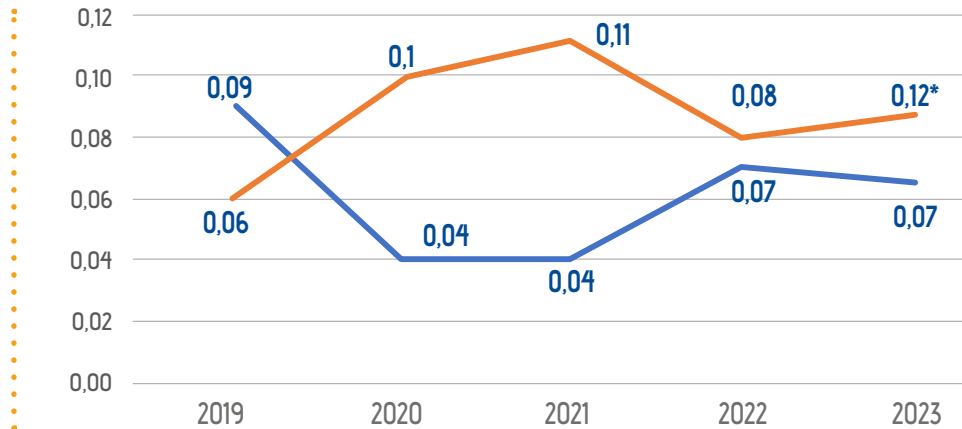
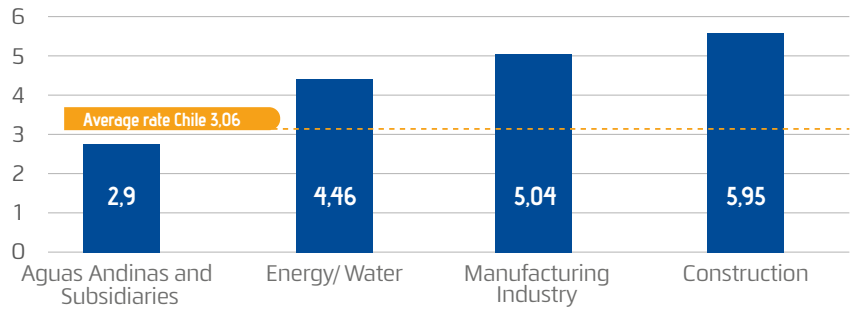
Frequency index (FI):  
(No of accidents ÷ actual HH worked) x 1.000.000

- IF own employees
- IF contractor workers

Main risks

Risk identification and assessment are critical activities to define the necessary controls for each activity. In this regard, all workers can report hazardous acts and conditions to their joint committees and management. Work in confined spaces continued to be the main risk to which the company's personnel are exposed within its facilities. However, through appropriate controls, their levels have been kept below the maximum levels established by Supreme Decree 594 on basic sanitary and environmental conditions in the workplace.

Comparative Accident Rate by Industry in Chile



Severity Index (IG)

Severity Index (GI):  
(Days lost ÷ actual HH worked) x 1.000

- IF own employees
- IF contractor workers

\*The increment is due to the increase in lost days related to public safety accidents, which corresponds to 34% of the 0.12% of the total.

Own employees		
0 fatalities and 0 occupational diseases by 2023	23 accidents involving own employees, 3 accidents more than in 2022	511 days lost due to occupational accidents, 209 more than in 2022
Contractor workers		
0 fatalities and 0 occupational diseases by 2023	80 contractor worker accidents, 13 fewer than in 2022	616 days lost due to contractor of contractor occupational accidents, 37 fewer than in 2022

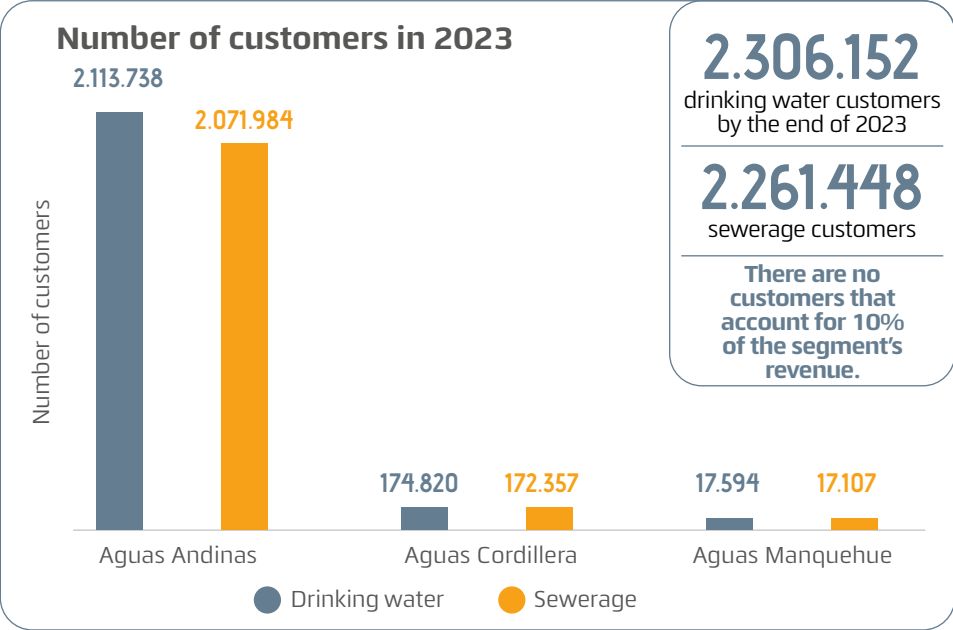




# Positive social value

## Commitment to our customers

The company recognizes that the viability of the business depends on meeting the needs of drinking water supply and sanitation for all people and organizations covered by its concession area, services recognized by the UN as a human right. For this reason, it is committed to the continuous improvement of their availability, quality and safety, and to integrating the social dimension in all its activities. These requirements imply an open dialogue with customers, based on accurate information, respect for the rules on commercially sensitive information, transparency of the procedures implemented and respect for the rules of competition.



## Quality of services

IAM's sanitation companies are ISO 9001 certified, which covers the entire cycle of production and distribution of drinking water, wastewater treatment, maintenance of the infrastructure involved and customer-related processes (requirements, billing, collection, collections and incorporation of new services).

All water treatment plants have quality control laboratories where samples from the different stages of the process are analyzed. Operators enter sample data into an on-line computer system (LIMS) for centralized evaluation in the process control laboratory. 43 quality parameters are analyzed, grouped into chemical and mineral levels, turbidity and absence of microorganisms, physical characteristics detectable by the senses, and disinfection.

Wastewater monitoring is carried out in accordance with Supreme Decree 90/2000 of the Superintendency of the Environment, which regulates the discharge of pollutants into marine and continental surface watercourses by setting maximum permissible limits



Customer satisfaction

The company continually adjusts its processes to keep up with the ever-increasing demands of its customers. To offer more timely, responsive and accessible service, the company has 19 commercial agencies in the Gran Santiago with self-service facilities, a call center and several digital channels.

In addition, alliances have been entered into with banks, collection companies and supermarkets to increase face-to- face and remote payment options.



Services delivered in 2023

3.974	112.000	1.405.023	3.219.341	2.426	4.530	150
Mobile branch	In-store service facilitators	Contact Center	Virtual Office	Video assistance	WhatsApp support channel	WhatsApp group for specific communities
A vehicle-mounted customer service agency that visits different parts of the city.	Personnel who train clients in the use of the self-support devices.	Telephone contact with artificial intelligence support and executives available 24 x 7.	Website where users can carry out the same procedures as those carried out by the agencies.	Alternative of attention with a specialized executive through a video call that can be scheduled in advance.	New self-support channel available since November 2013.	Created in March 2023 for Aguas Manquehue customers in the Piedra Roja and Chamisero sectors.
On-site service			Remote service			

Territorial management

Created in 2021, the Territorial Management Department of Aguas Andinas is responsible to customers for the technical interventions made by the company in the field to ensure the continuity and quality of service, either preventively or in response to a supply outage. In both cases, the aim is to ensure that the work is carried out as quickly and efficiently as possible, keeping customers always informed. To this end, management has adopted a series of measures in recent years:

Search for technological alternatives to support deployment in the territories and an exhaustive review of the structure in place to respond to contingencies.

Granting greater levels of autonomy to the teams involved in technical assistance in the field.

Implementation of a new model of liaison with contractors in charge of resolving customer requirements in the field, which allows us to be more efficient in the use of resources and to anticipate problems.

Articulation with the Operations, Clients and Planning, Engineering and Construction departments, which work together to resolve in advance situations that could impact the services received by clients.

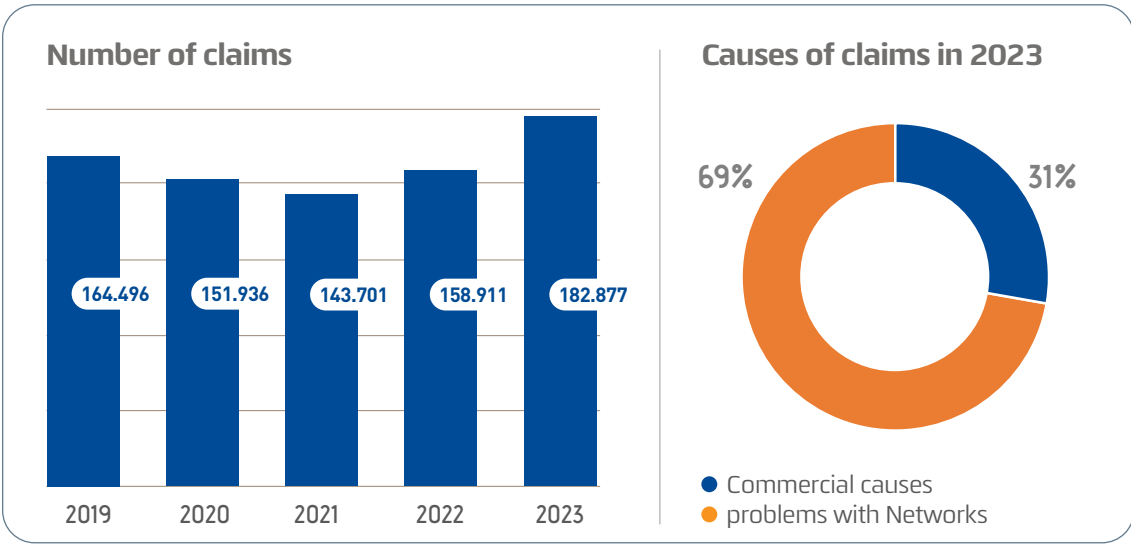
In 2023, a pilot project was also carried out to provide early warning of planned works, calling on civil organizations close to the field work sites. This modality, which strengthens the link with the communities, will be implemented more extensively in 2024.

When outages are unavoidable, Territorial Management uses protocols that indicate the necessary communication actions and how to organize an emergency water supply in coordination with the relevant government agencies (SENAPRED<sup>16</sup> and municipalities). The focus is on customers defined as critical, such as hospitals, which cannot do without drinking water service. These protocols are tested in periodic drills.

16 The Servicio Nacional de Prevención y Respuesta ante Desastres (National Disaster Prevention and Response Service) is the technical agency of the State in charge of planning and coordinating public and private resources for the prevention and response to emergencies and disasters.

Claims management

In addition to its physical agencies and the Contact Center, Aguas Andinas has a virtual help center where customers can express their concerns and file complaints for unsatisfactory service, inappropriate treatment or other reasons<sup>17</sup>. If a customer is not satisfied with the response provided by the customer service channels, he/ she can go to the Grupo Aguas Customer Ombudsman’s Office, which has a specialized team to review the requests submitted in greater depth. In 2023 it handled 514 cases.



Satisfaction surveys

In-house and external measurements are used to monitor its customers’ perception of service quality. The absence of mass outages since 2017 and advances in channel digitization have translated into improved satisfaction rates, achieving its best score to date in the ProCalidad 2023 survey.

SISS Customer Perception Study of Sanitation Company Clients<sup>18</sup>

	Net satisfaction index		Place in the ranking of sanitation companies (total: 23, 2022 and 2023)		Price-quality satisfaction <sup>19</sup>	
	2022	2023	2022	2023	2022	2023
Aguas Andinas	25,4%	35%	16	13	- 6,3%	- 0,4%
Aguas Manquehue	30,2%	33%	14	14	9,3%	- 28,6%
Aguas Cordillera	59,6%	57%	2	3	37,5%	6,2%
Promedio industria	37,6%	41,9%	-	-	-	-

The SISS study is an inspection tool that considers aspects of current regulations and not necessarily attributes of the service valued by customers. In any case, in the last study Aguas Andinas increased almost ten percentage points with respect to the previous measurement. The gap between the company’s image and the price-quality ratio was also smaller than that observed in previous versions. Meanwhile, Aguas Cordillera’s net satisfaction index remained above the industry average, as has been the case for the last six years, while Aguas Manquehue continued the upward trend it has shown since 2019. Both subsidiaries presented an abrupt drop in price-quality satisfaction. The study suggests that it may be founded in the relational indicator.

ProCalidad National Customer Satisfaction Index (INSC)<sup>20</sup>

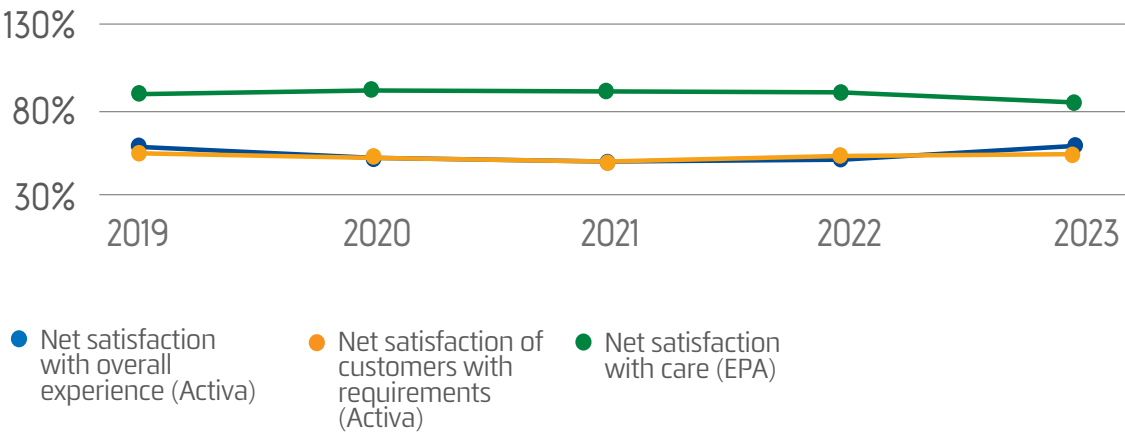
	Net satisfaction 2022	Net satisfaction 2023
Aguas Andinas	44%	53%
Aguas Manquehue	N/A	N/A
Aguas Cordillera	93%	86%

17 Page available at: <https://www.aguasandinas.cl/web/aguasandinas/servicio-al-cliente>

18 Research carried out by the SISS as input for auditing. Available at: <https://www.siss.gob.cl/586/w3-propertyvalue-6426.html>  
19 In satisfaction surveys, respondents are asked to rate the service with a score from 1 to 7. Satisfaction considers the percentage of grades 6 and 7. Net satisfaction is the difference between the percentage of satisfaction (6 and 7) and dissatisfaction (1 to 4).  
20 Initiative of the Praxis consulting firm and Universidad Adolfo Ibáñez.



Internal Surveys: Activa Study of Global and Customer Satisfaction with Requirements / Post-Service Survey (EPA)



Net Promoter Score (Activa)			
Promoters		Detractors	
2022	2023	2022	2023
46%	48%	30%	28%

Clients surveyed			
Overall satisfaction		Satisfaction of Customers with requirements	
2022	2023	2022	2023
5.672	5.820	13.405	13.800

Accessibility

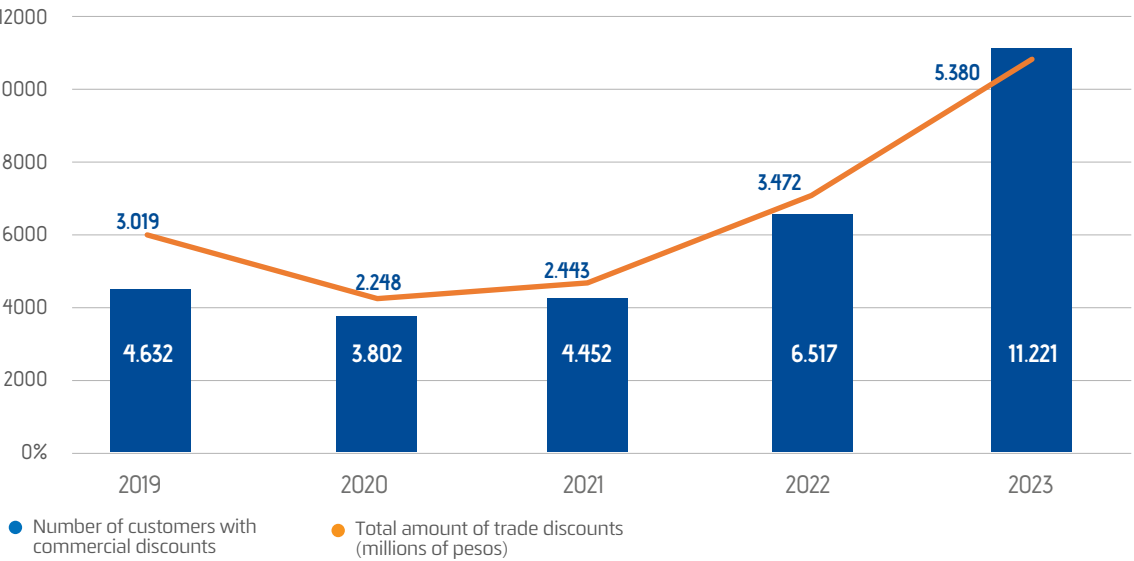
The company considers it essential that drinking water and sanitation services be accessible to all its customers, regardless of their economic situation. For this reason, it offers a series of facilities to regularize overdue debts, in addition to providing guidance in applying for state aid to reach the maximum number of people.

Customer-company agreements

Aguas Andinas ends you a hand

This agreement is available to all Aguas Group customers belonging to the 40% most vulnerable according to the Household Social Registry (RHS). Once signed, the customer pays a minimum of 10,000 pesos in cash and the debt is repayable in 24 fixed installments of 2,500 pesos per month, without interest, which are added to the month's consumption. Once the 24th installment has been paid, the company forgives the remainder of the debt (commercial rebate).

Evolution of Aguas Andinas lends you a hand



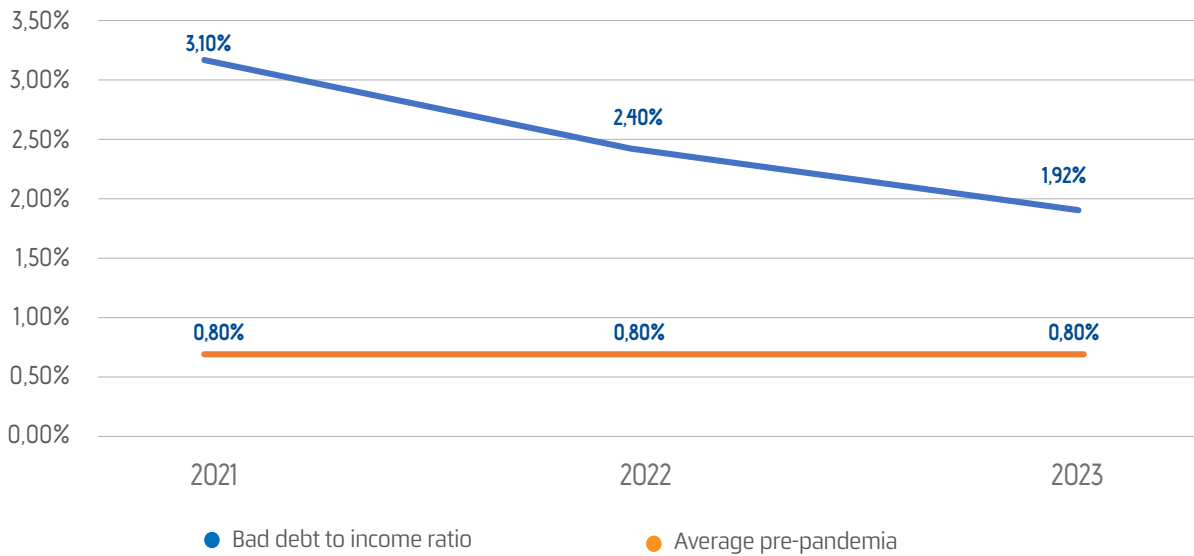
Bad debt management

Unpaid accounts for basic services rose across the board during the Covid-19 pandemic, mainly due to the economic difficulties caused by mobility restrictions and Law 21.249, which prohibited the cut-off of basic services for delinquency. In the case of the group’s healthcare companies, the number of customers with more than four overdue accounts doubled from 100,000 to 200,000. To bring this indicator to pre-pandemic levels, in 2023 digital campaigns were disseminated, inviting customers to find out about the alternatives to regularize debt on the Aguas Andinas website.

Although in 2022 the ban on suspending services for arrears was lifted, this measure has been resumed gradually and segmented, prioritizing dialogue and last resort payment alternatives offered in the field by the contractors in charge of cuts and replacements.



Evolution of non-performing loans



Mapocho Urbano Limpio: the project that recovered a space for Santiago’s residents

The course of Santiago’s most emblematic river has been completely free of wastewater for 14 years thanks to the Mapocho Urbano Limpio project, which involved an investment of more than US\$ 1.2 billion by Aguas Andinas. The work, which took place between 2007 and 2010, included the decontamination of the entire river and the canals that feed it. In addition, treatment plants and a collector tunnel were built to intercept 21 sewage discharges that were formerly discharged directly into the river and generated bad odors in several Santiago districts.

To commemorate this environmental milestone, on November 19, 2023 - World Sanitation Day - the company organized the sixth version of the Aguas Andinas Río Arriba run, which runs along the banks of the Mapocho between the districts of Santiago, Providencia and Vitacura. After four years of absence, the race returned with its traditional ten-kilometer route and another five-kilometer route to include families. In total, more than a thousand runners participated.

The activity included volunteers cleaning the river bed, along with a hopper and several clean points for the collection of waste generated during the event).



Relationship with local communities

IAM’s healthcare companies seek to be increasingly connected to the public with a proactive and permanent community relations model focused on three main areas:

- Liaison with the communities surrounding the production activities: The team in charge of relations is linked to six dialogue tables in which various social organizations participate. In addition, guided visits are made to the company’s facilities.
- An anticipated relationship in the preparation of environmental impact studies.
- The opening of new communication channels to reduce the population’s lack of knowledge about network improvement works.

Social investment

There is an annual budget for social investments, which must comply with preset criteria, including that the projects be linked to the company’s sphere of activity or its contribution to the sustainability of the region.

**21.575 people** benefited from Aguas Andinas’ social programs in 2023, which include a fund for drinking water start-ups and home sewage connections for vulnerable families, educational and training programs, environmental improvement projects for neighboring communities, and competitive funds for grassroots organizations in the municipalities of Maipú, Padre Hurtado, Pudahuel and Tiltil.

**133** social organizations benefited.

**\$ 940** million was added to the company’s social investment in 2023.



# Materiality analysis

## Materiality

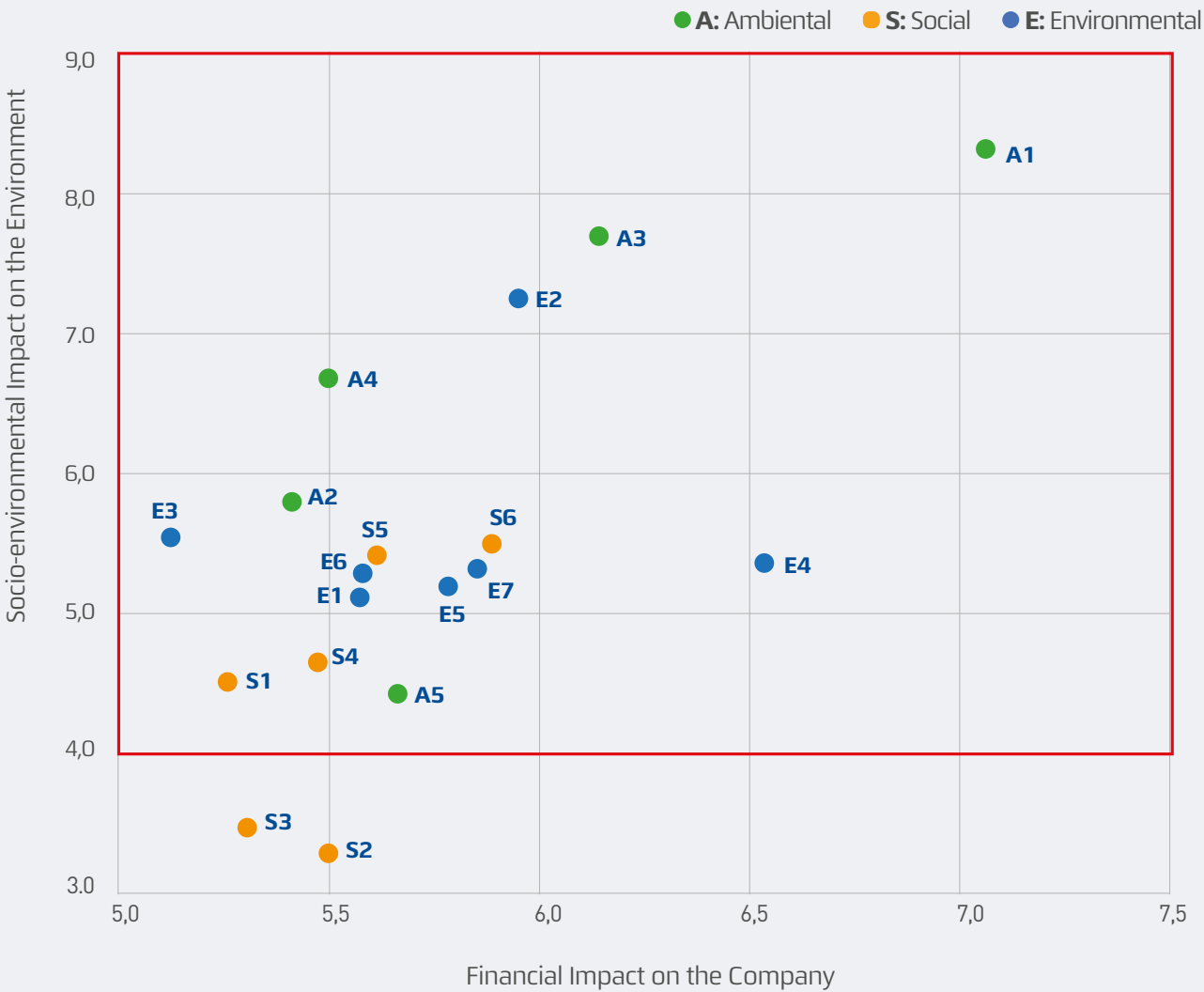
This Integrated Report contains and consolidates information corresponding to the management of Inversiones Aguas Metropolitana and the companies that make up the Aguas Group during the period from January 1 to December 31, 2023 regarding economic, governance, social and environmental matters. Therefore, it reports on the performance in these areas of the parent company Aguas Andinas S.A. and its sanitation subsidiaries Aguas Cordillera S.A. and Aguas Manquehue S.A., as well as the environmental services subsidiaries Ecoriles S.A., Análisis Ambientales S.A. (ANAM), Hidrogística S.A. and Aguas del Maipo S.A.

The definition of the material issues of Inversiones Aguas Metropolitanas and Aguas Andinas and its subsidiaries was carried out in 2022 based on a dual materiality process and methodology, i.e., it identified those issues that may impact both the financial performance of the business, as well as those that the company may cause in its social and environmental surroundings. This process involved a consultation with representatives of all stakeholders of the company and its subsidiaries, internal and external<sup>1</sup>, who were consulted on these impacts based on their probability of occurrence, their magnitude and their condition (positive or negative). The results of this process are shown in the materiality matrix that follows and have been verified externally, as indicated in the corresponding letters from the auditing body.

Acronym	Material Topics 2023
E1	Governance and Integrity
E2	Sustainable Financial Opportunities
E3	Privacy and Cybersecurity
E4	Supply Chain Management
E5	Legal framework, regulations and public debate
E6	Customer Management
E7	Innovation, technology and digital transformation
A1	Water Resource Management
A2	Energy sustainability
A3	Climate Change
A4	Circular economy
A5	Biodiversity and ecosystem services
S1	Diversity, climate and labor relations
S4	Human capital development
S5	Access and affordability
S6	Relationship and impact on communities

1 Accionistas, inversionistas, clientes, proveedores, comunidades y otros grupos.





During 2023, in accordance with its provisions and definitions for the annual review of its material issues, the company followed up on the results and topics in place since the previous year. This was done in order to identify if any area had changed its importance or deepened its impact levels during the 2023 fiscal year, and also to inquire in greater depth about the vision that certain audiences may have of these particular areas. Thus, a semi-structured interview was conducted with investors and an expert in the sanitation industry.

The results of this review and consultation showed that the topic “Water resource management” maintains its position as the topic with the greatest impact in both directions, financial and environmental, especially linked to the company’s ability to ensure the continuity of supply in an environment of increasingly manifest changes in the climate, and to prioritize human consumption of the resource in coordination with other stakeholders in the basin with a stronger focus on water efficiency. On the other hand, the topic “Legal framework, regulations and public debate” could increase its importance and levels of impact, mainly given the beginning of the 8th tariff process for Aguas Andinas and its subsidiaries and the challenges at the investment level faced by the company in the current climate scenario and those expected for the future that must be coordinated with the authorities and other stakeholders. The same tariff process could also mean that the issue of “Access and Affordability” will grow in importance, assuming that it will be a relevant area to consider in the definition of the tariff for the next period and the impacts of the same at the level of socio-environmental context and in the financial management of the company.

Material subject	Location in this report	Key Metrics Roadmap Strategy 2021 - 2024	Impact on the Company	Impact on the environment
Water Resource Management	Chapter 4: “Responsible use” section	Limit unaccounted-for water to 29% by means of the water efficiency plan.	Risk	Availability of water resources for the city’s inhabitants and various watershed stakeholders.
Legal market, regulation and public debate	Chapter 2: Section “Business Risks”.	Promote the implementation of progressive tariffs	Risk	Continuity of service in extreme weather conditions.
Access and affordability	Chapter : Accessibility	Number of agreements and regularization of debts	Risk	Access to water for the socioeconomically vulnerable population.

Both the results of the definition exercise carried out in 2022, as well as the review of material issues in 2023, are presented as an important input for the analysis and corporate risk management processes of the subsidiary Aguas Andinas. Likewise, all the results and reviews, as well as the matrix and the publication of this extract have been submitted to the CODIR of the subsidiary for its knowledge and approval.

For a detailed description of the process of defining the material issues, including the stakeholders consulted, the methodology applied, changes in relation to the previous definition, and the reason for the relevance of each particular issue, among others, please refer to Aguas Andinas’ Integrated Report 2022 (pages 118 to 121).

Affiliation and associations of the subsidiary Aguas Andinas

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The 2022 association memberships were:



IAI CHILE  
Institute of Internal Auditors



Chilean Chamber of Construction



Association of Sanitation Services Companies (ANDESS)



Chilean Chapter of Transparency International (Chile Transparente)



Global Compact



Adolfo Ibáñez University



Action Corporate



Institute of Engineers



CPI Infrastructure Policy Council



Chile 21 Foundation



Chilean Institute of Rational Business Administration (ICARE)



Sociedad de Fomento Fabril



Inter-American Sanitation Engineering Association and Environmental



Business Leaders for Climate Action



Fundación Libertad y Desarrollo



Santiago-Maipo Water Fund



Pride Connection (Fundation Equals)



Institute of Directors Chile



Innovation Club



CAMACOE - Official Spanish Chamber of Commerce of Chile



ACADES Asociación Chilena de Desalinización (Chilean Desalination Association)



Fundación Generación Empresarial



French-Chilean Chamber of Commerce and Industry.



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2. Entity Profile			
2.1	Mission, vision, purpose and values		7
2.2	Historical information		8-10
2.3.1	Control situation		11
2.3.2	Significant changes in ownership or control		11
2.3.3	Identification of partners or majority shareholders		11
2.3.4	Shares, their characteristics and rights	i. Description of the series of shares: In case there are series of shares, it shall describe the characteristics of each one of them and the terms of validity of the corresponding preferences.	11
		ii. Dividend policy: The dividend and/or profit distribution policy, as applicable, that the entity's management intends to follow for the next 2 years should be explained.	43
		iii. Statistical information a. Dividends: regarding dividends paid, if any, the amount paid for interim and final dividends must be stated, and what part corresponds to the profit for the year and retained earnings from previous years. Additionally, a statistic of dividends paid per share in the last three years must be included, breaking down the information by series of shares, if applicable	43
		b. Transactions in stock exchanges: The stock exchanges in which the entity lists its shares must be identified and a summary table must be presented for each market, meaning the jurisdictions in which its shares are listed, indicating for the last year and on a quarterly basis, information regarding price, stock market presence, volume and amounts traded.	44
		c. Number of shareholders: The total number of shareholders registered at the end of the annual period must be reported. In the event that the shareholders include one or more securities deposit and/or custody companies referred to in Law No. 18,876, the total number of shareholders shall be determined by adding those appearing in the company's shareholder registry and those appearing in the list that corporations must prepare and maintain in accordance with Article 26 of the aforementioned Law, for each of the shareholders.	11
2.3.5	Other Securities		Does not apply
3. Corporate Governance			
3.1	Governance framework	i. How the entity seeks to ensure and evaluates the proper functioning of its corporate governance.	23 - 24
		ii. How the entity integrates a sustainability approach in its business; in particular how the entity includes environmental (especially climate change), social and human rights issues in the different evaluation processes and strategic definitions, and how the entity defines the units or persons responsible for these issues.	36 y 47
		iii. How the entity detects and manages conflicts of interest it faces, conducts that could affect free and fair competition, and how corruption, money laundering and financing of terrorism are prevented.	36
		iv. How the entity addresses the interests of its key stakeholders, at least by identifying them and noting the entity's activities that have a direct impact on those groups.	21
		v. How the entity promotes and facilitates innovation and whether it allocates corporate resources to research and development.	57
		vi. How the entity detects and reduces organizational, social or cultural barriers that may be inhibiting the diversity of capabilities, conditions, experiences and visions that, without those barriers, would have occurred naturally in the organization.	63
		vii. How the entity identifies the diversity of skills, knowledge, conditions, experiences and visions that all those who perform functions at different levels of the organization should have, and what are the hiring policies to achieve and preserve such diversity.	61 - 63

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3.2	Board of Directors	<b>i.</b> The identification of each of its members, indicating: the date of their appointment or last reelection as well as the date of their resignation from office, if applicable, and including their profession or trade if they hold the position of president or vice-president and, if applicable, whether they are a director or an alternate director.	25 - 28
		<b>ii.</b> The income of its members on the occasion of their work on the Board of Directors, identifying the origin thereof and presented in comparative terms with the previous year's fiscal year. For these purposes, remuneration must be separated, distinguishing whether it is fixed income (for example, attendance fees), from variable income, which may come from functions or jobs in the same entity other than the exercise of their position or from representation expenses, per diems, royalties and, in general, any other stipend.	30
		<b>iii.</b> A description of the policy implemented for the hiring by the Board of Directors of experts to advise it on accounting, tax, financial, legal or any other type of matters. Regarding the services contracted with the auditing firm in charge of auditing the financial statements, as well as with other entities, which are deemed to be relevant to the annual budget of the Board of Directors due to their amount, the identity of those contracted, the amount paid and the type of services contracted must be mentioned. If this is not appropriate, it must be expressly stated.	24
		<b>iv.</b> A matrix of knowledge, skills and experience of the members of the Board of Directors.	31 - 32
		<b>v.</b> A description of the procedures or mechanisms that have been implemented for the induction of new members, indicating the most relevant matters that have been determined that they should know and understand.	23
		<b>vi.</b> The frequency with which it meets with the risk management, internal audit and social responsibility units, or with the persons responsible for the equivalent functions and with the external audit firm in charge of the audit of the financial statements, indicating the main topics that are addressed in such meetings and indicating whether the general manager or other senior executives participate in them.	24
		<b>vii.</b> A description of how, and with what periodicity, environmental and social issues are reported, especially regarding climate change, and whether these issues are included in strategic discussions and decisions, business plans or budgets, among others.	24
		<b>viii.</b> If the Board of Directors in full or any of its members has made field visits during the year to the different facilities and sites of the entity, in case the entity has them, to become acquainted with aspects such as: the status and operation of those facilities and sites, the main functions and concerns of those who work in them, the recommendations and improvements that in the opinion of those responsible for those facilities and installations it would be appropriate to improve their operation. In addition, it should inform whether the general manager or other senior executives are involved in these activities.	24
		<b>ix.</b> If the Board of Directors regularly evaluates its collective and/or individual performance, in addition to that of its Committees, indicating the procedures that have been implemented for the continuous improvement of its operation, indicating the frequency with which this performance is evaluated and these procedures are reviewed and updated, and referring in particular to: a. The detection of those areas in which its members can be trained, strengthened and continue to improve their skills, pointing out the subjects that are considered most relevant for the purpose of continually updating their knowledge. b. The detection and reduction of organizational, social or cultural barriers that may be inhibiting the natural diversity of capabilities, visions, characteristics and conditions that would have been present in its composition in the absence of these barriers. c. Whether to consider contracting the advice of an expert from outside the company to evaluate the performance and functioning of the Board of Directors, in addition to detecting and implementing possible improvements or areas to be strengthened	24
		<b>x.</b> Notwithstanding the legal obligations, it expressly contemplates the determination of the minimum number of ordinary meetings, the minimum average time of dedication in person and remotely to them and the advance notice with which the summons and background information necessary for the proper occurrence of such meetings must be sent, recognizing the particular characteristics of the entity as well as the diversity of experiences, conditions and knowledge existing in the Board of Directors, according to the complexity of the matters to be discussed.	23
		<b>xi.</b> Whether it expressly contemplates the change, if applicable, of its internal organization and operation in case of contingency or crisis situations, with an operational continuity plan	24
		<b>xii.</b> If an information system that allows each member to securely, remotely and permanently exists, in order to access: a. The minutes and documents held for each meeting of the Board of Directors, or equivalent, indicating the time extent of the historical record of such minutes and documents. b. The minutes or documents that summarize all the matters to be discussed at each meeting and the other background information to be presented at the meeting or additional information necessary for its preparation, all of the foregoing notwithstanding the legal obligations regarding the deadline for sending the contents of the summons. c. A complaint system or channel that has been implemented. d. To the final text of the minutes of each meeting, indicating the period after the respective meeting in which such minutes are available for consultation.	24

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3.2	Board of Directors	<b>xiii.</b> Regarding the composition of the Board of Directors, the following should be reported: a. The total number of directors separated into men and women, distinguishing between named and alternate directors. b. The number of directors by nationality, separated into men and women, distinguishing between named and alternate directors. c. The number of directors by age range according to the ranges contemplated in section 5.1.3, separated into men and women, distinguishing between named and alternate directors. d. The number of directors by seniority in the organization according to the ranks contemplated in section 5.1.4, separated into men and women, distinguishing between named and alternate directors. e. The number of directors with disabilities, separated into men and women, distinguishing between named and alternate directors. f. The wage gap by gender in terms of the mean and median, in the terms indicated in section 5.4.2, in the event that there are differentiated remunerations among directors or that there are royalties, per diems or other types of compensation that are not applicable to all of them.	29 - 30
3,3	Directors' Committee	<b>i. A brief description of the role and main functions of the respective committee.</b>	33
		<b>ii.</b> The identification of each of its members during the last 2 fiscal years, indicating those who hold or have held the status of independent directors.	33
		<b>iii.</b> In comparative form regarding the previous fiscal year, the income of its members on the occasion of their work in the corresponding committee.	33
		<b>iv.</b> Identification of the main activities that the committee has developed during the year. In the case of the committee referred to in Article 50 bis of Law No. 18,046, in addition to indicating that fact, it must indicate whether the committee has complied with the obligations set forth in the aforementioned Article 50 bis, and if it has had to review transactions referred to in Title XVI of Law No. 18,046, mention must be made of it. In addition, the committee's annual management report must be submitted, including its main recommendations to the shareholders, in accordance with the instruction given in the aforementioned article.	34
		<b>v.</b> The policies implemented for the hiring of consultants and the expenses incurred by the respective committee during the fiscal year for this item.	24
		<b>vi.</b> In the case of the Directors' Committee under Article 50 bis of Law No. 18,046, or a committee performing equivalent or risk management functions, the frequency with which the committee meets with the risk management, internal audit and social responsibility units, or with the persons responsible for the equivalent functions, and with the external audit firm in charge of auditing the financial statements, indicating the main topics that are addressed at such meetings, and indicating whether the chief executive officer or other senior executives participate in them.	33
		<b>vii.</b> The periodicity with which the respective committee reports to the Board of Directors.	33
3,4	Senior Executives	<b>i.</b> Position, name, RUT (Taxpayer ID N°), profession and date from which each one of them has held the position.	34
		<b>ii.</b> In aggregate and comparative form regarding the previous year, the amount of remuneration received by the main executives.	35
		<b>iii.</b> In the event that the entity has compensation plans or special benefits for its main executives, such compensation shall be separated into fixed and variable components, if such benefits or compensation have such components.	35
		<b>iv.</b> The percentage of ownership interest in the issuer held by each of the principal executives and directors of the company directly and indirectly through companies they control must be indicated. If this is not applicable, it must be expressly indicated, as well as whether there have been any relevant changes in such shareholding in the last year.	44
3,5	Adherence to national or international codes		36 y 73
3,6	Risk management	<b>i.</b> The general guidelines established by the Board of Directors, or administrative body, on risk management policies, especially operational, financial, labor, environmental (particularly physical and transition risks related to climate change), social and human rights risks, indicating whether and which national or international principles, guidelines or recommendations have been used as a guide for this purpose.	38 - 39
		<b>ii.</b> The risks and opportunities that the entity has determined may materially affect the performance of its business and its financial condition, describing their impact on the development of its activities, as well as on its strategy and financial planning, and the resilience of the business model in the event of their materialization. For the foregoing, the definitions, guidelines and recommendations on risk management, including climate change risks, issued by recognized international organizations in these fields, such as COSO (Committee of Sponsoring Organizations of the Treadway), COBIT (Control Objectives for Information and Related Technology), ISO (International Standardization Organization) and TCFD (Task Force on Climate-related Financial Disclosure), among others, should be taken into consideration.	38 - 39
		<b>iii.</b> How all such risks are identified and how those risks that are relatively more significant than others are determined, including whether changes in existing regulation or the emergence of new regulation and human rights due diligence procedures are considered in the process.	38

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3,6	Risk management	iv. What is the role of the Board of Directors, or administrative body, and senior management, in the detection, evaluation, management and monitoring of such risks, especially environmental, social and human rights risks, with particular emphasis on climate change, and how strategic responses are adopted to mitigate, transfer, accept, avoid and prioritize such risks.	38
		v. Whether it has a risk management unit, specifically in charge of detecting, quantifying, monitoring and communicating risks.	38
		vi. Whether it has an internal audit unit or equivalent, responsible for verifying the effectiveness of and compliance with the policies, procedures, controls and codes implemented for risk management.	38
		vii. Whether it has a Code of Ethics or Code of Conduct or equivalent document that defines the principles and guidelines that should guide the actions of the personnel and the Board of Directors.	36
		viii. Whether it has information dissemination and permanent training programs for personnel regarding the policies, procedures, controls and codes implemented for risk management.	36 y 38
		ix. Whether it has a channel available to its personnel, shareholders, customers, suppliers and/or third parties outside the entity for reporting any irregularities or unlawful acts, indicating how this channel works, specifically whether it guarantees the anonymity of the complainant, whether it allows the complainant to know the status of his complaint and whether it is made known to its personnel, shareholders, customers, suppliers and third parties, both through training and through the entity's website.	37
		x. Whether there are procedures to establish a Succession Plan, which includes the identification of potential replacements for the general manager and other senior executives from among the entity's employees or other external parties. It should indicate whether this Succession Plan allows for the timely replacement of the general manager and other senior executives, and the transfer of their roles and relevant information, in the event of their unforeseen absence, minimizing the impact that this would have on the organization.	35 y 61
		xi. Whether it has procedures for the Board of Directors to review the salary structures and compensation and severance payment policies of the CEO and other senior executives, indicating the frequency with which such reviews are carried out and whether it considers the advice of a third party from outside the entity for such purposes.	35
		xii. Whether it has procedures for submitting the salary structures and compensation and severance payment policies of the chief executive officer and other key executives to the approval of the shareholders, in addition to the approval of the Board of Directors or one of its Committees. In turn, whether it considers disclosing these structures and policies to the general public.	35
3.7	Relationship with stakeholders and the general public	xiii. If it has an implemented crime prevention model in accordance with the provisions of Law No. 20,393 and aimed at preventing the commission of these crimes in the organization.	36
		i. Whether there is a unit for relations with stakeholders and the media that allows them to clarify doubts regarding the main risks, financial, economic or legal situation and publicly known business of the entity, indicating the means by which this unit can be contacted.	21
		ii. Whether there is a continuous improvement procedure to detect and implement possible improvements in the processes of preparation and dissemination of disclosures made by the entity to the market, so that such communications are easily understood and provided in a timely manner. In addition, it should refer to the frequency with which these procedures are carried out and whether external experts are consulted for such purposes.	21
		iii. Whether there is a procedure for shareholders to be informed in advance of the shareholders' meeting at which directors are to be elected, about the diversity of skills, conditions, experiences and visions that, in the opinion of the Board of Directors, it is advisable for the members of the Board to have, in order for the Board to be in a better position to safeguard the corporate interest. Also, prior to the corresponding vote, the experience, profession or trade of those who are candidates to the Board of Directors.	23

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3.7	Relationship with stakeholders and the general public	iv. Whether it has a mechanism, system or procedure that allows shareholders to participate and exercise their right to vote by remote means, in the same opportunity as the rest of the shareholders who are physically represented at the shareholders’ meeting, and the general public to be informed in real time of the resolutions adopted at such meetings.	23
4. Strategy			
4.1	Time horizons		20
4,2	Strategic objectives		
4,3	Investment plans		
5. People			
5.1.1	Number of people by gender		60
5.1.2	Number of people by nationality		
5.1.3	Number of people by age range		
5.1.4	Seniority		
5.1.5	Number of people with disabilities		
5,2	Labor Contract Status		
5,3	Job adaptability		63
5.4.1	Equity policy		
5.4.2	Wage gap		
5,5	Workplace and sexual harassment		36
5,6	Occupational safety		65
5,7	Postnatal leave		Does not apply
5.8	Training and Benefits	i. The total amount of monetary resources and the percentage that they represent of the total annual income from ordinary activities of the entity (or its equivalent), which was allocated to education and professional development for the people who work in the entity.	62
		ii. The total number of trained personnel and the percentage that this number represents of the total staffing.	
		iii. The average annual number of hours of training that personnel spent, at the entity's expense, on training activities, by gender and role category.	
		iv. Identification, in general terms, of the subjects covered by these training courses.	
5,9	Stakeholders		Does not apply

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SECTION	INDICATOR	COMMENT	Page
6. Business Model			
6,1	Industrial Sector	i. The nature of the entity's products and/or services that are marketed in the industry.	13 - 14
		ii. The competition faced by the entity in the industrial sector.	Does not apply
		iii. If there is any legal or regulatory framework that regulates or affects the industry in which it participates, please indicate what these rules are and how they affect its activities.	19
		iv. The national or foreign regulatory entities that have supervisory powers over the entity.	19
		v. The main interest groups that have been identified and the reasons why such groups have this status.	21
		vi. Affiliation to guilds, associations or organizations by the entity.	73
6.2	Business	i. The main goods produced and/or services rendered and the main markets in which such products are marketed.	13 - 14
		ii. The sales channels and distribution methods used for the commercialization of goods and services.	13 - 14
		iii. The number of suppliers that individually represent at least 10% of the total purchases made in the period for the supply of goods and services of the segment. In the event that no supplier reaches such concentration, it shall be expressly stated.	45
		iv. The number of customers that individually account for at least 10% of the segment's revenue. In the event that no customer reaches such concentration, this must be expressly stated.	Does not apply
		v. The main brands used in the marketing of goods and services.	13
		vi. In case of importance, the patents owned by the entity, indicating in which production processes such patents are used.	Does not apply
		vii. The main licenses, franchises, royalties and/or concessions owned by the entity. In this regard, a summary of the main characteristics of such agreements should be presented, in terms of rights, duties and terms.	Does not apply
		viii. Other factors of the external environment that were relevant to the development of the entity's business, including legal, commercial, social, environmental and political aspects.	19
6,3	Stakeholders		
6.4	Property and Facilities	i. The most relevant characteristics of the main properties owned by the entity to develop its line of business must be disclosed, specifying their location. It is recommended that the information be provided in segmented form, divided into business areas.	Does not apply. You can refer to the Integrated Report of the subsidiary Aguas Andinas for a detailed description of the properties and facilities.
		ii. In the case of natural resource extraction companies, the concession areas and/or land owned by the company should be identified, indicating the surface area and location, the volume of the main resources available to the entity for future fiscal years, indicating the status of such resources for exploitation and identifying, in the latter case, the source of such information. The same information must be submitted for those lands, resources and others not yet exploited. In particular, companies exploring or exploiting mining resources and reserves must submit information regarding the results of their activities of exploration of mineral deposits, estimation of resources, as well as the reserves associated with mining exploitation, as appropriate, identifying the competent person in mining resources and reserves who has subscribed or issued the technical report, as indicated in Article 18 of Law No. 20,235. Finally, in the case of companies extracting renewable resources, the policies followed for the renewal of resources should be indicated.	
		iii. In all of the above cases, it should be identified whether the entity is the owner of such facilities or whether they are used by means of some other type of contract, such as financial or operating leasing.	

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6.5.1	Subsidiaries and Partners	Individualization, domicile and legal status.	100 - 101
		Subscribed and paid-in capital.	
		Corporate purpose and clear indication of the activity or activities carried out.	
		Name(s) and surname(s) of the director(s), administrator(s), if any, and general manager.	
		Current percentage of equity interest of the parent company or investing entity in the subsidiary or associate and changes during the last fiscal year.	
		Percentage that represents the investment in each subsidiary or associate over the total individual assets of the parent company. In the case of subsidiaries, the amount of the investment is determined by considering the parent company's share of the net assets reported in the financial statements used in consolidation, and in the case of associates, the value determined according to the equity method.	
		Indication of the name and surnames of the director, general manager or main executives of the parent company or investing entity who hold any of these positions in the subsidiary or associate.	
		Clear and detailed description of the commercial relations with subsidiaries or associates during the fiscal year and the projected future relationship with them.	
		A brief description of the acts and contracts entered into with subsidiaries or associates that have a significant influence on the operations and results of the parent company or investing entity.	
		Schematic table showing the direct and indirect ownership relationships between the parent company, subsidiaries or associates, as well as those existing between them.	12
6.5.2	Investments in other corporations	Individualization of them and their legal status.	100
		Percentage of participation.	
		Description of the main activities they perform.	
		Percentage of the company's total individual assets represented by these investments.	
7. Supplier management			
7,1	Payment to Suppliers	Number of Invoices Paid: the number of invoices paid during the year to suppliers for each of the ranges already indicated.	Supplier management is carried out in an integrated manner with the subsidiary Aguas Andinas. You can review the details of the invoices in the Integrated Report of said subsidiary.
		Total amount (millions of pesos): the sum of the value of the invoices paid during the year for each of the aforementioned ranges.	
		Total amount of interest for late payment of invoices (millions of pesos): the sum of interest paid or to be paid for overdue payment or simple delay for invoices issued during the reported period.	
		Number of Suppliers: the number of suppliers which the invoices paid during the year correspond to, in each of the ranges already indicated.	
		Number of agreements registered in the Register of Agreements with Exceptional Payment Periods kept by the Ministry of Economy, when applicable.	
7,2	Supplier Evaluation		
8. Indicators			
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8.1.5	Others		56 - 59 and 70

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8.2 SASB		
Water Utilities		
IF-WU-130a.1	Energy management	(1) Total energy consumed, (2) percentage of electricity from grid, (3) percentage of renewables
IF-WU-140a.1	Distribution network efficiency	Water main replacement rate
IF-WU-140a.2		Volume of actual unaccounted water losses
IF-WU-140b.1	Effluent quality management	Number of incidents of non-compliance associated with water effluent quality permits, standards and regulations.
IF-WU-140b.2		Analysis of effluent management strategies of emerging interest.
IF-WU-240a.1	Affordability and access to water	Average retail water tariff for (1) residential, (2) commercial, and (3) industrial customers
IF-WU-240a.2		Typical monthly water bill for residential customers for 10 Ccf of water delivered per month.
IF-WU-240a.3		Number of water disconnections of residential customers for unpaid bills, percentage reconnected within 30 days
IF-WU-240a.4		"Analysis of the effect of external factors on water affordability for customers, including economic conditions in the service territory."
IF-WU-250a.1	Potable water quality	Number of potable water violations (1) serious health-related, (2) non-serious health-related, and (3) non-sanitation related
IF-WU-250a.2		"Analysis of management strategies for potable water contaminants of emerging concern."
IF-WU-420a.1	End-use efficiency	Percentage of water utility revenue from rate structures that are designed to promote conservation and revenue resilience.
IF-WU-420a.2		Customers' water savings from efficiency measures, by market
IF-WU-440a.1	Water supply resilience	Total water sourced from regions with high or extremely high basic water stress, percentage purchased from third parties
IF-WU-440a.2		Volume of recycled water delivered to customers.
IF-WU-440a.3		Analysis of risk management strategies related to the quality and availability of water resources.
IF-WU-450a.1	Network resilience and climate change impacts	Wastewater treatment capacity located in 100-year flood zones
IF-WU-450a.2		(1) Number and (2) volume of sanitation sewer overflows (SSO), (3) percentage of volume recovered.
IF-WU-450a.3		(1) Number of unplanned service interruptions and (2) customers affected, each by duration category.
IF-WU-450a.4		Description of efforts to identify and manage risks and opportunities related to the impact of climate change on distribution and sewage infrastructure.
IF-WU-000.A	Activity parameters	Number of (1) residential, (2) commercial and (3) industrial customers served, classified by type of service provided.
9. Essential or Relevant Facts		
9	Essential or Relevant facts	45
10. Shareholder and directors' committee comments		
10	Shareholder and directors' committee comments	Does not apply
11. Financial Reports		
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# Statement of responsibility

The Directors of Inversiones Aguas Metropolitanas S.A. together with its Chief Executive Officer, signatories of this declaration, are responsible under oath for the truthfulness of the information provided in this Annual Report, in accordance with the provisions of General Rule No. 30 of the Financial Market Commission (CMF).



Felipe Larrain Aspillaga  
R.U.T.: 6.922.002-9  
**Chairman**



Alberto Muchnick Mlynarz  
R.U.T.: 6.447.493-6  
**Vice President**



Herman Chadwick Piñera  
R.U.T.: 4.975.992-4  
**Director**



Rodrigo Azócar Hidalgo  
R.U.T.: 6.444.699-1  
**Director**



Ignacio Guerrero Gutiérrez  
R.U.T.: 5.546.791-9  
**Director**



Hernán Cheyre Valenzuela  
R.U.T.: 6.375.408-0  
**Director**



Luis Enrique Álamos Olivos  
R.U.T.: 7.275.527-8  
**Director**



Fernando Samaniego Sangroniz  
R.U.T.: 6.374.438-7  
**General Manager**



## Financial Statements

84 Summarized of IAM.  
100 Summarized of Aguas Andinas.



# Inversiones Aguas Metropolitanas S.A. and Subsidiaries

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## General Background

Name: Inversiones Aguas Metropolitanas S.A.  
Type of entity: Open stock corporation

Legal address: Avenida Aproquindo N° 4800  
20th floor Torre II Las Condes Santiago Chile

Telephone: (56-9) 7396600

Taxpayer Identification Number (RUT):  
77.274.820-5 Business: Investment Company

Subscribed and paid-in capital: ThCh\$  
468,358,402

External auditors: Ernst & Young

## Incorporation

IAM was incorporated on May 19, 1999, by Aguas de Barcelona S.A. ("AGBAR") and Suez Environnement as a limited liability company, in order to participate in the privatization process of Empresa Metropolitana de Obras Sanitarias ("EMOS"), currently Aguas Andinas S.A. In July 2005, the company was transformed into an open stock corporation.

## Legal Aspects

The Company is registered in the Securities Register of the Financial Market Commission under No. 912.

## Corporate purpose

Its corporate purpose is the investment in shares of Aguas Andinas S.A. and the provision of all kinds of advisory, consulting and services related to technology transfer and know-how, technical assistance, business and project management, especially those related to the management and operation of businesses related to the sanitation industry.

## Board of Directors

President: Felipe Larrain Aspillaga

Senior Vice-Presidents: Alberto Muchnick Mlynarz  
Herman Chadwick,  
Ignacio Guerrero Gutiérrez,  
Rodrigo Azocar Hidalgo,  
Luis Enrique Alamos Olivos,  
Hernán Cheyre Valenzuela  
General Manager: Fernando Samaniego Sangroniz

## Percentage of parent company shareholding:

50,1% direct

## Share that represents the investment in the assets of the parent company.

The investment in the company represents a 97.75% share.

## Business relationship with the parent company and subsidiaries of the parent company

During the fiscal year ended December 31, 2023, the Company maintained lease agreements with its parent company, which are paid within a maximum term of 30 days. Similar commercial relationships are expected to be maintained in the future.



# Nota 1. General Information

Inversiones Aguas Metropolitanas S.A. (hereinafter “IAM” or the “Company”) and its subsidiaries make up the Inversiones Aguas Metropolitanas S.A. Group (hereinafter the “Group”). Its legal domicile is Apoquindo N°4800, Torre 2, office 2001, 20th floor, Las Condes, Santiago, Chile and its Taxpayer Identification Number is 77.274.820-5.

IAM was incorporated on May 19, 1999, by Aguas de Barcelona S.A. (“AGBAR”) and Suez Environnement as a limited liability company, in order to participate in the privatization process of Empresa Metropolitana de Obras Sanitarias (“EMOS”), currently Aguas Andinas S.A.

IAM was awarded the shareholding package in the international tender carried out by the Corporación de Fomento de la Producción (CORFO), subscribed a capital increase and purchased additional shares in the Stock Exchange, thus controlling 51.2% of the capital stock of Aguas Andinas S.A. (formerly EMOS).

In July 2005, the company became an open stock corporation and restricted its corporate purpose, which was limited to investment in shares of Aguas Andinas S.A. and the provision of all kinds of advisory, consulting and services related to technology transfer and know-how, technical assistance, business and project management, especially those related to the management and operation of businesses related to the sanitation industry.

In November 2005, IAM was floated on the stock exchange, by placing a package of shares corresponding to 43.4% of its ownership, which resulted in the inclusion of new shareholders.

During 2006, IAM sold 1.1% of its shares in Aguas Andinas S.A., retaining 50.1% of its shares, which allowed it to maintain control of the company.

In 2007 it implemented an ADR Level I program, which made it possible to trade its shares in the U.S. over-the-counter market; this program was terminated in 2016.

The Company is the parent company of three sanitation companies in the Greater Santiago (Aguas Andinas S.A., Aguas Cordillera S.A. and Aguas Manquehue S.A.). In order to provide an integral service within its line of business, the Company has non-sanitation subsidiaries, providing services such as the treatment of liquid industrial waste (EcoRiles S.A.), laboratory analysis (Análisis Ambientales S.A.), marketing of materials and other services related to the sanitation industry (Hidrogística S.A.) and activities associated with water use rights and energy projects derived from facilities and assets of sanitation companies (Aguas del Maipo S.A.).

The Company and its subsidiary Aguas Andinas S.A. are registered in the Securities Registry of the Financial Market Commission under No. 912 and No. 346, respectively. The subsidiaries Aguas Cordillera

S.A. and Aguas Manquehue S.A. are registered in the Special Registry of Reporting Entities of the Financial Market Commission under No. 170 and No. 2, respectively. As sanitation industry companies, they are regulated by the Superintendencia de Servicios Sanitarios (Superintendence of Sanitation Services), in accordance with Law No. 18,902 of 1989 and Decrees with Force of Law No. 382 and No. 70, both of 1988.

For the purpose of preparing the consolidated financial statements, a group is understood to exist when the parent company has one or more subsidiaries over which the parent company has direct or indirect control. The accounting policies applied in the preparation of the Group’s consolidated financial statements are detailed in Note 2.2.

The direct controlling entity is Veolia Inversiones Aguas del Gran Santiago Ltda. (“VIAGSA”) with a 50.1% ownership interest, which is controlled by Veolia Inversiones Andina S.A., and is controlled by Agbar S.L.U., an entity based in Spain and one of the largest sanitation services operators in the world, which in turn is controlled by Veolia Environnement (France).

# Note 2. Basis of Preparation and Accounting Policies

## 2.1 Basis of preparation

These consolidated financial statements correspond to the consolidated statements of financial position as of December 31, 2023 and 2022 and the consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the years ended December 31, 2023 and 2022, which have been prepared in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (hereinafter "IASB"), and represent the full, explicit and unreserved adoption of the aforementioned IFRS.

The Group complies with the legal conditions of the environment in which it develops its operations, particularly the sanitation subsidiaries regarding the regulations of the sanitation industry. The companies of the Group display normal operating conditions in each area in which they develop their activities, their forecasts show a profitable operation and they have the capacity to access the financial system to finance their operations, which in the opinion of management determines their capacity to continue as an operating company, as established by the accounting standards under which these consolidated financial statements are issued.

### Functional and presentation currency

The financial statements of each of the companies comprising the Group are presented in the currency of the primary economic environment in which such companies operate (functional currency). For the purposes of the consolidated financial statements, the results and financial position of each Group Company are expressed in Chilean pesos (rounded in thousands of pesos), which is the functional currency of the Company and its Subsidiaries, and the presentation currency for the consolidated financial statements.

### New accounting pronouncements

The standards and interpretations, as well as improvements and amendments to IFRS that have been issued, effective as of the date of these financial statements, are detailed hereinafter. The Company has applied these standards and concluded that they did not significantly affect the financial statements.

	Standards and Amendments	Date of mandatory application
IFRS 17	Insurance Contracts	January 1, 2023
IAS 8	Definition of the accounting estimate	January 1, 2023
IAS 1	Disclosure of accounting policies	January 1, 2023
IAS 12	Deferred income tax related to assets and liabilities arising from a single transaction	January 1, 2023
IAS 12	International Tax Reform - Second Pillar Model Rules	January 1, 2023

The standards and interpretations, as well as improvements and amendments to IFRS, that have been issued but are not yet in force as of the date of these financial statements are detailed below. The Company has not applied these standards in advance.

	Amendments	Date of mandatory application
IAS 1	Classification of liabilities as current or noncurrent	January 1, 2024
IFRS 16	Lease liabilities related to sale-leaseback sales	January 1, 2024
IAS 7 e IFRS 7	Disclosures about vendor financing arrangements	January 1, 2024
IAS 21	Lack of interchangeability	January 1, 2025
IFRS 10 e IAS 28	Consolidated Financial Statements - sale or contribution of assets between an investor and its associate or joint venture	To be determined

The aforementioned Standards, Amendments and Interpretations, which may apply to Inversiones Aguas Metropolitanas S.A. and Subsidiaries, are under evaluation process by the Company's Management and it is estimated that the date would not have a significant impact on the consolidated financial statements of the Group in the year of their first application. Management is periodically evaluating these implications.

### Responsibility for the information and estimates made

The information contained in these consolidated financial statements is the responsibility of the Company's Board of Directors, which declares that all the principles and criteria included in the International Financial Reporting Standards (IFRS) have been applied. The Board of Directors, at its meeting held on March 13, 2024, approved these consolidated financial statements.

### Estimates such as the following have been used in the preparation of the consolidated financial statements:

- Land revaluation
- Useful life of property, plant and equipment and intangible assets
- Valuation of assets and goodwill purchased (goodwill or goodwill on investments)
- Impairment losses
- Assumptions used in the actuarial computation of employee termination benefits
- Assumptions used to calculate the fair value of financial instruments
- Revenue from supplies pending invoicing
- Provisions for commitments acquired with third parties
- Risks arising from current litigation

Although these estimates and judgments were made on the basis of the best information available at the date of issuance of these consolidated financial statements, it is possible that events that may occur in the future may make it necessary to modify them (upward or downward) in future periods, which would be recorded prospectively, at the time the variation becomes known, recognizing the effects of such changes in the corresponding consolidated financial



2.2 Accounting policies

The main accounting policies adopted in the preparation of these consolidated financial statements are described below.

A. Basis of consolidation

The consolidated financial statements include the financial statements of the Company and the entities controlled by the Company (its Subsidiaries). Subsidiaries are those entities over which the Group has the power to direct the relevant activities, is entitled to variable returns from its involvement and has the ability to use that power to influence the amounts of the investor’s returns. Subsidiaries are consolidated from the date on which control is transferred to the Group and are excluded from consolidation on the date on which control ceases.

In the consolidation process all transactions, balances, gains and losses between Group entities are eliminated.

The Company and its subsidiaries present uniformity in the policies used by the Group.

The subsidiaries included in the consolidated financial statements of Inversiones Aguas Metropolitanas S.A. are as follows:

Subsidiaries	Tax ID (RUT)	Country of Origin	Functional Currency	Percentage of direct and indirect shareholdings			
				31-12-2023		31-12-2022	
				Direct	Indirect	Total	Total
Aguas Andinas S.A.	61.808.000-5	Chile	CLP	50,10234%	0,00000%	50,10234%	50,10234%
Aguas Cordillera S.A.	96.809.310-K	Chile	CLP	0,00000%	99,99003%	99,99003%	99,99003%
Aguas Manquehue S.A.	89.221.000-4	Chile	CLP	0,00000%	100,00000%	100,00000%	100,00000%
EcoRiles S.A.	96.945.210-3	Chile	CLP	0,00000%	100,00000%	100,00000%	100,00000%
Hidrogística S.A.	96.828.120-8	Chile	CLP	0,00000%	100,00000%	100,00000%	100,00000%
Análisis Ambientales S.A.	96.967.550-1	Chile	CLP	0,00000%	100,00000%	100,00000%	100,00000%
Aguas del Maipo S.A.	76.190.084-6	Chile	CLP	0,00000%	100,00000%	100,00000%	100,00000%

B. Operating segments

IFRS 8 establishes standards for reporting on operating segments and disclosures related to products and services. Operating segments are defined as components of an entity for which there is separate financial information, which is regularly reviewed by management to make decisions about resources to be allocated to the segments and to evaluate their performance.

The Group manages and measures the performance of its operations by business segment. The internally reported operating segments are as follows:

- Operations related to the sanitation (water) business.
- Operations not related to the sanitation business (No Water).

C. Intangible assets other than goodwill

The Company recognizes an identifiable intangible asset when it can demonstrate that it is probable that the future economic benefits attributed to the asset will flow to the entity and the cost can be measured reliably.

i. Intangible assets acquired separately

Intangible assets acquired under a separate form are presented at cost minus accumulated amortization and accumulated impairment losses. Amortization is calculated on a straight line basis using estimated useful lives. The estimated useful lives and amortization method are reviewed at the end of each reporting period and the effect of any change in estimate is accounted for prospectively.

ii. Amortization method for intangible assets Intangible assets with definite useful lives The amortization method applied by the Company reflects the pattern at the end of the year. The Company uses the straight line method of amortization to recognize the future economic benefits of the asset. For this purpose, the Company uses the straight line amortization method.

Computer software

The estimated useful life for software is 4 years. For other assets with a defined useful life, the useful life over which they are amortized corresponds to the periods defined in the contracts or rights that originate them.

Intangible assets of indefinite useful life

Intangible assets with indefinite useful lives correspond mainly to water rights and easements, which were obtained on an indefinite basis, as established in the acquisition contracts and rights obtained from the Dirección General de Aguas, which is part of the Ministry of Public Works.

Determination of useful life

Factors to be considered in estimating useful life include, but are not limited to, the following:

- Legal, regulatory or contractual limitations.
- Predictable life of the business or industry.
- Economic factors (product obsolescence, changes in demand).
- Expected reactions from current or potential competitors.
- Natural and climatic factors, as well as technological changes that affect the capacity to generate profits.

The useful life may require modifications over time due to changes in estimates as a result of changes in assumptions about the aforementioned factors.

D. Capital gains

Goodwill (lower value of investments or goodwill) generated in the business combination represents the excess of the cost of acquisition over the Group’s interest in the fair value of the assets and liabilities, including the identifiable contingent liabilities of a Subsidiary Company at the acquisition date.

The valuation of the assets and liabilities acquired is made provisionally on the date on which control of the Company is acquired, and is reviewed within a maximum period of one year from the date of acquisition. Until the fair value of the assets and liabilities is definitively determined, the excess between the acquisition price and the book value of the Company acquired is provisionally recorded as goodwill.

In the event that the final determination of goodwill is made in the financial statements of the year following the year in which the interest was acquired, the prior year’s items presented for comparative purposes are modified to include the value of the assets and liabilities acquired and of the final goodwill from the date of acquisition of the interest.

Goodwill generated prior to the date of our transition to IFRS, i.e. January 1, 2008, is maintained at the net value recorded at that date, while goodwill originated after that date remains recorded according to the acquisition method.

Goodwill is not amortized; instead, at the end of each accounting period, an impairment test is performed to determine whether the recoverable amount of goodwill has been reduced to an amount lower than the net carrying amount, and if so, the appropriate impairment adjustment is made, as required by IAS 36.

E. Property, plant and equipment

The Company uses the cost method for the valuation of Property, Plant and Equipment, except for land, which is valued using the revaluation method. The historical cost includes expenses that are directly attributable to the acquisition of the asset.

Land revaluations are performed with sufficient periodicity to ensure that the carrying amount of the revalued asset does not differ significantly from fair value.

The revaluation surplus, net of the corresponding deferred taxes, is recognized in other comprehensive income within equity. However, in the event that a revaluation deficit of the same asset previously recognized as a loss is reversed, such increase is recognized in the statement of income. A decrease in value is recorded in the statement of income, except in the event that such decrease reverses the existing surplus on the same asset that would have been recognized in adjustments for changes in value.

Subsequent costs are included in the value of the initial asset or recognized as a separate asset only when it is probable that future economic benefits associated with the fixed asset items will flow to the Group and the cost of the item can be reliably determined. The value of the replaced component is derecognized for accounting purposes. All other repairs and maintenance are charged to income for the year in which they are incurred.

Depreciation method and estimated useful life for property, plant and equipment

The depreciation method applied by the Company reflects the pattern in which the assets are expected to be used by the entity during the period in which they generate economic benefits. For this purpose, the Company uses the straight line depreciation method over their technical useful lives, which is based on studies prepared by independent experts (external specialist companies). The residual value and useful life of the assets are reviewed, and adjusted if necessary, at each closing of the Statement of Financial Position.

When the value of an asset exceeds its estimated recoverable amount, its value is written down immediately to its recoverable amount (Note 32).

Useful lives

The useful lives considered for purposes of calculating depreciation are based on technical studies prepared by specialized external companies, which are reviewed as new information arises that allows considering that the useful life of an asset has been modified.

The allocation of total useful life for assets is made on the basis of several factors, including the nature of the equipment. Such factors generally include:

- 1. Nature of the component materials of the equipment or constructions.
- 2. Means of operation of the equipment.
- 3. Intensity of use.
- 4. Legal, regulatory or contractual limitations.

The useful life range (in years) by type of asset is as follows:

Ítem	Minimum useful life (years)	Maximum useful life (years)
Buildings	25	80
Plant and equipment	5	50
Information technology equipment	4	4
Fixed installations and accessories	5	80
Motor vehicles	7	10
Leasehold improvements	5	10
Other property, plant and equipment	5	80

Policy for estimating costs for dismantling, removal or rehabilitation of property, plant and equipment

Due to the nature of the assets being constructed in the Company and given that there are no contractual obligations or other constructive requirements such as those mentioned in IFRS and in the regulatory framework, the concept of decommissioning costs is not applicable at the date of these consolidated financial statements.

Property, plant and equipment sales policy

Gains or losses on the sale of property, plant and equipment are calculated by comparing the proceeds obtained with the carrying value and are recorded in the Consolidated Statement of Comprehensive Income.

F. Impairment of tangible and intangible assets except for goodwill

At each reporting date of the Consolidated Statement of Financial Position, the Group reviews the carrying amounts of its tangible and intangible assets with definite useful lives to determine whether there are indicators that such assets have suffered an impairment loss. If such indicators exist, the recoverable amount of the assets is estimated to determine the amount of the impairment loss (if any). When it is not possible to estimate the recoverable amount of a particular asset, the Group estimates the recoverable amount of the Cash Generating Unit to which the asset belongs.

Intangible assets with indefinite useful lives are tested annually for impairment and when there are indicators that the asset may be impaired before the end of that period.

The recoverable amount is the higher of fair value less costs to sell and value in use. In estimating value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects both the current market conditions of the time value of money and the specific risks associated with the asset.

When the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of that asset (or cash-generating unit) is adjusted to its recoverable amount by immediately recognizing an impairment loss in profit or loss. When an impairment loss is reversed, the carrying amount of the asset (or cash-generating unit) is adjusted to the revised estimate of its recoverable amount, provided that the adjusted carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years.

G. Leases

The Group evaluates its lease contracts in accordance with IFRS 16, i.e. whether the right to control the use of an identified asset is transferred for a period of time in exchange for consideration. Control is deemed to exist if the customer has i) the right to obtain substantially all the economic benefits from the use of an identified asset; and ii) the right to direct the use of the asset.

When the Group acts as lessee, at the inception of the lease (i.e. on the date the underlying asset is available for use) it records a right-of-use asset and a lease liability in the statement of financial position.

The Group initially recognizes the right-of-use asset at cost, adjusted for any remeasurement of the lease liability, minus accumulated depreciation and accumulated impairment losses. The right-of-use asset is depreciated over the lease term. To determine whether the right-of-use asset is impaired, the same criteria detailed in Note 2.2F are applied.

Lease liabilities are initially measured at the present value of the lease payments, discounted at the company’s incremental borrowing rate, if the interest rate implicit in the lease cannot be readily determined.

After the commencement date, the lease liability is increased to reflect the accrual of interest and reduced by lease payments made. In addition, the carrying amount of the liability is remeasured if there is a change in the terms of the lease (changes in the term, in the amount of payments or in the evaluation of a purchase option or change in the amounts payable). Interest expense is recognized as a finance cost in profit or loss for the period.

Short-term leases, equal to or less than one year, or leases of low-value assets are exempt from the application of the recognition criteria described above, recording the payments associated with the lease as an expense on a straight line basis over the term of the lease.

When the Group acts as lessor, it classifies at the inception of the agreement whether the lease is an operating or finance lease, based on the substance of the transaction. Leases in which substantially all the risks and rewards incidental to ownership of the underlying asset are transferred are classified as finance leases. All other leases are classified as operating leases.

H. Financial assets

Acquisitions and disposals of financial instruments are recognized on the trade date, i.e. the date on which the Group undertakes to acquire or sell the asset. Investments are derecognized when the rights to receive cash flows from them have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Financial assets are classified in the following categories:

- Financial assets at fair value through profit or loss
- Financial Assets at fair value through comprehensive income
- Financial assets at amortized cost

The classification depends on the nature and purpose of the financial assets and is determined at initial recognition.

The Company and its Subsidiaries invest in low risk instruments that comply with the classification standards established in their investment policies. Thus, mutual investment funds must have an AAfm / M1 rating (quotas with very high protection against loss, associated with credit risks / quotas with the lowest sensitivity to changes in economic conditions). Time deposits and contracted agreements are N-1 rated instruments (instruments with the highest capacity to pay principal and interest on the agreed terms and maturities).

The issuing institutions of these instruments correspond to banking companies or subsidiaries of banks, with an N-1 risk rating and their instruments have a risk rating of at least AA (with a very high capacity to pay principal and interest on the agreed terms and maturities, which would not be significantly affected by possible changes in the issuer, the industry to which it belongs or in the economy).



**a. Effective interest rate method**

The effective interest rate method corresponds to the method of calculating the amortized cost of a financial asset or liability and the allocation of interest income or expense over the entire period. The effective interest rate corresponds to the rate that exactly discounts the estimated future cash flows receivable over the expected life of the financial asset, and makes the Net Present Value (NPV) equal to its nominal amount.

**b. Fair value through other comprehensive income**

For the classification of an asset at fair value through other comprehensive income, the sale of financial assets for which the principal amount plus interest, if any, is expected to be recovered within a specified period of time must be complied with as a principle.

**c. Financial assets at fair value through profit or loss**

Financial assets are presented at fair value through profit or loss when the financial asset is held for trading or is designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are measured at fair value and any resulting gain or loss is recognized in profit or loss. The net gain or loss recognized in profit or loss includes any dividend or interest received on the financial asset.

The subsidiaries hold shares of Sociedad Eléctrica Puntilla S.A., which have been valued at fair value at the date of acquisition, as established in IFRS 9. They are subsequently measured at cost since there is no active market, according to the same standard.

**d. Financial assets at amortized cost Loans and accounts receivable**

Trade, loans and other receivables are non-derivative financial assets, which have fixed or determinable payments and are not quoted in an active market and are classified as loans and receivables. Loans and receivables are measured at amortized cost using the effective interest rate method, minus any impairment loss, except for short-term receivables where the recognition of interest would be immaterial.

**Trade and other receivables**

Trade debtors correspond to amounts billed for consumption of potable water, sewerage services, sewage treatment and other services and to income accrued for consumption between the date of the last reading (according to the established monthly calendar) and the closing date of the Financial Statement. These are recorded at the net value of the allowance for doubtful accounts or those with a low probability of collection.

The trade debtors policy is subject to the credit policy, which establishes the payment conditions, as well as the different scenarios to be agreed upon for delinquent customers.

**Impairment policy for trade and other receivables**

The Company periodically evaluates impairment losses affecting its financial assets. The amount is recorded in the allowance account. The carrying amount of the asset is reduced as the allowance account is used and the loss is recognized in the consolidated statement of comprehensive income within “other expenses”. When an account receivable is uncollectible, it is recorded against the allowance account for accounts receivable based on the expected credit loss model as established in IFRS 9.

The estimates are based on recovery statistics, which indicate that after the eighth month of unpaid invoices, the possibility of collection is marginal, in other words, the probability of recovering an invoiced amount is minimal.

In the subsidiaries Aguas Andinas S.A., Aguas Cordillera S.A. and Aguas Manquehue S.A., customer debts with more than 8 balances are provisioned at 100%.

In addition, the debts for consumption transformed into payment agreements are provisioned at 100% of the agreed balance.

Bills receivable with overdue debt are provided for at 100%.

**I. Inventories**

Materials, spare parts and supplies are stated at acquisition cost, which does not exceed net realizable value. The costing method corresponds to the weighted average annual cost. On a semi-annual basis, an impairment estimate is made for those materials that are damaged, partially or totally obsolete, or have not been turned over for the last twelve months and their market price has fallen by more than 20%.

**J. Dividend payment policy**

The Company’s dividend policy, as established in Article 79 of Law 18,046 governing corporations, is to distribute at least 30% of the net income of each year. In the event that these dividends do not exist or are less than the minimum established by law, the respective provision will be made.

In addition to this, and with the prior authorization of the Ordinary Shareholders’ Meeting, the remaining 70% may be distributed as an additional dividend, provided that the current level of capitalization of the Company is maintained and that it is compatible with the investment policies.

K. Transactions in foreign currency

Assets and liabilities denominated in foreign currencies are presented at the respective exchange rates valid at the end of each year, according to the following exchange rates:

Currency	31-12-2023 \$	31-12-2022 \$
U.S. Dolar	877,12	855,86
Euro	970,05	915,95
JPY	6,23	6,52
AUD	599,21	583,01

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency gains and losses resulting from the settlement of these transactions and from the translation at closing exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of comprehensive income. Exceptions to the above are assets and liabilities arising from financial derivative contracts. Differences in the fair value of these hedging contracts are charged to equity.

Exchange differences are recorded in the results of the period in which they accrue.

L. Financial liabilities

Loans, obligations with the public and similar are initially recorded at fair value, net of transaction costs incurred. Subsequently, they are valued at amortized cost, using the effective interest rate, except for those transactions for which hedging contracts have been entered into, which are valued in accordance with the following paragraph.

M. Derivative financial instruments and hedge accounting

The use of derivative financial instruments by the Company and Subsidiaries is based on the Group’s financial risk management policies, which establish the guidelines for their use.

Derivatives are recorded at fair value at the date of the statement of financial position.

In the case of financial derivatives, if their value is positive, they are recorded under “Other Financial Assets” and if negative, under “Other Financial Liabilities”.

Changes in fair value are recorded directly in income, unless a derivative has been designated for accounting purposes as a hedging instrument and all the conditions established by IFRS for applying hedge accounting are met.

The treatment of hedging transactions with derivative instruments is as follows:

Fair value hedges.

Changes in the market value of derivative financial instruments designated as hedging instruments, as well as the hedged items, are recorded with a charge or credit to the financial income of the respective income statement accounts.

Cash flow and net investment hedges in foreign currency.

Changes in the fair value of these derivative financial instruments are recorded for the effective portion directly in an equity reserve called “cash flow hedge”, while the ineffective portion is recorded in income. The amount recognized in equity is not transferred to the income statement until the results of the hedged transactions are recorded in the income statement, or until the maturity date of such transactions.

In the event of discontinuation of the hedge, the accumulated loss or gain at that date in equity is maintained until the underlying hedged transaction is realized. At that time, the accumulated gain or loss in equity will be reversed in the income statement affecting that transaction.

At the closing of each year, financial instruments are stated at fair value. In the case of derivatives not traded in formal markets, the Group uses assumptions for their valuation based on market conditions at that date.

**Effectiveness.** A hedge is considered highly effective when changes in the fair value or cash flows of the underlying directly attributable to the hedged risk are offset by changes in the fair value or cash flows of the hedging instrument with an effectiveness ranging from 80% to 125%.

**Embedded derivatives.** The Group also evaluates the existence of derivatives implicit in contracts and financial instruments to determine whether or not their characteristics and risks are closely related to the main contract provided that the joint venture is not being accounted for at fair value. If they are not closely related, they are recorded separately,

with changes in value recognized directly in the consolidated income statement.

N. Provisions and contingent liabilities

Provisions are recognized when the Group has a present obligation as a result of past events, for which it is likely that the Group will use resources to settle the obligation and for which it can make a reasonable estimate of the amount of the obligation.

Provisions are quantified on the basis of the best information available on the event and its consequences, and are re-estimated at each accounting closing. The provisions recorded are used to face the specific risks for which they were originally recognized, and are reviewed, in whole or in part, when such risks disappear or decrease.

Contingent liabilities are all those possible obligations arising as a result of past events, whose future materialization and associated financial loss is estimated to be of low probability. In accordance with IFRS, the Group does not recognize any provision for these items, although, as required by the same standard, they are detailed, if they exist, in Note 18.

O. Employee benefits

The obligation for severance indemnities estimated to accrue to employees retiring from Aguas Andinas S.A., Aguas Cordillera S.A. and Aguas Manquehue S.A. is recorded at actuarial value, determined using the projected unit credit method. Actuarial gains and losses on severance indemnities arising from changes in the estimates of turnover rates, mortality, salary increases or discount rate are determined in accordance with IAS 19 in other comprehensive income, directly affecting equity, which is subsequently reclassified to retained earnings.

Aguas Andinas S.A.

The severance indemnity for years of service at Aguas Andinas S.A. is governed by the provisions of the Labor Code, except for the amount of severance indemnity accrued at July 31, 2002 and the payment for dismissal of 1.45 salaries, excluding voluntary resignation, without a cap on the amount or years, for employees who are part of the collective bargaining agreements in force and to whom, through their individual employment contract, the same benefit was extended. The amount accrued at that date is adjusted quarterly according to the variation of the consumer price index. In addition, the aforementioned collective bargaining agreement establishes that employees who retire from Aguas Andinas S.A., and retire within 120 days from the date on which they reach the legal retirement age, may access the benefit detailed in the collective bargaining agreement, and continue to accrue this benefit after July 2002.

Aguas Cordillera S.A. and Aguas Manquehue S.A.

The severance indemnity for years of service in Aguas Cordillera S.A. and Aguas Manquehue S.A. is governed by the provisions of the Labor Code, except for the amount of severance indemnity accrued at December 31, 2002 and the payment for dismissal of 1 salary without a cap on the amount or years, for employees who are part of the collective bargaining agreements in force and to whom, through their individual employment contract, the same benefit was extended. The amount accrued at that date is adjusted quarterly according to the variation of the consumer price index. Also, the aforementioned collective bargaining agreements establish that employees retiring from Aguas Cordillera S.A. and Aguas Manquehue S.A. continue to accrue this benefit after December 2002.

There are no benefits of this nature for the other subsidiaries.

P. Income tax and deferred taxes

The income tax expense corresponds to the sum of income tax payable and the change in deferred tax assets and liabilities.

Income tax payable is determined based on the taxable income for the period. The Group's income tax payable is calculated using the tax rates that have been approved, or are in the last approval process, at the closing date of the statement of financial position.

Deferred taxes are recognized on the basis of the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the calculation of taxable income and are accounted for using the balance sheet liability method. Deferred tax liabilities are recognized for all taxable temporary differences, and deferred tax assets are recognized for all deductible temporary differences to the extent that it is likely that future taxable profits will be available against which such differences can be utilized. Deferred tax assets or liabilities are not recognized if the temporary differences arise from the initial recognition (except in a business combination) of other assets and liabilities in a transaction that does not affect taxable profit or financial income.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer likely that sufficient taxable profit will be available to allow the recovery of all or part of the asset.

Deferred tax assets and liabilities are measured at the tax rates that are expected to be in force for the period in which the liability is settled or the asset realized, based on tax rates that have been enacted or substantively enacted by the end of the statement of financial position period. The measurement of deferred tax assets and liabilities reflects the tax consequences that would result from the manner in which the Group expects, at the reporting date, to recover or realize the deferred tax asset or liability.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset tax assets against tax liabilities and they relate to the same entity and tax authority.

Q. Ordinary income

Revenue recognition policy

The Company determined its recognition and measurement of revenue from ordinary activities based on the principle that revenue is recognized at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer. This fundamental principle should be applied based on a five-step model:

- 1) identification of the contract with the customer;
- 2) identification of contract performance obligations
- 3) determination of the transaction price;
- 4) allocation of the transaction price to performance obligations;
- and
- 5) revenue recognition when (or as) performance obligations are satisfied.

Revenue recognition policy for sales of goods

Revenue from the sale of goods is recognized once the significant risk and rewards of ownership of the goods have been transferred, the Company retains no relationship with the goods sold, the amount of revenue can be measured reliably, it is likely that the economic profit associated with the sale will flow to the Company and the costs incurred in the transaction are also measured reliably.



Revenue recognition policy for sales of services

Revenue from the sale of services is measured at fair value. Billings are made on the basis of actual consumption or work performed of the consideration receivable, net of returns, trade discounts and rebates, so that revenue is recognized when it is transferred to the customer and recovery is considered probable, the associated costs and possible discounts for erroneous collections can be estimated reliably.

The service area of the sanitation companies is divided into billing groups, which determines dates for readings and subsequent billing. This process is developed based on a monthly calendar, in which at the end of each month there are unrecorded consumptions and, therefore, not billed.

For billing groups that have information on the basis of consumption actually recorded, the corresponding tariff will be applied.

In those cases in which the Company does not have all the consumption recorded, it will proceed to make the best estimate of the revenue pending billing, that is, based on the physical data of the previous month valued at the current rate, considering in both cases (billing or estimate) the normal rate or overconsumption, as appropriate.

The transfer of risks and benefits varies according to the company’s line of business. For the sanitation services companies, the provision of services and all associated charges are made according to actual consumption and a monthly provision is made for consumption made and not billed based on previous invoicing. For the subsidiaries Análisis Ambientales S.A., EcoRiles S.A., Hidrogística S.A. and Aguas del Maipo S.A., billing and any provision is made on the basis of work performed.

Method for determining service termination status

The provision of sanitation services is verified through the measurement of consumption, in accordance with the provisions of the related legal regulations, while for the non sanitation subsidiaries, once the services have been concluded and/or the respective reports have been issued.

Revenues from agreements with developers are recorded as ordinary income to the extent that certain stipulated conditions are met in each contract, which ensure that the associated economic benefit will flow to the group.

R. Earnings per share

The basic earnings per share is calculated as the quotient of the profit (loss) attributable to equity holders of the Parent Company and the weighted average number of common shares outstanding.

The Group has not carried out any potentially dilutive transactions involving earnings per diluted share other than basic earnings per share.

S. Environmental information

Assets of an environmental nature are considered to be those that are used on a lasting basis in the activity of the Subsidiaries, the main purpose of which is the minimization of adverse environmental impacts and the protection and improvement of the environment, including the reduction or elimination of future pollution from the operations of the Subsidiaries.

These assets are valued at acquisition cost. The subsidiaries amortize these items on a straight line basis over the estimated remaining useful lives of the various items.

T. Consolidated statements of cash flows

The cash flow statement shows the cash movements during the period, which include the value added tax (VAT), determined by the direct method and with the following criteria:

**Cash and cash equivalents:** represent inflows and outflows of cash and cash equivalents, which are short term, highly liquid investments with low risk of changes in value (term of less than three months from the date of contract and without restrictions).

**Operating activities:** represent activities typical of the normal operation of the business of the Company and its Subsidiaries, as well as other activities not classified as investing or financing activities.

**Investing activities:** represent the acquisition, sale or disposal by other means of long term assets, and other investments not included in cash and cash equivalents.

**Financing activities:** represent activities that produce changes in the amount and composition of shareholders’ equity and liabilities that are not part of ordinary activities.

U. Capitalized borrowing costs

Interest-bearing loan policy

Borrowing costs that are directly attributable to the acquisition, construction or production of assets that meet the conditions for qualification are capitalized, being part of the cost of such assets.

Interest cost capitalization policy

Interest paid or accrued on debt that finances qualifying assets is capitalized, as stated in IAS 23. The aforementioned IAS 23 establishes that when the Entity acquires debt for the purpose of financing investments, the interest on such debt must be deducted from the financial expense and included in the financed construction work, up to the total amount of such interest, applying the respective rate to the disbursements made at the date of submission of the financial statements.

V. Noncurrent assets held for sale or to be distributed to owners

The Company classifies as noncurrent assets (or group of assets for disposal) held for sale, property, plant and equipment, intangible assets, investments in associates, joint ventures and disposal groups (group of assets to be disposed of together with their directly associated liabilities), for which at the closing date of the statement of financial position active efforts have been initiated for their sale, and it is estimated that it is highly likely that the transaction will be completed during the twelve-month period following that date.

Assets or groups subject to divestiture classified as held for sale are valued at the lower of their carrying amount or fair value minus costs to sell, and cease to be amortized from the moment they acquire this classification.

Noncurrent assets held for sale and components of disposal groups classified as held for sale or held for distribution to owners are presented in the consolidated financial statements as follows:

Assets in a single line item called “Noncurrent assets or groups of assets for disposal classified as held for sale”. Liabilities part of a group of assets for disposal classified as held for sale shall be presented in the statement of financial position separately from other liabilities, i.e. in the line item “Liabilities included in groups of assets for disposal classified as held for sale”. These assets and liabilities will not be offset, nor will they be presented as a single amount.

In the statement of comprehensive income, a single amount comprising the total after-tax result of discontinued operations and the after-tax gain or loss recognized on measurement at fair value less costs to sell, or on disposal of the assets or disposal groups constituting the discontinued operation, is presented under the caption “Gain (loss) from discontinued operations”.

W. Reclassifications

For the period ended December 31, 2023, certain reclassifications have been made to facilitate comparison as of December 31, 2022 as follows:

Reclassifications	Increase/Decrease ThCh\$
Statement of comprehensive income by nature:	
Income from ordinary activities	5.002.609
Financial income	(5.002.609)
Statements of changes in equity:	
Retained earnings (loss)	2.709.364
Cash flow hedge reserve	(2.709.364)

# Note 3. Trade Debtors and Other Accounts and Rights Receivable

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The composition of trade receivables (current and noncurrent) as of December 31, 2023 and 2022 is as follows:

Credit risk	31-12-2023 ThCh\$	31-12-2022 ThCh\$
Gross trade accounts receivable exposure	168.409.768	161.859.008
Gross exposure notes receivable	1.509.402	1.136.765
Gross exposure other accounts receivable	7.589.377	4.857.013
<b>Trade and other accounts receivable, current, gross</b>	<b>177.508.547</b>	<b>167.852.786</b>
Allowances for accounts receivable	( 45.499.250)	( 45.077.376)
<b>Trade and other current receivables, net</b>	<b>132.009.297</b>	<b>122.775.410</b>
Gross exposure other accounts receivable	4.241.254	3.138.563
<b>Noncurrent receivables</b>	<b>4.241.254</b>	<b>3.138.563</b>
Allowances for accounts receivable	( 462.530)	( 322.275)
<b>Noncurrent receivables, net</b>	<b>3.778.724</b>	<b>2.816.288</b>
<b>Net exposure, risk concentrations</b>	<b>135.788.021</b>	<b>125.591.698</b>

In accordance with the Group’s policy, debts for consumption transformed into payment agreements are provided for in full. see Note 2.2. Letter H numeral iv. Impairment policy for trade and other receivables.

The main variation as of December 31, 2023 is in trade accounts receivable (an increase of ThCh\$ 6,550,760 compared to December 31, 2022).

During fiscal year 2023, there is a decrease in commercial debts with respect to December 2022, in the Commercial Debt not overdue less than or equal to 8 months for an amount of ThCh\$ 2,700,456, this is explained as a result of the improvement in the collection management.

There are no customers with sales representing 10% or more of its consolidated revenues, as well as no significant restrictions on accounts receivable requiring disclosure for the periods ended December 31, 2023 and 2022.

The changes in the allocation for doubtful accounts are as follows:

Movement in credit risk accounts receivable	31-12-2023 ThCh\$	31-12-2022 ThCh\$
<b>Opening Balance</b>	<b>(45.399.651)</b>	<b>(38.982.547)</b>
Increase in existing provisions	(12.316.346)	(13.830.357)
Others	11.754.217	7.413.253
<b>Changes, total</b>	<b>(562.129)</b>	<b>(6.417.104)</b>
<b>Closing Balance</b>	<b>(45.961.780)</b>	<b>(45.399.651)</b>

The age composition of gross debt is presented below:

Aging of gross debt	31-12-2023 ThCh\$	31-12-2022 ThCh\$
less than three months	142.105.845	116.221.034
between three and six months	4.358.449	5.658.916
six to eight months	2.282.328	3.149.878
more than eight months	33.003.179	45.961.521
<b>Totals</b>	<b>181.749.801</b>	<b>170.991.349</b>

In accordance with IFRS 7 Financial Instruments, a detail of gross overdue debt by age is presented:

Gross overdue debt does not include covenanted debt	31-12-2023 ThCh\$	31-12-2022 ThCh\$
less than three months	17.552.846	18.017.601
between three and six months	3.612.852	3.417.121
six to eight months	2.038.983	1.581.266
<b>Totals</b>	<b>23.204.681</b>	<b>23.015.988</b>

Past due debt consists of all amounts for which the counterparty failed to make a payment when contractually due. In accordance with the Company’s policy, customers with overdue balances of less than 8 months are not provisioned.

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As of December 31, 2023 and 2022, the analysis of the gross exposure of current trade debtors and current and noncurrent notes receivable, for the repackaged and non-repackaged non-securitized portfolio, is as follows:

December 31, 2023						
Trade Accounts Receivable	Portfolio not repaid		Portfolio repurchased		Total gross portfolio	
	Nº of customers	Gross amount ThCh\$	Nº of customers	Gross amount ThCh\$	Nº of customers	Gross amount ThCh\$
Up to date	29.336	9.813.344	-	-	29.336	9.813.344
Between 1 and 30 days	1.043.952	91.312.255	6.626	181.884	1.050.578	91.494.139
Between 31 and 60 days	231.829	12.943.141	13.124	620.807	244.953	13.563.948
Between 61 and 90 days	66.069	4.027.008	16.711	914.814	82.780	4.941.822
Between 91 and 120 days	31.251	1.888.170	7.871	534.664	39.122	2.422.834
Between 121 and 150 days	19.522	1.311.242	6.746	579.341	26.268	1.890.583
Between 151 and 180 days	12.175	1.166.741	6.097	622.322	18.272	1.789.063
Between 181 and 210 days	12.964	1.340.686	5.313	606.960	18.277	1.947.646
Between 211 and 250 days	7.715	967.389	5.612	848.304	13.327	1.815.693
More than 251 days	60.302	3.339.106	95.174	36.900.992	155.476	40.240.098
Totals	1.515.115	128.109.082	163.274	41.810.088	1.678.389	169.919.170

31 de diciembre 2022						
Trade Accounts Receivable	Portfolio not repaid		Portfolio repurchased		Total gross portfolio	
	Nº of customers	Gross amount ThCh\$	Nº of customers	Gross amount ThCh\$	Nº of customers	Gross amount ThCh\$
Up to date	28.590	8.598.199	-	-	28.590	8.598.199
Between 1 and 30 days	1.161.996	84.212.013	36.163	131.184	1.198.159	84.343.197
Between 31 and 60 days	235.812	12.609.353	10.770	393.752	246.582	13.003.105
Between 61 and 90 days	89.587	6.477.997	15.312	857.461	104.899	7.335.458
Between 91 and 120 days	28.180	1.838.119	6.991	483.559	35.171	2.321.678
Between 121 and 150 days	17.777	1.342.967	5.795	424.188	23.572	1.767.155
Between 151 and 180 days	11.848	1.056.877	5.273	513.205	17.121	1.570.082
Between 181 and 210 days	8.901	954.134	4.791	565.785	13.692	1.519.919
Between 211 and 250 days	6.365	828.738	5.338	801.219	11.703	1.629.957
More than 251 days	65.106	5.161.674	76.171	35.745.349	141.277	40.907.023
Totals	1.654.162	123.080.071	166.604	39.915.702	1.820.766	162.995.773

As of December 31, 2023 and 2022, the analysis of delinquent bills receivable and notes receivable in court collection, of the non-securitized portfolio, is as follows:

Delinquent portfolio and receivables in court collection	Portfolio not repaid 12/31/2023		Portfolio not repaid 31-12-2022	
	Nº of customers	Portfolio amount ThCh\$	Nº of customers	Portfolio amount ThCh\$
Delinquent bills receivable	785	361.840	469	339.772
Documents receivable in court collection	5	435.546	5	365.399
Totals	790	797.386	474	705.171

As of December 31, 2023 and 2022, the credit risk analysis is as follows:

December 31, 2023			
Provision			Period penalty
Portfolio not repaid ThCh\$	Repaid portfolio ThCh\$	Total Provision ThCh\$	
(4.151.693)	(41.810.087)	(45.961.780)	11.754.217

December 31, 2022			
Provision			Period penalty
Portfolio not repaid ThCh\$	Repaid portfolio ThCh\$	Total Provision ThCh\$	
(5.483.948)	(39.915.703)	(45.399.651)	7.413.380

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# Note 4. Related Entity Disclosures

### Balances and transactions with related entities

Transactions between the Company and its Subsidiaries are on an arm’s length basis. These transactions have been eliminated in the consolidation process and are not disclosed in this note.

### Accounts receivable from related entities

Accounts receivable from related entities are originated in Chile, the currency of the transactions is in pesos, the maturities are 30 days and they are not collateralized.

Rut part related	Name of related party	Nature of relationship	Nature of related party transactions	Maturity	Warranties	31-12-2023 ThCh\$	31-12-2022 ThCh\$
77.441.870-9	Veolia Soluciones Ambientales Chile S.A.	Related to the Controller	laboratory analysis and sampling services	30 days	No guarantee	6.552	142
65.113.732-2	Corporación Chilena de Investigación del Agua SpA.	Related to the Controller	Lease	30 days	No guarantee	3.707	6.999
65.113.732-2	Corporación Chilena de Investigación del Agua SpA.	Related to the Controller	Expense reimbursement	30 days	No guarantee	575	-
87.803.800-2	Veolia SU Chile S.A.	Related to the Controller	Revenue due to excess load, laboratory analysis and sampling services	30 days	No guarantee	3.547	15.891
Totals						14.381	23.032

### Accounts payable to related entities

Accounts payable to related entities are originated in Chile, the currency of the transactions is in Chilean pesos.

Rut part related	Name of related party	Nature of relationship	Nature of related party transactions	Dead-lines	Warranties	31-12-2023 ThCh\$	31-12-2022 ThCh\$
76.746.454-1	Biofactoria Andina Spa.	Controller Related	Nitrogen removal and biofactory adaptation plan of the Mapocho-Trebal treatment plant	30 days	Contract performance guaranty Amount UF 1,048,050	-	2.474.572
77.441.870-9	Veolia Soluciones Medioambientales Chile S.A.	Controller Related	CCO 2.0 Operational Control Center Update Project maintenance and support.	30 days	Contract performance guaranty Amount UF 4,435	251.121	709.355
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal Ltda.	Controller Related	Operation of the Biogas La Farfana purification plant, control and monitoring of electricity costs	30 days	No guarantees	-	196.748
Sin Rut	Aquatec Proyectos para el sector del agua S.A.	Controller Related	Technical assistance	30 days	No guarantees	302.272	10.249
Sin Rut	Aquatec Proyectos para el sector del agua S.A.	Controller Related	Purchase of materials	30 days	No guarantees	237.929	-
96.817.230-1	EPSA Electrica Puntilla S.A.	Common Director	Purchase of water	30 days	No guarantees	-	461.216
76.080.553-K	Veolia Solutions Chile Ltda.	Controller Related	Virtual platform	30 days	No guarantees	163.810	95.059
76.080.553-K	Veolia Solutions Chile Ltda.	Controller Related	Specialized customer service	30 days	No guarantees	125.224	114.902
76.080.553-K	Veolia Solutions Chile Ltda.	Controller Related	Purchase of materials	60 days	No guarantees	218.244	669.493
70.009.410-3	Asociación canalistas sociedad del canal del Maipo	Common Director	Purchase of water, electric power and interconnections.	30 days	No guarantees	12.881	24.283
65.113.732-2	Corporación Chilena de Investigación del Agua SpA.	Controller Related	Studies and Consulting	30 days	No guarantees	267.072	59.609
Sin Rut	Logistium , Servicios Logísticos S.A.	Controller Related	Operating Supplies	30 days	No guarantees	-	186.617
77.329.730-4	Veolia Inversiones Aguas del Gran Santiago Ltda.	Controller	Lease	30 days	No guarantees	4.947	7.927
Totals						1.583.500	5.010.030

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## Transactions with related entities

Transactions with related entities are originated in Chile, and the currency of the transactions is in Chilean pesos.

Rut related party	Name of Related Party	Nature of Relationship	Country of Origin	Nature of Related Party Transactions	Type of Currency	ThCh\$ 31-12-2023		ThCh\$ 31-12-2022	
						Amount	Effect on income (charge)/credit	Amount	Effect on income (charge)/credit
70.009.410-3	Asociación canalistas sociedad del canal del Maipo	Common Director	CL	Purchase of water, electric power and canal administration	CLP	5.688.582	(4.780.321)	6.868.550	(5.771.891)
96.817.230-1	EPSA Eléctrica Puntilla S.A.	Common Director	CL	Purchase of water and electricity	CLP	3.081.902	(2.589.834)	4.627.713	(3.888.835)
77.441.870-9	Veolia Soluciones Ambientales Chile S.A.	Controller Related	CL	CCO 2.0 Operational Control Center Upgrade and Tracer Gas Leak Detection Project	CLP	2.061.211	(1.732.111)	4.056.303	(3.408.657)
77.441.870-9	Veolia Soluciones Ambientales Chile S.A.	Controller Related	CL	Veolia Telecontrol Service	CLP	652.475	(548.298)	-	-
77.441.870-9	Veolia Soluciones Ambientales Chile S.A.	Controller Related	CL	Extension of maintenance and support service	CLP	586.449	(499.374)	-	-
77.441.870-9	Veolia Soluciones Ambientales Chile S.A.	Controller Related	CL	Treatment services	CLP	130.541	(110.564)	-	-
76.080.553-K	Veolia Solutions Chile Ltda.	Controller Related	CL	Purchase of materials	CLP	145.576	(122.333)	2.291.041	(1.925.245)
76.080.553-K	Veolia Solutions Chile Ltda.	Controller Related	CL	Siebel virtual platform maintenance, Aquacis, consulting, evolutionary maintenance and Aquacis licenses.	CLP	2.438.229	(2.045.038)	1.344.590	(868.048)
Sin Rut	Aquatec Proyectos para el sector del agua S.A.	Controller Related	CL	Purchase of materials and technical assistance	CLP	1.655.781	(1.572.728)	-	-
Sin Rut	Aquatec Proyectos para el sector del agua S.A.	Controller Related	CL	Control and monitoring of the operation of the water supply dams in Santiago Embalse el Yeso, technical assistance and training.	CLP	-	-	138.135	(138.135)
Sin Rut	Logistium Servicios Logísticos S.A.	Controller Related	CL	Operating Supplies	CLP	601.155	(601.155)	1.343.176	-
65.113.732-2	Corporación Chilena de Investigación del Agua	Controller Related	CL	Research and development consultancy and Contract laboratory analysis and sampling	CLP	365.192	(363.013)	-	-
65.113.732-2	Corporación Chilena de Investigación del Agua	Controller Related	CL	Leasing Service	CLP	19.997	16.804	-	-
65.113.732-2	Corporación Chilena de Investigación del Agua	Controller Related	CL	Study on resilient urban water infrastructure management models in relation to hydrological and geological risks, sludge valorization	CLP	-	-	337.394	(337.394)
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal Ltda.	Controller Related	CL	Biogas plant operation and maintenance services	CLP	-	-	102.337	(234.966)
76.746.454-1	Biofactoria Andina Spa.	Controller Related	CL	Nitrogen removal and biofactory adaptation plan for the Mapocho-Trebal treatment plant.	CLP	3.005.964	(2.526.020)	-	-
76.746.454-1	Biofactoria Andina Spa.	Controller Related	CL	Operation, maintenance and adequacy of the Biofactoria treatment plant.	CLP	-	-	11.520.412	(7.731.920)
76.746.454-1	Biofactoria Andina Spa.	Controller Related	CL	Termination of contract termination Biofactories, purchase of inventories and fixed assets (*)	CLP	-	-	11.483.240	-
77.329.730-4	Veolia Inversiones Aguas del Gran Santiago Ltda	Controller	CL	Dividends paid	CLP	21.632.493	-	19.050.901	-

The materiality criterion for reporting transactions between related companies is amounts greater than ThCh\$100,000 accumulated.

(\*) On March 31, 2022, the Contract for the Development of the Plan for the Adaptation to Biofactories of the Wastewater Treatment Plants of Greater Santiago and Management of Generated Resources, signed between the Company and Suez Biofactoría Andina SPA, was terminated in advance, which resulted in the acquisition of inventories, fixed assets and the internalization of the personnel of the latter.

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Directors’ and Directors’ Committee remuneration

Remuneration paid to the directors of Inversiones Aguas Metropolitanas S.A. and Subsidiaries and directors’ committee.

Remuneration paid	31-12-2023 ThCh\$	31-12-2022 ThCh\$
Board of Directors	1.076.746	975.814
Directors' Committee	175.498	159.287
Totals	1.252.244	1.135.101

Correspond solely to fees associated with their functions as defined and agreed at the Ordinary Shareholders’ Meeting.

Detail of related entities and transactions with related entities between Directors and Executives

The Company’s management is not aware of the existence of transactions between related parties and directors and/or executives, other than their per diems and remuneration.

Statements of financial position	2023	2022
ASSETS		
Current assets	276.781.050	326.058.264
Noncurrent assets	2.419.695.021	2.325.871.931
Total Assets	2.696.476.071	2.651.930.195
LIABILITIES		
Current liabilities	362.634.346	266.626.154
Noncurrent liabilities	1.175.813.467	1.274.907.748
Equity	715.849.689	691.794.448
Minority interests	442.178.569	418.601.845
Total Liabilities and Shareholders' Equity	2.696.476.071	2.651.930.195
STATEMENT OF COMPREHENSIVE INCOME		
Ordinary income	640.855.854	580.468.054
Operating cost	-389.534.004	-347.136.671
Financial result	-76.617.993	-136.696.953
Other than the operation	-8.979.801	-15.352.190
Income tax	-33.886.203	2.577.179
Minority interest	-66.560.594	-42.539.263
Profit attributable to owners of controlling company	65.277.259	41.320.156
CASH FLOW STATEMENT		
Cash flows provided by (used in) from operating activities	227.922.765	241.057.418
Cash flows provided by (used in) investing activities	-150.002.292	-165.900.708
Cash flows from (used in) financing activities	-147.670.931	-59.169.722
Net increase (decrease) in cash and cash equivalents	-69.750.458	15.986.988
Cash and cash equivalents at beginning of period	180.545.868	164.558.880
Cash and cash equivalents at end of period	110.795.410	180.545.868
STATEMENT OF CHANGES IN EQUITY		
Issued capital	468.358.402	468.358.402
Retained earnings (loss)	203.895.644	181.974.048
Other equity interests	-37.268.415	-37.268.415
Other reserves	80.864.058	78.730.413
Non-controlling interests	442.178.569	418.601.845
Total equity	1.158.028.258	1.110.396.293

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# Aguas Andinas S.A. and Subsidiaries

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## General Background

Name : Aguas Andinas S.A.

Type of entity: Open stock corporation

Legal domicile: Avenida Presidente Balmaceda N° 1398, Santiago Chile

Telephone: (56-2) 569 2500

Fax: (56-2) 569 2777

Unique Taxpayer Identification Number (RUT): 61.808.000-5  
P.O. Box: 1537 Santiago

Business: Collection, purification, distribution of potable water and sewage disposal.

Subscribed and paid-in capital: ThCh\$ 155,567,354

External auditors: Ernst & Young

Unique taxpayer identification number (RUT): 61.808.000-5

## Legal incorporation

Aguas Andinas S.A. was incorporated as a corporation by public deed on May 31, 1989 in Santiago, before the Notary Public Mr. Raúl Undurraga Laso. An extract of the bylaws was published in the Official Gazette of June 10, 1989, and was registered in the Commercial Registry on page 13,891, No. 7,040 of 1989 of the Santiago Real Estate Registry (Conservador de Bienes Raíces de Santiago).

## Legal Aspects

The Company is registered in the Securities Registry of the Superintendency of Securities and Insurance (hereinafter “Financial Market Commission”) under No. 0346, pursuant to Law No. 18,777. As a sanitation industry company, it is supervised by the Superintendency of Sanitation Services, in accordance with Law No. 18,902 and Decree Law No. 382 and Decree Law No. 70, both of 1988.

## Corporate purpose

The corporate purpose of the Company is the provision of sanitation services, which include the construction and operation of public utilities to produce and distribute potable water and collect and dispose of sewage, within the concession area distributed in the Greater Santiago, outlying towns and in the Los Rios and Lagos Region, except for the city of Valdivia.

In order to provide a comprehensive service to customers, the Company has non-sanitation subsidiaries providing diversified services such as industrial waste treatment, marketing of materials and technical analysis.

## Board of Directors

President: Felipe Larrain Aspillaga

Named Directors: Fernando Samaniego Sangroniz  
Gustavo Miques Tabernaberry  
Maria Florencia Esquerre Riquelme  
Giorgianna Cúneo Queirolo  
Rodrigo Manubens Moltedo  
Jaime Arellano Quintana

General Manager: Daniel Tugues Andres

## Percentage of parent company:

50,10234% direct

## Share that represents the investment in the parent company assets.

The investment in the company represents the proportion of 52.31%.

## Business relationship with the parent company and subsidiaries of the parent company

During the fiscal year ended December 31, 2023, the Company maintained interconnection contracts for potable water and sewage, leases, purchase and sales of materials with its parent company, which are paid within a maximum term of 30 days. Similar commercial relationships are expected to be maintained in the future.



# Nota 1. General Information

Aguas Andinas S.A. (hereinafter the “Company”) and its Subsidiaries make up the Aguas Andinas Group (hereinafter the “Group”). Its legal domicile is Avenida Presidente Balmaceda N° 1398, Santiago, Chile and its Taxpayer Identification Number is 61.808.000-5.

Aguas Andinas S.A. was incorporated as a corporation opened by public deed on May 31, 1989 in Santiago, before the Notary Public Mr. Raúl Undurraga Laso. An extract of the bylaws was published in the Official Gazette of June 10, 1989, and was registered in the Commercial Registry on page 13,981, No. 7,040 of 1989 of the Santiago Real Estate Registry.

The corporate purpose of the Company, according to the second article of its bylaws, is to provide sanitation services, which includes the construction and operation of public utilities to produce and distribute potable water and collect and dispose of sewage. Its current concession area is distributed in Greater Santiago and outlying areas.

The Company is the parent company of two sanitation companies in the Greater Santiago (Aguas Cordillera S.A. and Aguas Manquehue S.A.). In order to provide an integral service within its line of business, the Company has subsidiaries providing environmental services such as the treatment of liquid industrial waste (EcoRiles S.A.), laboratory analysis (Análisis Ambientales S.A.), logistics operator, marketing of materials and other services related to the sanitation industry (Hidrogística S.A.) and activities associated with water use rights and energy projects derived from facilities and assets of sanitation companies (Aguas del Maipo S.A.).

The Company is registered in the Securities Register of the Financial Market Commission under No. 346. The subsidiaries Aguas Cordillera S.A. and Aguas Manquehue S.A. are registered in the Special Registry of Reporting Entities of the Financial Market Commission under No. 170 and No. 2, respectively. As sanitation industry companies, they are regulated by the Superintendency of Sanitation Services, in accordance with Law No. 18,902 of 1989 and Decrees with Force of Law No. 382 and No. 70, both of 1988.

For the purpose of preparing the consolidated financial statements, a group is understood to exist when the parent company has one or more subsidiaries over which the parent company has direct or indirect control. The accounting policies applied in the preparation of the Group’s consolidated financial statements are detailed in Note 2.2.

The direct controlling entity is Inversiones Aguas Metropolitanas S.A. (“IAM”) with a 50.10234% ownership, a corporation that is controlled by Veolia Inversiones Aguas del Gran Santiago Ltda. (“IAGSA”) which is controlled by Veolia Inversiones Andina S.A., its parent company is Agbar S.L.U., an entity based in Spain and one of the largest sanitation services operators in the world, which in turn is controlled by Veolia Environnement S.A. (France).



# Note 2. Basis of Preparation and Accounting Policies

## 2.1 Basis of preparation

These consolidated financial statements correspond to the consolidated statements of financial position as of December 31, 2023 and 2022 and the consolidated statements of comprehensive income, changes in shareholders’ equity and cash flows for the periods ended December 31, 2023 and 2022, which have been prepared in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (hereinafter “IASB”), and represent the full, explicit and unreserved adoption of the aforementioned IFRS.

The Group complies with the legal conditions of the environment in which it develops its operations, particularly the sanitation subsidiaries with respect to the regulations of the sanitation industry. The Group’s companies present normal operating conditions in each area in which they develop their activities, their projections show a profitable operation and they have the capacity to access the financial system to finance their operations, which in the opinion of management determines their capacity to continue as an operating company, as established by the accounting standards under which these consolidated financial statements are issued.

### Functional and presentation currency

The financial statements of each of the companies comprising the Group are presented in the currency of the primary economic environment in which such companies operate (functional currency). For purposes of the consolidated financial statements, the results and financial position of each Group Company are expressed in Chilean pesos (rounded in thousands of pesos), which is the functional currency of the Company and its Subsidiaries, and the presentation currency for the consolidated financial statements.

### New accounting pronouncements

The standards and interpretations, as well as improvements and amendments to IFRS that have been issued, effective as of the date of these financial statements, are detailed below. The Company has applied these standards and concluded that they did not significantly affect the financial statements.

	Standards and Amendments	Date of mandatory application
IFRS 17	Insurance Contracts	January 1, 2023
IAS 8	Definition of the accounting estimate	January 1, 2023
IAS 1	Disclosure of accounting policies	January 1, 2023
IAS 12	Deferred income tax related to assets and liabilities arising from a single transaction	January 1, 2023
IAS 12	International Tax Reform - Second Pillar Model Rules	January 1, 2023

The standards and interpretations, as well as improvements and amendments to IFRS, that have been issued but are not yet in force as of the date of these financial statements are detailed below. The Company has not applied these standards early.

	Amendments	Date of mandatory application
IAS 1	Classification of liabilities as current or noncurrent	January 1, 2024
IFRS 16	Lease liabilities related to sale-leaseback sales	January 1, 2024
IAS 7 e IFRS 7	Disclosures about vendor financing arrangements	January 1, 2024
IAS 21	Lack of interchangeability	January 1, 2025
IFRS 10 e IAS 28	Consolidated Financial Statements - sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Standards, Amendments and Interpretations described above, which may apply to Aguas Andinas S.A. and Subsidiaries, are in the process

of being evaluated by the Management of the company, and it is estimated that to date they would not have a significant impact on the consolidated financial statements of the Group in the period of their first application. Management is periodically evaluating these implications.

### Responsibility for the information and estimates made

The information contained in these consolidated financial statements is the responsibility of the Company’s Board of Directors, which declares that all the principles and criteria included in the International Financial Reporting Standards (IFRS) have been applied. The Board of Directors, at its meeting held on March 13, 2024, approved these consolidated financial statements.

The consolidated financial statements of Aguas Andinas S.A. and Subsidiaries for the year 2022 were approved by its Board of Directors at its meeting held on March 22, 2023.

### Estimates have been used in the preparation of the consolidated financial statements:

- Land revaluation
- Useful life of property, plant and equipment and intangible assets
- Valuation of assets and goodwill purchased (goodwill or goodwill on investments)
- Impairment losses
- Assumptions used in the actuarial computation of employee termination benefits
- Assumptions used to calculate the fair value of financial instruments
- Revenue from supplies pending invoicing
- Provisions for commitments acquired with third parties
- Risks arising from current litigation

Although these estimates and judgments were made on the basis of the best information available at the date of issuance of these consolidated financial statements, it is possible that events that may occur in the future may make it necessary to modify them (upward or downward) in future periods, which would be recorded prospectively, at the time the variation becomes known, recognizing the effects of such changes in the corresponding future consolidated financial statements.

2.2 Accounting policies

The main accounting policies adopted in the preparation of these consolidated financial statements are described hereinafter.

A. Basis of consolidation

The consolidated financial statements include the financial statements of the Company and the entities controlled by the Company (its Subsidiaries). Subsidiaries are those entities over which the Group has the power to direct the relevant activities, is entitled to variable returns from its involvement and has the ability to use that power to influence the amounts of the investor’s returns. Subsidiaries are consolidated from the date on which control is transferred to the Group and are excluded from consolidation on the date on which control ceases.

In the consolidation process all transactions, balances, gains and losses between Group entities are eliminated.

The Company and its subsidiaries display uniformity in the policies used by the Group.

The subsidiaries included in the consolidated financial statements of Aguas Andinas S.A. are as follows

R.U.T.	Name Company	Direct %	Indirect %	Total 31-12-2023 %	Direct %	Indirect %	Total 31-12-2022 %
96.809.310-K	Aguas Cordillera S.A.	99,99003	-	99,99003	99,99003	-	99,99003
89.221.000-4	Aguas Manquehue S.A.	0,00043	99,99957	100,00000	0,00043	99,99957	100,00000
96.945.210-3	Ecoriles S.A.	99,03846	0,96154	100,00000	99,03846	0,96154	100,00000
96.828.120-8	Hidrogística S.A. (*)	97,84783	2,15217	100,00000	97,84783	2,15217	100,00000
96.967.550-1	Análisis Ambientales S.A.	99,00000	1,00000	100,00000	99,00000	1,00000	100,00000
76.190.084-6	Aguas del Maipo S.A.	82,64996	17,35004	100,00000	82,64996	17,35004	100,00000

B. Operating segments

IFRS 8 establishes standards for reporting on operating segments and disclosures related to products and services. Operating segments are defined as components of an entity for which there is separate financial information, which is regularly reviewed by the management to make decisions about resources to be allocated to the segments and to evaluate their performance.

The Group manages and measures the performance of its operations by business segment. The internally reported operating segments are as follows:

- Operations related to the sanitation (Water) business.
- Operations not related to the sanitation business (Not Water).

C. Intangible assets other than goodwill

The Company recognizes an identifiable intangible asset when it can demonstrate that it is likely that the future economic benefits attributed to the asset will flow to the entity and the cost can be measured reliably.

i. Intangible assets acquired separately

Intangible assets acquired under a separate form are presented at cost minus accumulated amortization and accumulated impairment losses. Amortization is calculated on a straight line basis using estimated useful lives. The estimated useful lives and amortization method are reviewed at the end of each reporting period and the effect of any change in estimate is accounted for prospectively.

ii. Amortization method for intangible assets Intangible assets with definite useful lives

The amortization method applied by the Company reflects the pattern at the end of the year.

The Company uses the straight line method of amortization to recognize the future economic profit of the asset. For this purpose, the Company uses the straight line amortization method.

Computer software

The estimated useful life for software is 4 years. For other assets with a defined useful life, the useful life over which they are amortized corresponds to the periods defined in the contracts or rights that originate them.

Intangible assets of indefinite useful life

Intangible assets with indefinite useful lives correspond mainly to water rights and easements, which were obtained on an indefinite basis, as established in the acquisition contracts and rights obtained from the Dirección General de Aguas, which is part of the Ministry of Public Works.

Determination of useful life

Factors to be considered in estimating useful life include, but are not limited to, the following:

- Legal, regulatory or contractual limitations.
- Predictable life of the business or industry.
- Economic factors (product obsolescence, changes in demand).
- Expected reactions from current or potential competitors.
- Natural and climatic factors and technological changes that affect the capacity to generate profits.

The useful life may require modifications over time due to changes in estimates as a result of changes in estimations about the aforementioned factors.

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D. Capital gains

Goodwill generated in the business combination represents the excess of the cost of acquisition over the Group’s interest in the fair value of the assets and liabilities, including the identifiable contingent liabilities of a Subsidiary Company at the acquisition date.

The valuation of the assets and liabilities acquired is made provisionally on the date on which control of the Company is acquired, and is reviewed within a maximum period of one year from the date of acquisition. Until the fair value of the assets and liabilities is definitively determined, the excess between the acquisition price and the book value of the Company acquired is provisionally recorded as goodwill.

In the event that the final determination of goodwill is made in the financial statements of the year following the year in which the interest was acquired, the prior year’s items presented for comparative purposes are modified to incorporate the value of the assets and liabilities acquired and of the final goodwill from the date of acquisition of the interest.

Goodwill generated prior to the date of our transition to IFRS, i.e. January 1, 2008, is maintained at the net value recorded at that date, while goodwill originated after that date remains recorded according to the acquisition method.

Goodwill is not amortized; instead, at the end of each accounting period, an impairment test is performed to determine whether the recoverable amount of goodwill has been reduced to an amount lower than the net carrying amount, and if so, the appropriate impairment adjustment is made, as required by IAS 36.

E. Property, plant and equipment

The Company uses the cost method for the valuation of Property, Plant and Equipment, except for land, which is valued using the revaluation method. The historical cost includes expenses that are directly attributable to the acquisition of the asset.

Land revaluations are performed with sufficient periodicity to ensure that the carrying amount of the revalued asset does not differ significantly from fair value.

The revaluation surplus, net of the corresponding deferred taxes, is recognized in other comprehensive income within equity. However, in the event that a revaluation deficit of the same asset previously recognized as a loss is reversed, such increase is recognized in the statement of income. A decrease in value is recorded in the statement of income, except in the event that such decrease reverses the existing surplus on the same asset that would have been recognized in adjustments for changes in value.

Subsequent costs are included in the value of the initial asset or recognized as a separate asset only when it is likely that future economic benefits associated with the fixed asset items will flow to the Group and the cost of the item can be reliably determined. The value of the replaced component is derecognized for accounting purposes. All other repairs and maintenance are charged to income for the year in which they are incurred.

Depreciation method and estimated useful life for property, plant and equipment

The depreciation method applied by the Company reflects the pattern in which the assets are expected to be used by the Company during the period in which they generate economic benefits. For this purpose, the Company uses the straight line depreciation method over their technical useful lives, which is based on studies prepared by independent experts (external specialist companies). The residual value and useful life of the assets are reviewed, and adjusted if necessary, at each closing of the Statement of Financial Position.

When the value of an asset exceeds its estimated recoverable amount, its value is written down immediately to its recoverable amount (Note 32).

Useful lives

The useful lives considered for purposes of calculating depreciation are based on technical studies prepared by specialized external companies, which are reviewed as new information that allows considering that the useful life of an asset has been modified arises.

The allocation of total useful life for assets is made on the basis of several factors, including the nature of the equipment. Such factors generally include:

- 1. Nature of the component materials of the equipment or constructions.
- 2. Means of operation of the equipment
- 3. Intensity of use
- 4. Legal, regulatory or contractual limitations.

The useful life range (in years) by type of assets is as follows:

Ítem	Minimum useful life (years)	Maximum useful life (years)
Buildings	25	80
Plant and equipment	5	50
Information technology equipment	4	4
Fixed installations and accessories	5	80
Motor vehicles	7	10
Leasehold improvements	5	10
Other property, plant and equipment	5	80

Policy for estimating costs for dismantling, removal or rehabilitation of property, plant and equipment:

Due to the nature of the assets being constructed in the Company and given that there are no contractual obligations or other constructive requirements such as those mentioned in IFRS and in the regulatory framework, the concept of decommissioning costs is not applicable at the date of these consolidated financial statements.

Property, plant and equipment sales policy

The gain or loss on the sale of property, plant and equipment is calculated by comparing the proceeds obtained with the carrying value and is recorded in the Consolidated Statement of Comprehensive Income.

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F. Impairment of tangible and intangible assets except for goodwill

At each consolidated statement of financial position date, the Group reviews the carrying amounts of its tangible and intangible assets with definite useful lives to determine whether there are indicators that such assets have suffered an impairment loss. If such indicators exist, the recoverable amount of the assets is estimated to determine the amount of the impairment loss (if any). When it is not possible to estimate the recoverable amount of a particular asset, the Group estimates the recoverable amount of the Cash Generating Unit to which the asset belongs.

Intangible assets with indefinite useful lives are tested annually for impairment and when there are indicators that the asset may be impaired before the end of the year.

The recoverable amount is the higher of fair value minus costs to sell and value in use. In estimating value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects both the current market conditions of the time value of money and the specific risks associated with the asset.

When the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of that asset (or cash-generating unit) is adjusted to its recoverable amount by immediately recognizing an impairment loss in profit or loss. When an impairment loss is reversed, the carrying amount of the asset (or cash-generating unit) is adjusted to the revised estimate of its recoverable amount, provided that the adjusted carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years.

G. Leases

The Group assesses its lease contracts in accordance with IFRS 16, i.e. whether the right to control the use of an identified asset is transferred for a period of time in exchange for consideration. Control is deemed to exist if the customer has i) the right to obtain substantially all the economic benefits from the use of an identified asset; and ii) the right to direct the use of the asset.

When the Group acts as lessee, at the inception of the lease (i.e. on the date the underlying asset is available for use) it records a right-of-use asset and a lease liability in the statement of financial position.

The Group initially recognizes the right-of-use asset at cost, adjusted for any remeasurement of the lease liability, less accumulated depreciation and accumulated impairment losses. The right-of-use asset is depreciated over the lease term. To determine whether the right-of-use asset is impaired, the same criteria detailed in Note 2.2.F are applied.

Lease liabilities are initially measured at the present value of the lease payments, discounted at the company's incremental borrowing rate, if the interest rate implicit in the lease cannot be readily determined.

After the commencement date, the lease liability is increased to reflect the accrual of interest and reduced by lease payments made. In addition, the carrying amount of the liability is remeasured if there is a change in the terms of the lease (changes in the term, in the amount of payments or in the evaluation of an option to purchase or change in the amounts payable). Interest expense is recognized as a finance cost in profit or loss.

Short-term leases, equal to or less than one year, or leases of low-value assets are exempt from the application of the recognition criteria described above, recording the payments associated with the lease as an expense on a straight line basis over the term of the lease.

When the Group acts as lessor, it classifies at the inception of the agreement whether the lease is an operating or finance lease, based on the substance of the transaction. Leases in which substantially all the risks and rewards incidental to ownership of the underlying asset are transferred are classified as finance leases. All other leases are classified as operating leases.

H. Financial assets

Acquisitions and disposals of financial instruments are recognized on the trade date, i.e. the date on which the Group undertakes to acquire or sell the asset. Investments are derecognized when the rights to receive cash flows from them have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Financial assets are classified in the following categories:

- Financial assets at fair value through profit or loss
- Financial assets at fair value through comprehensive income
- Financial assets at amortized cost

The classification depends on the nature and purpose of the financial assets and is determined at initial recognition.

Aguas Andinas S.A. and its subsidiaries invest in low-risk instruments that meet the classification standards established in their investment policies. Thus, mutual investment funds must have an AAfm / M1 rating (shares with very high protection against loss, associated with credit risks / shares with the lowest sensitivity to changes in economic conditions). Time deposits and covenants, contracted are N-1 rated instruments (Instruments with the highest capacity to pay principal and interest on the agreed terms and maturities).

The issuing institutions of these instruments correspond to banking companies or subsidiaries of banks, with an N-1 risk rating and their instruments have a risk rating of at least AA (with a very high capacity to pay principal and interest on the agreed terms and maturities, which would not be significantly affected by possible changes in the issuer, the industry to which it belongs or in the economy).

**i. Effective interest rate method**

The effective interest rate method corresponds to the method of calculating the amortized cost of a financial asset or liability and the allocation of interest income or expense over the entire period. The effective interest rate corresponds to the rate that exactly discounts the estimated future cash flows receivable over the expected life of the financial asset, and makes the Net Present Value (NPV) equal to its nominal amount.

**ii. Fair value through other comprehensive income**

For the classification of an asset at fair value through other comprehensive income, the sale of financial assets for which the principal amount plus interest, if any, is expected to be recovered within a specified period of time must be complied with as a principle.

**iii. Financial assets at fair value through profit or loss**

Financial assets are presented at fair value through profit or loss when the financial asset is held for trading or is designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are measured at fair value and any resulting gain or loss is recognized in profit or loss. The net gain or loss recognized in profit or loss includes any dividend or interest received on the financial asset.

The Company and its subsidiaries hold shares of Sociedad Eléctrica Puntilla S.A., which have been valued at fair value at the date of acquisition, as established in IFRS 9. They are subsequently measured at cost since there is no active market, according to the same standard.

**iv. Financial assets at amortized cost**

**Loans and accounts receivable**

Trade, loans and other receivables are non-derivative financial assets, which have fixed or determinable payments and are not quoted in an active market and are classified as loans and receivables. Loans and receivables are measured at amortized cost using the effective interest rate method, less any impairment losses, except for Short-term receivables where the recognition of interest would be immaterial.

**Trade and other receivables**

Trade debtors correspond to amounts billed for consumption of potable water, sewerage services, sewage treatment and other services and to income accrued for consumption between the date of the last reading (according to the established monthly calendar) and the closing date of the Financial Statement. These are recorded at the net value of the allowance for doubtful accounts or those with a low probability of collection.

The trade debtors policy is subject to the credit policy, which establishes the payment conditions, as well as the different scenarios to be agreed upon for delinquent customers.

**Impairment policy for trade and other accounts receivable**

The Company periodically evaluates impairment losses affecting its financial assets. The amount is recorded in the allowance account. The carrying amount of the asset is reduced as the allowance account is used and the loss is recognized in the consolidated statement of comprehensive income within “other expenses”. When an account receivable is uncollectible, it is recorded against the allowance account for accounts receivable based on the expected credit loss model as established in IFRS 9.

The estimates are based on recovery statistics, which indicate that after the eighth month of unpaid invoices, the possibility of collection is marginal, in other words, the probability of recovering a billed amount is minimal.

In Aguas Andinas S.A. and its subsidiaries Aguas Cordillera S.A. and Aguas Manquehue S.A., the debt of customers with more than 8 balances is provisioned at 100%.

In addition, the debts for consumption transformed into payment agreements are provisioned at 100% of the agreed balance.

Notes receivable with overdue debt are provided for at 100%.

**I. Inventories**

Materials, spare parts and supplies are stated at acquisition cost, which does not exceed net realizable value. The costing method corresponds to the weighted average cost. Annually, an impairment estimate is made for those materials that are damaged, partially or totally obsolete, or have not been turned over for the last twelve months and their market

price has fallen by more than 20%.

**J. Dividend payment policy**

The Company’s dividend policy, as established in Article 79 of Law 18,046 governing corporations, is to distribute at least 30% of the net income of each year. In the event that these dividends do not exist or are less than the minimum established by law, the respective provision will be made.

K. Transactions in foreign currencies

Assets and liabilities in foreign currencies are presented at the respective exchange rates in effect at the end of each year, according to the following Exchange rates:

Currency	31-12-2023 \$	31-12-2022 \$
U.S. dollar	877,12	855,86
Euro	970,05	915,95
JPY	6,23	6,52
AUD	599,21	583,01

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency gains and losses resulting from the settlement of these transactions and from the translation at closing exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of comprehensive income. Exceptions to the aforementioned are assets and liabilities arising from financial derivative contracts. Differences in the fair value of these hedging contracts are charged to equity.

Exchange differences are recorded in the results of the period in which they accrue.

L. Financial liabilities

Loans, bonds with the public and similar obligations are initially recorded at fair value, net of transaction costs incurred. Subsequently, they are valued at amortized cost, using the effective interest rate, except for those transactions for which hedging contracts have been entered into, which are valued in accordance with the following paragraph.

M. Derivative financial instruments and hedge accounting

The use of derivative financial instruments by Aguas Andinas S.A. and Subsidiaries is based on the Group’s financial risk management policies, which establish the guidelines for their use.

Derivatives are recorded at fair value at the date of the statement of financial position. In the case of financial derivatives, if their value

is positive, they are recorded under the caption “Other Financial Assets” and if it is negative, under the caption “Other Financial Liabilities”.

Changes in fair value are recorded directly in profit or loss, unless a derivative has been designated for accounting purposes as a hedging instrument and all the conditions established by IFRS for applying hedge accounting are met.

The treatment of hedging transactions with derivative instruments is as follows:

**Fair value hedges.** Changes in the market value of derivative financial instruments designated as hedging instruments, as well as the hedged items, are recorded with a charge or credit to the financial results of the respective income statement accounts.

Changes in the fair value of these derivative financial instruments are recorded for the effective portion directly in an equity reserve called “cash flow hedges”, while the ineffective portion is recorded in income. The amount recognized in equity is not transferred to the income statement until the results of the hedged transactions are recorded in the income statement, or until the maturity date of such transactions.

In the event of discontinuation of the hedge, the accumulated loss or gain at that date in equity is maintained until the underlying hedged transaction is realized. At that time, the accumulated gain or loss in equity will be reversed in the income statement affecting that transaction.

At the close of each year, financial instruments are stated at fair value. In the case of derivatives not traded in formal markets, the Group uses assumptions for their valuation based on market conditions at that date.

**Effectiveness.** A hedge is considered highly effective when changes in the fair value or cash flows of the underlying directly attributable to the hedged risk are offset by changes in the fair value or cash flows of the hedging instrument with an effectiveness ranging from 80% to 125%.

**Embedded derivatives.** The Group also assesses the existence of embedded derivatives in contracts and financial instruments to determine whether their characteristics and risks are closely related to the main contract, provided that the joint venture is not being

accounted for at fair value. If they are not closely related, they are recorded separately, with changes in value recognized directly in the consolidated statement of income

N. Provisions and contingent liabilities

Provisions are recognized when the Group has a present obligation as a result of past events, for which it is probable that the Group will use resources to settle the obligation and for which it can make a reasonable estimate of the amount of the obligation.

Provisions are quantified on the basis of the best information available on the event and its consequences, and are re-estimated at each accounting closing. The provisions recorded are used to face the specific risks for which they were originally recognized, and are reviewed, in whole or in part, when such risks disappear or decrease.

Contingent liabilities are all those possible obligations arising as a result of past events, whose future materialization and associated financial loss is estimated to be of low probability. In accordance with IFRS, the Group does not recognize any provision for these items, although, as required by the same standard, they are detailed in Note 18.



O. Employee benefits

The obligation for severance indemnities estimated to accrue to employees retiring from Aguas Andinas S.A., Aguas Cordillera S.A. and Aguas Manquehue S.A. is recorded at actuarial value, determined using the projected unit credit method. Actuarial gains and losses on severance indemnities arising from changes in estimates of turnover rates, mortality, salary increases or discount rates are determined in accordance with IAS 19 in other comprehensive income, directly affecting equity, which is subsequently reclassified to retained earnings.

Aguas Andinas S.A.

The severance indemnity for years of service at Aguas Andinas S.A. is governed by the provisions of the Labor Code, except for the amount of severance indemnity accrued at July 31, 2002 and the payment for dismissal of 1.45 salaries, excluding voluntary resignation, without a cap on the amount or years, for employees who are part of the collective bargaining agreements in force and to whom, through their individual employment contract, the same benefit was extended. The amount accrued at that date is adjusted quarterly according to the variation of the consumer price index. In addition, the aforementioned collective bargaining agreement establishes that employees who retire from Aguas Andinas S.A., and retire within 120 days from the date on which they reach the legal retirement age, may access the benefit detailed in the collective bargaining agreement, and continue to accrue this benefit after July 2002.

Aguas Cordillera S.A. y Aguas Manquehue S.A.

The severance indemnity for years of service at Aguas Cordillera S.A. and Aguas Manquehue S.A. is governed by the provisions of the Labor Code, except for the amount of severance indemnity accrued at December 31, 2002 and the payment for dismissal of one salary without a cap on the amount or years, for employees who are part of the collective bargaining agreements in force and to whom, through their individual employment contract, the same benefit was extended. The amount accrued at that date is adjusted quarterly according to the variation of the consumer price index. Also, the aforementioned collective bargaining agreements establish that employees retiring from Aguas Cordillera S.A. and Aguas Manquehue S.A. continue to accrue this benefit after December 2002.

There are no benefits of this nature for the other subsidiaries.

P. Income tax and deferred taxes

The income tax expense corresponds to the sum of income tax payable and the change in deferred tax assets and liabilities.

Income tax payable is determined based on the taxable income for the period. The Group's income tax payable is calculated using the tax rates that have been approved, or are in the last approval process, at the closing date of the statement of financial position.

Deferred taxes are recognized on the basis of the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the calculation of taxable income and are accounted for using the balance sheet liability method.

Deferred tax liabilities are recognized for all taxable temporary differences, and deferred tax assets are recognized for all deductible temporary differences to the extent that it is likely that future taxable profits will be available against which such differences can be utilized. Deferred tax assets or liabilities are not recognized if the temporary differences arise from the lower value or the initial recognition (except in a business combination) of other assets and liabilities in a transaction that does not affect taxable profit or financial results.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer likely that sufficient taxable profit will be available to allow the recovery of all or part of the asset.

Deferred tax assets and liabilities are measured at the tax rates that are expected to be in force for the period in which the liability is settled or the asset realized, based on tax rates that have been enacted or substantively enacted by the end of the statement of financial position period. The measurement of deferred tax assets and liabilities reflects the tax consequences that would result from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset tax assets against tax liabilities and they relate to the same entity and tax authority.

Q. Ordinary income

Revenue recognition policy

The Company determined its recognition and measurement of revenue from ordinary activities based on the principle that revenue is recognized at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer. This fundamental principle should be applied based on a five-step model:

- 1) identification of the contract with the customer;
- 2) identification of contract performance obligations
- 3) determination of the transaction price;
- 4) allocation of the transaction price to performance obligations; and
- 5) revenue recognition when (or as) performance obligations are satisfied.

Revenue recognition policy for sales of goods

Revenue from the sale of goods is recognized once the significant risk and rewards of ownership of the goods have been transferred, the Company retains no relationship with the goods sold, the amount of revenue can be measured reliably, it is likely that the economic benefits associated with the sale will flow to the Company and the costs incurred in the transaction are also measured reliably.

Revenue recognition policy for sales of services

Revenue from the sale of services is measured at fair value. Billings are made on the basis of actual consumption or work performed of the consideration receivable, net of returns, trade discounts and rebates, so that revenue is recognized when it is transferred to the customer and recovery is considered likely, the associated costs and possible discounts for erroneous collections can be estimated reliably.

The service area of the sanitation companies is divided into billing groups, which determines dates for Reading meters and subsequent billing. This process is developed based on a monthly calendar, which generates that at the end of each month there are consumptions not recorded and, therefore, not billed.

For billing groups that have information on the basis of consumption actually recorded, the corresponding tariff will be applied.

In those cases in which the Company does not have all the consumption recorded, it will proceed to make the best estimate of those revenues pending billing, that is, based on the physical data of the previous month valued at the current rate, considering in both cases (billing or estimate) the normal rate or overconsumption, as appropriate.

The transfer of risks and benefits varies according to the company's line of business. For the sanitation services companies, the rendering of services and all associated charges are made according to actual consumption and a monthly provision is made for consumption made and not billed based on previous billing. For the subsidiaries Análisis Ambientales S.A., EcoRiles S.A., Hidrogística S.A. and Aguas del Maipo S.A., billing and any provision is made on the basis of work performed.

Method for determining service termination status

The provision of sanitation services is verified through the measurement of consumption, in accordance with the provisions of the associated legal regulations, while for the non-sanitation subsidiaries, once the services have been concluded and/or the respective reports have been issued.

Revenues from agreements with developers are recorded as ordinary income to the extent that certain stipulated conditions are met in each contract, which ensure that the associated economic benefit will flow to the group.

R. Earnings per share

The basic earnings per share is calculated as the quotient of the profit (loss) attributable to equity holders of the Parent Company and the weighted average number of common shares outstanding.

The Group has not entered into any potentially dilutive transactions that result in earnings per diluted share other than basic earnings per share.

S. Environmental information

Environmental assets are considered to be those that are used on a lasting basis in the activity of the Company and Subsidiaries, whose main purpose is the minimization of adverse environmental impacts and the protection and improvement of the environment, including the reduction or elimination of future pollution from the operations of Aguas Andinas S.A. and its Subsidiaries.

These assets are valued at acquisition cost. The Company and Subsidiaries amortize these items on a straight line basis over the estimated remaining useful lives of the various items.

T. Consolidated cash flow statements

The cash flow statement shows the cash movements during the period, which include the value added tax (VAT), determined by the direct method and with the following criteria:

**Cash and cash equivalents:** represent inflows and outflows of cash and cash equivalents, which are short-term, highly liquid investments with low risk of changes in value (term of less than 3 months from the date of contracting and without restrictions).

**Operating activities:** represent activities typical of the normal operation of the business of the Company and its Subsidiaries, as well as other activities not classified as investing or financing activities.

**Investing activities:** represent the acquisition, sale or disposal by other means of long-term assets and other investments not included in cash and cash equivalents.

**Financing activities:** represent activities that produce changes in the amount and composition of shareholders' equity and liabilities that are not part of ordinary activities.

U. Capitalized financing costs

Interest-bearing loan policy:

Borrowing costs that are directly attributable to the acquisition, construction or production of assets that meet the conditions for qualification are capitalized, being part of the cost of such assets.

Interest cost capitalization policy:

Interest paid or accrued on debt that finances qualifying assets is capitalized, as stated in IAS 23. The aforementioned IAS 23 establishes that when the Entity acquires debt for the purpose of financing investments, the interest on such debt must be deducted from the financial expense and included into the financed construction work, up to the total amount of such interest, applying the respective rate to the disbursements made at the date of presentation of the financial statements.

V. Noncurrent assets held for sale or to be distributed to owners

The Company classifies as noncurrent assets (or group of assets for disposal) held for sale, property, plant and equipment, intangible assets, investments in associates, joint ventures and disposal groups (group of assets to be disposed of together with their directly associated liabilities), for which at the closing date of the statement of financial position active efforts have been initiated for their sale, and it is estimated that it is highly likely that the transaction will be completed during the twelve-month period following such date.

Assets or groups subject to divestiture classified as held for sale are valued at the lower of their carrying amount or fair value minus costs to sell, and cease to be amortized from the moment they acquire this classification.

Noncurrent assets held for sale and components of disposal groups classified as held for sale or held for distribution to owners are presented in the consolidated financial statements as follows:

Assets in a single line item called “Noncurrent assets or groups of assets for disposal classified as held for sale”. Liabilities being part of a group of assets for disposal classified as held for sale shall be presented in the statement of financial position separately from other liabilities, i.e. in the line item “Liabilities included in groups of assets for disposal classified as held for sale”. These assets and liabilities will not be offset, nor will they be presented as a single amount.

In the statement of comprehensive income, a single amount comprising the total after-tax income of discontinued operations and the after-tax gain or loss recognized on measurement at fair value less costs to sell, or on disposal of the assets or disposal groups constituting the discontinued operation, is presented under the caption “Gain (loss) from discontinued operations”.

W. Reclassifications

For the year ended December 31, 2023, certain reclassifications have been made to facilitate comparison as of December 31, 2022, as follows:

Reclassifications	Increase/Decrease ThCh\$
<b>Statement of comprehensive income by nature:</b>	
Income from ordinary activities	5.002.609
Financial income	(5.002.609)
<b>Statements of changes in equity:</b>	
Retained earnings (loss)	5.407.660
Cash flow hedge reserve	(5.407.660)



# Note 3. Trade Debtors and Other Accounts and Rights Receivable

Presentation 1

The composition of trade receivables (current and noncurrent) as of December 31, 2023 and 2022 is as follows:

Credit risk	31-12-2023 ThCh\$	31-12-2022 ThCh\$
Gross trade accounts receivable exposure	168.409.768	161.859.008
Gross exposure notes receivable	1.509.402	1.136.765
Gross exposure other accounts receivable	7.587.548	4.858.930
<b>Trade and other accounts receivable, current, gross</b>	<b>177.506.718</b>	<b>167.854.703</b>
Allowances for accounts receivable	(45.499.250)	(45.077.376)
<b>Trade and other current receivables, net</b>	<b>132.008.043</b>	<b>122.777.327</b>
Gross exposure other accounts receivable	4.241.254	3.138.563
<b>Noncurrent receivables</b>	<b>4.241.254</b>	<b>3.138.563</b>
Allowances for accounts receivable	(462.530)	(322.275)
<b>Noncurrent receivables, net</b>	<b>3.778.724</b>	<b>2.816.288</b>
<b>Net exposure, risk concentrations</b>	<b>135.786.192</b>	<b>125.593.615</b>

In accordance with the Group’s policy, debts for consumption transformed into payment agreements are fully provided for (see Note 2.2. Letter H numeral iv. Impairment policy for trade and other receivables).

The main variation as of December 31, 2023 is in trade accounts receivable (an increase of ThCh\$ 6,550,760 compared to December 31, 2022).

During fiscal year 2023, there is a decrease in trade debts with respect to December 2022, in the trade Debt not overdue less than or equal to 8 months for an amount of ThCh\$ 2,700,456, this is explained as a result of the improvement in the collection management.

There are no customers with sales representing 10% or more of its consolidated revenues, as well as no significant restrictions on accounts receivable requiring disclosure for the periods ended December 31, 2023 and 2022.

The changes in the allowance for doubtful accounts are as follows:

Movement in credit risk accounts receivable	31-12-2023 ThCh\$	31-12-2022 ThCh\$
<b>Opening Balance as of January 01</b>	<b>(45.399.651)</b>	<b>(38.982.547)</b>
Increase in existing provisions	(12.316.346)	(13.830.357)
Others	11.754.217	7.413.253
<b>Changes, total</b>	<b>(562.129)</b>	<b>(6.417.104)</b>
<b>Closing Balance</b>	<b>(45.961.780)</b>	<b>(45.399.651)</b>

The age composition of gross debt as of December 31, 2023 and 2022 is as follows

Aging of gross debt	31-12-2023 ThCh\$	31-12-2022 ThCh\$
less than three months	127.401.377	116.221.034
between three and six months	6.102.479	5.658.916
six to eight months	3.763.339	3.149.878
more than eight months	44.481.352	45.961.521
<b>Totals</b>	<b>181.748.547</b>	<b>170.991.349</b>

In accordance with IFRS 7 Financial Instruments, a detail of the gross overdue debt by age, corresponding to trade debtors without agreed debt, is presented.

Gross overdue debt does not include covenanted debt	31-12-2023 ThCh\$	31-12-2022 ThCh\$
less than three months	17.552.846	18.017.601
between three and six months	3.612.852	3.417.121
six to eight months	2.038.983	1.581.266
<b>Totals</b>	<b>23.204.681</b>	<b>23.015.988</b>

Past-due debt is comprised of all amounts for which the counterparty failed to make a payment when contractually due. In accordance with the Company’s policy, customers with balances less than 8 months

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As of December 31, 2023 and 2022, the analysis of the gross exposure of current trade debtors and current and noncurrent bills receivable, for the repackaged and non-repackaged non-securitized portfolio, is as follows:

December 31, 2023						
Trade Accounts Re- ceivable	Portfolio not repaid		Portfolio repurchased		Total gross portfolio	
	N° of customers	Gross amount ThCh\$	N° of customers	Gross amount ThCh\$	N° of customers	Gross amount ThCh\$
Up to date	29.336	9.813.344	-	-	29.336	9.813.344
Between 1 and 30 days	1.043.952	91.312.255	6.626	181.884	1.050.578	91.494.139
Between 31 and 60 days	231.829	12.943.141	13.124	620.807	244.953	13.563.948
Between 61 and 90 days	66.069	4.027.008	16.711	914.814	82.780	4.941.822
Between 91 and 120 days	31.251	1.888.170	7.871	534.664	39.122	2.422.834
Between 121 and 150 days	19.522	1.311.242	6.746	579.341	26.268	1.890.583
Between 151 and 180 days	12.175	1.166.741	6.097	622.322	18.272	1.789.063
Between 181 and 210 days	12.964	1.340.686	5.313	606.960	18.277	1.947.646
Between 211 and 250 days	7.715	967.389	5.612	848.304	13.327	1.815.693
More than 251 days	60.302	3.339.106	95.174	36.900.992	155.476	40.240.098
Totals	1.515.115	128.109.082	163.274	41.810.088	1.678.389	169.919.170

As of December 31, 2023 and 2022, the analysis of delinquent bills receivable and bills receivable in court collection, of the non-securitized portfolio, is as follows:

Delinquent portfolio and receivables in court collection	Portfolio not repaid 12/31/2023		Portfolio not repaid 31-12-2022	
	N° of customers	Portfolio amount ThCh\$	N° of customers	Portfolio amount ThCh\$
Delinquent bills receivable	785	361.840	469	339.772
Documents receivable in court collection	5	435.546	5	365.399
Totals	790	797.386	474	705.171

Portfolio stratification as of December 31, 2022 is as follows:

December 31, 2022						
Trade Accounts Re- ceivable	Portfolio not repaid		Portfolio repurchased		Total gross portfolio	
	N° of customers	Gross amount ThCh\$	N° of customers	Gross amount ThCh\$	N° of customers	Gross amount ThCh\$
Up to date	28.590	8.598.199	-	-	28.590	8.598.199
Between 1 and 30 days	1.161.996	84.212.013	36.163	131.184	1.198.159	84.343.197
Between 31 and 60 days	235.812	12.609.353	10.770	393.752	246.582	13.003.105
Between 61 and 90 days	89.587	6.477.997	15.312	857.461	104.899	7.335.458
Between 91 and 120 days	28.180	1.838.119	6.991	483.559	35.171	2.321.678
Between 121 and 150 days	17.777	1.342.967	5.795	424.188	23.572	1.767.155
Between 151 and 180 days	11.848	1.056.877	5.273	513.205	17.121	1.570.082
Between 181 and 210 days	8.901	954.134	4.791	565.785	13.692	1.519.919
Between 211 and 250 days	6.365	828.738	5.338	801.219	11.703	1.629.957
More than 251 days	65.106	5.161.674	76.171	35.745.349	141.277	40.907.023
Totals	1.654.162	123.080.071	166.604	39.915.702	1.820.766	162.995.773

As of December 31, 2023 and 2022, the credit risk analysis is as follows:

December 31, 2023			
Provision			Period penalty
Portfolio not repaid ThCh\$	Repaid portfolio ThCh\$	Total Provision ThCh\$	
(4.151.693)	(41.810.087)	(45.961.780)	11.754.217

December 31, 2022			
Provision			Period penalty
Portfolio not repaid ThCh\$	Repaid portfolio ThCh\$	Total Provision ThCh\$	
(5.483.948)	(39.915.703)	(45.399.651)	7.413.380

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# Note 4. Related Entity Disclosures

## Balances and transactions with related entities

Transactions between the Company and its Subsidiaries are on an arm’s length basis. These transactions have been eliminated in the consolidation process and are not disclosed in this note.

## Accounts receivable from related entities

Accounts receivable from related entities are originated in Chile, the currency of the transactions is in pesos, the maturities are 30 days and they are not collateralized.

The composition of this caption as of December 31, 2023 and 2022 is as follows:

Rut part related	Part name related	Nature of relationship	Nature of related party transactions	Deadlines	Guarantees	31-12-2023 ThCh\$	31-12-2022 ThCh\$
77.441.870-9	Veolia Soluciones Ambientales Chile S.A.	Controller Related	Laboratory analysis and sampling services	30 days	No guarantees	6.552	142
65.113.732-2	Corporación Chilena de Investigación del Agua SpA.	Controller Related	Lease	30 days	No guarantees	3.707	6.999
65.113.732-2	Corporación Chilena de Investigación del Agua SpA.	Controller Related	Lease implantation of meters	30 days	No guarantees	575	-
87.803.800-2	Veolia SU Chile S.A.	Controller Related	Income from excess load, laboratory analysis and sampling services	30 days	No guarantees	3.547	15.891
Totals						14.381	23.032

## Accounts payable to related entities

Accounts payable to related entities are originated in Chile, the currency of the transactions is in Chilean pesos.

The composition of this section as of December 31, 2023 and 2022 is as follows:

Rut part related	Part name related	Nature of relationship	Nature of related party transactions	Deadlines	Warranties	31-12-2023 ThCh\$	31-12-2022 ThCh\$
No Rut	Aquatec Projects for the Water Sector S.A.	Controller Related	Water supply dams monitoring control.	30 días	No guarantees	302.272	10.249
No Rut	Aquatec Projects for the Water Sector S.A.	Controller Related	Purchase of materials.	30 días	No guarantees	237.489	-
65.113.732-2	Corporación Chilena de Investigación del Agua SpA.	Controller Related	Studies and Consulting	30 días	No guarantees	267.072	59.609
77.441.870-9	Veolia Soluciones Ambientales Chile S.A.	Controller Related	CCO 2.0 Operational Control Center Upgrade Project, maintenance and support.	30 días	Contract performance guaranty Amount UF 3,379.76	251.121	709.355
76.080.553-K	Veolia Solutions Chile Limitada.	Controller Related	Purchase of materials	60 días	No guarantees	218.244	669.493
76.080.553-K	Veolia Solutions Chile Limitada.	Controller Related	Virtual platform	30 días	No guarantees	163.810	95.059
76.080.553-K	Veolia Solutions Chile Limitada.	Controller Related	Specialized customer service	30 días	No guarantees	125.224	114.902
70.009.410-3	Asociación Canalistas Sociedad del Canal del Maipo	Common Director	Purchase of water, electric power and interconnections.	30 días	No guarantees	12.881	24.283
76.746.454-1	Biofactoría Andina Spa.	Controller Related	Nitrogen removal and adequacy plan he Mapocho-Trebal treatment plant's biofactory	30 días	Contract performance guaranty Amount UF 70,478.58	-	2.474.572
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal Ltda.	Controller Related	Operation of the purification plant Biogas La Farfana, control electric power cost tracking	30 días	No guarantees	-	196.748
96.817.230-1	EPSA Eléctrica Puntilla S.A.	Common Director	Purchase of water	30 días	No guarantees	-	461.216
No Rut	Logistium Logistic Services S.A.	Controller Related	Operating Supplies	30 días	No guarantees	-	186.617
Totals						1.578.553	5.002.103

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Transactions with related entities

Transactions with related entities are originated in Chile, the currency of the transactions is in Chilean pesos.

Rut related party	Name of Related Party	Nature of Relationship	Country of Origin	Nature of Related Party Transactions	Type of Currency	ThCh\$ 31-12-2023		ThCh\$ 31-12-2022	
						Amount	Effect on income (charge)/credit	Amount	Effect on income (charge)/credit
70.009.410-3	Asociación Canalistas Sociedad del Canal del Maipo	Common Director	CL	Purchase of water, electric power and canal administration.	CLP	5.688.582	(4.780.321)	6.868.550	(5.771.891)
No Rut	Logistium Servicios Logísticos S.A.	Controller	CL	Operating Supplies	CLP	601.155	(601.155)	1.343.176	-
77.441.870-9	Veolia Soluciones Ambientales Chile S.A.	Controller Related	CL	CCO 2.0 Operational Control Center Upgrade and Leak Detection with Tracer Gas Project	CLP	2.061.211	(1.732.111)	4.056.303	(3.408.657)
77.441.870-9	Veolia Soluciones Ambientales Chile S.A.	Controller Related	CL	Veolia Telecontrol Service	CLP	652.475	(548.298)	-	-
77.441.870-9	Veolia Soluciones Ambientales Chile S.A.	Controller Related	CL	Extension of maintenance and support service	CLP	586.449	(499.374)	-	-
77.441.870-9	Veolia Soluciones Ambientales Chile S.A.	Controller Related	CL	Treatment services	CLP	130.541	(110.564)	-	-
No Rut	Aquatec Proyectos para el Sector del Agua S.A.	Controller Related	CL	Purchase of materials and technical assistance.	CLP	1.655.781	(1.572.728)	-	-
No Rut	Aquatec Proyectos para el Sector del Agua S.A.	Controller Related	CL	Control and monitoring of the operation of the water supply dams in Santiago Embalse el Yeso, technical assistance and training.	CLP	-	-	138.135	(138.135)
76.080.553-K	Veolia Solutions Chile Limitada.	Controller Related	CL	Purchase of materials	CLP	145.576	(122.333)	2.291.041	(1.925.245)
76.080.553-K	Veolia Solutions Chile Limitada.	Controller Related	CL	Siebel virtual platform maintenance, Aquacis, consulting, evolutionary maintenance and Aquacis licenses.	CLP	2.438.229	(2.045.038)	1.344.590	(868.048)
96.817.230-1	EPSA Eléctrica Puntilla S.A.	Common Director	CL	Purchase of water and electricity	CLP	3.081.902	(2.589.834)	4.627.713	(3.888.835)
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal Ltda.	Controller Related	CL	Biogas plant operation and maintenance services	CLP	-	-	102.337	(234.966)
76.746.454-1	Biofactoría Andina Spa.	Controller Related	CL	Nitrogen removal and biofactory adaptation plan for the Mapocho-Trebal treatment plant.	CLP	3.005.964	(2.526.020)	-	-
76.746.454-1	Biofactoría Andina Spa.	Controller Related	CL	Operation, maintenance and adaptation of the biofactory treatment plant.	CLP	-	-	11.520.412	(7.731.920)
76.746.454-1	Biofactoría Andina Spa.	Controller Related	CL	Termination of contract and other Nitrogen projects (*)	CLP	-	-	11.483.240	-
65.113.732-2	Corporación Chilena de Investigación del Agua	Controller Related	CL	Research and development consultancy and Contract laboratory analysis and sampling	CLP	365.192	(363.013)	-	-
65.113.732-2	Corporación Chilena de Investigación del Agua	Controller Related	CL	Leasing service	CLP	19.997	16.804	-	-
65.113.732-2	Corporación Chilena de Investigación del Agua	Controller Related	CL	Study on management models for resilient urban water infrastructure in relation to hydrological and geological risks, sludge valorization, etc.	CLP	-	-	337.394	(337.394)
77.274.820-5	Inversiones Aguas Metropolitanas SA	Controller	CL	Dividends paid	CLP	45.216.696	-	39.079.873	-

(\*) On March 31, 2022, the Contract for the Development of the Plan for the Adaptation to Biofactories of the Wastewater Treatment Plants of Greater Santiago and Management of Generated Resources, signed between the Company and Suez Biofactoría Andina SPA, was terminated in advance, which resulted in the acquisition of inventories, fixed assets and the internalization of the personnel of the latter.

The materiality criterion for reporting transactions between related companies is amounts greater than ThCh\$100,000 accumulated.

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Directors’ and Directors’ Committee compensation

Remuneration paid to directors of Aguas Andinas S.A. and Subsidiaries and Directors’ Committee

Remuneration paid	31-12-2023 ThCh\$	31-12-2022 ThCh\$
Board of Directors	460.525	388.942
Directors' Committee	80.004	69.677
Totals	540.529	458.619

Correspond solely to fees associated with their functions as defined and agreed at the Ordinary Shareholders’ Meeting.

Detail of related entities and transactions with related entities between Directors and Executives

The Company’s management is not aware of the existence of transactions between related parties and directors and/or executives, other than their per diems and remuneration.

Statements of financial position	2023	2022
ASSETS		
Current assets	275.004.410	324.838.124
Noncurrent assets	2.148.343.319	2.054.511.436
Total Assets	2.423.347.729	2.379.349.560
LIABILITIES		
Current liabilities	361.668.126	265.797.147
Noncurrent liabilities	1.175.540.305	1.274.661.314
Equity	886.107.830	838.861.526
Minority interests	31.468	29.573
Total Liabilities and Shareholders' Equity	2.423.347.729	2.379.349.560
STATEMENT OF COMPREHENSIVE INCOME		
Ordinary income	640.855.854	580.468.054
Operating cost	(387.940.915)	(345.685.272)
Financial result	(76.633.585)	(136.758.101)
Other than the operation	(8.979.801)	(15.352.190)
Income tax	(33.909.237)	2.578.383
Minority interest	(1.895)	(2.140)
Profit attributable to owners of controlling company	133.390.421	85.248.734
CASH FLOW STATEMENT		
Cash flows provided by (used in) from operating activities	229.397.451	242.903.240
Cash flows provided by (used in) investing activities	(150.000.484)	(165.900.708)
Cash flows from (used in) financing activities	(149.575.627)	(61.180.505)
Net increase (decrease) in cash and cash equivalents	(70.178.660)	15.822.027
Cash and cash equivalents at beginning of period	179.335.341	163.513.314
Cash and cash equivalents at end of period	109.156.681	179.335.341
STATEMENT OF CHANGES IN EQUITY		
Issued capital	155.567.354	155.567.354
Retained earnings (loss)	411.044.222	368.056.492
Issue premiums	164.064.038	164.064.038
Other reserves	161.397.766	157.139.192
Other equity interests	(5.965.550)	(5.965.550)
Non-controlling interests	31.468	29.573
Total equity	886.139.298	838.891.099

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Statements of financial position as of December 31, 2022

Statements of financial position	Inversiones Aguas Metropolitanas S.A.		Aguas Andinas S.A.		Aguas Cordillera S.A.		Manquehue S.A.		EcoRiles S.A.		Hidrogística S.A.		Análisis Ambientales S.A.		Aguas del Maipo S.A.	
	2023 ThCh\$	2022 ThCh\$	2023 ThCh\$	2022 ThCh\$	2023 ThCh\$	2022 ThCh\$	2023 ThCh\$	2022 ThCh\$	2023 ThCh\$	2022 ThCh\$	2023 ThCh\$	2022 ThCh\$	2023 ThCh\$	2022 ThCh\$	2023 ThCh\$	2022 ThCh\$
<b>ASSETS</b>																
Current Assets	276.781.050	326.058.264	275.004.410	324.838.124	28.117.417	22.667.895	7.555.149	6.286.773	11.736.082	9.093.880	7.382.181	5.577.611	7.816.921	6.667.293	1.782.902	2.299.186
Noncurrent Assets	2.419.695.021	2.325.871.931	2.148.343.319	2.054.511.436	444.828.116	434.065.600	99.888.202	97.444.444	1.344.331	1.191.473	3.998.185	3.649.806	6.383.879	6.501.327	11.341.463	11.514.477
<b>Total Assets</b>	<b>2.696.476.071</b>	<b>2.651.930.195</b>	<b>2.423.347.729</b>	<b>2.379.349.560</b>	<b>472.945.533</b>	<b>456.733.495</b>	<b>107.443.351</b>	<b>103.731.217</b>	<b>13.080.413</b>	<b>10.285.353</b>	<b>11.380.366</b>	<b>9.227.417</b>	<b>14.200.800</b>	<b>13.168.620</b>	<b>13.124.365</b>	<b>13.813.663</b>
<b>LIABILITIES</b>																
Current Liabilities	362.634.346	266.626.154	361.668.126	265.797.147	80.394.585	79.548.322	18.308.087	16.448.603	4.040.546	3.775.734	5.857.967	4.370.914	3.096.341	2.204.349	5.967.778	6.418.482
Noncurrent Liabilities	1.175.813.467	1.274.907.748	1.175.540.305	1.274.661.314	76.134.731	80.561.550	18.430.827	20.575.073	121.666	132.773	949.972	1.035.969	233.285	1.358.980	-	-
Equity	715.849.689	691.794.448	886.107.830	838.861.526	316.415.913	296.623.336	70.704.437	66.707.541	8.918.201	6.376.846	4.572.427	3.820.534	10.871.174	9.605.291	7.156.587	7.395.181
Minority Interests	442.178.569	418.601.845	31.468	29.573	304	287	-	-	-	-	-	-	-	-	-	-
<b>Total Liabilities and Shareholders' Equity</b>	<b>2.696.476.071</b>	<b>2.651.930.195</b>	<b>2.423.347.729</b>	<b>2.379.349.560</b>	<b>472.945.533</b>	<b>456.733.495</b>	<b>107.443.351</b>	<b>103.731.217</b>	<b>13.080.413</b>	<b>10.285.353</b>	<b>11.380.366</b>	<b>9.227.417</b>	<b>14.200.800</b>	<b>13.168.620</b>	<b>13.124.365</b>	<b>13.813.663</b>
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>STATEMENT OF COMPREHENSIVE INCOME</b>																
Ordinary Income	640.855.854	580.468.054	640.855.854	580.468.054	90.768.027	83.720.444	21.201.549	20.102.390	22.523.043	20.734.925	12.393.261	9.232.759	14.307.156	11.954.333	2.468.894	2.210.867
Operating cost	(389.534.004)	(347.136.671)	(387.940.915)	(345.685.272)	(61.307.491)	(55.307.559)	(15.357.628)	(14.296.119)	(19.425.615)	(17.510.816)	(10.694.806)	(9.146.134)	(12.527.888)	(10.365.725)	(2.387.639)	(2.096.632)
Financial Results	(76.617.993)	(136.696.953)	(76.633.585)	(136.758.101)	(6.861.389)	(9.346.191)	(1.171.529)	(2.850.559)	280.512	134.690	(167.979)	1.414	(237.451)	(67.399)	(333.145)	(364.200)
Other than the operation	(8.979.801)	(15.352.190)	(8.979.801)	(15.352.190)	(837.129)	(359.885)	(168.393)	1.824	7.125	(102.069)	(195.201)	(317.023)	(85.112)	(55.188)	2.823	(17.553)
Income Tax	(33.886.203)	2.577.179	(33.909.237)	2.578.383	(2.595.817)	2.755.819	(450.586)	955.946	(856.294)	(686.013)	(261.142)	163.540	(248.107)	(66.476)	10.473	231.875
Minority Interests	(66.560.594)	(42.539.263)	(1.895)	(2.140)	(2)	(17)	-	-	-	-	-	-	-	-	-	-
Profit (loss) from discontinued operations	65.277.259	41.320.156	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Profit attributable to owners of controlling company</b>	<b>65.277.259</b>	<b>41.320.156</b>	<b>133.390.421</b>	<b>85.248.734</b>	<b>19.166.199</b>	<b>21.462.611</b>	<b>4.053.413</b>	<b>3.913.482</b>	<b>2.528.717</b>	<b>2.570.717</b>	<b>1.074.133</b>	<b>(65.444)</b>	<b>1.208.598</b>	<b>1.399.545</b>	<b>(238.594)</b>	<b>(35.643)</b>
<b>CASH FLOW STATEMENT</b>																
Net Cash Flows from Operating Activities	227.922.765	241.057.418	229.397.451	242.903.240	30.653.379	41.935.779	5.968.701	11.032.757	1.656.749	784.943	1.745.683	(1.419.731)	1.902.581	(434.172)	1.465.740	1.749.540
Net Cash Flows from Investing Activities	(150.002.292)	(165.900.708)	(150.000.484)	(165.900.708)	(24.371.560)	(27.463.919)	(5.468.309)	(2.999.406)	(205.950)	(136.390)	(174.201)	(262.357)	(661.150)	(511.543)	(372.642)	-
Net Cash Flows from Financing Activities	(147.670.931)	(59.169.722)	(149.575.627)	(61.180.505)	(3.889.589)	(15.083.794)	(484.778)	(8.855.013)		(2.000.000)	(337.180)	337.180	(1.073.000)	352.000	(1.135.600)	(1.702.000)
<b>Net increase (decrease) in Cash and Cash Equivalents</b>	<b>(69.750.458)</b>	<b>15.986.988</b>	<b>(70.178.660)</b>	<b>15.822.027</b>	<b>2.392.230</b>	<b>(611.934)</b>	<b>(164.386)</b>	<b>(821.662)</b>	<b>1.450.799</b>	<b>(1.351.447)</b>	<b>1.234.302</b>	<b>(1.344.908)</b>	<b>168.431</b>	<b>(593.715)</b>	<b>(42.502)</b>	<b>47.540</b>
Beginning Cash and Cash Equivalents Balance	180.545.868	164.558.880	179.335.341	163.513.314	3.138.030	3.749.964	1.323.468	2.145.130	2.156.889	3.508.336	532.869	1.877.777	249.191	842.906	49.561	2.021
<b>Cash and Cash Equivalents Closing Balance</b>	<b>110.795.410</b>	<b>180.545.868</b>	<b>109.156.681</b>	<b>179.335.341</b>	<b>5.530.260</b>	<b>3.138.030</b>	<b>1.159.082</b>	<b>1.323.468</b>	<b>3.607.688</b>	<b>2.156.889</b>	<b>1.767.171</b>	<b>532.869</b>	<b>417.622</b>	<b>249.191</b>	<b>7.059</b>	<b>49.561</b>
<b>STATEMENT OF CHANGES IN EQUITY</b>																
Issued capital	468.358.402	468.358.402	155.567.354	155.567.354	153.608.183	153.608.183	9.025.832	9.025.832	333.787	333.787	506.908	506.908	262.456	262.456	7.971.221	7.971.221
Retained earnings (loss)	203.895.644	181.974.048	411.044.222	368.056.492	169.657.156	149.864.579	57.733.048	53.736.152	8.611.693	6.070.338	4.106.947	3.355.054	10.630.168	9.364.285	(403.918)	(165.324)
Issue premiums	-	-	164.064.038	164.064.038	-	-	-	-	-	-	-	-	-	-	-	-
Other reserves	80.864.058	78.730.413	161.397.766	157.139.192	54.211.000	54.211.000	4.699.826	4.699.826	-	-	-	-	-	-	-	-
Other equity interests	(37.268.415)	(37.268.415)	(5.965.550)	(5.965.550)	(61.060.426)	(61.060.426)	(754.269)	(754.269)	(27.279)	(27.279)	(41.428)	(41.428)	(21.450)	(21.450)	(410.716)	(410.716)
Non-controlling interests	442.178.569	418.601.845	31.468	29.573	304	287	-	-	-	-	-	-	-	-	-	-
<b>Closing Equity Balance</b>	<b>1.158.028.258</b>	<b>1.110.396.293</b>	<b>886.139.298</b>	<b>838.891.099</b>	<b>316.416.217</b>	<b>296.623.623</b>	<b>70.704.437</b>	<b>66.707.541</b>	<b>8.918.201</b>	<b>6.376.846</b>	<b>4.572.427</b>	<b>3.820.534</b>	<b>10.871.174</b>	<b>9.605.291</b>	<b>7.156.587</b>	<b>7.395.181</b>

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