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ANNUAL  
REPORT

2022

**IAM**

Inversiones Aguas Metropolitanas S.A.



# INDEX



**#papelcero**

In accordance with the commitment assumed by the company to contribute to the sustainable development of the planet, this annual report is only available in digital version. Readers will be able to access the topics of their interest by clicking on those subjects. Protecting the environment is everyone's responsibility. We thank you in advance for your support in this task.

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## Featured

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## Consolidated financial summary (Ch\$ millions)

As of december 31	2018	2019	2020	2021	2022
Drinking water income	208,467	193,821	195,788	205,176	231,961
Wastewater income	254,084	229,779	219,124	229,805	265,582
Other regulated income	17,656	13,018	13,004	13,821	16,067
Other non-regulated income	50,194	47,707	50,853	57,656	61,854
<b>Total income</b>	<b>530,400</b>	<b>484,325</b>	<b>478,769</b>	<b>506,458</b>	<b>575,465</b>
Operating result <sup>(1)</sup>	233,234	234,668	161,453	192,181	214,498
<b>Profit for the year</b>	<b>67,128</b>	<b>69,918</b>	<b>48,225</b>	<b>48,990</b>	<b>41,320</b>
Total assets	2.178.638	2.273.846	2.419.031	2.501.822	2.651.930
Short-term liabilities	242,928	242,608	245,463	249,137	266,626
Long-term liabilities	977,009	1.072.110	1.059.920	1.138.295	1.274.907
Minority interest	367,027	364,587	419,527	420,425	418,601
Equity attributable to the owners of the parent company	591,674	594,54	694,121	693,965	691,794

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

## Operational history of IAM subsidiaries

As of December 31	2018	2019	2020	2021	2022
Total drinking water customers	2.316.107	2.132.607	2.169.426	2.207.344	2.257.165
Total sewage collection clients	2.263.039	2.089.505	2.125.918	2.162.909	2.212.631
Total billed water (millions of m <sup>3</sup> )	596,3	559,4	533,9	535,7	524,3
Invoiced sewage collection (millions of m <sup>3</sup> )	572	536	511,3	514,2	503,7
Billed wastewater treatment and disposal (millions of m <sup>3</sup> )	497,7	461,8	440,6	443,6	435,9
Billed sewerage interconnection (millions of m <sup>3</sup> )	128,2	128,8	124,7	124,3	120,2
Total drinking water coverage	100 %	100 %	100 %	100 %	100 %
Total sewage collection coverage	98,8 %	98,8 %	98,8 %	98,8 %	98,8% <sup>(2)</sup>
Total sewage treatment coverage	100 %	100 %	100 %	100 %	100 %
Total employees	2,121	2,141	1,733	1,729	2,087

(2) Estimate of the Superintendencia de Servicios Sanitarios, to be published in 2023.

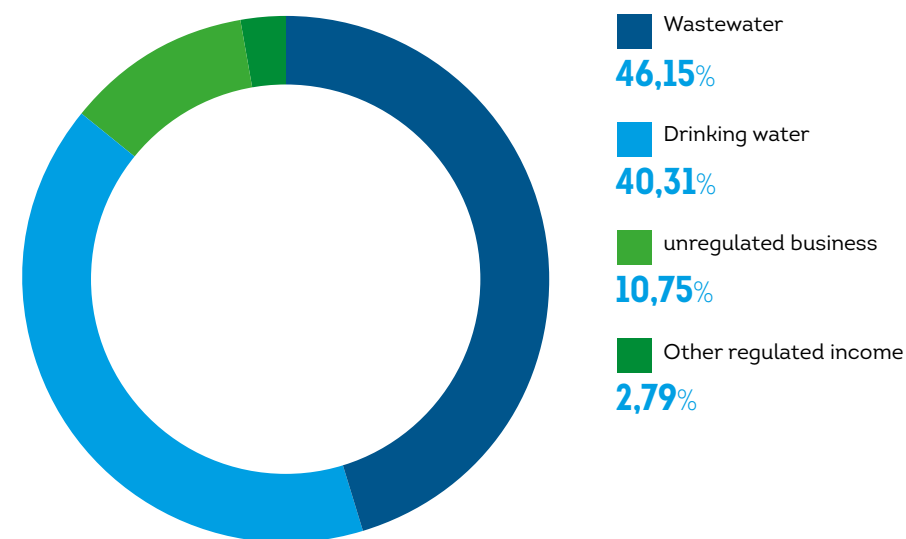
The profit for the year 2022 decreased by a **15,7%** in relation to the previous period.



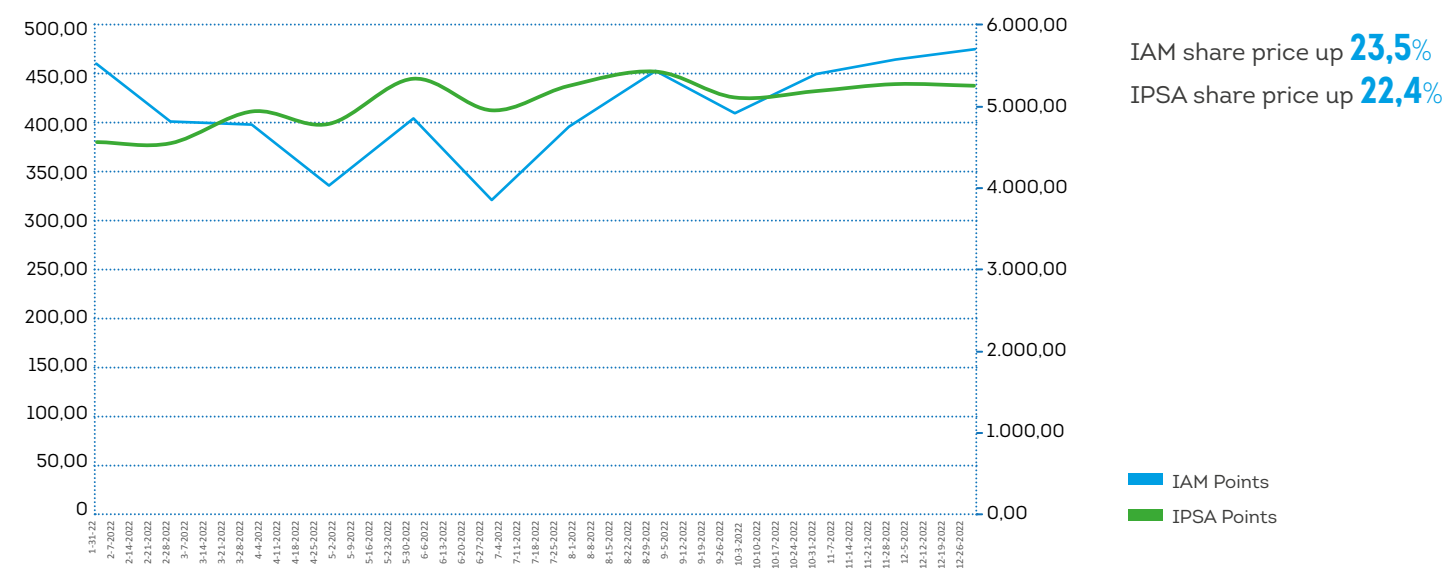
Coverage standards of the highest in the region:

**100%** in drinking water,  
**98,8%** in collection and  
**100%** in sewage treatment.

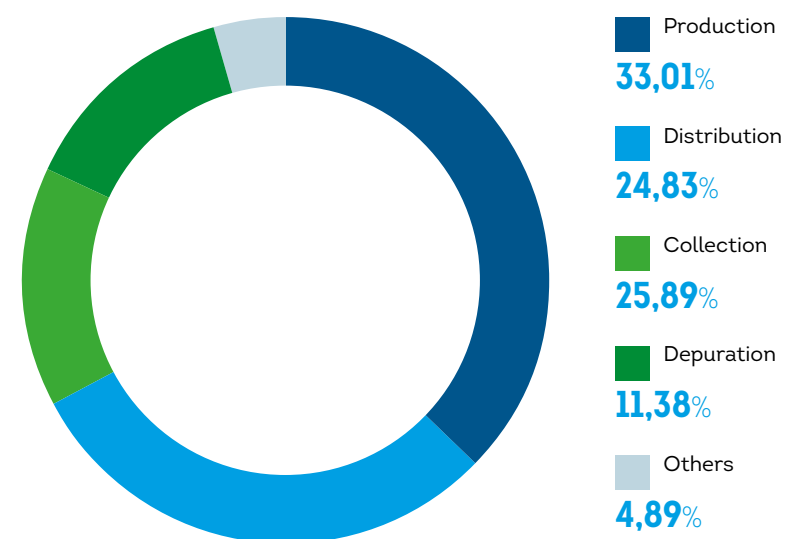
## Income distribution 2022



## Stock market performance IAM 2022

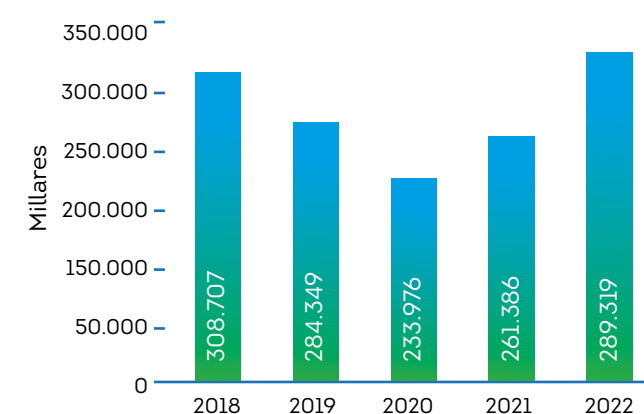


## Investments 2022



The year **2022** was characterized by maintaining a high level of investments

## Ebitda







## Letter from **the president**





## DEAR SHAREHOLDERS:

**A**s Chairman of the Board of Inversiones Aguas Metropolitanas SA, I have the honor of presenting the Company's Annual Report for the year 2022.

This period was characterized by being a year of progress and consolidation of the various projects and investments carried out by IAM and its subsidiaries, despite continuing in a local and global context of great economic uncertainty, with a high percentage of inflation and with forecasts low growing. Added to this is political and social instability, both in the region and globally; and the effects of a pandemic that persists and that calls us to continue taking care of ourselves, for the good of our workers and our service, which is essential for life.

To this context, which is not entirely favorable, we must add climate change and drought in the central zone of Chile -where the concession areas of our sanitation companies are located-, a phenomenon that has become a structural condition of the region and that it poses great challenges for the timely and safe delivery of our health services. The water crisis in which we are inserted forces us to carry out an increasingly efficient operation, looking for innovations, creative solutions and new responses to guarantee the supply for the population of Santiago that grows year after year.

During the year, the historic agreement reached with the seven Canal Associations of the First Section of the Maipo River in 2021, made it possible to more efficiently manage the basin's resources and thus avoid rationing the population, especially in March 2022, a period that was critical in terms of the magnitude of the drought. This

was a key milestone for the city, which was achieved thanks to the efficient and modern management of our sanitation companies, which allowed us to successfully and satisfactorily face this context of high water scarcity.

During 2022, significant investments were made in order to increase the availability of the resource. Projects such as Los Pozos de Cerro Negro and Lo Mena are essential to optimize the underground sources of raw water, as are other initiatives that are associated with the normal growth of the city, the renewal of networks, equipment and facilities, and maintenance infrastructure, in order to provide us with a more efficient and resilient operation, where the expansion of the Padre Hurtado potable water production plant stands out. Likewise, during the period progress was made with the Drought Plan projects that seek to mitigate risks, in addition to complying with the development plans of our sanitation companies.

Regarding our commitment to sustainability and the circular economy, in 2022 we obtained authorization from the Agricultural and Livestock Service (SAG) for the biosolids produced in El Rital to be recognized as organic fertilizers, an important milestone in our management since it allows our subsidiaries to commercialize this product, which grants benefits both to the country's agriculture, to the environment and to our Company.

In financial terms, the year 2022 was a challenging period due to several factors. On the one hand, at the beginning of the year there was a drop in liquidity, which made obtaining financing more complex. Likewise, the year continued with the general rise in the cost of inputs and inflation in the country reached 12.8% at the end of the year.

However, the serious and resilient economic performance of the Company and its subsidiaries made it possible to successfully overcome this scenario. Thus, in September 2022, the subsidiary Aguas Andinas launched an international, green and social bond, and the S&P rating agency assigned the utility an A- rating, making it the first non-state corporate company to obtain this international rating, which demonstrates the strength of IAM and its affiliates. This management, likewise, allowed the Company to solve the high level of investments that were executed in 2022 and that reached the sum of 141,938 million pesos.

In relation to stock market behavior, IAM's share price rose 23.5% compared to the previous year. In terms of results, IAM obtained an EBITDA of \$289,319 million, and net income for the year amounted to \$41,320 million. This responsible financial management ratified the good ratings of the Company's shares, which is how ICR assigned IAM's titles a First Class Level 1 classification, while Fitch classified them as First Class Level 2.

A milestone that marked this year 2022 for IAM was the change of its controlling partner. In January, Veolia and Suez announced their merger, an agreement through which Veolia became the indirect controller of Inversiones Aguas Metropolitanas SA. Therefore, the Company's operations now also have the support of Veolia (International Rating BBB ), a French multinational company with centuries of experience in three main service areas: water management, waste management and energy services, which allows us to further strengthen our commitment to sustainable development, environmental preservation and the search for higher quality of life for all citizens of the Santiago basin.

Felipe Larraín Aspillaga  
Chairman



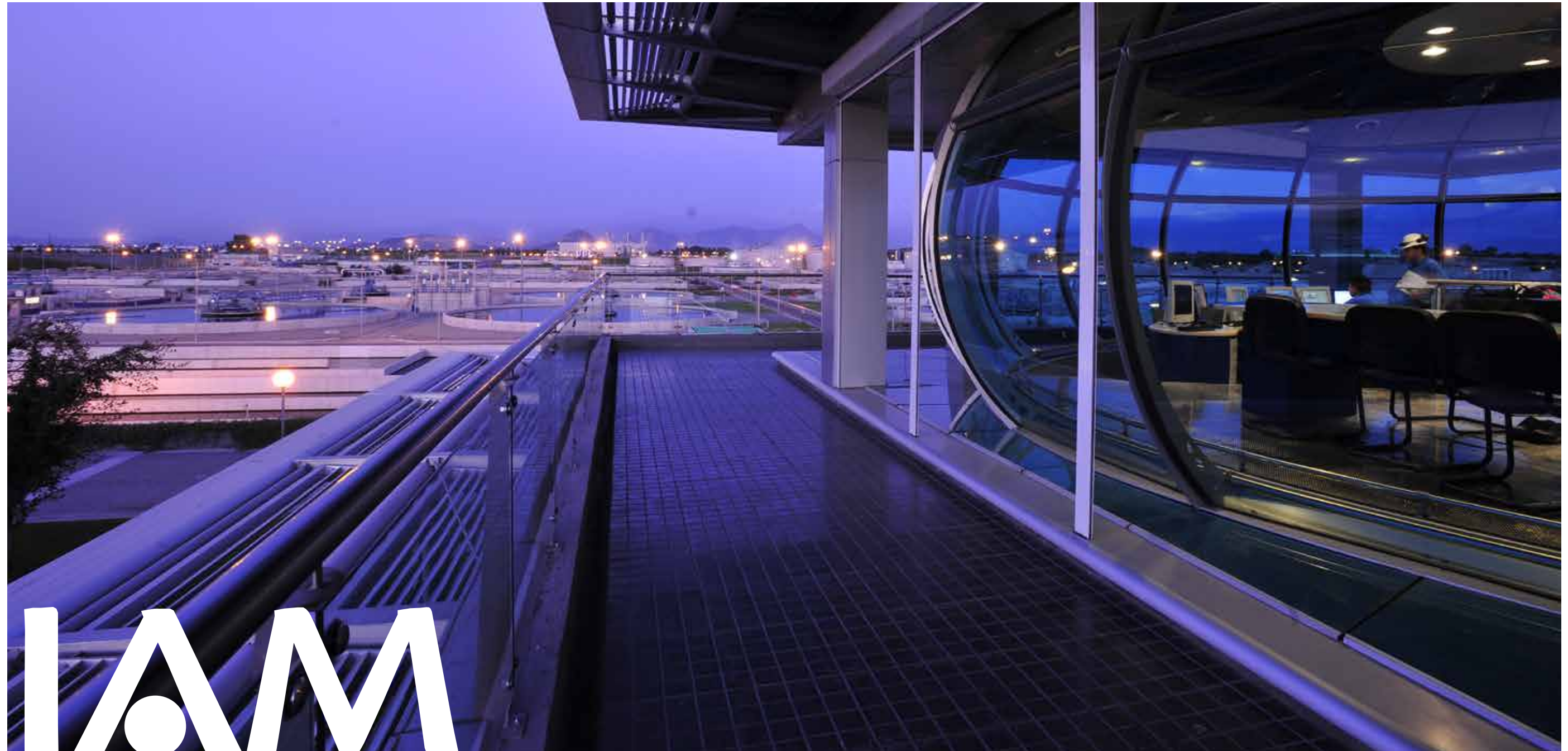


# 3

## The Company

IAM history  
IAM year after year  
Company ownership  
The Board of Directors  
The administration





## About us

We are Inversiones Aguas Metropolitanas SA (IAM), a company that owns 50.1% of the shares of Aguas Andinas and subsidiaries, the largest sanitation group in Chile and one of the largest in Latin America.

## Our purpose

The investment in shares of the Chilean corporation Aguas Andinas SA; and the provision of all kinds of advice, consultancy and services related to the transfer of technology and know-how, technical assistance, business and project administration, especially those related to the management and operation of businesses related to the health sector. To be a resilient environmental services company that guarantees a quality supply to customers, aligned with the Sustainable Development Goals (SDG).

## Values

**Innovation**, as a competitive advantage and source of value; **excellence** in the provision of services; **sustainable business development**, based on people and with responsibility criteria; **dialogue** together with the commitment of interest groups; **local development** of the community where we operate; and **alliances** to extend and improve access to water.

## Mission

Deliver an essential and quality service to the customers of our sanitation companies, contributing to improving the quality of life of the inhabitants of the Santiago basin.



# IAM STORY

## IAM is born

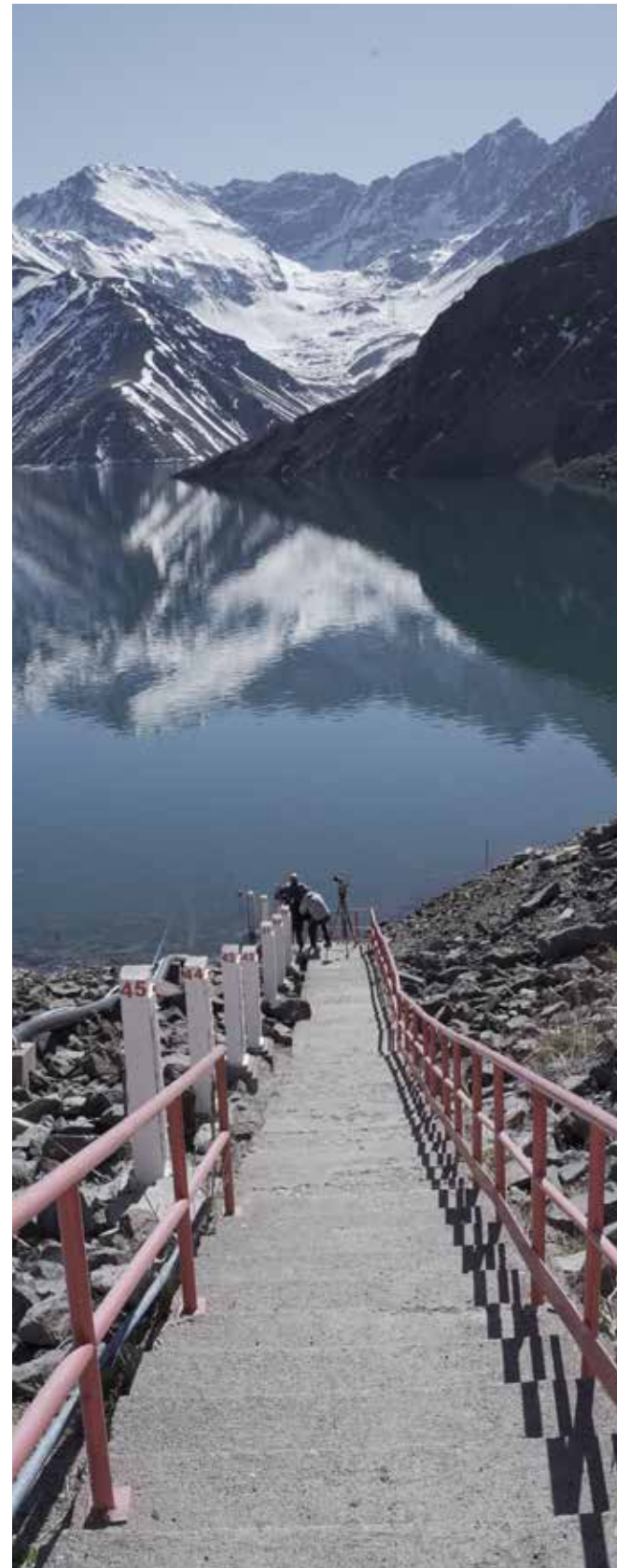
In order to participate in the privatization process of Empresa Metropolitana de Obras Sanitarias SA, EMOS SA, currently Aguas Andinas SA, **Inversiones Aguas Metropolitanas, IAM, was created on May 19, 1999 as a limited liability company**, incorporated by the Agbar and Suez Environnement groups (currently known as Veolia).

In the international tender, carried out by the Production Development Corporation (CORFO), IAM was awarded a share package, subsequently subscribed a capital increase to later buy additional shares on the Santiago Stock Exchange, thus taking control of Aguas Andinas (formerly EMOS), with ownership of 51.2% of its share capital.

In June 2005, IAM was transformed into an open stock corporation and restricted its corporate purpose, which was limited to investing in shares of Aguas Andinas and providing all kinds of advice, consultancy and services related to the transfer of technology and know-how, technical assistance, business and project administration, especially those related to the management and operation of businesses related to the health sector.

In November 2005, the company was listed on the stock market, through the placement of a share package corresponding to 43.4% of IAM titles. After this operation, new shareholders joined, Agbar remaining the sole controller of the company, with 56.6% ownership. In 2006, IAM sold 1.1% of its shares in Aguas Andinas, retaining control of the utility with 50.1% of the titles.

In 2007, IAM implemented an ADR Level I program, in order to trade its shares in the Over the Counter market in the United States, which was later completed in 2016. During



During a management of more than two decades, Inversiones Aguas Metropolitanas SA, has developed important investments in order to achieve maximum development together with an efficient operation, always hand in hand with sustainability.

2008, the subsidiary Aguas Andinas acquired 53.5 % of the Empresa de Servicios Sanitarios de Los Lagos (ESSAL), with which IAM's sanitation holding company achieved a market share of 42.5% locally.

## Second decade

Indirectly, in 2010 Suez Environnement obtained 75.01% of Agbar's shares, becoming the new controller of the company. Then, in 2014, Suez Environnement acquired the remaining 24.99% of Agbar, which allowed it to consolidate itself as the sole controller of Inversiones Aguas Metropolitanas SA

During 2015, IAM together with its subsidiary Aguas Andinas, entered the Dow Jones Sustainability Index Chile, the first sustainability index of the Santiago Stock Exchange, reflecting its good performance in sustainability. Since 2017, the water utility Aguas Andinas has focused its development under the circular economy approach. Among the achievements of this strategy, in 2018 he received the "Impulse for Change" award from the United Nations, for the Greater Santiago Biofactory; and, in addition, it issued the first green and social bond in Chile.

Also in 2018, Suez Inversiones Aguas del Gran Santiago Limitada carried out the sale of 6.5% of its stake shareholding in IAM, which increased the liquidity of the shares issued by the company. In this operation, Suez retained 50.1% of the shareholding of IAM, maintaining control of the company and of Aguas Andinas. In September 2019, IAM was part of the S&P IPSA indicator, the main index of the Santiago Stock Exchange. While the subsidiary Aguas Andinas

maintained the sixth position in the world ranking of the Dow Jones Sustainability Indexes for the Multi and Water Utilities sector.

At the beginning of 2020, the Pirque mega-tanks began to operate, a great infrastructure and security work, with a raw water reserve capacity of 1.5 hectometres. In October, Aguas Andinas sold 100% of its direct and indirect participation in the subsidiary ESSAL to the Canadian company Algonquin Power & Utilities Corp (APUC).

In 2021 IAM strengthened the operation of its water utilities with the Avanza project, together with the deployment of a broad investment plan in order to mitigate the effects of climate change. Through its water utility Aguas Andinas, it signed a collaboration agreement with the irrigation associations of the first section of the Maipo river to allow the sustainability of the basin.

At the beginning of 2022, the French group Veolia formalized a combination agreement with Suez that defined the terms of the merger of both companies. Thus, during this year the Veolia Group took indirect control of Agbar, an entity that in turn is the controlling shareholder of IAM and its subsidiaries.



# IAM YEAR AFTER YEAR



On May 19, the limited liability company Inversiones Aguas Metropolitanas (IAM) was created.

1999

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

2000

The operation of the El Trebal sewage treatment plant began. The subsidiaries Anam and EcoRiles were incorporated.

2001

The remaining 50% of Aguas Manquehue was acquired by the subsidiary Aguas Andinas

2002

La Farfana, the largest wastewater treatment plant in Latin America, began operating. Aguas Andinas obtained the ISO 9000 certification in customer service.

2003

The subsidiary Aguas Andinas achieved ISO 9001 certification in billing, collection and cashing.

2004

IAM is transformed into an open stock company, which allows it to go public, with the placement of a share package of 43.4% of its property. Aguas Andinas obtained the OHSAS certification in occupational health and safety.

2005

The Aguas Andinas subsidiary obtained ISO 9001 certification for its process of incorporating new clients.

2006

The ADR Level I program was implemented to trade shares in the Over the Counter market in the United States. The ISO 9000 ISO 14,000 and OHSAS 18,000 certifications were renewed for the Aguas Andinas sanitation facilities.

2007

The subsidiary Aguas Adinas took control of the Empresa de Servicios Sanitarios de Los Lagos (ESSAL) with the purchase of 53.5% of its property.

2008

The Mapocho Urbano Limpio project of Aguas Andinas was inaugurated. IAM obtained second place in the XV Annual Contest of Annual Reports of Public Limited Companies of Chile 2010, organized by Diario Estrategia and Price Waterhouse Coopers.

2010





Aguas Andinas received the award for the best "Best Company", granted by ICARE, one of the most prestigious recognitions in Chile.

2012

The Aguas Andinas Mapocho Sewage Treatment Plant came into operation, achieving 100% sanitation of wastewater from the Metropolitan Region.

2013

The subsidiary Aguas Andinas obtained the best historical rate in the Chilean capital market for corporate issues with terms of more than 20 years.

2014

IAM and its subsidiary Aguas Andinas were included in the Dow Jones Sustainability Index Chile, the first sustainability index on the Santiago Stock Exchange, made up of only 12 companies.

2015

IAM and Aguas Andinas once again integrated the DOW Jones Sustainability Index Chile. The water utility Aguas Andinas obtained a bronze medal in the PRO Humana 2016 sustainability ranking.

2016

IAM and Aguas Andinas once again integrated the Dow Jones Sustainability Index Chile. Aguas Andinas inaugurated the world's first biofactory in the sanitation industry, which allows waste to be converted into resources.

2017

The Aguas Andinas biofactory received the Impulse for Change award, in the planetary health category, from the United Nations. The utility issued the first green and social bond in Chile. IAM and Aguas Andinas once again integrated the Dow Jones Sustainability Index Chile.

2018

IAM was included in the S&P IPSA index, the main indicator of the Santiago Stock Exchange. IAM and Aguas Andinas once again integrated the Dow Jones Sustainability Index Chile. Aguas Andinas issued a green and social bond for the second consecutive year.

2019

The Pirque mega ponds began to operate, increasing the autonomy of the Santiago water system to 34 hours. The subsidiary Aguas Andinas sold 100% of its stake in the sanitation services company de los Lagos SA

2020

A collaboration agreement was signed between Aguas Andinas and the irrigation associations of the first section of the Maipo river to maintain the sustainability of the basin. The subsidiary Aguas Andinas obtained the XII Environmental Innovation Award (RIGA 2021) in the category Best project in social management for its City Sentinel project.

2021

The French group Veolia became indirectly became the controlling shareholder of IAM. The subsidiary Aguas Andinas completed its international its international rating process with Standard & Poor's, obtaining an A- rating, becoming the first non-state-owned corporate company in Chile to receive the highest international rating. The non-regulated subsidiary Gestión y Servicios changed its name to Hidrogística.

2022





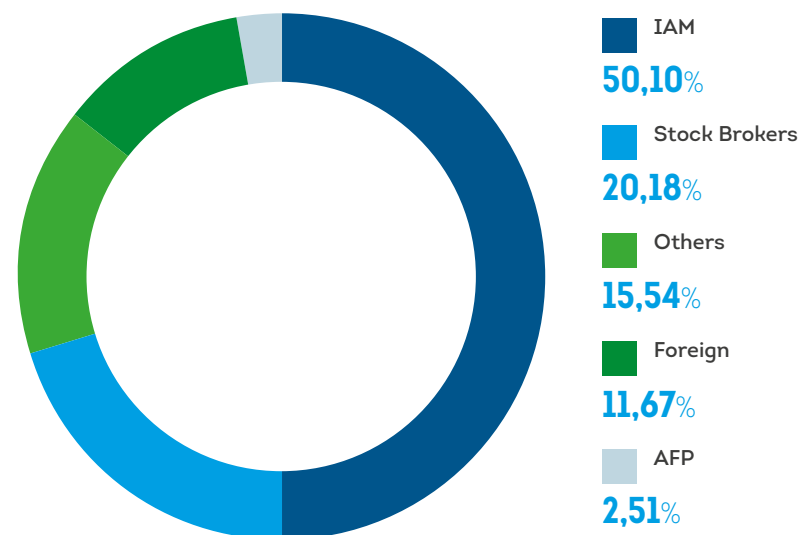
# PROPERTY OF THE COMPANY

At the end of fiscal year 2022, the twelve main shareholders of IAM are the following:

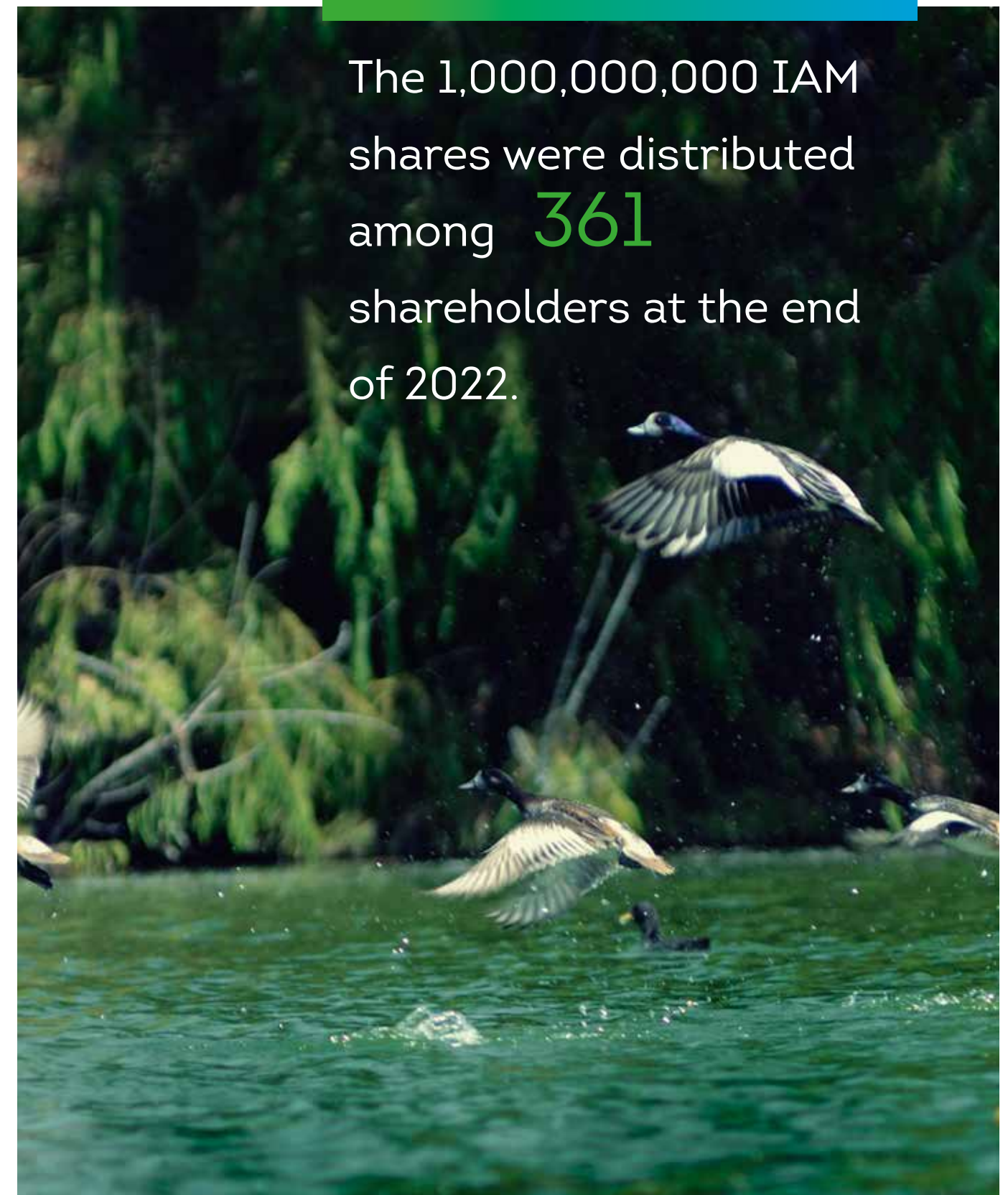
Name or Social reason	Rut	DV	31-12-22	%
VEOLIA INVERSIONES AGUAS DEL GRAN SANTIAGO LTDA.	77.329.730	4	501.000.000	50,10%
SOC. DE INVERSIONES Y RENTAS LIGURIA LTDA.	87.736.700	2	77.191.039	7,72%
LARRAIN VIAL S.A. CORREDORA DE BOLSA	80.537.000	9	62.665.575	6,27%
BANCO DE CHILE POR CUENTA DE STATE STREET	97.004.000	5	40.888.101	4,09%
BANCHILE CORREDORES DE BOLSA S.A.	96.571.220	8	26.511.336	2,65%
AFP HABITAT S.A.	98.000.100	8	24.365.855	2,44%
SANTANDER CORREDORES DE BOLSA LIMITADA	96.683.200	2	22.880.361	2,29%
BCI CORREDOR DE BOLSA S.A.	96.519.800	8	20.969.137	2,10%
BANCO SANTANDER POR CUENTA DE INV. EXTRANJEROS	97.036.000	K	20.840.325	2,08%
BANCO DE CHILE POR CUENTA DE CITI NA NEW YORK CLIE	97.004.000	5	16.385.573	1,64%
BANCHILE ADM. GENERAL DE FONDOS S.A.	96.767.630	6	13.162.898	1,32%
BANCO DE CHILE POR CUENTA DE TERCEROS NO RESIDENTES	97.004.000	5	12.363.857	1,23%
Otros (349 accionistas)			160.775.943	16,07%
			1.000.000.000	100,00%

## Shareholder composition year 2022

As of December 31, 2022, IAM's capital stock is made up of 1,000,000,000 shares, single series, fully subscribed and paid, distributed among 361 shareholders.



The 1,000,000,000 IAM shares were distributed among **361** shareholders at the end of 2022.







Since 2022  
the French  
group Veolia  
is the indirect  
controller of IAM.

## Controlling group

In January 2022, the French group Veolia together with the Suez group formalized a Combination Agreement, which defined the terms for the merger of both companies. Thus, the Veolia Group is the indirect controlling company of Sociedad General de Aguas de Barcelona (Agbar), which is in turn the controlling shareholder of Inversiones Aguas Metropolitanas SA (IAM), through ownership of 50.1% of heritage. For its part, IAM is the majority shareholder of Aguas Andinas and its subsidiaries with 50.1% of their titles.

With more than 150 years of experience, Agbar is an international benchmark in water and environmental management. Day by day it offers services to 37 million people in Spain and Latin America. In turn, the Veolia Group, born in France in 1853, has more than 160 years of experience in the design and delivery of innovative solutions for water, waste and energy management.



100%



Agbar

50,1%



50,1%





# THE BOARD

The IAM Board of Directors is made up of seven regular directors, each of whom has their respective alternate. The directors serve three years in office, with the possibility of being re-elected at the end of their term.

At the end of 2022, the directors of IAM are the following:



**President**  
**FELIPE LARRAIN ASPILLAGA**  
Civil Engineer from the Pontifical Catholic University of Chile. General Manager of Aguas Andinas between 2004 and 2011, President of Aguas Andinas from 2011 to 2016, director of the Maipo Canal Society and the Maipo River Surveillance Board. Since 2016 General Director of the Agua Chile South Pacific BU of the Suez Group for the Southern Cone of Latin America. Since July 2022 he is Country Director of Veolia Chile and Peru. Since September 2022 he is Chairman of the Board of Aguas Andinas. Director of IAM since April 30, 2014 and President of IAM since June 29, 2016.



**Vice president**  
**ALBERTO MUCHNICK MLYNARZ**  
Commercial Engineer and Business Administrator from the University of Chile. He was General Manager of HSBC Bank (USA) and Executive Vice President for Latin America of Republic National Bank. Current executive president of CGIS Securities, LLC in Miami, United States and President of Inmobiliaria Simonetti since 2022. Director of IAM since April 21, 2010.



**Director**  
**HERMAN CHADWICK PIÑERA**  
Lawyer and Graduate in Law from the Pontificia Universidad Católica de Chile, he freely practices the legal profession as a partner of the law firm Chadwick & Cia. He is President of Enel Chile, director of Viña Santa Carolina, Past President of the Arbitration and Mediation Center of the Santiago Chamber of Commerce. He is also a Member of the Board of the Center for Public Studies. President of the San Ignacio del Huinay Foundation, Director of Artequin and President of the El Golf 50 Club. Director of IAM since April 27, 2006.



**Director**  
**IGNACIO GUERRERO GUTIÉRREZ**  
Business Engineer from the Pontificia Universidad Católica de Chile and Master in Business Administration (MBA) from the Harvard Business School. He was vice president of Citibank in New York and NMB Bank (today ING Bank) also in New York and vice president of Codelco Chile. He is currently a partner and director of CMB Prime AGF SA and several road infrastructure companies linked to the Prime Infrastructure Investment Funds. Director of IAM since April 27, 2006.



**Director**  
**HERNÁN CHEYRE VALENZUELA**  
Bachelor of 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 to date. He is currently Director of the Business and Society Research Center (CIES) of the Faculty of Economics and Business of the Universidad del Desarrollo. Director of IAM since April 27, 2017.



**Independent director**  
**LUIS ENRIQUE ÁLAMOS OLIVOS**  
Accountant Auditor, University of Santiago de Chile. PADE, ESE, Business School, University of Los Andes. He joined PwC Chile in 1983. During his career he served a wide range of companies, specializing in the Retail industry, salmon, mass consumption and insurance. The last 15 years he has specialized in Tax Consulting and Planning for individuals and companies. During the years 2010 to 2018, he served as the main partner of PwC Chile. He is currently part of the boards of Exportadora e Inversiones Agroberries SA, Iandes Gestión Inmobiliaria and ICB SA, among others. Member of the Circle of directors of the ESE. Member of Group G12/ directors of Icare. Director of IAM since July 24, 2019.



**Director**  
**RODRIGO AZÓCAR HIDALGO**  
Industrial Civil Engineer from the University of Chile, Chilean academic and consultant. In his long career, he has been General Manager of Credits at Banco del Estado; consultant to the Ministry of Economy, Development and Reconstruction; consultant for the Inter-American Development Bank (IDB); General Manager of the Santiago Metro; Provost of the University of Viña del Mar; General Manager of ENAP, ESVAL and Aguas del Valle; CORFO corporate manager; Chairman of the Board of Metro SA and Director of Aguas Andinas SA He is currently a director of ENAP, ERSa and SIPETROL, of Fondo de Infraestructura SA and of Empresa Metro de Bogotá SA Director of IAM since July 24, 2019.



# Alternate directors



**Substitute principal**  
**ANDRÉS MUCHNICK CRUZ**

Commercial 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 investment field and as a business advisor. 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.



**Substitute principal**  
**NARCISO BERBERANA  
SÁENZ**

Industrial Civil Engineer, with master's degrees in New Business Management Technologies at the School of Industrial Organization, EOI of Madrid and in Executive Development Planning at the Instituto de Empresa, IE in Madrid, Spain. He has served as CEO of large environmental services companies. He has been part of the global Agbar group for more than 27 years, currently as Director, Chief Strategist Officer and CEO of Agbar Catalunya. He was CEO of the Aguas Andinas group (2016-2019).



**Substitute principal**  
**RODRIGO CASTRO  
FERNÁNDEZ**

Business Engineer with a mention in Economics from the Gabriela Mistral University. Master in Economics from Georgetown University. Specialization courses in Strategy and Finance at Stanford University and the University of California, Berkeley. He was Dean of the Faculty of Economics and Business at the Universidad del Desarrollo. He was President of the Chilean Association of Venture Capital. Consultant to the World Bank and the IDB. Professor at the Adolfo Ibáñez University. Business director. Partner and Director of the Genesis Ventures Administrator.



**Substitute principal**  
**CARLOS MLADINIC  
ALONSO**

Commercial Engineer from the University of Chile and Economist. He was minister of two portfolios in the Government of Eduardo Frei Ruiz-Tagle. He was a director of the Banco del Estado and President of the System of Public Companies (SEP) and of the Directorate of National Television of Chile (TVN). He was President of the Magallanes Development Foundation, President of the Technical Cooperation Service (Sercotec), President of the Technical Cooperation Service (Sercotec), Chairman of the Board of Directors of the Europa-Chile Foundation (EuroChile) and advisor of the Chile Foundation. He has been director of various companies, including Empresa Eléctrica Pilmaiquén, Empresa Nacional del Carbón, Celulosa Arauco y Constitución, Aguas Andinas, METRO SA and ENAER.



**Substitute principal**  
**HUGO SILVA RAVEAU**

Industrial Mechanical Technician, Federico Santa María University and Diploma in Administration, Adolfo Ibáñez University. He worked for 42 years at General Electric in various roles, Regional Mining Director and Regional President for Chile, Peru, Bolivia and Ecuador. He was Director of AmCham, leading the operation for the approval of the USA / Chile free trade agreement. Current partner and Director of Crisis Management Latin America.



**Deputy Director  
(Independent)**  
**MARÍA JOSÉ UAUY CÚNEO**

Commercial Engineer with a mention in Administration from the Pontificia Universidad Católica de Chile. Diploma in Public Policy from the Pontificia Universidad Católica de Chile. He was Assistant Manager of ETF's Funds at Larrain Vial and Investment Analyst at Inversiones Liguria. She is currently the Executive Director of Fundación Liguria.



**Substitute principal**  
**COSME SAGNIER GUIMÓN**

Graduate in Business Administration and Management and MBA from ESADE Business School, Barcelona, Spain. General Manager of IAM from 2013 to 2016. Director of Aguas Andinas, from 2013 to 2016 and from 2019 to 2022. Chief Financial Officer of Suez Spain from May 2016 to March 2022. Since April 2022 he is Director of Investment Control and Large Projects of the Veolia group. Director of IAM from 2017 to 2019, and since March 2022.





# THE ADMINISTRATION

**General manager**  
**FERNANDO SAMANIEGO SANGRONIZ**

Lawyer from the Pontificia Universidad Católica de Chile, Diploma in Competition Economics, fundamentals for lawyers, Universidad de los Andes, Partner of the Prieto Abogados law firm. He is a member of the list of arbitrators of the Center for Mediation and Arbitration of the CCS and the National Center for Arbitration. Director of Aguas Andinas since 2013 and General Manager of IAM since May 2021.



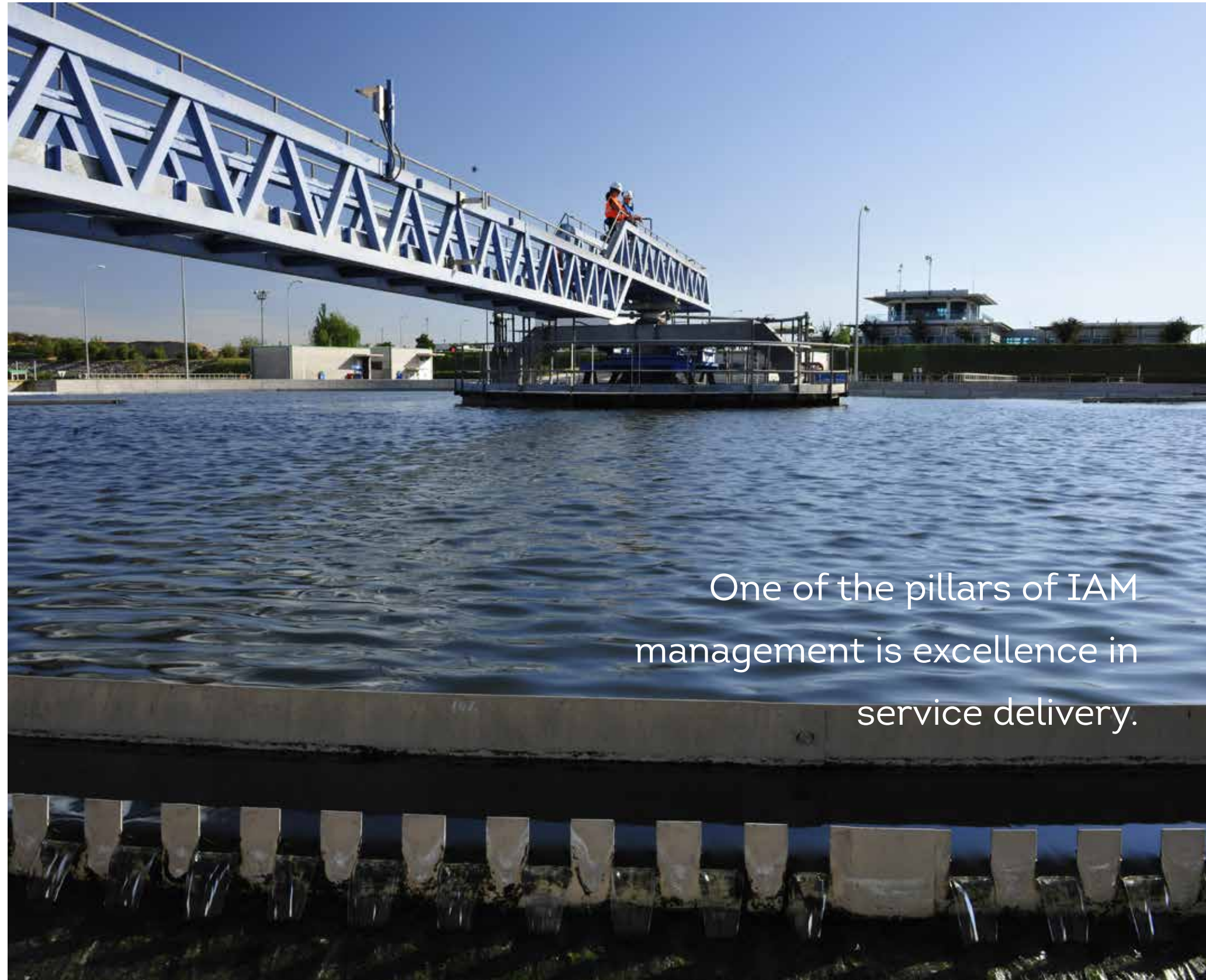
Note: More information on the Board of Directors and Management in the Corporate Governance section of this report.



## Our Business

The company  
Operations  
Costumers  
Environmental Services  
Subsidiaries  
Strategy and commitments  
Energy Consumption  
Promoting equal oppotunity and workforce engagement  
Remuneration and benefits





One of the pillars of IAM  
management is excellence in  
service delivery.

## THE COMPANY

Through the operation of its sanitation subsidiaries, IAM delivers the drinking water and sewage collection and treatment service in the concession areas located in the Metropolitan Region. Additionally, through its non-sanitation subsidiaries, the company provides environmental services related to the sanitation industry.







IAM's sanitation subsidiaries carry out the integral operation of the water cycle, with a management that focuses on sustainability, responsibility and efficiency.

## What are your healthcare affiliates?



## What does IAM do through its health subsidiaries?

Provides the services of:

- Raw water collection.
- Production, transportation and distribution of potable water.
- Collection, treatment and final disposal of sewage.

## To whom do you provide these services?

**+8** millions  
of inhabitants (estimated population).

## Where?

In **71** thousand hectares located in the Santiago basin, in the intermediate depression of central Chile (Metropolitan Region).



## What are your environmental services affiliates?

Environmental Analysis (Anam), EcoRiles, Hydrologists and Aguas del Maipo.



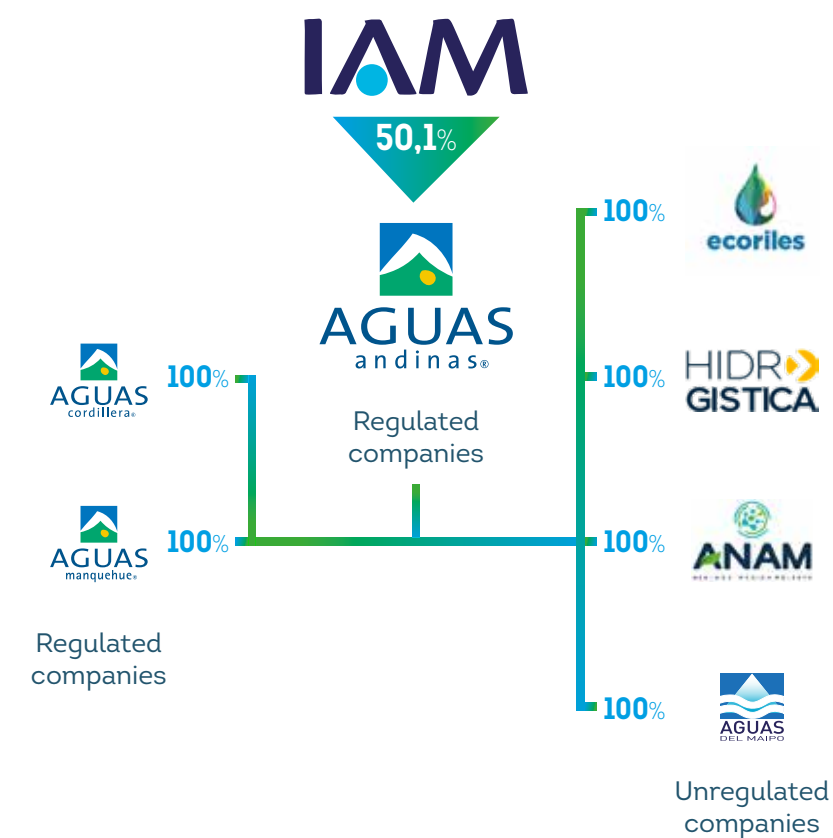
## What service does IAM provide through these unregulated affiliates?

**Anam:** Laboratory analysis

**EcoRiles:** Industrial waste treatment services

**Hidrogística:** Equipment marketing

**Aguas del Maipo:** Development of energy projects



The environmental service subsidiaries provide complementary management to the sanitation industry and industry in general, adding value to the environment and to people.



### Raw water intake

- Main sources of recruitment:
- Maipo River
  - Mapocho River Largest water reserves:
  - El Yeso Reservoir (220 million m<sup>3</sup>)
  - Laguna Negra (600 million m<sup>3</sup>)
  - Lo Encañado Lagoon (50 million m<sup>3</sup>)
  - Mega ponds of Pirque (1,480 million m<sup>3</sup>)

IAM maintains legal ownership of the rights to use water from all its sources

### Drinking water production

- Main drinking water production plants:
- Las Vizcachas Complex (16,000 liters per second)
  - La Florida Plant (4,000 liters per second)
  - Plata Chamisero (500 liters per second)
  - Other 15 smaller facilities

More than 75% of the drinking water consumed by the inhabitants of the Metropolitan Region is produced in the Las Vizcachas Complex.

### Transportation and distribution of drinking water

In order to continuously transport and distribute drinking water, IAM's sanitation companies have an underground network and a set of regulation tanks within their concession areas. The latter make it possible to ensure that the supply reaches all places in the Metropolitan Region with adequate pressure.

Regulation ponds:  
**357** ponds in the Metropolitan Region  
**1.200.000 m<sup>3</sup>** capacity totals

100% coverage of drinking water distribution.

### Water collection served

IAM's sanitation subsidiaries maintain an extensive collection network, which is permanently monitored and works gravitationally (from east to west), taking advantage of the location of the city of Santiago at the foot of the Andes Mountains. Sewage is evacuated through the sewer system and taken to sanitation plants or final disposal points.

98,8% coverage of sewage collection

### Treatment and disposal end of sewage

Wastewater treatment plants:  
**2** large facilities: Biofactories La Farfana and Complejo Trebal-Mapocho + **12** smaller plants (of localities)

The biofactories of Greater Santiago carry out the sanitation of the used water, leaving it in optimal conditions for its return to the natural channels, in accordance with the standards required by Chilean legislation. Likewise, in tune with the circular economy, they make it possible to recover and reuse the waste obtained from the purification process, turning it into beneficial products with added value.

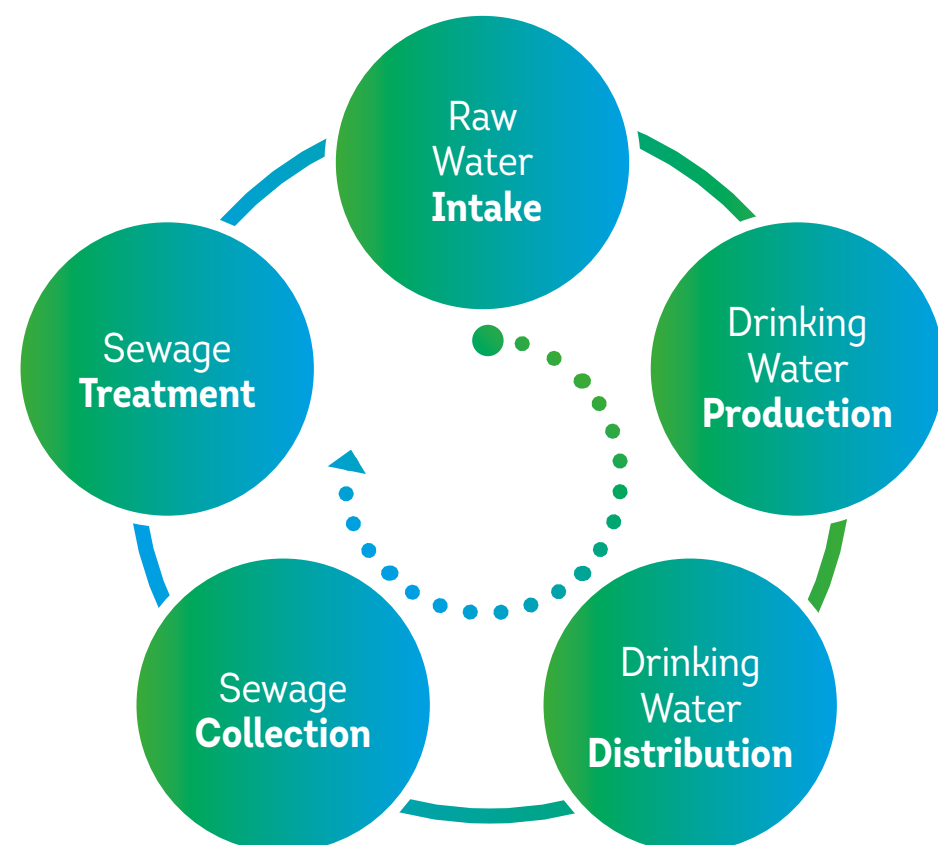
100% coverage of sewage treatment.

# OPERATIONS

IAM comprehensively and efficiently manages the water cycle, which includes raw water collection processes; production, transport and distribution of potable water; and collection, treatment and final disposal of sewage.







IAM focuses its management on the continuous improvement of processes and the provision of its services, thanks to innovation and the search for efficiency.



# CUSTOMERS

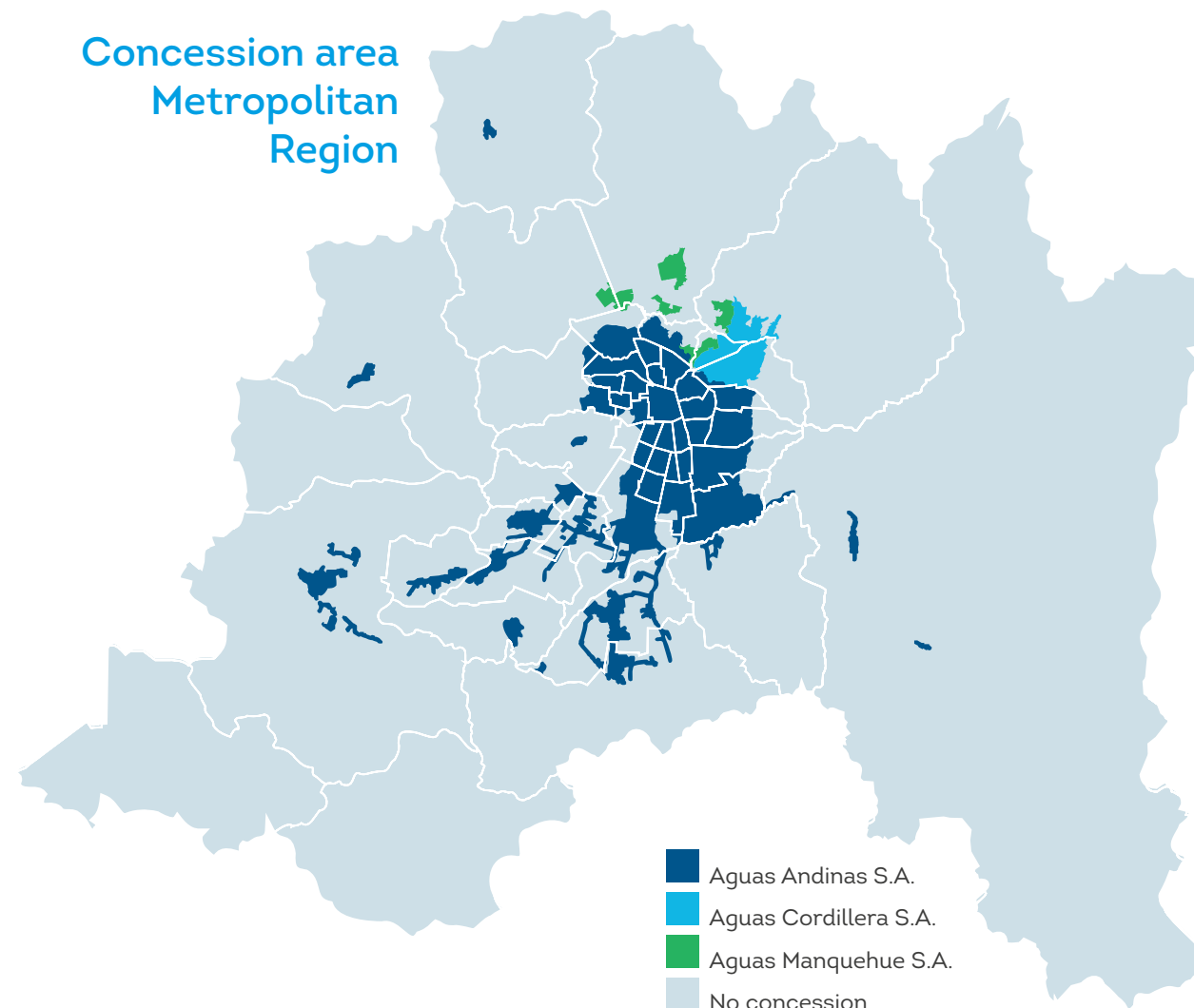
A population estimated at 8 million people is supplied by the IAM water companies, by supplying water services to more than 2.2 million customers, which are classified as residential, commercial and industrial.

## Customers <sup>(1)</sup> of drinking water

Year 2022: 2.257.165

Year 2021: 2.207.344

Concession area  
Metropolitan  
Region



71 thousand hectares  
is the area supplied in the  
metropolitan region.

(1) The term "client" corresponds to the natural or legal person who inhabits and/or resides in the property that receives the public service of drinking water distribution, sewage collection, or both.

## Operations

### Coverage and operational territory

The concession areas of Aguas Andinas, Aguas Cordillera and Aguas Manquehue cover 49 municipalities in the Metropolitan Region, one of the sixteen regions into which Chile is divided. The capital of the region and of the country as a whole is Santiago.

The services provided by the Aguas Group provide 100% of drinking water supply, 98.8% of sewerage and 100% of wastewater treatment.

Outside its concession areas, and from a point of transfer, the company also provides collection services to the sanitation companies Smapa, in Maipú; Sembcorp Aguas Santiago, in Lo Barnechea, and Santa Rosa del Peral, in the El Peral sector of the commune of La Florida; in addition to the collection and treatment of wastewater to the sanitation company Cossbo, in the commune of Santiago.

100%  
of drinking water  
of drinking water

More than  
2,200,000  
customers  
are served by  
IAM's sanitation  
subsidiaries within  
its concession  
areas located in  
the Metropolitan  
Region of Chile.



# ENVIRONMENTAL SERVICES SUBSIDIARIES



The operation of these companies allows the Aguas Group to support its main activity, through the delivery of complementary services and, additionally, to venture into other business niches.



Leading company in the field of physical, chemical and microbiological analysis of water resources, solid waste, hazardous waste, sludge and soil. This subsidiary also has an air quality area, which monitors and analyzes odors and odorant gases. It has a high participation in the national potable water market and in the bottled water market, in addition to providing services to the main wastewater and wastewater industries in the country, including Aguas Andinas. Anam seeks to open new markets to diversify its services. For this reason, in 2021 it inaugurated Anam Sur, a laboratory located in Puerto Montt to provide services mainly to the salmon industry and which, in the reported year, incorporated an automated oil and fat measurement system. The subsidiary is also beginning to operate in the north of the country, with a focus on large-scale mining.

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



Subsidiary created in 2000 to provide comprehensive management and management services for the water cycle, satisfying the growing demand for treatment of industrial liquid waste (rills). With more than 30 clients throughout the country, it is currently the main operator of this business in Chile. At Grupo Aguas level, Ecoriles fulfills a strategic role, because it prevents industries from discharging elements into the sewer system that are not allowed according to the country's sanitation regulations, with the risk of causing problems in the treatment plants. Its contributions to the dairy, food and paper industries are also noteworthy. Among the milestones for 2022, the efforts to enhance synergy and coordination with Aguas Andinas stand out, and thus increase the capacity to control discharges into sewerage networks.

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



With more than two decades of experience, Hidrogistica is a comprehensive and specialized supplier of materials for potable water and sewage networks. In addition, it provides cleaning services for water networks and collectors for the sanitation sector and the industrial market. The company also fulfills the role of incorporating technologies into the Aguas Group that optimize the management of the networks, focusing in a first stage on the search for solutions that allow leaks in the drinking water mains to be repaired without the need to cut off the supply. The possibility of offering the collector renewal service by ditch is also being studied. At the same time, as a logistics provider, during 2022 it identified the 50 faucet materials with the highest turnover in the Chilean sanitation industry and, based on said information, designed high-efficiency models that are being manufactured in China to be sold in the Chilean market to competitive prices. These products have already obtained the necessary certifications and approvals for their commercialization.

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



Created in 2011, it develops energy projects derived from the sanitation business. In 2017, the operation of a methanation plant began, which transforms the biogas generated in La Farfana into biomethane that is injected into the natural gas networks of Santiago. This initiative has been highlighted for its contribution to sustainability, since it significantly reduces CO emissions in the Metropolitan Region.

Location: Av. Presidente Balmaceda 1398, Santiago de Chile



# Strategy and commitments

The subsidiary Aguas Andinas has evolved towards a value creation model that prioritizes sustainability and the well-being of people and their environment, minimizing the negative impacts of its operation. On this basis, the company addresses the present and future challenges of the business by promoting a long-term strategy focused on the sustainable development of the city and its inhabitants, and on caring for the natural environment, becoming an organization that provides environmental services in a comprehensive manner. At the same time, it 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 this plan, a Roadmap reflecting ESG best practices was drawn up in 2017. In its latest update (carried out in 2021), specific goals were incorporated to 2024 as a horizon, addressing new issues related to Chile's social problems and deeper actions against climate change, among other matters.

## Resilience



### Challenge:

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 climate change, through the development of projects that, with a medium and long term view, contemplate water efficiency, promote alternative water sources, protect ecosystem services, advance naturebased solutions, and drive efficient consumer demand for water.

### Objectives:

- Implement a strategy to adapt to climate change by strengthening operational resilience.
- Protect and restore ecosystem biodiversity as a measure to adapt to climate change.
- Promote water reuse.
- Generate alliances to raise awareness about the responsible use of water.

## Sustainable Investments



### Challenge:

Ensure efficient and optimized investment management efficient and optimized investment management delivery of a service of excellence through an through a responsible investment plan. Aimed at climate change, adaptation to climate change and that promotes green and social financing positively impacting all of the company's stakeholders, promoting the development of SMEs, disseminating social, environmental and corporate governance.

### Objectives:

- To be a sustainable company.
- To establish an investment strategy with a social and environmental impact.
- Procurement management with ESG criteria.
- Green and social financing and investment optimization for the company's growth and operational resilience.

## Circular Economy



### Challenge:

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 developing a carbon neutrality strategy.

### Objectives:

- Reducing and offsetting greenhouse gas emissions to limit temperature increase at 1.5°C.
- To achieve energy sustainability by optimizing process consumption and increasing the use of renewable energy.
- To achieve the goal of zero waste, promoting the reuse and valuation of waste.

## Digitalization and innovation



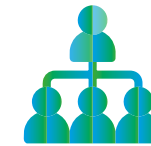
### Challenge:

Redesigning processes with the goal of increasing efficiency and digital transformation of the company, promoting R&D&I projects, active management and digital connection of the operation, improving customer experience and the availability and transparency of information.

### Objectives:

- To promote R&D and innovation and to be a benchmark in the water and environment sector.
- To be a leading company in a context of Industry 4.0.
- To lead the digital connection with customers and improve user experience.
- Evolve in data management.

## New forms of leadership and work



### Challenge:

Promote a culture of leadership and new ways of working, providing opportunities for new profiles, promoting Smart Working, equal opportunities and guaranteeing the sanitation and safety of internal and external workers, ensuring their job satisfaction.

### Objectives:

- Attract and retain talent for the current and future needs of the organization.
- Promote new ways of working.
- Implement equal opportunities by creating inclusive and diverse environments that promote the well-being of workers.
- Strengthen a new style of leadership that is transformational, change-driven, collaborative, challenging and inclusive.
- Promote well-being and ensure occupational sanitation and safety.

## Positive social value



### Challenge:

Strengthen relationships of trust with communities and collaborate to achieve universal access to potable water, promoting community dialogue, dissemination of climate action and water care, as well as supporting collaborative social investment initiatives.

### Objectives:

- Strengthen relationships of trust with different stakeholders based on transparency, dialogue and collaboration.
- Lead and disseminate the environmental commitment of Aguas Andinas and its active work to address global warming.
- Collaborate in access to potable water and sanitation in both urban and rural areas, proposing innovative and sustainable solutions.
- Contribute to shared value and community benefit projects.



# Roadmap: resilience pillar

**Commitment:** Ensure the supply of potable water, through risk management and initiatives to adapt to the effects of the climate crisis.

Challenge	Objetives	2024 goals	Advance 2022	Observations	Status
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 view, contemplate water efficiency, promote alternative water sources, protect ecosystem services, advance in nature-based solutions and promote efficient water demand by consumers.	Implement a strategy to adapt to the climate crisis, strengthening operational resilience.	1.- Limit unaccounted water to 29% through the water efficiency plan.	30,79%	Water recovered from leak repairs in one year it increased from 209 l/s to 673 l/s.	✓
		2.- Increase the autonomy capacity to 37 hours in case of extreme turbidity events.	37 h	The start-up of the Cerro Negro-Lo Mena wells is scheduled for 2022.	✓
		3.- To increase the security of supply in the face of water scarcity.	99%	The new Cerro Negro wells and the modernization of the Padre Hurtado plant provided an additional 2,500 l/s. It is planned to recover up to 5 hm3 of unaccounted for water by 2024.	✓
		4.- To achieve over 92% efficiency in the drinking water production plants.	94,98%	The Punta de Águila plant was fully automated.	✓
	Protect and restore the biodiversity of ecosystems as a measure of adaptation to the climate crisis.	1.- To advance in solutions based on nature.	3	3 projects in progress: an infiltration project began in Quebrada de Ramón. In addition, studies were contracted to define alternatives in several company's sites.	✓
		2.- Generate ecosystem monitoring in priority sites defined by the company.	5	La Farfana Biofactory, Laguna Melipilla, El Canelo, El Rutal and Quebrada de Ramón.	✓
		3.- Strengthen public-private alliances that promote of biodiversity conservation.	3	With Corfo, Cordillera Park and Water Fund Santiago-Maipo	✓
	Generate alliances to create awareness about use responsible for water.	1.- Promote initiatives for efficient irrigation of municipal green areas.	1 APL	A Clean Production Agreement (CPA) focused on water efficiency was signed with the Municipality of Lo Barnechea.	✓
	Promote water reuse.	1.- To obtain environmental approval for a reclamation project.	30	The return project for agricultural irrigation in the first section of the Maipo River made progress in its basic engineering and in the preparation of its environmental impact study.	✓
		2.- To implement a project for the infiltration of aquifers.	60%	The project design was finalized and authorization was obtained from the municipality of Lo Barnechea. The next step is to submit the project to the DGA.	✓



# Roadmap: pillar of circular economy

**Commitment:** Reduce emissions through decarbonization and the transformation of waste into value-added products

Challenge	Objectives	Goals to 2024	Advance 2022	Observations	Status
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 neutrality strategy.	Reduce and offset greenhouse gas (GHG) emissions to limit the temperature increase to 1.5°C.	1.- Reduce GHG emissions by 27% for Scopes 1 and 2 with respect to the 2017-2018 average. Maintain or improve the reduction of Scope 3 emissions with respect to 2020.	207.882 tCO2e	Scope 1 and 2 emissions were reduced by 20%. Additionally, Scope 3 was reduced by 33%. Given the above, the company's overall emissions were reduced by 26%.	✓
		2.- Develop a strategy to move towards carbon neutrality.	0%	The work has focused on the purchase of renewable energies in those areas with high consumption.	—
	Achieve energy sustainability by optimizing process consumption and increasing renewable energy consumption.	1.- Achieve that 80% of the energy consumed is of renewable origin.	70%	For the entry into operation of new projects, the purchase of renewable energy has been considered, which has had an impact on the increase of the indicator.	✓
		2.- To achieve that 80% of the electricity consumption is carried out under energy performance monitoring and improvement schemes.	50%	In 2022, a total of 63 wells out of the 100 wells planned for intervention by 2024 were intervened.	✓
		3.- To increase the use of biogas for energy generation.	47.031.993 kWh/year	Although biogas for cogeneration decreased by close to 10%, the total use of biogas as energy increased by 12% due to an increase of more than 100% in shipments of biofarming biogas in shipments from Farfana Biofactoria Farfana to Metrogas.	✓
	Achieve zero waste for disposal through reuse and waste recovery.	1.- To maintain the transfer of biosolids to sanitation landfills at 0%.	0%	The 2022 target was maintained	✓
		2.- Increase the use of biosolids in agricultural landfills.	218.613 tons	The use of biosolids on agricultural land increased by 8% compared to 2021.	✓
		3.- - To transform more than 15 ktpa of biosolids into fertilizers.	> 10.000 tons	In 2022 the SAG granted the category of fertilizer to Aguas Andinas biosolids.	✓
		4.- Valorize more than 35 ktpa of waste from other industries in biofactories	33.547 tons	During 2022, waste from other industries was valorized.	✓



# Roadmap: sustainable investment pillar

**Commitment:** Implement a sustainable investment and financing strategy that generates positive social and environmental value.

Challenge	Objectives	Goals to 2024	Advance 2022	Observations	Status
Ensure efficient management of investments to provide 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 the company's stakeholders, promoting the development of SMEs and disseminating environmental, social and corporate governance sustainability practices.	To be a sustainable Company	1- Increase disclosure and transparency in ESG matters	80	During 2022 there was a change in the standard, with no limit on disclosure.	✓
		2- Maintain debt ratios in line with the company's standards (DFN/Ebitda ratio < 4x).	3,83	It remains in the range of recent periods.	—
	Establish an investment strategy with a positive social and environmental impact.	1- Allocate a minimum of 85% of investments to climate change adaptation projects, with social and environmental impact 85% Investment is maintained around the target percentage.	85%	Investment is maintained at around the target percentage	—
	Manage procurement with ESG criteria.	1- Incluir criterios ASG en la selección y contratación de proveedores	0	ESG criteria were incorporated into a contract.	✓
		2- Reach 60% of suppliers that are SMEs	59,03%	In the period increased from 57.86% in 2021 to 59.03% in 2022.	✓
	Achieve green and social financing for the company's growth.	1- Ensure an optimal financial structure for the company, promoting green and social financing.	100%	During 2022, all financing was green. A local bank financing was carried out as well as an international private bond issue.	✓



# Roadmap: digitalization and innovation pillar

**Commitment:** Advance digital transformation and process security, improving customer and community experience.

Challenge	Objectives	Goals to 2024	Advance 2022	Observations	Status
<b>COMMITMENT</b> Advance in digital transformation and process security, improving the customer and community experience.  <b>CHALLENGE</b> Redesign processes with the aim of increasing the efficiency and digital transformation of the company, promoting R&D&I projects, active management and digital connection of the operation, improving the customer experience and the availability and transparency of information.	Promote R&D&I and be leaders in innovation in the water and environment sector	1.- To achieve during the period the recognition of the company's innovation initiatives.	2	In 2022, the company received awards in innovation from PWC and the British Chilean Chamber of Commerce	✓
		2.- To develop three R&D&I initiatives.	10	The following are highlighted: diagnostics of dirt in collectors with acoustic technology, inspection of aqueducts with submersible robots and unblocking of collectors with a rotating rod system.	✓
	To be a leading company in a Industry 4.0 context	1.- To achieve 99,9% availability of telecontrolled infrastructure.	99,7%	During 2022, improvements were made to the Operational Contingency Control Center to improve availability and resilience of the infrastructure, going from 3.5 to 2 hours.	✓
		2.- Implement telemetry in 100% of the wells.	29,8%	As of December 2022, Telemetry has been implemented in 69 Wells.	✓
		3.- Achieve digital communication for 100% of the installations with telecontrol.	63%	As of December 2022, 285 installations have been migrated to TETRA digital communication.	✓
	Leading the digital connection with customers and improving the user experience.	1.- Improve customer experience on digital platforms.	50%	A video-service system was implemented and all self-service totems were renewed	✓
		2.- Facilitate stakeholder access to information.	62%	Launch of the Company's new APP; Incorporation of improvements and greater coverage in Celeste; It is incorporated into the commercial service process, for some types of field work and the ability to track the customer's mobile phone (Uberization); among others.	✓
	Evolve in data management	1.- Automate 100% of the priority data	76%	The following project are advanced: Implementation of the Regulatory Accounting System (rate studies); Commercial Cycle Automation is successfully completed; The implementation of Data Governance is carried out at the Punta de Águila treatment plant; among other relevant milestones.	✓



# Roadmap: Pillar of new forms of leadership and work

**Commitment:** Promote an organizational culture of collaboration, based on leadership and autonomous and diverse teams.

Challenge	Objectives	Goals to 2024	Advance 2022	Observations	Status
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 occupational health and safety of internal and external workers, and always ensuring their job satisfaction.	Attract and retain talent for the current and future needs of the organization.	1.- Encourage the incorporation of STEM profiles.	67%	In the 2022 period we have increased by (61% as of 2021 vs. 67%) 6% of STEM STEM incorporations, this will consider the increase of these positions due to the internalization of the Biofactory.	✓
		2.- To annually recognize at least 5% of the workers.	100%	During the year 2022, a total of 126 people have been formally recognized and communicated to the rest of the Organization.	✓
	To promote new ways of work.	1.- Establish teleworking for 80% of the workers.	80%	Workers in the corporate building maintain telework, more than 80% of the total number of people in the building.	✓
		2.- To implement new ways of working.	100%	The people in the Corporate Building are implemented in the ways of working typical of the hybrid work model and the use of new spaces such as meeting rooms, collaboration rooms, etc.	✓
	Implementing equal opportunities with inclusive and diverse environments that promote the well-being of workers.	1.- To increase the rate of workers with functional disabilities to 1.5%.	1,6%	The number of people with disabilities increased by 0.2% with respect to the year 2022.	✓
		2.- Increase the foreign worker rate to 6%.	6,4%	0.43% increase compared to the previous year	✓
		3.- Promote that 50% of the new STEM profiles are women.	31%	With respect to the year 2021 in 2022 we have increased by 2% the incorporation of women with STEM careers.	✓
	Strengthen a new style of leadership that is transformational, change-driven, collaborative, challenging and inclusive.	1.- Encourage and promote the development of workers with high potential.	100%	During 2022, we have delivered different tools in training and feedback processes to 100% of high potentials, this involves Water Master, Mentoring, Coaching and Assessment Center.	✓
		2.- Conduct multidirectional executive evaluations.	0%	Top-down evaluations have been carried out on 100% of the Executive team as well as Assessment Centers for some Executives, but multidirectional evaluations are planned for 2023.	✓
	Promoting wellbeing and ensuring occupational health and safety	1.- To decrease the frequency and severity rates of own and subcontracted workers	Own TI: 4,69 TG: 0,07 Subcon. TI: 11,25 TG: 0,08	The Just Culture model was extended to the entire organization. Strengthened OHS management at contractors.	✓



# Roadmap: Pillar of positive social value

**Commitment:** Generate open and permanent relationships with stakeholders through communication initiatives and active listening, to contribute to the development of communities.

Challenge	Objectives	Goals to 2024	Preview 2022	Observations	Status
Strengthen relationships of trust and ensure universal access to drinking water through the promotion of community dialogue instances, the dissemination of climate action and water care, and support for collaborative social investment projects	Strengthen relationships of trust with the different interest groups on the basis of transparency and collaboration.	1.- Promote instances of dialogue in at least 20 communes of Santiago	100%	The action plan of the Relations Office includes open communication with the 49 mayors of the concession area. In 2022, 70 meetings were held with the councilors and their management teams.	✓
		2.- Promote environmental education in 450 schools in the Metropolitan Region.	100%	During 2022, more than 52,000 schoolchildren from 21 communes participated in the Agua en Curso initiative.	✓
	Lead and disseminate the commitment of Aguas Andinas and its active work to face the climate crisis.	1.- Invest in initiatives that promote the responsible use of water	100%	Talks to municipal teams. Formation of water tables. Citizen water talks in the communes of Recoleta, Til Til. Formation of the Territorial Management Council together with the Sustainability and Climate Change Agency. Projects of the FFCC linked to water (Nº and amount).	✓
		2.-Involve the community in the responsible use of water with educational visits to the Aguas Andinas facilities	100%	3,639 boys, girls and young people visited the facilities and learned about the processes at our La Farfana and Mapocho Trebal, and La Florida biofactories.	✓
	Collaborate in access to drinking water in urban and rural sectors, proposing innovative and sustainable solutions.	1.- Allocate an annual fund for sanitation connections in homes of families in vulnerable situations.	100%	During 2022, the Start-up Fund was generated, which benefited 9 cases of families from the 40% most vulnerable in the region with connection projects to Potable Water and Sewerage.	✓
		2.- Support innovative solutions to solve urban and rural drinking water connection problems.	100%	During 2022, the rural services unit began an advisory project for leaders of committees and cooperatives of Rural Sanitation Services. At the end of 2022, the unit advised 15 committees and cooperatives with a reach of over 40,000 people.	✓
	Contribute to projects of shared value and community benefit.	1.- Implement at least one project to open company facilities for the benefit of communities	1 proyecto	In the second half of 2021, a loan agreement was signed with the Villa Estación Neighborhood Council in San José de Maipo, for the development by the residents of a plaza in an area arranged by the company and adjacent to the plant of treatment of San José de Maipo. Along with this, an agreement was signed with the Neighborhood Council of Codigua, Melipilla and Cerro Negro in La Pintana, to generate green area projects for residents of the sector.	✓

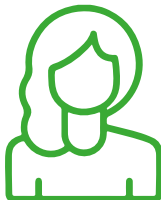


# Promoting equal opportunity and workforce engagement

21%  
of senior management  
positions are held by  
women.



22%  
of the total workforce  
are women.



31%  
of the total number of  
professionals in the  
organization.



For the subsidiary Aguas Andinas it is essential to maintain a working environment where each person in the organization feels fully integrated and valued according to his or her personal merits, and which also encourages open and fruitful dialogue with the workers' representative bodies.

## Diversity and inclusion

The certainty that diverse work teams are more creative, committed, empathetic and able to meet the multiple needs of customers, drives a corporate effort to integrate people with different outlooks and life experiences. The intention is for the company to be a reflection of an increasingly multicultural society at all levels of its organizational structure.

To this end, Aguas Andinas applies a Diversity and Inclusion Policy with four pillars:

- Gender equity
- Cultural diversity
- Inclusion of people with disabilities
- Sexual diversity

It also operates a Diversity and Equality Committee, responsible for developing these lines of work, which are set out in an annual plan.

## Gender equity

In terms of gender equity, the goal is to close salary gaps, achieve a work-life balance, advance in flexible working hours, and promote female leadership through the mandatory inclusion of women in the selection processes for executive positions.

In addition, the company is adapting its recruitment and selection processes with the 2024 goal of having at least 50% of new hires in STEM (science, technology, engineering and mathematics) profiles filled by women. As of December 2022, this indicator was 67%, 6 percentage points higher than in 2021.

## Cultural diversity

The Diversity Policy promotes ethnic, social and valuebased multiculturalism in the organization, committing it to generate internal instances that lead to the positive sharing of different origins, cultures and belief systems among those who are part of the staff.

## People with disabilities

With 1.6% in 2022, the company surpassed its 2024 target of 1.5% of its workforce being made up of people with disabilities. This indicator also exceeds the 1% required by Law 21.015 on labor Inclusion. The idea is to continue to increase these numbers in the organization, through initiatives that promote their integration and development.

In addition, in response to Law 21.275 of 2020, which requires companies with more than 100 employees to have a labor inclusion manager, five people from the company were selected to assume this role (who will be certified by Chile Valora), with the responsibility of promoting instances that promote equal opportunities for people with disabilities.

The company also has a strategic alliance with Fundación TACAL, whose collaboration in an internal survey of people with disabilities enables it to facilitate the necessary procedures to qualify for the social benefits to which they are entitled.

## Sexual diversity

The company is committed through its policy, communication and training actions to promote a work environment in which everyone in the organization can freely express who they are, regardless of their sexual orientation or gender identity.

134 foreigners work at Aguas Andinas, 6.4% of the total workforce.

25% of executive positions was occupied by women in 2022, a percentage that has more than doubled in a decade.

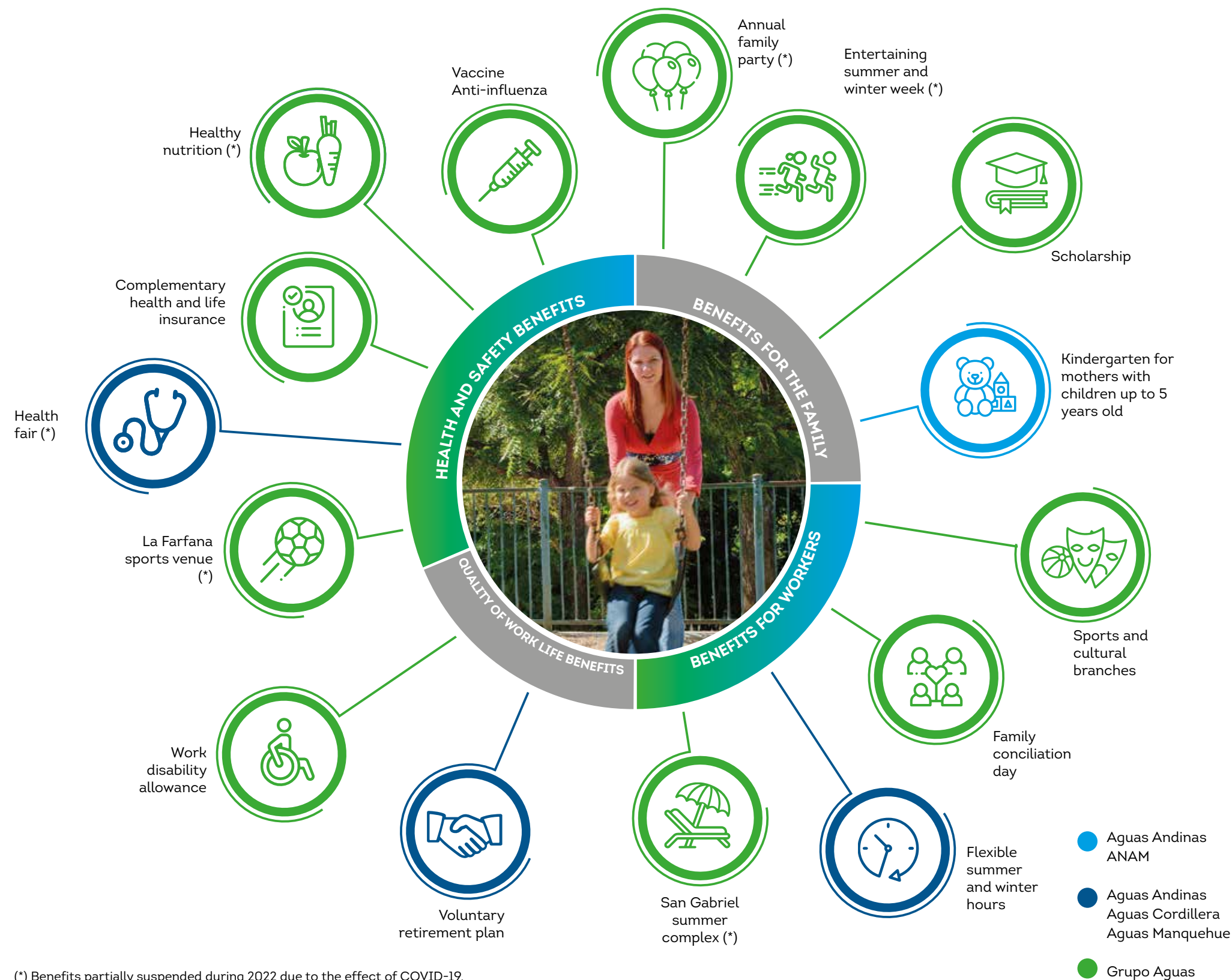
The organization applies a blind curriculum system in processes selection process, so that the applicants can be qualified exclusively on the basis of their labor merits.



## EXPANSION OF CHILEAN STANDARD 3262

Aguas Andinas was a pioneer in the certification of Chilean Standard 3262 on gender equality and reconciliation of work, family and personal life. In January 2022 it was recertified for another three years. In addition, the scope of the standard was extended to the biofactories and all commercial agencies, bringing the organization's coverage to 40%.





(\*) Benefits partially suspended during 2022 due to the effect of COVID-19.

## Compensation and benefits

For the subsidiary Aguas Andinas compensation model takes as a reference the market rents for equivalent positions, based on compensation studies for companies with similar characteristics. In addition, principles of competitiveness and internal equity and financial equilibrium are considered. The Compensation Policy defines annual hiring, promotion and evaluation procedures, according to criteria of equity and non-discrimination, applicable to the entire organization, including directors and executives.

### Transversal Regulatory Management

The company has a system called Transversal Regulatory Management with the collaboration of an external consultant. This includes the identification of legal and administrative regulations, including those related to labor law.

The information gathered on the aforementioned issues is brought to the attention of the Human Resources Department for subsequent application. In addition, each year an evaluation is made in certain areas of the company in order to verify compliance with the standards, after which the gaps detected are followed up, for the subsequent development of action plans.

## Benefits, health and work safety

In addition to the regular salary, Aguas Andinas offers its workers a series of additional benefits to their regular salary, which seek to directly improve the quality of life, health and well-being of them and their families. They have no distinction by type of contract and many have been agreed as part of collective agreements.



ENERGY

The subsidiary Aguas Andinas has the following energy consumption

Internal energy consumption (gigajoules Gj)

Power source	2018	2019	2020	2021	2022
non-renewable fuel	61.606	65.236	55.513	58.323	46.650
biofuel	1.390.675	1.436.596	1.436.262	1.428.085	1.391.079
Electricity	1.013.827	1.109.334	1.127.331	1.210.517	1.289.032
total energy consumption	2.466.107	2.611.166	2.619.105	2.696.924	2.726.762
sale of energy	289.425	245.367	200.775	133.424	288.884

Fuel consumption (gigajoules GJ)

Power source		2018	2019	2020	2021	2022
Non-renewable fuel	Gas-oil (electric generation)	12.975	9.983	12.222	12.412	12.825
	Gas-oil (mobile sources)	45.418	52.796	41.949	43.555	31.689
	Gasoline (mobile sources)	3.213	2.457	1.342	2.355	2.135
	Total	61.606	65.236	55.513	58.323	46.650
Renewable	Biofuels (biogas)	306.759	1.436.596	1.436.262	1.428.085	1.391.079
	Others	0	0	0	0	0
	Total	306.759	1.436.596	1.436.262	1.428.085	1.391.079
Total fuel consumption		368.365	1.501.832	1.491.775	1.486.407	1.437.729

Biogas produced in m³

Destination	2018				2019				2020				2021						2022					
	Biogas Metrogas		Treb-al-Mapocho		Farfana		Treb-al-Mapocho		Farfana		Treb-al-Mapocho		Farfana		Treb-al-Mapocho		Talagante		Farfana		Treb-al-Mapocho		Talagante	
Biogás Metrogas	12.844.284	37%	0	0%	10.202.114	30%	0	0%	8.463.856	26%	0	0%	5.835.516	20%	0	0%	0	0%	13.131.075	42%	0	0%	0%	0%
Biogás motores cogeneración	0	0%	24.237.265	79%	0	0%	25.635.690	84%	0	0%	26.941.009	83%	0	0%	25.448.936	74%	0	0%	0	0%	22.577.075	73%	0%	0%
Biogás Calderas	5.910.975	17%	2.274.615	7%	5.101.057	15%	4.064.076	13%	4.722.429	14%	3.895.086	12%	4.265.332	14%	4.886.720	14%	268.322	40%	4.532.517	14%	4.537.136	15%	372.696	40%
Biogás Antorchas	15.999.377	46%	3.988.470	13%	18.703.875	55%	736.055	2%	19.423.637	60%	1.622.952	5%	19.527.945	66%	4.277.682	12%	402.482	60%	13.623.735	44%	3.897.587	13%	559.045	60%
Total	15.999.377	100%	30.500.350	100%	34.007.046	100%	30.435.824	100%	32.609.922	100%	32.459.047	100%	29.628.793	100%	34.613.337	100%	670.804	100%	31.287.326	100%	31.011.799	100%	931.741	100%
Total biofactorías	65.254.986				64.442.870				65.068.969				64.912.934				63.230.866							

Electric Power Consumption

Electricom energy consumption per activity	Units of consumption	2018	2019	2020	2021	2022
Drinking water production	kWh/year	60.274.635	71.462.714	78.880.964	83.568.952	99.203.595
	GJ/year	216.987	257.266	283.971	300.848	357.133
Buildings	kWh/year	71.211.901	84.867.208	78.078.970	82.662.133	86.519.547
	GJ/year	256.361	305.522	281.084	297.584	311.470
Sewage treatment	kWh/year	3.260.449	3.453.594	4.057.685	3.702.371	1.780.378
	GJ/year	11.738	12.433	14.608	13.328	6.409
Collection	kWh/year	2.035.756	1.872.205	1.854.580	2.069.702	3.557.600
	GJ/year	7.329	6.740	6.676	7.451	12.807
Sewage treatment	kWh/year	144.837.986	146.492.511	150.275.245	164.251.482	167.003.462
	GJ/year	521.413	527.373	540.991	591.305	601.212
Total	kWh/year	281.620.727	308.148.233	313.147.444	336.254.640	358.064.582
	GJ/year	1.013.827	1.109.334	1.127.331	1.210.517	1.289.032

Self-generated electrical energy

Energy (kWh)	2018	2019	2020	2021	2022
	54.513.162	57.185.082	59.858.951	57.218.144	47.031.993



# 5

Year 2022

Risk mitigation and efficiency capture  
Outstanding figures 2022  
Investments of the year  
Costumers  
Workers  
Safety Index  
Environment  
Aguas Andinas affiliate membership and associations  
Alliances generation  
Property, equipment and insurance  
Current rates



# RISK MITIGATION AND EFFICIENCY CAPTURE



The 2022 financial year was a period of consolidation and progress in several projects that the company is developing through its subsidiaries, in order to face and adapt to the new scenarios in which it operates. On the one hand, there is the complex social and economic context that Chile and the entire world are experiencing; and on the other, the deep and widespread water crisis and climate change, phenomena that directly affect the operation of IAM's water utilities and that have already become structural conditions in the concession areas.

Given this panorama, the management of the year was marked by the projects and agreements that allowed a more efficient and sustainable management of the Maipo river basin, seek and promote hydraulic efficiency, increase the availability of the resource -with the concrection of projects such as the Cerro Negro-Lo Mena wells, which increased the autonomy of the system to 37 hours, and the expansion of the Padre Hurtado potable water production plant. Likewise, initiatives to improve processes and digital transformation were carried out in order to generate an increasingly efficient and sustainable operation.

To carry out these projects, IAM maintained its high level of investments in its subsidiaries during 2022, which rose in the year to over \$141 billion, mostly allocated to potable water production works (33%), sewage collection (26%), distribution (25%) and purification (11%).

Despite the growing inflation experienced at the local level and the rise in inputs and raw materials, in terms of results the company ended the year with a profit of \$41,320 million and with an increase in the share price that reached 23.5 % in the exercise. This responsible financial management allowed risk rating agencies to assign IAM shares a First Class Level 1 (ICR) and First Class Level 2 (Fitch) rating.



# OUTSTANDING FIGURES 2022

524,3  
million m<sup>3</sup> of potable and produced water in the year

13.490  
total kilometers of distribution network

10.943  
total kilometers of collection network

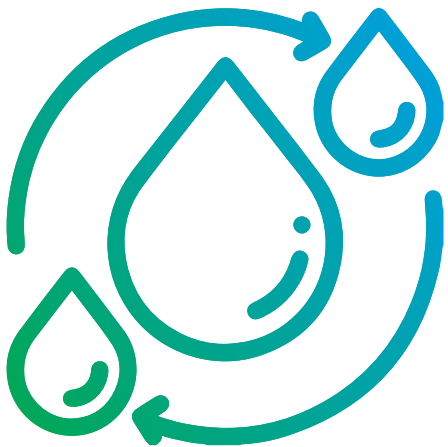
435,9  
m<sup>3</sup> of wastewater treated during the year

491  
million m<sup>3</sup> of clean water returned to natural channels

2.257.165  
drinking water customers in 2022

2.087  
workers in IAM subsidiaries in 2022

141.938  
million pesos in investments of subsidiaries



The integral management of the water cycle includes the processes of raw water collection, production and distribution of potable water and collection and treatment of residual water, which are operated with high safety, quality and efficiency standards by the IAM sanitation companies.



# HARVEST AND PRODUCTION OF DRINKING WATER

Annual production of drinking water in 2022<sup>(1)</sup>:

768,7  
million m<sup>3</sup> totals

585,6  
million m<sup>3</sup> correspond to  
surface sources

183,1  
million m<sup>3</sup> correspond to  
underground sources

Production by type of source in millions of m<sup>3</sup> (2018 - 2022)

Companies	2018	2019	2020	2021	2022
Surface water	651,2	652,7	606,2	616,2	585,6
Groundwater	130,3	139,2	164	164,3	183,1
Total	781,5	791,9	770,2	780,5	768,7

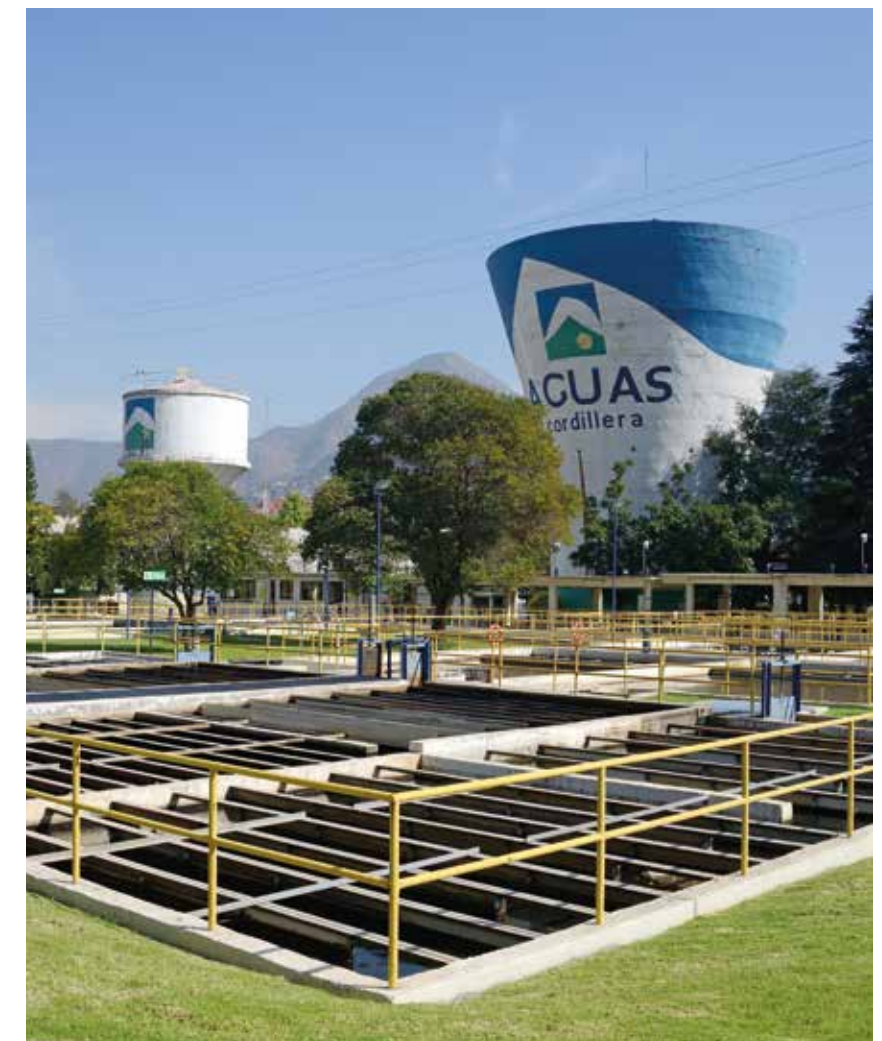
(1) Measures at the exit of the plants.

During the year, the contribution from underground sources increased by 11% in relation to the previous period.

## Investments and outstanding projects 2022

During 2022, the projects and works aimed at the production of drinking water were the ones that demanded the most resources for IAM's sanitation subsidiaries (more than 33% of the total investment), in order to guarantee the sustainable and efficient availability of water resources to supply customers.

Among the outstanding works of the year is the completion of two emblematic projects: the Cerro Negro-Lo Mena wells, which were inaugurated in August by the President of the Republic and which allowed the system's autonomy to be increased from 34 to 37 hours; and the expansion of the Padre Hurtado Drinking Water Treatment Plant, which efficiently and safely supplies more than one million residents of the Ñuñoa, Providencia, La Reina, Las Condes, Lo Barnechea and Vitacura communes in the Region Metropolitan.





# DISTRIBUTION OF DRINKING WATER

Total length of the distribution network in 2022:

13.490

Kilometers at a consolidated level

Distribution network length (2018-2022)

Companies	2018	2019	2020	2021	2022
Aguas Andinas	11,919	11,985	12,028	12,050	12,100
Aguas Cordillera	1,157	1,158	1,158	1,158	1,159
Aguas Manquehue	220	220	222	224	230
Total	13,296	13,363	13,408	13,433	13,490



At the end of 2022, the drinking water distribution network of IAM subsidiaries increased by 0.4% compared to the previous year.



## Investments and outstanding projects 2022

In the course of 2022, efforts to maximize hydraulic efficiency continued, with the aim of carrying out a more efficient and modern drinking water distribution process, seeking to reduce the volume of lost and unbilled water, with the permanent renewal of networks , starters and gauges.

Among the efforts made in the year, the project for the robotic inspection of transport aqueducts was developed, in order to make access to this critical infrastructure viable, together with its inspection and diagnosis, without affecting the operation and delivery of the supply to the clients.



# SEWAGE COLLECTION

Total length of collection network 2022:

10.943  
kilometers at consolidated level

Companies	2018	2019	2020	2021	2022
Aguas Andinas	9,695	9,744	9,763	9,79	9,824
Aguas Cordillera	950	921	921	924	924
Aguas Manquehue	190	191	192	193	194
Total	10,835	10,856	10,875	10,907	10,943

During 2022, the sewage collection network of the IAM sanitation companies grew by 36 kilometers.

## Investments and outstanding projects 2022

Seeking to reduce and prevent obstructions in the sewerage network of the IAM sanitation companies, the company has developed several projects with innovative solutions to increase the more than 600 kilometers of cleaning that are carried out year after year.

Through the Avanza corporate plan, it was proposed to double the cleaning kilometers, improving the quality of the service and generating benefits by reducing the cost of unblocking and avoiding fines.

One of the projects contemplated the diagnosis of dirt in collectors with acoustic technology and another initiative included the unblocking of the sewage network with a rotavator.





# SEWAGE TREATMENT

Annual volume of wastewater treatment in 2022

481,2  
million of m<sup>3</sup>

Wastewater Treatment Water Group (millions of m<sup>3</sup>)

Companies	2018	2019	2020	2021	2022
La Farfana	274,9	277,8	251,9	246,5	247,9
El Trebal-Mapocho	229	225,3	222,0	228,4	201,7
Other plants Región Metropolitana	35,9	27,6	33,9	33,6	31,6
Total	539,8	530,6	507,7	508,5	481,2

300,000 tons of biosolids are being revalued as dry fertilizer in el Rutal for beneficial use in agricultural fields.



## Investments and outstanding projects 2022

During the year, IAM's water utilities continued with projects to improve and replace assets in the La Farfana-Trebal biofactories, along with the nitrate treatment project at both facilities.

Regarding the recovery and reuse of sludge, in January 2022 the Agricultural and Livestock Service (SAG) certified the dry biosolids processed in El Rutal as fertilizers, which allows promoting their commercialization and beneficial use for agriculture and soil improvement. gradients. The first sales of this product were made during the year and agreements are expected to be signed with large fertilizer distributors in the short term. The dried sludge is a fertilizer with a high content of nitrogen, potassium and phosphorus, in addition to a high organic level and high stability, which makes it easier for plants to absorb these nutrients.





# INVESTMENTS FOR THE YEAR 2022

141.938

million pesos was invested by IAM  
subsidiaries during the year 2022.

Investments by subsidiary in millions of pesos year 2022

	2022
Aguas Andinas	117,977
Aguas Cordillera	19,455
Aguas Manquehue	2,738
Non-sanitation subsidiaries	1,768
Total	141,938

Throughout the 2022 financial year, IAM maintained its stable level of investments in its subsidiaries, which reached \$141,938 million at the end of the year. This amount was mainly oriented to projects and works to improve efficiency and operational continuity and increase water resources as a response and adaptation to the new challenges imposed by climate change.

The largest investments were earmarked for potable water production works, followed by collection works, distribution projects and finally sanitation improvements; as well as projects to modernize and digitize processes.

Of the total annual investment of IAM's subsidiaries, 98.75% corresponded to the sanitation companies and the remaining 1.25% to non-regulated subsidiaries.





# CLIENTS

In financial year 2022, the IAM water companies maintained and strengthened customer management aimed at improving the experience of users and the entire community, mainly through a strategy of digital transformation and process safety.

In this line, one of the objectives was to provide more service alternatives that allow the delivery of clear, fast and easily accessible information for customers. In this way, during the year the video-receipt project was implemented, sent by email, and which explains each item of the account in a personalized way. Likewise, a video customer service system was launched, which obtained high satisfaction rates, and the self-service terminals installed in some municipalities of Greater Santiago were renewed.

## Number of clients year 2022

At the end of 2022, the total number of drinking water clients of the IAM sanitation companies was 2,257,165, while the total number of sewerage clients reached 2,212,631, which is equivalent to an increase of 2, 26% and 2.3% compared to 2021, respectively.

Sanitation	Drinking water	Sewerage
Aguas Andinas	2.067.922	2.026.329
Aguas Cordillera	172,387	169,916
Aguas Manquehue	16,856	16,386
Total	2.257.165	2.212.631

The drinking water customers of the IAM utilities grew by 2.26% during the year 2022.



The IAM sanitation companies have promoted the digitization of their processes in order to provide more agile, comfortable and efficient service to their clients and the entire community.



# WORKERS

Promoting an organizational culture of collaboration, based on autonomous and diverse leadership and teams, is one of the commitments of IAM and its subsidiaries. Consequently, during the year a culture of leadership and new ways of working were promoted, the promotion of Smart Working and equal opportunities, guaranteeing the occupational health and safety of internal and external workers, and always ensuring their job satisfaction.

During the year, within the subsidiaries, the 3x2 hybrid work system (3 face-to-face days, 2 teleworking days a week) continued, a method that was implemented in 2021 as a result of the pandemic.

An increase of 20.706% had the total staff of IAM and its subsidiaries in relation to the previous year.



## Staffing 2022

As of December 31, 2022, the total workforce of IAM and subsidiaries reached 2,087 employees.

Estate	IAM	Aguas Andinas	Aguas Cordillera	Aguas Manquehue	Ecoriles	Hidrogestica	ANAM	Aguas del Maipo	TOTAL
i. Senior Management	2	26	0	0	0	0	0	0	28
ii. Management	0	31	4	0	0	0	0	0	35
iii. Leadership	0	90	5	0	0	0	0	0	95
iv. Operator	0	343	53	8	0	0	0	0	404
v. Sales force	0	107	9	2	255	59	292	2	726
vi. Administrative	1	43	3	0	0	0	0	0	47
vii. Assistant	0	0	0	0	0	0	0	0	0
viii. other professionals	1	491	17	1	0	0	0	0	510
ix. other technicians	0	210	29	3	0	0	0	0	242
Totals	4	1.341	120	14	255	59	292	2	2.087

\* Aguas Cordillera and Aguas Manquehue share managers and chief executives.





IAM maintains a commitment to the safety and well-being of their workers and their subsidiaries.

## SAFETY RATES

At the end of 2022, IAM's subsidiaries presented good safety and risk prevention indices, which reflects the Company's permanent effort for the health and safety of its workers.

Companies	Loss rate				
	2018	2019	2020	2021	2022
Aguas Andinas	4,57	11,41	9,02	9,7	11,46
Aguas Cordillera	37,5	85,08	9,36	7,55	6,78
Aguas Manquehue	0	0	0	0	15,38
ECORILES	0	0	0,88	0,84	35,14
ANAM	0,85	24,08	0	5,91	21,3
Hidrogística	0	64,39	32,04	0	0
Aguas del Maipo	0	0	0	0	0
<b>Total</b>	<b>8,16</b>	<b>17,99</b>	<b>7,19</b>	<b>7,57</b>	<b>15,28</b>

Companies	Accident rate				
	2018	2019	2020	2021	2022
Aguas Andinas	0,55	1,29	0,74	1,03	0,86
Aguas Cordillera	2,4	4,05	1,7	0	2,54
Aguas Manquehue	0	0	0	0	7,69
ECORILES	0	0	0,44	0,42	1,58
ANAM	0,43	1,2	0,39	1,18	0,37
Hidrogística	0	2,93	5,83	0	0
Aguas del Maipo	0	0	0	0	0
<b>Total</b>	<b>0,58</b>	<b>1,33</b>	<b>0,8</b>	<b>0,92</b>	<b>1,01</b>





## ENVIRONMENT

Caring for the environment and natural environment is a permanent commitment within the management of IAM's subsidiaries, whose mission is sustainable development in each of its operations. Thus, during the year they began to promote the protection of biodiversity, as an adaptation measure to the climate crisis that is being experienced globally and that impacts the country in a particular way. Within its resilience strategy, actions for the conservation and restoration of ecosystems were initiated, which could contribute up to 30% in the climate mitigation and adaptation necessary for the year 2050.

Sustainable development, built on the basis of an economy that is respectful and friendly to the environment, is at the center of the management vision of IAM and its subsidiaries.



## POSTNATAL BENEFITS OF THE SUBSIDIARY AGUAS ANDINAS

2020		i. Senior Management			ii. Management			iii. Leadership			iv. Operator			v. Sales force			vi. Administrative			vii. Assistant			viii. other professionals			ix. other technicians		
		Men	Women	Total estate	Men	Women	Total estate	Men	Women	Total estate	Men	Women	Total estate	Men	Women	Total estate	Men	Women	Total estate	Men	Women	Total estate	Men	Women	Total estate	Men	Women	Total estate
Benefits: Postnatal	Number of people who are eligible for postnatal care beyond the legal minimums	2		2			0	2	1	3	11		11	10	3	13			0			0	8	7	15	8		8
	Number of people who have made effective use of postnatal care beyond the legal minimum			0			0		1	1			0		3	3			0			0		7	7			0
	Number of days that postnatal care has been used beyond the legal minimum			0			0		84	84			0		252	252			0			0		540	540			0

2021		i. Senior Management			ii. Management			iii. Leadership			iv. Operator			v. Sales force			vi. Administrative			vii. Assistant			viii. other professionals			ix. other technicians		
		Men	Women	Total estate	Men	Women	Total estate	Men	Women	Total estate	Men	Women	Total estate	Men	Women	Total estate	Men	Women	Total estate	Men	Women	Total estate	Men	Women	Total estate	Men	Women	Total estate
Benefits: Postnatal	Number of people who are eligible for postnatal care beyond the legal minimums			0			0	2		2	8		8	15	3	18			0			0	5	5	10	2	0	2
	Number of people who have made effective use of postnatal care beyond the legal minimum			0			0			0			0		4	4			0			0		6	6			0
	Number of days that postnatal care has been used beyond the legal minimum			0			0			0			0		342	342			0			0		354	354			0

2022		i. Senior Management			ii. Management			iii. Leadership			iv. Operator			v. Sales force			vi. Administrative			vii. Assistant			viii. other professionals			ix. other technicians			
		Men	Women	Total estate	Men	Women	Total estate	Men	Women	Total estate	Men	Women	Total estate	Men	Women	Total estate	Men	Women	Total estate	Men	Women	Total estate	Men	Women	Total estate	Men	Women	Total estate	
Benefits: Postnatal	Number of people who are eligible for postnatal care beyond the legal minimums		1	1			0	5	2	7	13		13	20	4	24			3	3			0	13	14	27	5	0	5
	Number of people who have made effective use of postnatal care beyond the legal minimum		1	1			0	0	1	1	0		0	0	6	6			0			0	0	12	12	0		0	
	Number of days that postnatal care has been used beyond the legal minimum		84	84			0		60	60			0		514	514			0			0		1303	1303			0	



### People with disabilities of the subsidiary Aguas Andinas

Estamento	2020			2021			2022		
	Men	Woman	Total estate	Men	Woman	Total estate	Men	Woman	Total estate
i. Senior management	0	0	0	0	0	0	0	0	0
ii. Management	0	0	0	1	0	1	1	0	1
iii. Leadership	2	0	2	1	0	1	2	0	2
iv. Operator	2	0	2	3	0	3	6	0	6
ix. other technicians	6	1	7	6	1	7	7	2	9
v. sales force	0	0	0	0	0	0	0	0	0
vi. Administrative	1	2	3	1	2	3	1	1	2
vii. Assistant	0	0	0	0	0	0	0	0	0
viii. other professionals	5	5	10	5	4	9	7	7	14

### Incidents of Discrimination and Corrective Actions Taken

		2020	2021	2022
Status of incidents and actions taken with reference to the following:	Incident reviewed by organization	0	0	0
	Where remediation plans are being implemented	0	0	0
	Remediation plans that have been implemented, with results reviewed through routine internal management review processes	0	0	0
	The incident is no longer subject to action	0	0	0

### Parental leave

Parental leave	2020		2021		2022	
	Women	Man	Women	Man	Women	Man
GRI 401-3						
Number of workers on parental leave	26	30	9	20	23	55
Return to work rate	53,8%	100%	67%	100%	57%	100%



NCG461-CODE OF CONDUCT & ETHICS

Type of complaints	Number of admissible complaints	Number of unverified admissible complaints	Number of admissible complaints resolved	Number of complaints submitted to the Labor Department
Workplace Harassment	0	0	0	0
Fraud	0	0	0	
Conflicts of interest	0	0	0	
Sexual harassment	2	0	2	2
Money laundering and terrorist financing	0	0	0	
Discrimination, mistreatment, threats, violence or reprisals	0	0	0	
Health and safety risk	0	0	0	
Others	11	0	11	

POLITICAL CONTRIBUTIONS

	CLP en 2020	CLP en 2021	CLP en 2022
Total monetary value of in-kind financial and political contributions made directly by the organization by country and recipient/beneficiary.	0	0	0
Total monetary value of in-kind financial and political contributions indirectly made by the organization by country and recipient/beneficiary.	0	0	0



Training of the subsidiary  
Aguas Andinas

Estamanthus	2020						2021						2022					
	Number of People Trained			Number of training hours			Number of People Trained			Number of training hours			Number of People Trained			Number of training hours		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
i. Senior Management	7	2	9	84	12	95	8	1	9	110	6	116	24	8	32	1,869	993	2,862
ii. Management	65	13	78	1481	201	1,681	60	11	71	4,457	1,535	5,992	28	10	38	3,164	1,155	4,319
iii. Leadership	88	27	115	2754	936	3,689	90	34	124	4,050	2,086	6136	86	23	109	5,927	3,598	9,525
iv. Operator	514	10	524	10,530	120	10,650	360	7	367	23,925	49	23,974	353	5	358	7,849	110	7,959
ix. other technicians	321	92	413	14,877	4,687	19,564	272	80	352	6,356	3,044	9,400	227	24	251	9,096	1,340	10,436
v. sales force	0	0	0	0	0	0	0	0	0	0	0	0	467	183	650	15,354	8,809	24,163
vi. Administrative	25	35	60	2275	3,973	6,247	24	33	57	949	991	1,940	21	25	46	906	806	1,712
vii.Auxiliary	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		0	0
viii. other professionals	399	234	633	25,562	14,877	40,439	389	227	616	16,674	9,582	26,256	376	168	544	18,369	12,135	30,504

	No. of workers	No. hours of training	Average hours of training
Aguas Andinas	1,356	72,918,5	53,8
Aguas Cordillera	114	4,270,5	37,5
Agua Manquehue	12	282,5	23,5
ESSAL	0	0	0,0
Ecoriles	249	6,121,5	24,6
ANAM	259	7,020,5	27,1
Hidrogistica	37	866	23,4
Aguas del Maipo	1	0	0,0
	2,028	91.479,5	45

	2017				2018				2019				2020				2021				2022			
	Aguas Andinas, Aguas Cordillera y Aguas Manquehue		Ecoriles, Hidrogistica, ANAM y Aguas del Maipo		Aguas Andinas, Aguas Cordillera y Aguas Manquehue		Ecoriles, Hidrogistica, ANAM y Aguas del Maipo		Aguas Andinas, Aguas Cordillera y Aguas Manquehue		Ecoriles, Hidrogistica, ANAM y Aguas del Maipo		Aguas Andinas, Aguas Cordillera y Aguas Manquehue		Ecoriles, Hidrogistica, ANAM y Aguas del Maipo		Aguas Andinas, Aguas Cordillera y Aguas Manquehue		Ecoriles, Hidrogistica, ANAM y Aguas del Maipo		Aguas Andinas, Aguas Cordillera y Aguas Manquehue		Ecoriles, Hidrogistica, ANAM y Aguas del Maipo	
	Number of beneficiaries	% of beneficiaries with respect to the total	N° de beneficiarios	% de beneficiarios respecto del total	Number of beneficiaries	% of beneficiaries with respect to the total	Number of beneficiaries	% of beneficiaries with respect to the total	Number of beneficiaries	% of beneficiaries with respect to the total	N° de beneficiarios	% de beneficiarios respecto del total	Number of beneficiaries	% of beneficiaries with respect to the total	Number of beneficiaries	% of beneficiaries with respect to the total	Number of beneficiaries	% of beneficiaries with respect to the total	N° de beneficiarios	% de beneficiarios respecto del total	Number of beneficiaries	% of beneficiaries with respect to the total	Number of beneficiaries	% of beneficiaries with respect to the total
Quality	121	10,00%	44	10,00%	34	3,00%	9	2,00%	17	1,40%	4	0,77%	566	3,13%	116	2,12%	51	0,66%	0	0,00%	187	2,38%	1	0,66%
Various training	454	36,00%	95	22,00%	47	4,00%	20	4,00%	37	3,05%	3	0,58%	2.060	11,38%	487	8,91%	546	7,10%	152	15,37%	417	5,31%	86	5,12%
Soft skills	434	34,00%	110	25,00%	214	17,00%	11	2,00%	104	8,58%	0	0,00%	3.247	17,93%	1.154	21,12%	172	2,24%	26	2,63%	337	4,30%	207	12,32%
Languages	116	9,00%	33	8,00%	60	5,00%	18	4,00%	78	6,44%	5	0,96%	38	0,21%	1	0,02%	19	0,25%	0	0,00%	34	0,43%	0	0,00%
Occupational hazards	1.418	113,00%	10	2,00%	515	42,00%	55	11,00%	655	54,04%	2	0,39%	7.188	39,70%	2.188	40,04%	2.060	26,78%	99	10,01%	1.305	16,63%	230	13,69%
About company activities	505	40,00%	46	11,00%	4.156	336,00%	1.360	275,00%	2.144	176,90%	756	145,66%	717	3,96%	63	1,15%	4.078	53,01%	633	64,00%	4.649	59,25%	1.022	60,83%
Environment	72	6,00%	6	1,00%	339	27,00%	4	1,00%	63	5,20%	6	1,16%	2.707	14,95%	1.048	19,18%	528	6,86%	50	5,06%	782	9,97%	127	7,56%
Other	458	36,00%	193	44,00%	1.272	103,00%	390	79,00%	235	19,39%	12	2,31%	1.445	7,98%	408	7,47%	65	0,84%	3	0,30%	134	1,71%	7	0,42%
Coaching/ mentoring program	0	0,00%	0	0,00%	0	0,00%	0	0,00%	5	0,41%	0	0,00%	140	0,77%	0	0,00%	174	2,26%	26	2,63%	1	0,01%	0	0,00%
Total	3.578		537		6.637		1.867		3.338		788		18.108		5.465		7.693		989		7.846		1.680	1



## Supply chain management

The supplier companies perform several strategic functions for the operation of Aguas Andinas, including the maintenance of networks and civil works, the supply of network products and chemical supplies, the operation of the Contact Center, various support tasks and customer service through meter reading, and the distribution of bills. Given this nature, the company seeks maximum efficiency in the management of the aforementioned functions, and at the same time, strives to commit the entire supply chain to sustainable development.

This entails promoting fair and responsible relationships with suppliers, based on compliance with corporate management standards and all timely payment regulations, together with promoting fair competition in

the bidding process.

On the other hand, the company urges them to adhere to its business vision and comply with its performance protocols. These principles are set out in the following documents:

**Supplier policy:** Specifies the company's commitments in relation to its suppliers

**Procurement policy:** Provides the guidelines for the procurement of goods and services

**Suppliers' Decalogue:** Establishes the expected behavior of all suppliers of goods and services of the group

# 1.792

suppliers had the company in 2022 (1,423 in 2021)

# 94%

was the percentage of local suppliers (97.05% in 2021)

# 59,03%

were small companies (57.86% in 2021).

## Supplier qualification

Annually, Aguas Andinas applies an internal quality survey to the services provided by its main suppliers, with an evaluation scale from 1 to 7. Those with insufficient grades must submit improvement action plans, whose effectiveness is evaluated by the contract manager in charge of the service.

During 2022, 92% of the 39 critical suppliers were evaluated in the following management areas:

- Quality, Compliance, Environmental, Energy, Occupational sanitation and safety, Business continuity, Labor Inclusion, gender equality, human rights, reconciliation of work, family and personal life. Year 2022 included two management areas to be monitored, Sustainability and Information Security.

- The results were satisfactory, since 39% of the suppliers evaluated had a high degree of compliance (greater than or equal to 70%), another 50% had a medium degree of compliance (between 40% and 69%) and only 8% had a

low degree of compliance (between 11% and 39%), and 3% had no compliance at all.

- The result of this monitoring was an average achievement tariff of 62%. With these processes, the company aims to ensure a supply chain aligned with its sustainable business management principles.

### Contract monitoring

For better control, each supplier must regularly update, on a digital platform, critical information about its services, including environmental and safety indicators. From 2022, keeping this data up to date is a requirement for payment release.

In addition, audits and on-site supervision of the works are carried out periodically, especially in the works that present greater risks, with a focus on occupational safety standards. If an employee of Aguas Andinas identifies non-compliance with any of these standards, he/she has the obligation and authority to stop them.

## Climate change performance disclosure program

For the fourth consecutive year, in 2022 Aguas Andinas will participate in the CDP Supply Chain program (Carbon Disclosure Project). This initiative seeks to contribute to the sustainable development of the supply chain by means of a survey that addresses issues related to global warming.





# Talent management

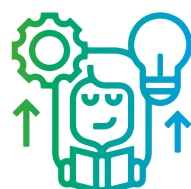
The subsidiary Aguas Andinas has formulated cross-sectional and diverse training and development programs, together with talent maps that favor internal mobility. In this way, tools are provided so that each worker can display all his abilities and talents in the performance of his role within the organization.

## Performance evaluation and development programs

Every year a personnel evaluation process is deployed with objective and effective criteria, designed to determine the career potential of each person, as well as the necessary measures to reinforce aspects that can be improved. This assessment covers four areas:

# 100%

of the staff participated in  
the performance evaluation  
process in 2022.



Eager to learn



Thinking  
beyond borders



Personal maturity  
and resilience



Understanding  
of others



For those professionals with outstanding performance, career plans are defined with different actions aimed at developing their leadership and growth skills.

All workers with high potential are evaluated through the assessment centers system, a method that, through psychometric tests and in-depth interviews, provides feedback to each person and allows them to know their aptitudes before a possible promotion and positions of greater responsibility.

## Training

The company's training program is nourished by the information collected by a unified system for detecting training needs, performance evaluations and specific needs for strengthening skills that have been found in critical areas. They are also designed based on the strategic objectives of the organization.

**\$195.681**  
was the average  
investment in training per  
worker in 2022, **31%** less  
than in 2021.

**\$453 million**  
Total investment was  
made in training, **71%**  
more than in 2021.

**45,1**  
average hours of training  
each person received,  
**2,9%** less than in 2021.

**91.480**  
total hours of  
training received by  
the company, **24%**  
compared to 2021.

### Water master

In 2022, the fourth version of the water master's degree was launched, with 20 people participating in the company, 45% women and 55% men, all qualified as having high potential and linked to succession plans. This instance is the result of a strategic alliance that Aguas Andinas signed with the Adolfo Ibáñez and Polytechnic University of Catalonia.



# Membership and associations of the subsidiary Aguas Andinas.

The 2022 association memberships were:



IAI CHILE  
Instituto de Auditores  
Internos



Cámara Chilena  
de la Construcción



Asociación de  
Empresas de Servicios  
Sanitarios (ANDESS)



Capítulo Chileno de  
Transparencia Internacional  
(Chile Transparente)



Pacto Global



Universidad Adolfo Ibáñez



Acción Empresas



Instituto  
de Ingenieros



CPI Consejo Políticas  
de Infraestructura



Fundación Chile 21



Instituto Chileno de  
Administración Racional  
de Empresas (ICARE)



Sociedad de  
Fomento Fabril



ASOCIACIÓN  
INTERAMERICANA  
DE INGENIERÍA  
SANITARIA Y AMBIENTAL



Líderes Empresariales por  
la Acción Climática



Fundación  
Libertad y Desarrollo



Fondo de Agua  
Santiago-Maipo



Pride Connection  
(Fundación Iguales)



Programa de Sostenibilidad  
Corporativa Derecho UC



Club de Innovación



CAMACOES - Cámara  
Oficial Española de  
Comercio de Chile



ACADES Asociación Chilena  
de Desalinización



Fundación Generación  
Empresarial

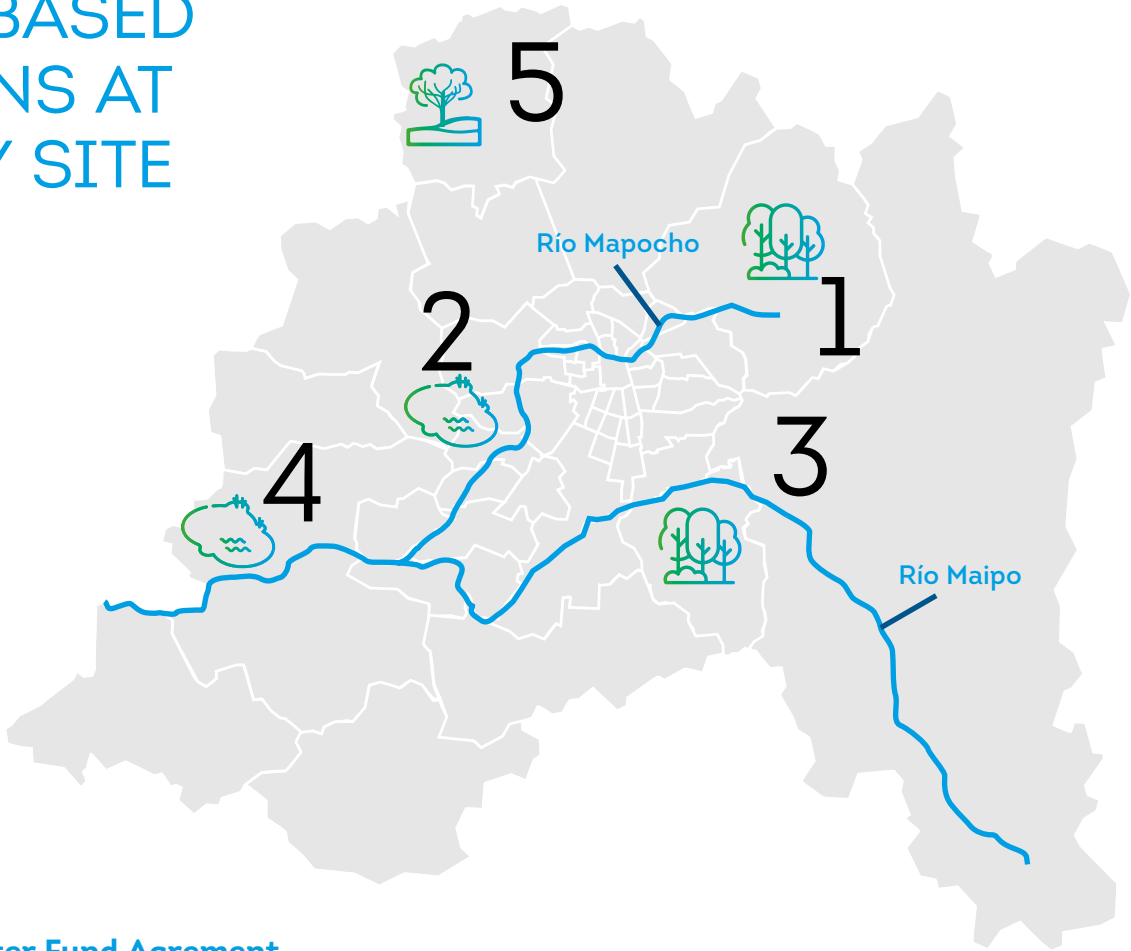


Cámara Franco-Chilena  
para el Comercio y la  
Industria.



Instituto de la  
Construcción

ADVANCING  
NATURE-BASED  
SOLUTIONS AT  
PRIORITY SITE



**Santiago-Maipo Water Fund Agreement**  
Development of water resource conservation projects.

Actions

1 Aguas de Ramón

- Infiltration ditches
- Forest improvement
- Education for watershed conservation



Cordillera park Agreement

2 La Farfana

- Water quality monitoring
- Biodiversity monitoring
- Biodiversity strategu and action plan
- Distribution of biosolids to farmers



3 El Canelo

- Watersheed reforestation
- Water quality monitoring
- Biodiversity monitoring
- Restricted acces area



Corfo Agreement

4 Melipilla

- Biodiversity monitoring










5 El Rutal

- Biodiversity monitoring



Social Challenges

<div><div>Adaptation and mitigation of climate change</div><div>Disaster risk management</div><div>Human health</div><div>Water security</div><div>Environmental degradation and biodiversity loss</div><div>Economic and social development</div><div>Food security</div></div>				
Aguas de Ramón Natural Park	La Farfana Environmental Lake	El Canelo	Melipilla Environmental Lake	El Rutal Biosolids Integral Management Center
3,600 hectares	15 h. (7 hectares of water and 8 hectares of forest)	2.000 hectares	4,3 hectares of water body	80 operating hectares
Not officially protected area of great biodiversity value, where the San Ramón estuary is located.	Artificial tank that hosts several species of birds, located on the grounds of the La Farfana plant.	Sub-basin of the Maipo River, rich in endemic and native species, some of them in conservation category. It is home to the El Canelo estuary.	Corresponds to two former treatment ponds that became habitat for wild birds.	It is located 59 km north of Santiago, in an area of 1,886 hectares.

IN PRIORITY SITES, AGUAS ANDINAS DEVELOPS A STRATEGY BASED ON THE IDENTIFICATION OF ECOSYSTEM SERVICES, THE DEVELOPMENT OF MANAGEMENT PLANS AND THE DEPLOYMENT OF WATERSHED CONSERVATION AND RESTORATION MEASURES.





56,6 hm<sup>3</sup>, equivalent to 7.2% of the demand or 26 days of supply, has added the dispatching desk to to date through the capture of agricultural surpluses, thanks to better coordination at the level of the of the basin.

## Generation of alliances

### Integrated watershed management

The Maipo-Mapocho watershed not only provides water for human consumption, but also for agriculture, industry and power generation. The sustainability of this vital resource, especially in the current drought conditions, requires an integrated management of the basin through the coordination of the various public and private actors that make use of these waters. In this sense, Aguas Andinas is part of several collaborative instances, where it shares its experience and works to prioritize a constant and safe supply of potable water for the population of Greater Santiago.

#### Agreement with the irrigators of the first section of the Maipo river

The agreement, signed in August 2021 between the company and the seven irrigation associations of the first section of the Maipo, had a very positive balance in its first year of implementation.

- One of its points establishes the priority of human consumption of water over other uses, so that, if the city's supply requires it, irrigators must make water contributions at a fair price, according to the rules set by the agreement. These transfers supplied a quarter of the population's needs between September 2021 and March 2022, the season of highest consumption, helping to avoid rationing in the worst year, historically speaking, in terms of imbalance between supply and demand of the resource.

- The agreement also obliges the parties to make the necessary water transfers to maintain the safety levels of the El Yeso reservoir, which safeguards Santiago's supply, establishing that Aguas Andinas will make the decisions associated with supply and discharge exclusively, always with the criterion of ensuring the production of potable water for the city. This has made it possible to increase its volume, which even reached 154 hm<sup>3</sup> in March, the month of highest consumption.

- Likewise, the signatories undertook to carry out a diagnosis of the management of the first section of the river, in order to reach the maximum level of efficiency. In this regard, in the course of 2022, the operation of the water dispatch table, a crucial piece in the coordination efforts among the river's extractors, was consolidated.

Aiming at the medium and long term, the agreement contemplates a series of projects for sustainable management of the basin, including investments by Aguas Andinas. The most important, with an investment of around US\$ 160 million, consists of giving irrigators between 15% and 20% of the wastewater treated in the Mapocho-Trebal biofactory so that, in exchange, they cede an equivalent part of their rights to the river's flow, which will be used to supply potable water to the city. This measure involves building a 35 km pipeline that will carry a flow of 3 m<sup>3</sup>/s of treated water from the facilities located in the district of Padre Hurtado to the first section of the Maipo. In this way, it is estimated that between 60 and 90 hm<sup>3</sup> of treated water could be reused annually for irrigation, leaving the same volume of water available in the river for potable water treatment. This exchange would be concentrated in summer, when the flow decreases to a third of its historical average. The project advanced in 2022 in the development of its basic engineering and environmental impact study, and is expected to start operations in 2026.

Another project committed to by the company is the drilling of emergency wells in the irrigators' canal strips, also to contribute to irrigation in exchange for raw water.

#### Agreements with non-consumptive users

Under the same principle of not affecting the city's potable water supply, during 2022 the agreements on watershed management that the company had previously signed with non-consumptive users of the Maipo River -those who return water to the river after using it-, especially hydroelectric generation companies, were renewed to adapt them to the existing extreme drought conditions.

On the other hand, the Alto Maipo hydroelectric plant began operating in 2022. The agreement signed with it in 2011 and the 2020 addendum prioritizes human consumption, giving Aguas Andinas the power to decide when to release water. This agreement guarantees that the operation of the Alto Maipo project will not affect the operation of Aguas Andinas.

## Property, equipment and insurance

The subsidiary Aguas Andinas is the owner of the main buildings and equipment used in the provision of potable water production and distribution services, as well as those used in the collection and treatment of sewage. The company is concerned with keeping these

infrastructures in optimum working order.

The following is the list of the main properties and facilities belonging to the company:

Name	Address	Main features	Leased or own
La Florida Plant	Tobalaba 9670, La Florida, Santiago	Drinking water production plant	Own
Las Vizcachas Plant	Av. Camilo Henríquez 540, Puente Alto, Santiago	Drinking water production plant	Own
Biofactoría Mapocho-Trebal	Av. Las Parcelas S/N, Padre Hurtado, Santiago	Water treatment plant	Own
La Farfana Biofactory	Camino La Farfana, Maipú Santiago	Water treatment plant	Own

The company maintains current insurance that mainly includes risks of nature and fire for all its infrastructure assets, real estate and their contents.

Also covered are facilities for the production and distribution of drinking water, collection and treatment of sewage, as well as offices and warehouses.

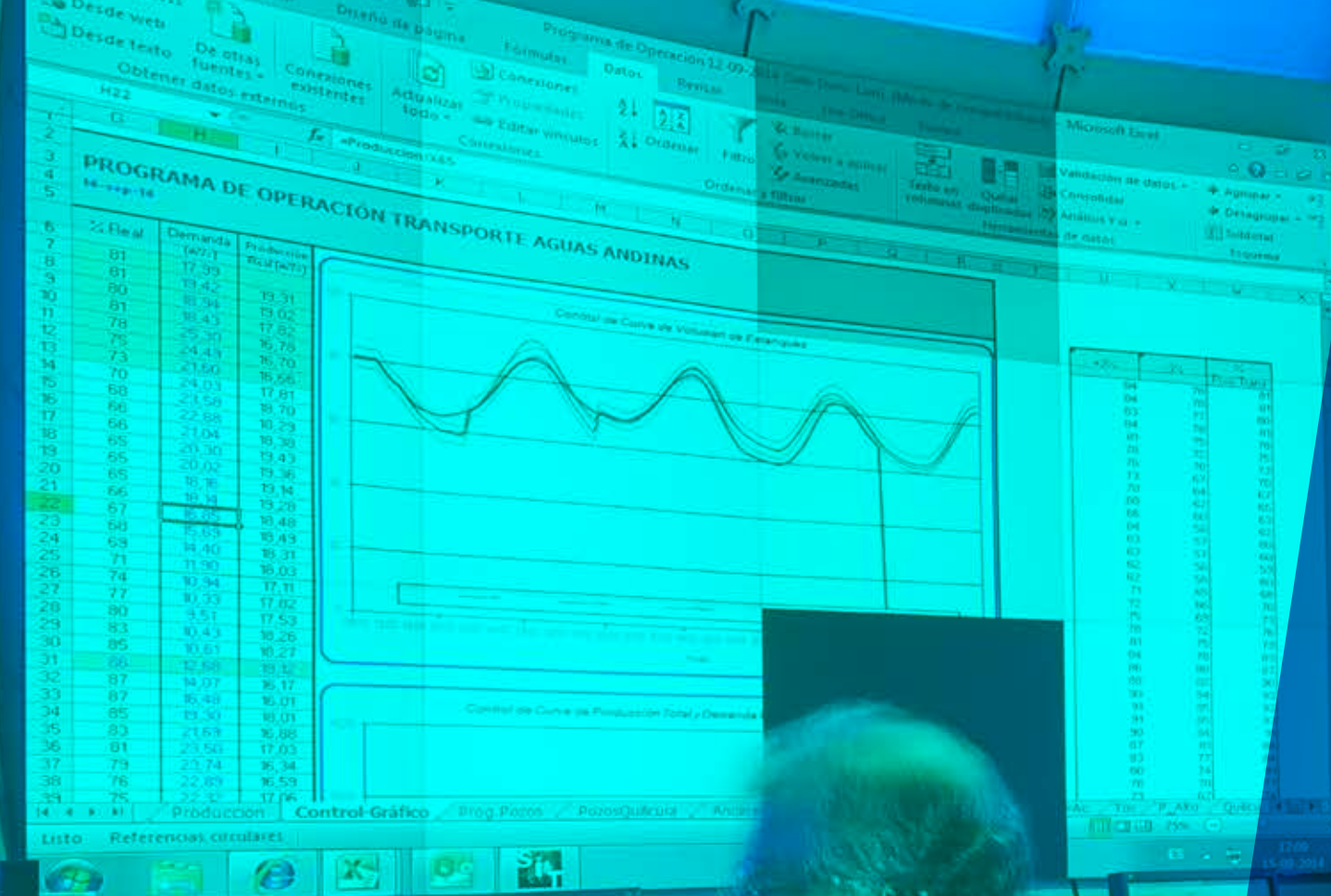
## Current rates

Within the framework of the Seventh Tariff Process of Aguas Andinas SA, in which the Superintendency of Sanitation Services and Aguas Andinas SA is a party, the tariff level for the five-year period 2020-2025 was established, through an agreement document signed on November 14, 2019. As established, the agreed rate level as of December 31, 2018, meant a downward variation of -3% for current services and standards. The signed agreement also contemplated additional fees for future works, which apply upon their entry into operation, including (i) the Pirque Ponds, (ii) works aimed at improving the quality of treated wastewater such as the works removal of nutrients in the Farfana and Trebal treatment plants, and (iii) the encapsulation of biosolids drying at the Rutal integrated biosolids management centre.

A series of works are also considered to deal with extreme turbidity events in the city of Santiago, which allow the autonomy of the drinking water system to be increased to 37 hours and to 48 hours. It should also be noted that Aguas Andinas SA has also proposed new fundamental works to address drought and climate change, highlighting (i) works for the reuse of 3 m3/s of treated wastewater, (ii) expansion by 1 m3/s of the La Florida drinking water treatment plant, (iii) construction of boreholes in the central aquifer for 1.8 m3/s, and (iv) investments to reduce losses in the drinking water network and repurposing wastewater . The new established rates, set by decree of the Ministry of Economy, Development and Tourism, entered into force as of March 1, 2020.







## Financial Management

Sustainable finance  
Risk factor's  
Main suppliers  
Dividend policy  
Distributable profit year 2022  
Stock transactions  
Commitment with the client



# SUSTAINABLE FINANCES

The 2022 financial year was a challenging year in terms of financial management. Due to the global economic context, once again the period was characterized by an increase in the cost of raw materials, labor and transportation, as well as a revaluation of the financial debt of the subsidiaries, expressed in Unidades de Fomento, due to the rise in inflation in the country.

In order to partially mitigate these effects, the management of IAM and its subsidiaries accelerated the efficiency plans of the companies, with process improvement and digital transformation initiatives. Likewise, higher income was obtained due to an increase in the values of the services, according to the latest indexing

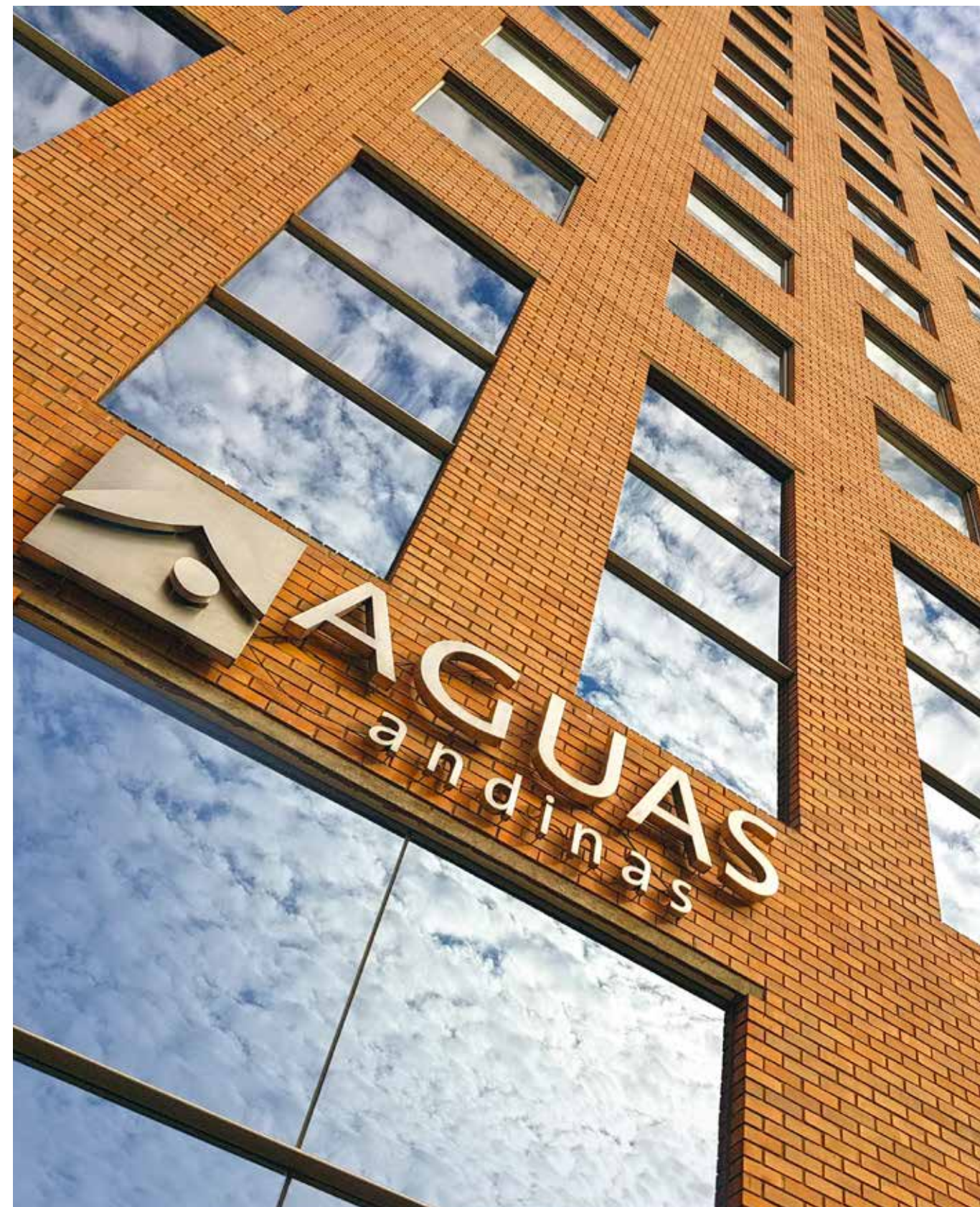
of the rate polynomial. This responsible management allowed that in the month of April 2022, a distribution of dividends will be made to the shareholders and, later, in the month of December, a provisional distribution of the profit accounts for the year 2022 will be carried out.

Sustainable management allowed risk rating agencies to assign IAM shares a First Class Level 1 (ICR) and First Class Level 2 (Fitch) rating. In addition, the subsidiary Aguas Andinas completed its process international rating agency Standard & Poor's obtaining an A- rating, which makes it the first non-state corporate company in the country to receive this highest international rating, which is added to the local ones issued by Fitch and ICR with AA+.

IAM's financial strategy seeks to ensure efficient and responsible management of investments, with the promotion of green and social financing, a positive impact on the company's stakeholders, and the dissemination of environmental, social, and corporate governance sustainability practices.

## Other values

The subsidiary Aguas Andinas as of December 31, 2022 has a series of bonds in force, which are detailed on its website: <https://www.aguasandinasinversionistas.cl/es/tenedores-deuda/emision-bonos/emisiones-vigentes>







# RISK FACTOR'S

## Operational risks

The company's only line of business is the investment in its subsidiary Aguas Andinas, given that the operational risks are associated with this investment.

### Seasonality

The healthcare business is largely determined by its seasonality. The highest levels of demand and, therefore, income are recorded during the summer months (December to March in the southern hemisphere), while the lowest demand and lowest income coincide with the winter months (from June to September), which can cause eventual variations in the results from one quarter to another.

### Weather conditions

The weather conditions that occur in the hydrographic basins are key to the processes of capturing and producing drinking water. Rainfall, temperature, sediment drag, drought, among others, determine the quantity, quality, and continuity of available raw water. To face this risk, the IAM sanitation companies have water reserves and contingency plans, which are constantly updated.

### New investments

The company's subsidiaries must comply with the development plans committed to the Superintendence of Sanitation Services (SISS), which involve significant economic, administrative and technicians. These investments are included in the rates charged to customers, guaranteeing them a minimum return. Along with this, the controller's experience ensures the necessary know-how to successfully and efficiently carry out these investment plans.

### State regulation

The Chilean sanitation industry is highly regulated by the State due to its monopoly status, which exposes it to possible changes in the established regulations. The current legal framework regulates the exploitation of concessions and the rates charged to customers, which are determined every 5 years.

The rate setting mechanism is implemented under technical criteria, contrasting the studies presented by both the water utility and the SISS, which may show differences. If an agreement is not reached, the discrepancies are resolved by a commission of experts made up of representatives of each of the parties. In November 2019, the CMF was informed as an essential fact, the result of the seventh tariff process of the subsidiary Aguas Andinas, which established the rate level for the five-year period 2020-2025, and which contemplates the following:

- A downward variation of -3% compared to the rates agreed for the five-year period 2010-2015 for current services and standards.

- Additional rates that will apply with the entry into operation of the additional works, including: (i) the Pirque Ponds, (ii) works aimed at improving the quality of treated sewage and its disposal, such as the removal of nutrients in the Farfana and Trebal treatment plants, and the encapsulation of biosolids in El Rutal.

- Additional rates for a series of works to face extreme turbidity events for up to 37 hours of autonomy and up to 48 hours.

These established rate formulas were set by decree of the Ministry of Economy, Development and Tourism, published in the Official Gazette prior to the date of its entry into force, that is, March 2020.

Despite the stability of the Chilean regulatory framework, in December 2016 the Chamber of Deputies approved the bill Bulletin No 10,795-33, which seeks to modify the legislation applicable to public health services in terms of non-regulated services, rate setting and compliance development plans by providers. The project is in the second constitutional process in the Public Works Commission of the Senate. The Commission has not advanced in the discussion and voting on the project, because it has been waiting for the presentation of indications or a new project by the Executive, which to date has not occurred.





## Financial risks

### Inflation

IAM's revenues are largely linked to the evolution of the currency. For this reason, the Company's debt is issued in the same currency.

However, from 2022 Inversiones Aguas Metropolitanas SA acquires new debt associated with the issuance of two bonds in international markets. In order to mitigate the dangers associated with the volatilities that surround the environment and business operations, derivative instruments have been contracted, which facilitate the process of managing matching and covering both accounting and financial risks to which it is exposed. the society.

### Interest rates

As of December 31, 2022, the interest rate risk maintained by Inversiones Aguas Metropolitanas SA is made up of 90.3% at a fixed rate and 9.7% at a variable rate. Fixed-rate debt is made up of: short- and long-term bond issues (63.9%), reimbursable financial contributions (15.0%), bank loans (20.2%) derivatives (0.6%) and liabilities for leases (0.3%), while the variable rate debt corresponds to loans with national banks.

The company maintains an interest rate monitoring and management policy, which, in order to optimize the financing cost, permanently evaluates the hedging instruments available in the financial market.



# MAIN SUPPLIERS

The main IAM providers, on an individual basis, as of December 31, 2022, are the following:

- Oddo y Compañía Ltda.
- DCV Registros SA
- Orion Seguros Generales SA
- EY Serv. Prof. of Audit and Ases.
- Santiago Stock Exchange
- El Mercurio SAP
- Equipment Rental Leasing SA
- Metlife Chile Life Insurance SA
- Zahler y Cia. Ltda.
- Audiovisual Engineering Society

Important value  
chain to deliver  
a quality supply.





Numbers of suppliers that individually represent the subsidiary Aguas Andinas

Inmobiliaria y Constructora Nueva Pacifico Sur Ltda. represents 10.16% of total purchases made in 2022.

Payment to Suppliers (*)	2020					2021					2022				
Range	Number of invoices paid	Total amount (million of pesos)	Total amount of interest for late payment of invoices (million of pesos)	Number of providers	Number of registered agreements	Number of invoices paid	Total amount (million of pesos)	Total amount of interest for late payment of invoices (million of pesos)	Number of providers	Number of registered agreements	Number of invoices paid	Total amount (million of pesos)	Total amount of interest for late payment of invoices (million of pesos)	Number of providers	Number of registered agreements
Up to 30 days	21.627	173.508		1.312		21.794	218.665		1.196		26.023	276.697		1.490	
Between 31 and 60 days	5.896	102.201		683		2.837	64.945		458		3.511	77.392		545	
More tan 60 days	1.220	34.299		203		304	3.663		82		430	1.779		82	

(\*) Aguas Andinas, Aguas Cordillera and Aguas Manquehue  
NOTE: Suppliers associated with all invoices received during 2022 are considered.

Supplier Qualification

Annually, the subsidiary Aguas Andinas applies an internal quality survey to the services provided by its main suppliers, with an evaluation scale of 1 to 7. Those with insufficient grades must submit improvement action plans, whose effectiveness is evaluated by the contract manager in charge of the service.

During 2022, 92% of the 39 critical suppliers were evaluated in the following management areas:  
• Quality, Compliance, Environmental, Energy, Occupational health and safety, Business continuity, Labor inclusion, Gender equality, Human rights, Conciliation, work, family and personal life. Year 2022 included two

management areas to be monitored, Sustainability and Information Security.  
• The results were satisfactory since 39% of the suppliers evaluated had a high level of compliance (greater than or equal to 70%), another 50% had a medium level of compliance (between 40% and 69%) and only 8% had a low

level of compliance (between 11% and 39%), and 3% had no level of compliance at all.  
• The result of this monitoring was an average achievement rate of 62%. With these processes, the company aims to ensure that its supply chain is aligned with its sustainable business sustainable management principles.



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 relationships with suppliers, with compliance with corporate management standards and timely payment rules, along with promoting fair competition in bidding processes.

These principles are gathered in the following documents:

**Supplier Policy:** specifies the commitments in relation to its suppliers. More information is available at <https://portalproveedores.aguasandinas.cl/proveedores/home/politica-de-proveedores>.

**Purchasing policy:** Provides the guidelines with which the acquisition of goods and the contracting of services must be carried out.

**Supplier Decalogue:** Establishes the expected behavior of all suppliers of goods and services of the group. More information at <https://portalproveedores.aguasandinas.cl/proveedores/home/decalogo-proveedores>.

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, each group supplier must periodically update, on a digital platform, critical information about its services, including environmental and safety indicators. As of 2022, keeping this data up to date is a requirement for the release of payments. In addition, the group's sanitation companies permanently carry out on-site audits and supervisions of the works, especially in the works that present greater risks, with a focus on occupational safety.

Finally, it should be noted that IAM's sanitation subsidiaries - Aguas Andinas, Aguas Cordillera and Aguas Manquehue - are certified under the PROPYME seal granted by the Ministry of Economy, which commits to payment within 30 days for those suppliers classified as SMEs, counted from the date of acceptance of their document.





# Dividend policy

The IAM bylaws determine the Company's dividend policy, which consists of distributing 30% of the net distributable profits 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 SA during the year, less operating and non-operating expenses and provisions for the year that must be made according to the applicable accounting standards, is an amount that exceeds 30%, the company must distribute that surplus as an additional dividend, within 60 business days following the respective Ordinary Shareholders' Meeting, up to the total amount of liquid distributable profits for the year.

## Dividends paid per share

(Figures expressed in currency of the payment date)

\$ per share	2018	2019	2020	2021	2022
Book value	591,674	594,54	694,121	693,965	691,794
Utility	67,128	69,918	48,225	48,990	41,320
Amount paid	67,74514 <sup>(1)</sup>	65,5216 <sup>(2)</sup>	52,262 <sup>(3)</sup>	52,319 <sup>(4)</sup>	38,02575 <sup>(5)</sup>

(1) Includes two items: an interim dividend of \$21.0353 per share, on account of 2017 profit, paid on January 29, 2018; and a final dividend of \$46.70984 per share, corresponding to the distribution of profits for the year 2017, paid on May 29, 2018.

(2) Includes two items: an interim dividend of \$21,656 per share, on account of 2018 profit, paid on January 25, 2019; and a final dividend of \$43.8656 per share, corresponding to the distribution of profits for the year 2017, paid on May 28, 2019.

(3) Includes two provisional items: One of \$22,262 per share, on account of profit for the year 2019, paid on January 23, 2020; and the other of \$30.00 per share, paid on December 18, 2020, on account of the profits for the year 2020.

(4) Includes two items: final of \$32,278 per share, on account of profit for the year 2020, paid on May 24, 2021; and an interim dividend of \$20,041 per share, paid on November 11, 2021, on account of 2021 earnings.

(5) Includes two items: final of \$20.49075 per share, on account of profit for the year 2021, paid on April 1, 2022; and an interim dividend of \$17,535 per share, paid on December 21, 2022, on account of profits for the year 2022.





More details at: <https://www.iam.cl/es/accionistas/dividendos>

# Distributable profit year 2022

Distributable profit year 2022	Millions
Profit for the year 2022	41.320.156
Retained earnings distributable	52.273.615
Interim dividends 2022	17.535.000
Remaining distributable profit	76.058.770
% of dividends distributed on net profits for the year 2022	42,44%

## Summary of distributions to shareholders

Type	Exercise	Payment date	Amount per share
Interim dividend	2014	16-01-2015	\$ 19,4764
Final dividend	2014	29-05-2015	\$ 39,2433
Interim dividend	2015	18-01-2016	\$ 20,3240
Final dividend	2015	27-05-2016	\$ 42,9593
Interim dividend	2016	23-01-2017	\$ 21,0353
Final dividend	2016	25-05-2017	\$ 45,6213
Interim dividend	2017	29-01-2018	\$ 21,0353
Final dividend	2017	29-05-2018	\$ 46,7098
Interim dividend	2018	25-01-2019	\$ 21,6560
Final dividend	2018	28-05-2019	\$ 43,8656
Interim dividend	2019	23-01-2020	\$ 22,2620
Interim dividend	2020	18-12-2020	\$ 30,0000
Final dividend	2020	24-05-2021	\$ 32,2780
Interim dividend	2021	11-11-2021	\$ 20,04100
Final dividend	2021	01-04-2022	\$ 20,49075
Interim dividend	2022	21-12-2022	\$ 17,53500





# Stock transactions

The capital stock of Inversiones Aguas Metropolitanas SA is made up of 1,000,000,000 shares, fully subscribed and paid.

## Share transactions in secondary market

### Santiago Stock Exchange

2022	Average price (\$)	Units	Amount (\$)	Stock market presence (%)
Total 1° quarter	423,14	42.228.093	17.868.212.624	96,67
Total 2° quarter	361,45	68.425.277	24.732.279.038	97,22
Total 3° quarter	401,40	88.875.661	35.674.952.889	97,78
Total 4° quarter	431,52	73.112.202	31.549.024.100	97,78
Total year 2022	402,82	272.641.233	109.824.468.651	

### Electronic Stock Exchange

2022	Average price (\$)	Units	Amount (\$)	Stock market presence (%)
Total 1st quarter	426,07	3.722.699	1.586.134.693	96,67
Total 2nd quarter	355,05	9.288.316	3.297.822.253	97,22
Total 3rd quarter	420,46	8.814.815	3.706.258.197	97,78
Total 4th quarter	429,14	4.200.344	1.802.550.194	97,78
Total a year 2022	399,32	26.026.174	10.392.765.337	

Note: Stock market presence calculated in accordance with CMF General Rule No. 327. Considers transactions carried out on the Santiago Stock Exchange, Electronic Stock Exchange and Valparaiso Stock Exchange up to the day before the dates indicated.

## Ownership of directors

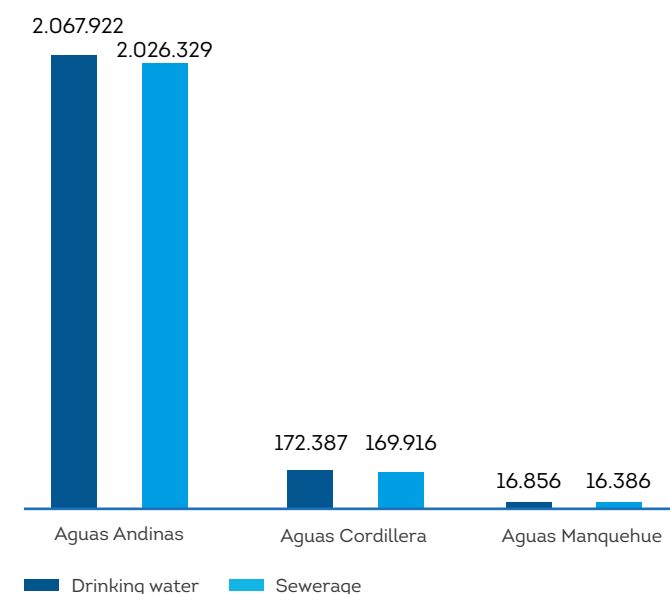
Shareholders name	Issuing company				broker custody	issuer record	Related	Position
	IAM	Aguas Andinas						
	shares	%	shares	%				
Soc. de Inversiones y Rentas Liguria Ltda.	77.191.039	7,7191%				X	María José Uauy Cúneo	Director
Asociacion de Canalistas Soc. del Canal de Maipo	7.638.350	0,7638%				X	Felipe Larraín Aspillaga	Chairman
Queirolo Botta María Joanna	955.412	0,0955%				X	María José Uauy Cúneo	Director
Cuneo Solari Juan Bautista	772.155	0,0772%				X	María José Uauy Cúneo	Director
Cuneo Queirolo Giorgianna María	534.747	0,0535%				X	María José Uauy Cúneo	Director
Cuneo Queirolo Paola Alessandra	503.991	0,0504%				X	María José Uauy Cúneo	Director
Asesorías e Inversiones el Maestro	85.923	0,0086%	20.006	0,0003%	X		Sebastián Oddo	Board Secretary



## Commitment to customers

The inhabitants of the concession areas represent one of the most important interest groups for the company, given the unrestricted commitment to guarantee their access to drinking water and sanitation services with adequate continuity and quality. This obligation, a human right recognized by the UN, drives multiple investments in new infrastructure and network maintenance, and also entails initiatives aimed at supporting customers in paying household bills in times of economic and social instability.

Number of clients



● GRI 33-2

## Water quality

To ensure the quality of the water in its services, there are internal and external laboratories for control where samples from the different stages of the drinking water production process and sewage treatment are analyzed. Through an online computer system called LIMS, the operators enter the data thus obtained so that they can be evaluated centrally.

During the production of drinking water, they are analyzed 43 quality parameters, grouped into:



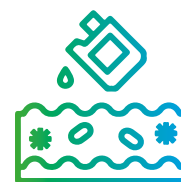
Chemical and mineral levels



Turbidity and absence of microorganisms

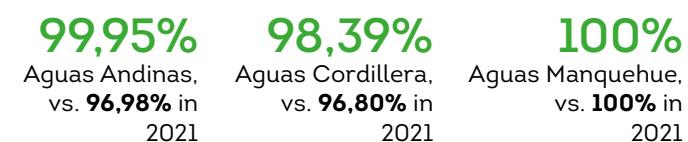


Physical characteristics detectable by the senses



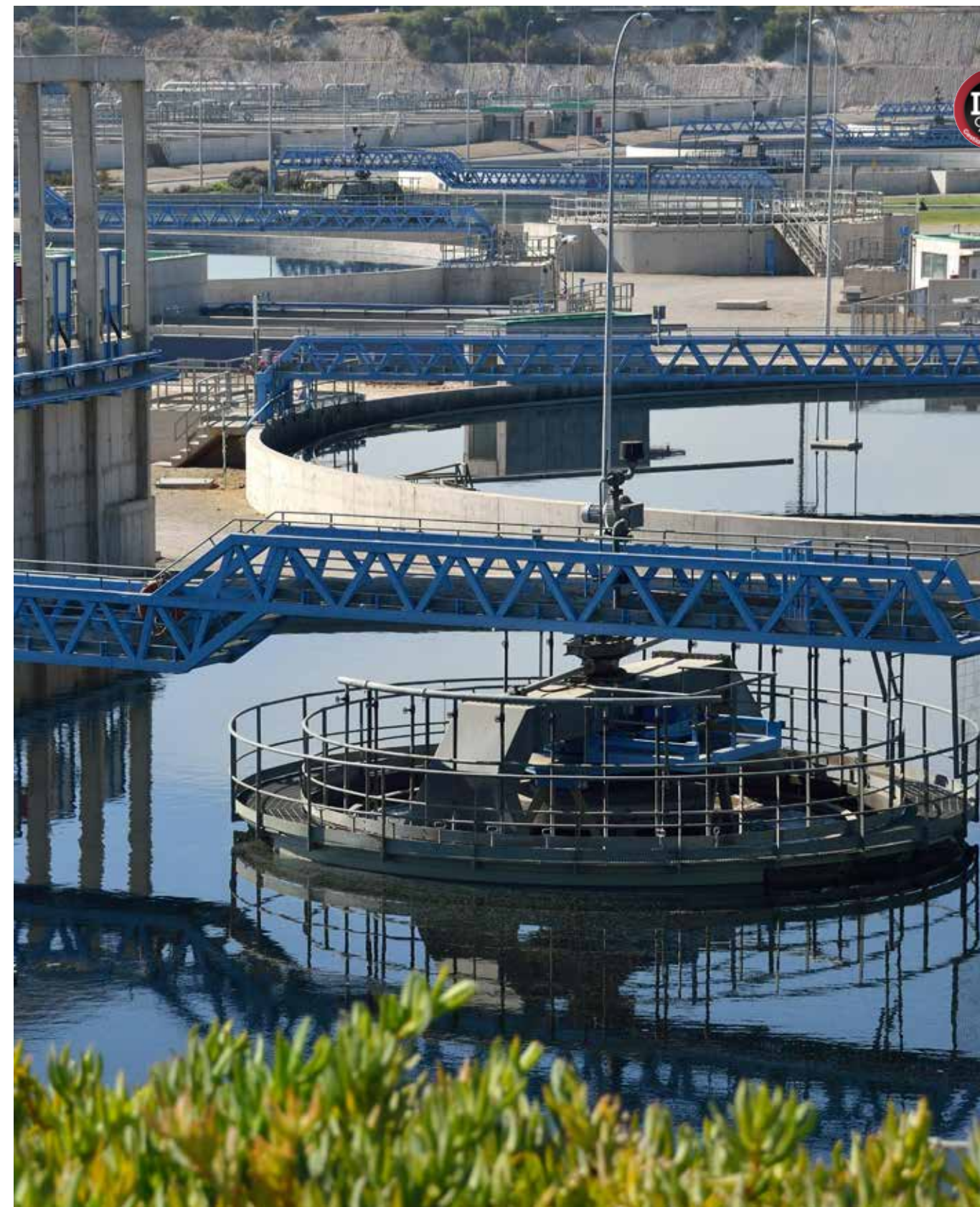
Disinfection

### Level of compliance in drinking water parameters in 2022



Meanwhile, the monitoring of sewage is carried out in accordance with Supreme Decree 90/2000, of the Superintendency of the Environment, which regulates the discharge of pollutants into the ocean and surface continental water courses by setting maximum permissible limits.

### Non-compliance in the discharges of biofactories and sewage plants of the RM during 2021





## Corporate Governance

Organization chart  
 The Governing Board  
 Directors committee  
 Salaries and expenses  
 Other instances of corporate governance  
 Essential facts  
 Directors skills matrix  
 Participation of stakeholders  
 Integration of Human Rights of the Aguas Andinas affiliate  
 Governance  
 Integrated risk management



# Organization chart





# THE BOARD

**The Board of Directors is the highest governing body of Inversiones Aguas Metropolitanas S.A., which complies with the provisions of Law 18,046 of Corporations.**

The Board of Directors of Inversiones Aguas Metropolitanas S.A. is made up of 7 regular members, who are elected by the General Shareholders' Meeting based on their competencies and suitability for the position. Each director has his respective alternate, who may replace him permanently in case of vacancy, and temporarily in the event of absence or temporary impediment.

To effectively carry out their role, IAM's directors receive an induction on the business, risks, policies and procedures, the main accounting criteria and the legal framework. Likewise, they have the necessary means to receive external advice for the correct performance of their functions, if required.

The directors exercise their functions for three years. At the end of this period, the Board of Directors is completely renewed. However, the Board of Directors may be revoked in its entirety before the expiration of its mandate, by agreement of the Ordinary or Extraordinary Shareholders' Meeting, in which case the same meeting must elect a new Board of Directors. Consequently, the individual or collective revocation of one or more directors is not appropriate.

The directors can be reelected indefinitely and they can be shareholders of the company.

## Standards of good corporate governance

For proper management of conflicts of interest, the Board of Directors has a code of conduct applicable to all its members, approved in 2013, with specific examples of this type of conflict and mechanisms to resolve them. Likewise, the company has a general regularity policy approved by the Board of Directors and a series of policies and procedures that are part of the Compliance Management System. In addition, the Board of Directors has approved various policies and agreements aimed at incorporating the criteria of the Financial Market Commission (CMF) into its work, including guidelines for disseminating information on corporate governance practices. In this sense, the highest body developed over the years a tradition of high compliance with the General Regulation (NCG) 385. During the first months of 2022, work in this area focused on adapting its practices to the new NCG 461, which assigns the Board of Directors a relevant role in ESG matters. The resolutions aimed at achieving this objective were reflected in the agreements of the December 2022 session and are included in the Compendium of Policies and Procedures on Corporate Governance.

## Its Operation

The Board of Directors meets in ordinary and extraordinary sessions. Ordinary meetings are held at least once a month on dates predetermined by the Board of Directors. Extraordinary meetings are held at the call of the Chairman or at the request of one or more directors, prior qualification made by the President of the need for the meeting, unless it is requested by the absolute majority of the directors. In both cases, the quorum for the Board of Directors to meet is the absolute majority of its members.

Agreements are made with the favorable vote of the absolute majority of the attending directors, except for those agreements that require a higher majority, as contemplated by the statutes of Inversiones Aguas Metropolitanas SA, the law and its regulations, or other special provisions.

Environmental, social and climate change matters are reported monthly at each ordinary meeting of the Board of Directors.

The Board of Directors has agreed to make annual visits to the facilities of Aguas Andinas and its subsidiaries.

In addition, the board has agreed to conduct a biannual third party evaluation of the board of directors.

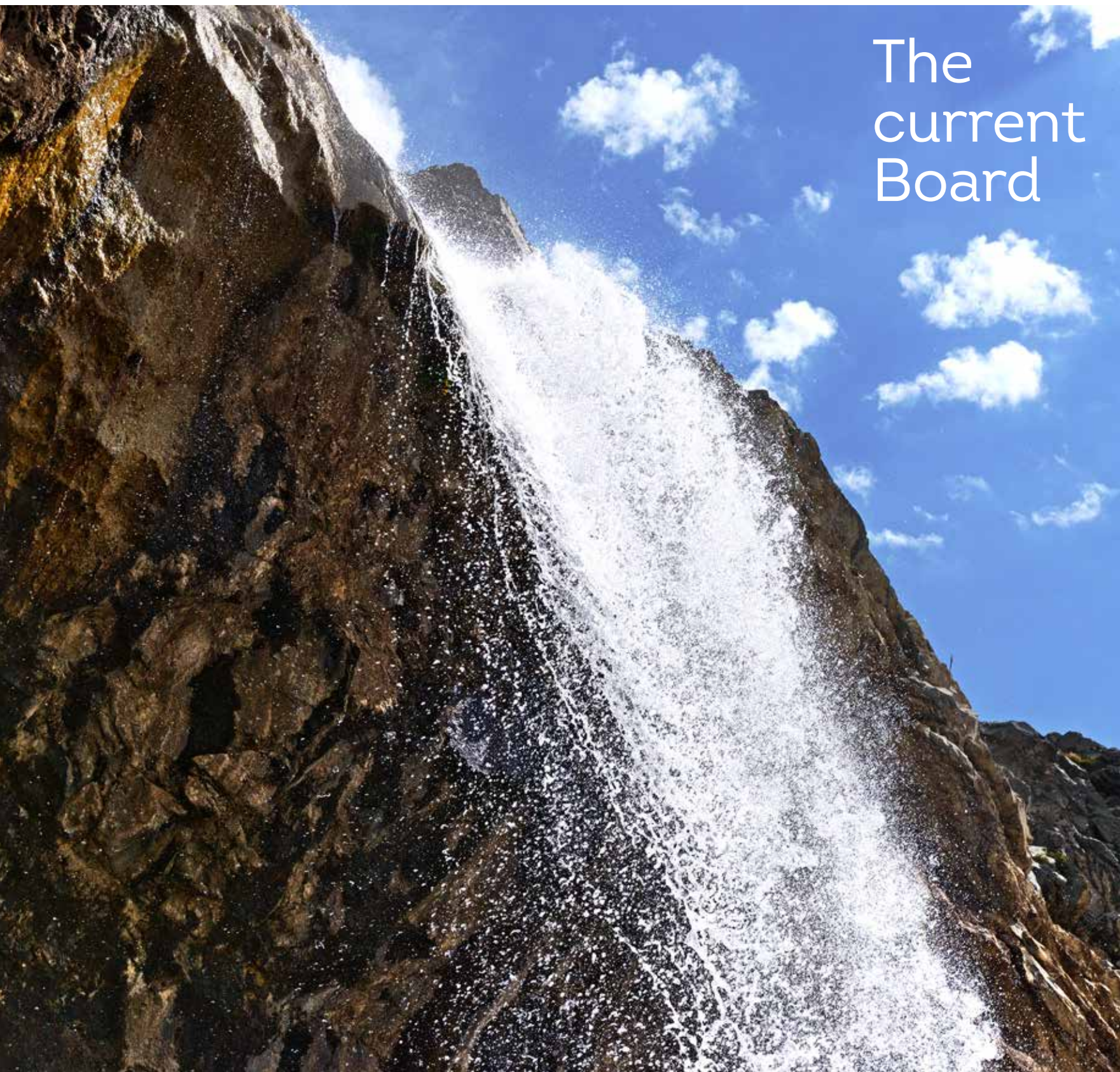
The minute and supporting documents of each ordinary board meeting are sent to all directors prior to each meeting. Likewise, prior to each ordinary meeting, all directors are sent a draft of the minutes of the previous meeting, which are approved at the following board meeting.

The company has a channel for reporting crimes under the terms described in the Company's prevention model.

The Risk Management Area of Aguas Andinas, once a year attends the Board of Directors of the Company, to report on the proper functioning of the risk management of Aguas Andinas.

The Internal Audit Area of Aguas Andinas participates once a year in the Board of Directors of the Company, to show the audit plan of Aguas Andinas and its follow-up.





The  
current  
Board

The current Board of Directors was established on March 3, 2022, for a period of three years, and is made up of the following members:

RUT	Name	Position	Onboarding
6.922.002-9	Felipe Larrain Aspillaga	President	03-03-2022
6.447.493-6	Alberto Muchnick Mlynarz	Vicepresident	03-03-2022
4.975.992-4	Herman Chadwick Piñera	Director	03-03-2022
5.546.791-9	Miguel Ignacio Guerrero Gutiérrez	Director	03-03-2022
6.375.408-0	Hernán Cheyre Valenzuela	Director	03-03-2022
6.444.699-1	Rodrigo Cristóbal Azócar Hidalgo	Director	03-03-2022
7.275.527-8	Luis Enrique Álamos Olivos	Director	03-03-2022
6.100.558-7	Carlos Mladinic Alonso	Substitute director	03-03-2022
6.863.031-2	Hugo Silva Raveau	Substitute director	03-03-2022
10.570.170-5	Rodrigo Castro Fernández	Substitute director	03-03-2022
16.209.452-1	Salomón Andrés Muchnick Cruz	Substitute director	03-03-2022
16.611.278-8	María José Uauy Cúneo	Substitute director	03-03-2022
0-E (Extranjero)	Cosme Sagnier Guimón	Substitute director	03-03-2022
0-E (Extranjero)	Narciso Berberana Sáenz	Substitute director	03-03-2022

Month	Quorum
January	100%
February	100%
March	100%
April	100%
May	100%
June	100%
July	100%
August	100%
September	100%
October	100%
November	100%
December	100%
Total 2022	100%

Assistance to the Board of directors year 2022

Attendance at board meetings during fiscal year 2022 reached a quorum of 100%



# COMPOSITION AND DIVERSITY OF THE BOARD OF DIRECTORS

Number of members  
according to statutes:

## HEADLINES



## SUBSTITUTES



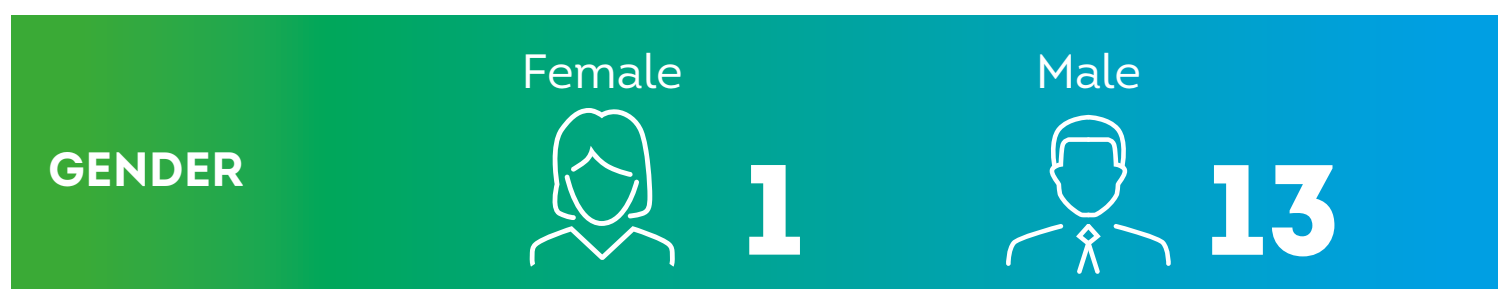
## TERM IN OFFICE

(according to  
company bylaws)



The existence of members of  
the Board of Directors who are  
disabled is not contemplated.

Board of Directors current as of 12/31/2022, according to:







# DIRECTORS COMMITTEE

IAM has a Directors' Committee, as provided in article 50 bis of Law No. 18,046 on corporations.

Its main powers and duties are the following:

- Examine the reports of the external auditors, the balance sheet and other financial statements, and rule on them prior to their presentation to the shareholders.
- Propose to the Board of Directors names for the external auditors and private risk classifiers.
- Examine the information related to the operations referred to in Title XVI and issue a report regarding those operations.
- Examine the remuneration systems and compensation plans of the managers, main executives and workers of the company.
- Prepare an annual management report, including its main recommendations to shareholders.

## Composition

It is made up of three members, as stipulated by law, the majority of whom must be independent directors. The Chairman of the Board of Directors cannot be a member of the committee or its subcommittees, unless he is an independent director.

## Functioning

It has 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 on public limited companies. The minimum quorum is two members to meet.

## Agreements

The deliberations, agreements and their organization are governed by the rules relating to the sessions of the Board of Directors of the company, in accordance with the law. The Committee will notify the Board of Directors of the form in which it will request information, as well as its agreements.

## Acting Directors Committee

Since March 3, 2022, the IAM Directors' Committee is made up of the independent director of the controller, Luis Enrique Álamos, and by Ignacio Guerrero and Herman Chadwick, who were appointed by the independent director. The President of the Committee is Luis Enrique Álamos and his secretary, the lawyer Sebastián Oddó.

## Assistance to the Board of Directors meetings year 2022

Month	Quorum
January	100%
February	100%
March	100%
April	100%
May	100%
June	100%
July	100%
August	100%
September	100%
October	100%
November	100%
December	100%
Total 2022	100%



# 2022 REPORT OF THE DIRECTORS COMMITTEE

In compliance with the provisions of article 50 bis, paragraph eight of law 18,046 on public limited companies, the activities carried out by the committee during the annual fiscal year that ended on December 31, 2022 and the expenses incurred, including of his advisors.

## I. Composition of the committee

The Directors Committee of Inversiones Aguas Metropolitanas SA was made up of the Independent Director of the controller, Luis Enrique Álamos, and Messrs. Herman Chadwick and Ignacio Guerrero, who were appointed by the Independent Director.

The Committee is chaired by Mr. Luis Enrique Álamos and the lawyer Sebastián Oddo acts as Secretary.

Since its constitution, the Committee has held regular sessions once a month to deal with matters entrusted to it by article 50 bis of Law 18,046 and others of general interest to the Company.

## II. Main activities of the year

The main activities carried out by the Committee during the 2022 financial year were the following:

1. Examination of the reports of the external auditors, the balance sheet and other financial statements of Inversiones Aguas Metropolitanas SA for the year ended December 31, 2022.
2. Proposal to the Board of external auditors and risk classifiers for the year 2022.
3. Examination of the reports of the external auditors, the balance sheet and other financial statements of Inversiones Aguas Metropolitanas SA, prepared quarterly.
4. Analysis of the stock market behavior of the shares of IAM and Aguas Andinas.

## III. Budget and expenses of the Directors Committee

At the Ordinary Shareholders' Meeting, held in March 2022, an annual budget of 2,000 Unidades de Fomento was set for the Directors' Committee, which was not used during this year.



# REMUNERATION AND EXPENSES

## 1. From the Board of Directors and Directors Committee

At the Ordinary General Shareholders' Meeting, held on March 3, 2022, the remuneration of the Board of Directors, the Directors' Committee and its expense budget for the year 2022 were agreed.

The remuneration of the Board of Directors is divided into two types: a fixed monthly value of UF 100 for the President, UF 80 for the Vice President and UF 60 for regular and substitute Directors; and a variable, which is paid for attendance at each meeting, of UF 140 for the President, UF 100 for the Vice President, UF 60 for regular directors and UF 60 for substitute directors, when they replace the regular directors.

During 2022, the expenses of the Board of Directors amounted to ThCh\$9,399, mainly explained by consultancies in the scope of the application of the general regulation No. 461 of the CMF.

In the year ended December 31, 2022, the remuneration of the Board of Directors Committee was made up as follows: a fixed monthly remuneration of UF 25 and a variable remuneration for attendance at each session of UF 25. The budget for expenses for the year It was UF 2,000.

Board of Directors Remuneration (thousands of pesos)					
Executives	Position	fixed		variable	
		2021	2022	2021	2022
Felipe Larrain Aspillaga	President	35,854	39,827	54,449	60,199
Alberto Muchnick Mlynarz	Vicepresident	28,683	31,861	38,892	42,999
Herman Chadwick Piñera	Director	21,512	23,896	23,335	25,8
Ignacio Guerrero Gutiérrez	Director	21,512	23,896	23,335	25,8
Hernán Cheyre Valenzuela	Director	21,512	23,896	23,335	25,8
Rodrigo Azócar Hidalgo	Director	21,512	23,896	23,335	25,8
Luis Enrique Álamos Olivos	Director	21,512	23,896	23,335	25,8
Andrés Muchnick Cruz	Substitute director	21,512	23,896	-	-
María José Uauy Cúneo	Substitute director	21,512	23,896	-	-
Rodrigo Castro Fernández	Substitute director	21,512	23,896	-	-
Carlos Mladinic Alonso	Substitute director	21,512	23,896	-	-
Hugo Silva Raveau	Substitute director	21,512	23,896	-	-
<b>Totals</b>		<b>279,657</b>	<b>310,648</b>	<b>210,016</b>	<b>232,198</b>

Remuneration of the Director's Committee (thousands of pesos)			
Executives	Position	Remuneration	
		2021	2022
Herman Chadwick Piñera	Director	17,178	19,914
Ignacio Guerrero Gutiérrez	Director	17,926	19,914
Luis Enrique Álamos Olivos	Director	8,963	9,957
María José Uauy Cúneo	Deputy Director	8,963	9,957
Rodrigo Castro Fernández	Deputy Director	70,956	79,656
<b>Totals</b>		<b>70.956</b>	<b>79.656</b>





2. About main executives

At the end of the year, IAM's list of managers and senior executives was made up of 2 professionals.

At the individual level, IAM's total remuneration in the period was \$198 million, with \$168 million corresponding to fixed remuneration and \$29 million to variable

remuneration. During 2022, no severance payments were recorded for years of service.

There are also compensation components that respond to the company's results and to the fulfillment of individual objectives set for the year. The company does not have any special compensation or benefit plans for its main executives, beyond the variable bonus mentioned above.

N°	Name	RUT	Position	Onboarding
1	Fernando Samaniego Sangroniz	6.374.438-7	IAM General Manager	26-05-2021
2	Patricio Andrés Acuña Solorza	10.696.150-6	Finance Manager	01-09-2006

Detalle	Fixed		Variable		Total	
	2021	2022	2021	2022	2021	2022
Senior Executive Remuneration	315	168	78	29	393	198

Gender pay gap

Since IAM, at an individual level, only has four people from different classes, it is not possible to calculate its gender pay gap. However, it is possible to present the wage gap by gender at the consolidated level of all its subsidiaries.

Formality and labor adaptability

IAM personnel are employed on an indefinite-term, full-time contract.

Gross salary of the subsidiary Aguas Andinas

The gross salary must include all the fixed and variable allowances that make up the gross salary of the workers, that is, base salary, social laws, transportation and food allowances, bonuses, overtime, commissions or others. For this, all that component of the salary that is assigned with a different periodicity must be monthlyized. The gross salary per hour must be calculated, that is, the gross monthly salary divided by the number of monthly hours worked by each person.

Estate	2022						
	Media (Average)			Median (Intermediate Value)			Unit
	\$ Men's Average Salary (CLP)	\$ Women's Average Salary (CLP)	% that represents salary of women with respect to men	\$ Men's Average Salary (CLP)	\$ Women's Average Salary (CLP)	% that represents salary of women with respect to men	
ii. Management	10.660.012	11.228.121	105%	7.811.359	7.000.580	90%	\$CLP
i. Senior Management	16.873.513	16.873.513	100%	16.873.513	16.873.513	100%	\$CLP
iii. Leadership	4.352.213	4.356.991	100%	4.056.967	3.358.960	83%	\$CLP
iv. Operator	1.660.583	1.608.530	97%	1.611.339	1.684.346	105%	\$CLP
ix. Other technicians	2.041.666	1.678.146	82%	1.851.686	1.344.078	73%	\$CLP
v. Sales force	1.556.285	1.596.336	103%	1.084.396	1.272.439	117%	\$CLP
vi. Administrative	1.602.823	1.878.694	117%	1.637.343	1.681.120	103%	\$CLP
vii. Assistant	0	0	0%	0	0	0%	\$CLP
viii. Other professionals	2.956.999	2.530.615	86%	2.529.267	2.225.072	88%	\$CLP



Workplace and sexual harassment

There are no complaints during the year 2022.



# COMPOSITION AND DIVERSITY OF IAM

Staffing by company as of  
December 31, 2022

MANAGERS  
AND SENIOR  
EXECUTIVES



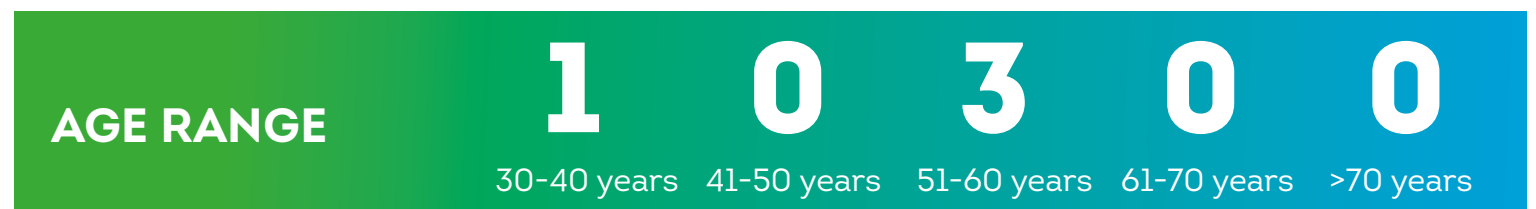
HEADQUARTERS



ADMINISTRATIVE



Number of people according to:





# COMPOSITION AND DIVERSITY IN THE ORGANIZATION OF IAM AND ITS SUBSIDIARIES

Staffing by company as of December 31, 2022

Estate	IAM	Aguas Andinas	Aguas Cordillera	Aguas Manquehue	Ecoriles	Hidrogística	ANAM	Aguas del Maipo	TOTAL
i. Senior Management	2	26	0	0	0	0	0	0	28
ii. Management	0	31	4	0	0	0	0	0	35
iii. Leadership	0	90	5	0	0	0	0	0	95
iv. Operator	0	343	53	8	0	0	0	0	404
v. Sales force	0	107	9	2	255	59	292	2	726
vi. Administrative	1	43	3	0	0	0	0	0	47
vii. Assistant	0	0	0	0	0	0	0	0	0
viii. Other professionals	1	491	17	1	0	0	0	0	510
ix. Other technicians	0	210	29	3	0	0	0	0	242
Totals	4	1,341	120	14	255	59	292	2	2,087

Number of people according to:





# OTHER INSTANCES OF CORPORATE GOVERNANCE

## Ethical code

The IAM Code of Ethics establishes the fundamental principles of the company, which must be applied to shareholders, customers, competitors, the local community and the environment. Among the relevant principles, the following stand out: complying with laws and regulations, rooting the culture of integrity, showing loyalty and honesty, and respecting all people.

## Board of Directors Code of Conduct

It applies to all Directors of the company, and includes the identification of the main situations that constitute conflicts of interest, mechanisms to avoid them, the procedure for their declaration and the way to resolve conflicts of interest.

In addition, this code refers to situations that, despite not being specifically contained in the law, if poorly resolved, could end up affecting the corporate interest.

## Crime Prevention Model

The model establishes rules, protocols and procedures as preventive measures against crimes, which everyone in the company must respect, including suppliers and contractors, making it possible to prove compliance with the company's supervision and management duties. It is led by the Crime Prevention Officer, appointed by the Board of Directors, whose role is to ensure compliance with this model.

## Dissemination of Information on Corporate Governance Practices (NCG N°385)

In December 2015, the company's Board of Directors approved a series of policies, procedures and protocols within the framework of NCG N°385, which were included in the document called "Compendium of Corporate Governance Policies and Procedures", which was reported to the Superintendence of Securities and Insurance on March 31, 2016. This compendium, which is in force in the company, is published on the IAM website ([www.iam.cl](http://www.iam.cl)).

## Training for Directors

At the beginning of their functions, IAM directors receive training, advice, talks and content related to the business, health, as well as information on risks, legal framework and relevant policies and procedures, in accordance with NCG 385 of the Market Commission Financial.

Within this framework, in 2022 training was carried out on different subjects, among which those related to climate change and the political and economic context of Chile and the region stand out.

## Anti-Corruption Policy

The IAM Anti-Corruption Policy seeks to serve as a guide for the actions of its personnel, providing guidance regarding what the company expects and demands when dealing with public servants and third parties in general, including suppliers and the company's own collaborators, under the integrity framework of the company's Code of Ethics.

## Investor Relations

The Investor Relations area is responsible for managing relationships and delivering timely information to the company's investors and shareholders.

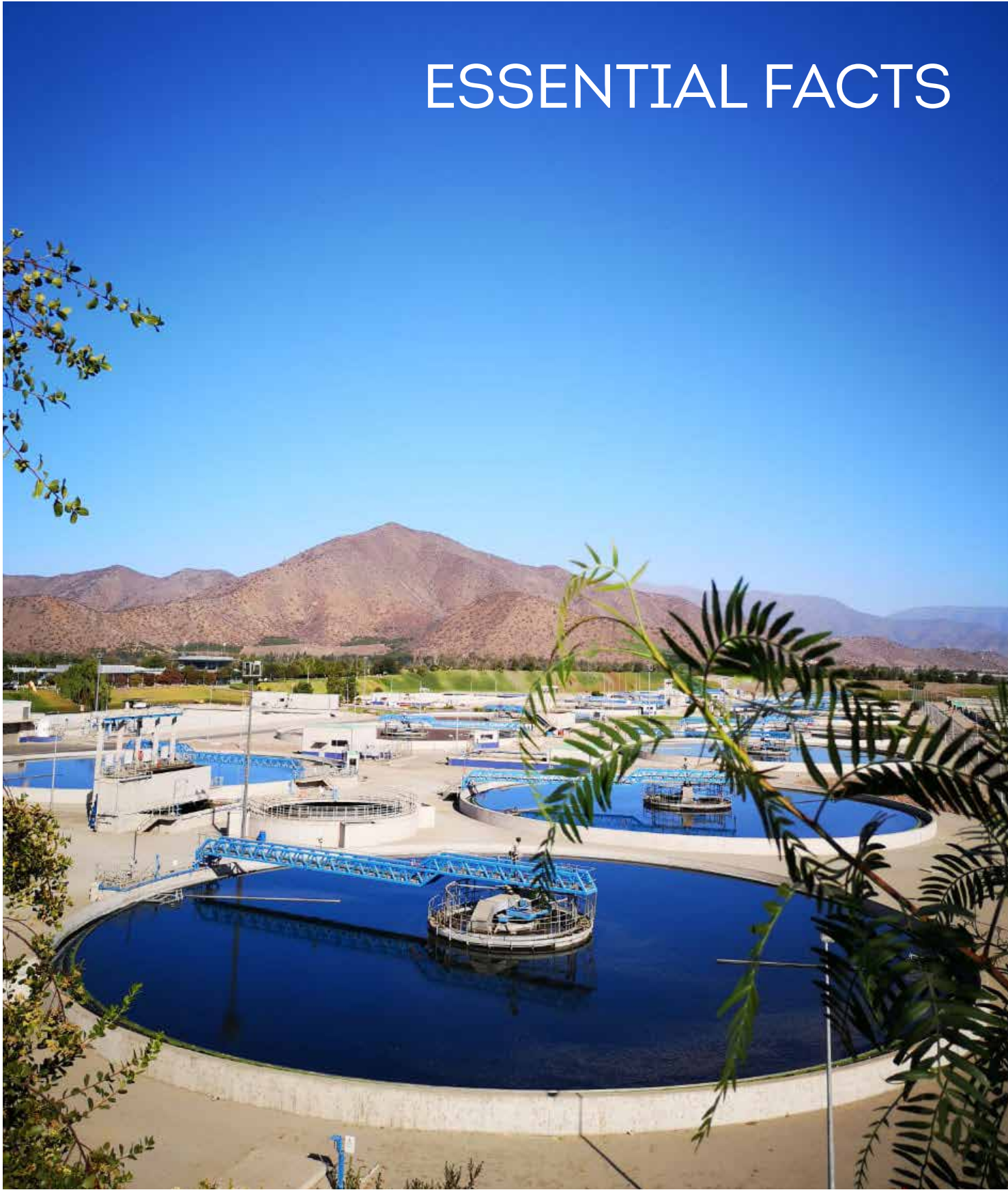
The contact for this area is duly identified on the company's website, [www.iam.cl](http://www.iam.cl), a site that includes financial analysis tools, corporate presentations, along with news and related events.

The area holds permanent meetings and individual conference calls with institutional investors, both local and international, and participates in local and international conferences.

For more information on the  
code of ethics visit [www.iam.cl](http://www.iam.cl)



# ESSENTIAL FACTS



## On March 3, 2022, the CMF was informed

That the Seventeenth Ordinary Shareholders' Meeting of the Company was held that morning, in which matters pertaining to the Company were discussed, among them, the renewal of the Board of Directors, resulting in the election of the following persons:

### Regular Directors

1. Felipe Larraín Aspillaga
2. Alberto Muchnick Mlynarz
3. Herman Chadwick Piñera
4. Ignacio Guerrero Gutiérrez
5. Rodrigo Azócar Hidalgo
6. Hernán Cheyre Valenzuela
7. Luis E. Álamos Olivos

### Alternate Directors

- Cosme Sagnier Guimón  
Andrés Muchnick Cruz  
Narciso Berberana Sáenz  
Rodrigo Castro Fernández  
Carlos Mladinic Alonso  
Hugo Silva Raveau  
María José Uauy Cúneo

It is hereby recorded that the Director Mr. Luis Enrique Álamos Olivos and his respective alternate, Mrs. María José Uauy Cúneo, have been elected as Independent Directors. Next, the Board of Directors of the Company met, a session in which it was unanimously agreed by its members present to appoint Mr. Felipe Larraín Aspillaga as President of the same and of the Company and Mr. Alberto Muchnick Mlynarz as Vice-President. Likewise, it was agreed that Messrs. Luis Enrique Álamos Olivos, Ignacio Guerrero Gutiérrez and Herman Chadwick Piñera will be part of the Directors' Committee, along with their respective alternates.

## On March 14, 2022, the CMF was informed:

That the incorporation of Veolia Environnement SA ("Veolia") into the ownership of Suez SA has been made known, which implies the change of indirect control over Inversiones Aguas Metropolitanas SA This after a Public Offer for the Acquisition of shares launched by Veolia in France, which was declared successful last January; and that the operation was approved by the European Commission in accordance with the Community Regulation of Concentrations between Companies of the Council of the European Union, and, in addition, that, on March 11, 2022, it has been notified that the Competition & Markets Authority of the Kingdom Kingdom (the "CMA"), has enabled the integration of Veolia with certain business units of Suez outside the UK, subject to certain conditions.

## On August 31, 2022, the CMF was informed:

That on August 31, 2022, the Company's Board of Directors, owner shareholder of more than 10% of the subscribed and paid-in capital of Aguas Andinas SA, requested the board of the latter that, in accordance with the provisions of numeral 3 ) of article 58 of Law No. 18,046 on Public Limited Companies, convenes an Extraordinary Shareholders' Meeting to be held within the next 30 days, in order to proceed with the revocation of the current Board of Directors of the Company and the appointment of a new Board of Directors for a statutory period. The foregoing, due to the change in indirect control of this Company and of Aguas Andinas SA after the Public Offer for the Acquisition of Shares launched by Veolia Environnement SA, and reported according to an essential fact dated March 14, 2022.

## On November 23, 2022, the CMF was informed:

That the Board of Directors of the Company, in a regular session held on this same date, has unanimously agreed to distribute the sum of \$17,535,000,000, on account of profits for the year 2022, as a provisional dividend.

Due to the foregoing, the provisional dividend number 38 of the Company will amount to \$17,535 per share and will be payable as of December 21, 2022.



# Integration of Human Rights of the subsidiary Aguas Andinas

Risk	Existing control and mitigation measures
Water quality outside of acceptable parameters	<ul style="list-style-type: none"><li>• Construction of Pirque mega-tanks, the Cerro Negro-Lo Mena wells and other infrastructure works to increase the autonomy of Santiago in the event of extreme turbidity events.</li><li>• Control laboratories in all production plants, where samples from the different stages of the process are analyzed.</li></ul>
Damage to company facilities and infrastructure	<ul style="list-style-type: none"><li>• Implementation of a business continuity management system based on the ISO22301 standard.</li><li>• Incident and Emergency Management Plan (PGIE).</li></ul>
Population is not aware of the protection of water resources	<ul style="list-style-type: none"><li>• Awareness campaigns.</li></ul>
Lack or inadequate instances of participation and communication with the community	<ul style="list-style-type: none"><li>• Work tables with communities.</li></ul>
Non-compliance with the human right to water and sanitation, recognized by the UN in 2010	<ul style="list-style-type: none"><li>• Drought Plan, which involves the aforementioned investments and awareness campaigns, in addition to coordination with authorities and other relevant actors (such as the canalists of the first section of the Maipo River) to comprehensively address water scarcity.</li><li>• Payment facilities for delinquent clients with debt forgiveness.</li><li>• Management of solutions for sectors that do not have potable water or sewage services.</li></ul>
Non-compliance with the criteria established by P31 of the Guiding Principles, in relation to reporting channels (legitimate, accessible, predictable, equitable, transparent, compatible with rights, a source of learningcontinuous, based on participation and dialogue)	<ul style="list-style-type: none"><li>• Customer Ombudsman (Customer Counsel).</li><li>• Complaints channel.</li></ul>

## Consumer Compliance Policy

The Board of Directors approved a Consumer Compliance Policy, which defines the essential bases, criteria and guidelines adopted by Aguas Andinas and its sanitation subsidiaries, related to compliance in terms of protection of consumer rights, in order to incorporate effective instruments of prevention of legal and regulatory non-compliance, which are adapted to the legal and social complexities of the companies providing health services and their links with their clients within the framework of consumer relations.



## FIRST DIAGNOSIS OF COMPANIES AND HUMAN RIGHTS

Aguas Andinas participated in the first diagnosis on companies and human rights in Chile, carried out in 2022 by the Sustainability Program of the Faculty of Law of the Pontificia Universidad Católica in collaboration with the World Benchmarking Alliance. The variables evaluated were the political commitment of the senior administration with respect to human rights, the due diligence process and the claim and remediation instances.





# Governance

The subsidiary Aguas Andinas seeks to go beyond compliance with norms and standards. It has set out to strengthen day by day a culture of integrity and corporate ethics that guides the behaviour and decision-making of each member of the organisation, stamping its way of drawing up guidelines and defining strategic objectives for all its stakeholders. To this end, it has a Compliance area, which is part of the Legal Affairs Department, and a specific management system.

## Compliance Management System

The company's Compliance Management System, described in the Compliance Policy, consists of a set of processes, policies, procedures, instructions and organisational management practices whose purpose is to implement good practices that ensure compliance with the principles of ethics and integrity promoted by the Aguas Group, reducing the risk of committing acts that contravene them.

In 2022, 13 complaints were received through different channels: two of sexual harassment, which were resolved and presented to the Labour Directorate, and 11 on other issues, all of which were resolved internally. There were no confirmed cases of workplace harassment, fraud, conflict of interest, money laundering, discrimination or abuse, or actions that put people's health or safety at risk.

System component	Scope	Main associated roles
<b>Ethical code</b> Establishes the fundamental values and principles of conduct and guidelines in relation to the organization, the market and the environment.	The entire organization. It is the obligation of those who work in the company to disseminate it among suppliers and contractors.	<b>Compliance officer:</b> Promotes adherence to the Compliance policy and its associated documents; receives and investigates complaints.  <b>Integrity and Compliance Committee</b> (made up of the Chairman of the Board, the General Manager and Area Directors): ensures the proper functioning of the system, knows the status of complaints and investigations, and proposes improvements.  <b>Directory:</b> Approves the related policies, appoints the compliance officer, knows the progress of the system and the complaints received every six months.  <b>Anti-Corruption Management System Committee</b> (made up of the director of Legal Affairs, the compliance officer and the Compliance consultant): Defines the actions intended to implement, control, maintain and improve the performance of the Anti-Corruption Management System, in accordance with the requirements of the International Standard ISO37001:2016.
<b>Crime Prevention Model</b> Establishes rules, protocols and procedures designed according to the provisions of Law 20,393. It must be implemented in each branch. It is audited and certified annually by a specialized external agency.	The entire organization, suppliers and contractors.	
<b>Policy and Anti-Corruption Management System</b> It guides the behavior of the members of the company in their relationship with third parties, including other workers, business partners and public officials. Among other things, contributions of cash, donations or collaborations to finance political parties or campaigns or to solve activities are prohibited. policies of any kind. The system is certified under the ISO 37001 standard.	The entire organization.	
<b>Human Rights Policy</b> Defines the principles and guidelines that transversally govern the protection of fundamental rights, both within the company and throughout its value chain.	The entire organization. For suppliers, specific clauses are included in their contracts and a special channel has been set up for them to make complaints.	
<b>Donations and Sponsorship Policy</b> In order to carry out the principles and definitions of this policy, there is a Donations and Sponsorship Committee that evaluates the impact of the initiatives promoted by the group's collaborators from the point of view of social, environmental and cultural interest, as well as sustainable development and innovative environment and local communities. This instance presents the projects to the Board of Directors, which ultimately authorizes their implementation.	The entire organization.	
<b>Environmental Compliance Policy</b> Provides guidelines on how to manage environmental protection. Describes the legal and regulatory norms and those arising from the environmental evaluation processes that the company has decided to carry out. Consider the company's voluntary efforts in environmental risk management, especially those linked to ISO No. 14,001.	The entire organization.	
<b>Complaint line</b> Channel available on the intranet and on the Aguas Andinas website, through which it is possible to confidentially report possible breaches of internal regulations and laws.	The entire organization and external public.	





There were no confirmed cases of corruption in the company during 2022.

Anti-corruption training

To reinforce the Compliance Management System, there are annual training and communication plans on these matters. During the reported year, these actions covered a total of 838 workers from different estates and group companies.

Workers trained in anti-corruption policies and procedures - 2022

Estate	Aguas Andinas	Aguas Cordillera	Aguas Manquehue	EcoRiles	ANAM	Hidrogística	Aguas del Maipo	Total
Executives	64	5	0	4	0	1	0	74
Headquarters	67	2	0	2	2	4	0	77
Professionals	322	11	1	18	26	19	0	397
Technicians	103	13	2	2	20	4	0	144
Administrative	30	1	0	3	1	3	0	38
Operators	69	10	2	24	1	2	0	108
Total	655	42	5	53	50	33	0	838

Compliance risk assessment

In order to keep the management of ethics and integrity aligned with the general strategy of the company, the Compliance risk matrix is reviewed annually, as well as the policies and procedures.

In 2022, the process of identification and evaluation of the risks associated with corruption was carried out in accordance with the corporate methodology of comprehensive risk management. 71 processes or operations were analyzed and it was concluded that no risk associated with corruption is significant for the company.

Due diligence in human rights

Between November 2021 and May 2022, the company updated the human rights due diligence process that it had carried out in 2018. The project, which had the support of the Vincular Center of the Catholic University of Valparaíso, contemplated the identification of real impacts and potential from the perspective of human rights in all Aguas Andinas operations, throughout its entire value chain. In total, they were evaluated:

5 stakeholders: customers, community, internal workers, workers, suppliers and contractors.

16 processes or operations .

27 impacts linked to a total of 21 human rights issues (among others, the right to enjoy fair and favorable working conditions, the right to form and join unions, the right to strike, freedom of association, collective bargaining, non-discrimination at work and child labor).

The evaluation consisted of interviews with the main executives of critical areas in human rights and representatives of relevant interest groups (mainly internal) whose fundamental rights could potentially be violated by business activities, in addition to a review of context information related to the business. of Aguas Andinas and human rights. In general terms, a high level of compliance with the guiding principles of theUnited Nations that support the respect of fundamental rights in companies.

44 risks were identified, of which 15 are new, 18 remain identical to those raised in 2018, seven were given new wording for better understanding and four are new in relation to the 2018 human rights risk matrix. but they were already included in the environmental impact matrices. An important part of the new risks are related to impacts for internal and external workers, especially from the labor perspective, and some for the community.

In conclusion, the Centro Vincular recommended that the Compliance area consolidate a work methodology that ensures a real integration of these rights into the culture and daily management of the different areas of the group, together with working continuously with the areas responsible for the implementation of actions, and the subsequent monitoring of the defined indicators. The importance of strengthening the reportability and transparency of human rights management was also highlighted, not only to the Board of Directors and senior management, but also to all collaborators and external stakeholders. For the time being, the company has already appointed the compliance officer in charge of materializing these recommendations and pushing forward the human rights protection system of Aguas Andinas.



# Comprehensive risk management

In order to increase organizational resilience, Aguas Andinas integrates risk management into each of its activities. For this, it has a corporate risk methodology that is applied to all processes where risks are being managed, which consists of six stages:

1	Risk identification	It includes the analysis of the external and internal context, operations and their continuity, and interaction with interested parties, among other aspects.
2	Update of the corporate risk map	Risks are divided into strategic, financial, operational and compliance.
3	Assessment	The impact in case of materialization, the probability of occurrence and the associated controls are calculated.
4	Determination of the remaining risk level	
5	Preparation of action plans for significant risks	
6	Approval and execution of expenses and investment projects	

## Methodological improvements: focus on critical infrastructure and prioritization of mitigation plans

A more detailed and granular risk map was drawn up, evolving from generic risks to specific risks. In the context of the Avanza program, a new asset-related risk detection methodology was developed to increase efficiency in their management, work that in 2022 resulted in the closure of an 18-month cycle of methodological studies and an exhaustive review of the company's infrastructure. As a result of the above:

• **Specific and well-defined management policies were established for each family of assets;**

• **A more detailed and granular risk map was prepared, evolving from generic risks to specific risks, which allow action plans to be implemented in the short term to reduce their probability or mitigate their consequences;**

• **The operational risk management methodology was strengthened.**

For the 2023 budget, investments were prioritized with a selection method that incorporates this new risk perspective, also seeking to increase the efficiency and effectiveness with which the resources for asset maintenance are allocated.



Achievements in risks and policy review			Achievements in efficiency	
36 active families were evaluated, out of a total of 38.	2933 risks were identified in total.	24 very high level risks were mapped.	27% increased the productivity of network equipment.	20% decreased the electrical consumption of wells (pilot).

In addition, in 2022 a study was carried out on the deterioration of the drinking water network and renewal criteria were defined for the next 15 years, in order to guarantee the service in the long term.



# Business continuity management

As part of risk management, the company identifies the threats and vulnerabilities to which its operations are exposed. To deal with them, it 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.

This management is structured through the preparation of business continuity plans for each critical process of the company, a process that comprises six stages:

1	Identification of critical resources and recovery times.	Business Impact Analysis (BIA)
2	Identification of risk scenarios for each critical resource, controls and action plans.	Risk Analysis (RIA)
3	Definition of strategies to recover each critical resource.	Recovery strategies
4	Generation of the document, considering roles, times and resources to give continuity to the process.	Business continuity planning
5	Training of key personnel.	Training plans
6	Testing of a process recovery strategy, in order to identify and manage improvements.	Mock exercises

The Board of Directors has defined a Risk Management and Control Policy, which considers that annually, each management will carry out a survey of its main risks and propose the actions that must be implemented for their mitigation, which must be put into practice by said management, accredited compliance at the request of the internal auditors. The General Management will, in turn, determine which of these risks are the most relevant, with respect to which a more exhaustive follow-up must be carried out, documenting the evidence that allows for later evaluation of compliance with the committed actions.

Within the risk quantification, monitoring and communication process, both the direct risks of the entity and those of the subsidiaries must be considered; and within the criteria of impact and probability, both operational and economic risks, as well as environmental and social, human rights and regulatory risks are considered. The national and international principles, directives and recommendations developed by "The

Committee of Sponsorship Organizations", COSO or another with similar characteristics are used as a guide.

In relation to the work of risk management, the Board of Directors has approved a "Compliance Risk Control System" whose objective is the search for regulatory compliance, and the contingencies that may derive from the violation of regulations, policies and procedures. Within this system, the delivery of information and development of training is contemplated, to all relevant personnel, about the policies implemented in this regard.

For its part, the Board of Directors has the Code of Ethics, which defines the principles and guidelines that should guide the actions of directors, which is updated annually.

Information available in the Compendium of Corporate Governance, (xii) Guidelines and Risk Management Policy of the company.



## Management and crisis management

The possible occurrence of emergencies with a major impact or crisis that may affect the company's critical processes –whether technological failures, events of natural origin or caused by third parties– is addressed by the risk management system through the Risk Management Plan. Incidents and Emergencies (PGIE), which establishes a general framework for reporting, dealing with, mitigating and communicating this kind of incident. Its guidelines, transversal to the entire organization, include:

Work structures and coordination to face a crisis.

- The alert levels that are activated according to defined operational criteria, which are approved by the National System for Disaster Prevention and Response (SINAPRED)
- The definition of roles, responsibilities and authorities.
- Communication with interested parties (authorities, clients, suppliers, among others).

In addition to coordinating the response to an event in progress, the model considers the post-crisis evaluation, in order to identify the causes that gave rise to the incident or emergency, its consequences and the application of possible improvements to minimize the impacts in case it returns. to happen.





## RISKS AND OPPORTUNITIES OF CLIMATE CHANGE

Within the framework of its sustainability strategy and comprehensive risk management, in 2022 Aguas Andinas began the process of integrating climate risks into its corporate risk management system, following the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

To this end, and through an external consultancy, the company carried out an initial exercise to identify risks associated with the climate and the opportunities that this scenario of changes opens up. The results will serve as input to continue building a climate risk assessment and management system and disseminate to the different interest groups how they are being addressed.

The risks associated with climate are those generated by climate change and that can cause direct or indirect impacts on a system (countries, cities, companies, ecosystems, etc.). The TCFD classifies them into two categories:

- **Risks related to the physical impacts of climate change.**

The potential negative impacts caused by climatic phenomena, including extreme events (acute risks) and changes in long-term patterns (chronic risks).

- **Risks related to the transition to a low carbon economy.**

Derived from the uncertainty associated with the efforts made by countries to reduce global greenhouse gas (GHG) emissions and keep the impacts of rising planetary temperatures to a minimum, as established in the Paris Agreement.

It is important to consider that climate risks are different from traditional ones: they are not seasonal, linear, or representable by historical data; instead, they have an uncertain temporality, are cumulative, gradual and depend on geographical characteristics. Therefore, they cannot be directly assessed using impact and probability.

Taking these characteristics into account, a methodology was structured that includes the following stages:

- **Identification of climate-related risks and determination of their magnitude and scope.**

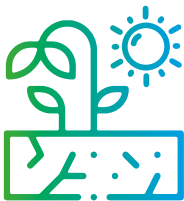
- **Integration of climate risks into the risk management system.**



# PHYSICAL RISKS

The identification of physical threats was based on the review of climate models, public information from companies with similar characteristics and guides published by TCFD and other entities. Based on this, an initial list of potential threats was prepared, which was then matched with the geographic location of Aguas Andinas assets to determine their local relevance. To calculate the magnitude, indicators were used to quantify the level of threat. Next, a workshop was organized with company collaborators, where some of the original risks were reformulated based on details made by the participants and new threats were raised.

**In this way, six relevant physical risks for the company were defined:**

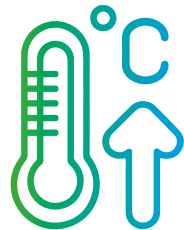


**Precipitation decrease**  
In the Metropolitan Region, a significant decrease in annual rainfall is expected according to projections. The impact of a dry year is reflected in the levels of the aquifers and flows of the rivers from which water is obtained. Furthermore, given the trend of recent years, future years are expected to remain dry.



**Prolonged drought**  
The availability of water is essential for the operations of Aguas Andinas.  
  
The current drought has already raised alerts to the organization. Its extension would have a significant impact since the continuity of the operation would depend on water reserves such as glaciers or aquifers.

It could cause possible cuts in the water supply due to less availability to be able to supply all the clients.



**Average temperature rise**  
In the province of Santiago, an increase in the average maximum temperature and average temperature is projected. The most direct impact is reflected in the water consumption by customers, since there is a direct correlation between the increase in temperature and water consumption. Currently there is a marked seasonal consumption, which may change in the future given the increase in temperature, causing greater consumption in winter and generating greater pressure on the system.  
  
Another impact is the melting of glaciers, since an increase in temperature would accelerate this process and could cause less water availability in the summer for future periods. Also, the sustained increase in temperature generates an elevation in the isotherm, which implies precipitation in the form of rain in increasingly higher mountainous areas, increasing the probability of turbidity events.



**Increase in heat waves**  
In the province of Santiago, a more than double increase in heat waves is projected.  
  
Although the infrastructure is designed to work in cases of high temperatures, if these are extended over time it would cause greater pressure in the system since the equipment would have to be operating in extreme conditions for longer. This implies an increase in the probability of a device failing, which in turn translates into an increase in the probability of a supply cut.

On the other hand, heat waves also accelerate the melting of glaciers, and can even cause landslides due to very accelerated melting. In addition to the impact that floodwaters would have on infrastructure and water quality due to turbidity, they could reduce water availability due to stagnation that would generate natural reservoirs, preventing the water from continuing its course to treatment plants.

Finally, heat waves could affect working conditions for its operators on the road, making it difficult to maintain wells and other facilities.



**Increase in heavy rain events**  
For the province of Santiago, the days of intense precipitation are expected to decrease compared to previous periods.  
  
Heavy rains generate problems in the collection system since obstruction problems are generated, which is where they are considered less prepared.

Also, episodes of intense rain can generate turbidity problems if the rain is accompanied by an increase in the isotherm.

Additionally, in the management of biosolids, they must go through a drying process that can be interrupted by these heavy rain events.

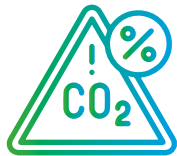


**Increased turbidity events**  
The increase in temperature causes an elevation in the isotherm, which consequently generates precipitation in the form of liquid water in increasingly higher areas of the mountain range. Recent years have seen an increase in the frequency and intensity of these events.  
  
Given the risk of cuts in the water supply due to the events described above, Aguas Andinas continues to work on increasing the resilience of its infrastructure, in addition to obtaining better forecasts.



# TRANSITION RISKS

For its identification, the consulting team used regulatory, industry and market background, as well as its own experience. A workshop was also held with Aguas Andinas collaborators, where the initial list of threats was reformulated and enriched with the contributions of the participants. To facilitate the discussion, the year 2030 was considered as the time horizon and a scenario where climate action is relevant.



## Increase in the value of the green (carbon) tax that affects the emissions of sanitation companies and other industries

The green tax that Chile set (of USD 5/t CO2) is well below the value necessary to comply with the Paris Agreement (between USD 50 and 100 by 2030). The Ministry of Social Development recently updated the price of these emissions used in the social evaluation of projects, raising it to around USD 32.5, which can be considered an indication that the green tax in Chile will increase, in addition to increasing the number of affected companies - including those belonging to the sanitation industry, such as Aguas Andinas.



## Weakening of the positive perception of customers and investors due to non-compliance with the climate action plan.

While not yet widespread practice, there is a record that investors are already considering the climate action performance of companies. According to a YouGob survey, 52% of executives say that their commitment to science-based targets has increased investor confidence and that, conversely, not having sustainable targets produces the opposite effect. Faced with this type of perception, Aguas Andinas adhered to the "Race to Zero" initiatives. To this end, an Emissions Reduction Plan by 2030 is underway in line with the Science Based Targets initiative (SBTi) in addition to a waste management plan, demonstrating its ambition in this matter.



## Changes in the tariff system that do not include the costs associated with compliance with climate commitments

Faced with tariff updates, there is a risk that the needs raised by the company are not considered, in terms of the relevance given to climate change mitigation. Given the commitments of Aguas Andinas to reduce its carbon footprint, reducing these emissions will entail significant investment in research, technology and infrastructure.



## Changes in the tariff system that do not include sufficient investments in resilient infrastructure

In a scenario where extreme weather events are on the rise, the SISS sets supply security goals together with each sanitation company, in order to reinforce resilience in the face of emergencies. In this context, in each tariff process, tables are generated where it is sought to incorporate the new demands of the health sector. However, there is a risk that the investment factor to deal with climate change is not considered with the necessary weight to meet infrastructure and resilience needs. Along these lines, Aguas Andinas must continue investing in new infrastructure to increase its resilience to weather events, in addition to evaluating more projects to optimize the use of water.



## Greater demands on the reduction of non-revenue water

According to the 2021 SISS health sector report, 33.1% of the drinking water produced in the country for urban sectors does not reach end users or is not invoiced. Although this percentage is in the medium range for the international context, it is higher than in other OECD countries, such as Poland, England and New Zealand. For this reason, the SISS has on its agenda to advance in the reduction of non-revenue water from sanitation companies and there is already a working group together with Andess Chile to define reduction goals in the medium term. In order to continue contributing to the responsible and sustainable use of the resource, the company has formulated plans to reduce losses in each of its systems.



## Need to diversify technologies and infrastructure for water purification

quantity and quality arises, which requires the search for new technologies to produce drinking water. International organizations such as the International Water Association recognize that the reuse of treated wastewater and desalination are essential for future consumption. However, globally it is observed that reuse remains marginal compared to desalination, which is currently widespread with more than 18,000 plants in 150 countries. While new purification methods are emerging, they still require testing and refinement.



## Changes in water administration, transferring responsibility towards basin management

As revealed by Fundación Chile's Water Scenarios 2030 initiative, 44% of water-related problems are due to the lack of an adequate regulatory framework for the integrated management of water resources, something that the current Water Code did not resolve. . In this scenario, the Central Government created an Inter-ministerial Committee for Just Water Transition, mandated to develop a road map on the matter. To date, there are already advances that propose starting with 16 integrated management pilots. Added to this, the GORE of the Metropolitan region plans to create, within a year, a provisional Basin Council whose decisions are binding.



## Opportunities

Efforts to mitigate and adapt to climate change also create opportunities for organizations. In the case of Aguas Andinas, the following opportunities have been identified to mitigate some identified risks:

### Resource efficiency

Improvements in water distribution infrastructure to reduce leaks and loss of network pressure for more efficient use and responsible for the resource.

Implementation of energy conservation measures in aeration processes and other stages of water treatment.



### Energy source

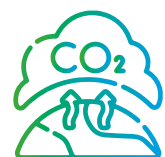
Use of sanitation infrastructure for the generation of hydro and solar energy with synergistic effects on the operation of the company.



### Market

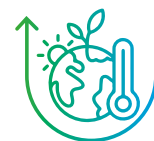
Provision of financing in collaboration with governments and financial entities for the development of infrastructure that improves resilience against climate change

Access to the carbon market through the sale of emission reduction certificates (offset) associated with projects that reduce emissions.



### Resilience

Promotion of plans for the creation of green infrastructure in the Santiago basin that allow the reduction or compensation of water consumption in the sector.





PARTICIPATION OF INTEREST GROUPS

The Stakeholders of subsidiaries sanitation were defined in a process agreed upon by the different areas of the company and validated by the Board of Directors. To manage the participation of all interest groups, the company has the Communications Management, which reports directly to the General Management.

Nº	Concerned parties	Subgroup	Needs	Expectations	Participation approach (form of communication)	Frequency	Communication channels
1	Customers	Commercial and industrial	Clients need the service to be 100% available and that it be of quality (drinking water suitable for human consumption and sewage collection), with the company having an Anti-Corruption Policy and a Crime Prevention Model, which allow, among other things, to prevent risks of corruption. Right to protection of personal data.	Consumers of the service expect that: <ul style="list-style-type: none"><li>• Service is delivered in a consistent and quality manner.</li><li>• Along with this, an effective resolution to problems in the delivery of the service.</li><li>• There is a customer service department and the necessary channels for handling complaints.</li><li>• Service interruptions are notified in advance and are resolved in the shortest possible time.</li><li>• Service charges are transparent and accurate, and in case of errors there are quick and effective solutions.</li><li>• Have alternative supply support in case of an incident (hospitals, dialysis centers and prisons, among others).</li><li>• Have general information about the policies of the Aguas Group, also considering those of the Compliance Management System, and particularly in relation to the Anti-Corruption Policy and Crime Prevention Model.</li><li>• Access to a confidential channel where they can make queries/ complaints regarding the behavior of the Aguas Group's workers, as well as suppliers and third parties in these matters.</li><li>• That the intervened infrastructure is left in safe physical conditions, being in optimal conditions. If work is carried out on public roads, it must be properly signposted and protected for safety.</li><li>• Integral protection of personal data recorded in files, records, data banks, or other technical means of data processing, whether public or private, intended to provide reports.</li></ul>	<ul style="list-style-type: none"><li>• Through the delivery service of Drinking Water, Collection and Treatment.</li><li>• Commercial Relationship.</li><li>•Attention of requirements through the Contact Center.</li><li>•Web platforms and Commercial Agencies.</li><li>•Access to the complaints channel and the information of the Compliance Management System through the institutional website.</li><li>•Perception and satisfaction surveys.</li><li>•Mass communications and by RRSS.</li><li>•Information on tickets.</li><li>• Information campaigns.</li></ul>	Monthly or according to customer requirements, in particular responding to those critics.	<ul style="list-style-type: none"><li>• Service channels available 24X7 (Contact Center, Virtual Office and Web platform).</li><li>• Communication in RRSS and by SMS (in cases of subscribed clients).</li><li>• Commercial Agencies.</li><li>• Customer service improvement program (Homeowners).</li><li>• Development of non-face-to-face customer service platforms.</li><li>• Easy-to-understand information on ballots.</li><li>• Informative videos</li><li>• Media and marketing communication</li><li>• Complaints channel on institutional website.</li></ul>
		Sensitive					
		Residential – people					
		Critical Clients					



Nº	Concerned parties	Subgroup	Needs	Expectations	Participation approach (form of communication)	Frequency	Communication channels
2	Suppliers / contractors	Critics	<p>Suppliers need the Aguas Group to carry out its functions on a regular basis, interacting with them with the parameters and guidelines that have been defined in the contracting of the service. They hope that the obligations of the Compliance Management System will be extended, always fulfilling their commitments in a timely manner and urging high standards of transparency. The contractual commitments must be in correlation to the Policies and Procedures that make up the Compliance Management System, and particularly the Crime Prevention Model and Anti-Corruption Policy.</p> <p>Stakeholders suppliers/contractors would expect to know the implications of not meeting, as well as the pertinent benefits and requirements of the Energy Management System for certified facilities, in order to meet their pertinent needs for energy performance and EMS .</p> <p>Be aware of the requirements in the field of information security that apply to it. Be aware of the Information Security Policies and Standards to which they must be aligned.</p>	<p>Critical suppliers expect you to:</p> <ul style="list-style-type: none"><li>• Maintain a constant operation of the services provided.</li><li>• Communicate and train on protocols for dealing with incidents in the organization.</li><li>• Communicate and train regarding roles, responsibilities and responsibilities within the delivery of the service and in the face of any incident.</li><li>• Deliver a prompt response to the incidents presented.</li><li>• Comply with the clauses agreed in the contract or other formal document signed by the parties.</li><li>• Transparent and equitable conditions.</li><li>• Timely payment and development opportunities.</li><li>• Be trained in anti-corruption matters.</li><li>• Access to a confidential channel for queries/complaints regarding the behavior of workers of the Aguas Group, as well as other suppliers and third parties in matters of integrity and compliance.</li><li>• That the infrastructure visited by our suppliers is in optimal conditions, so as not to suffer occupational accidents or contract occupational diseases as a result of entering our facilities and / or perform work for which the company has treated them.</li><li>• If necessary and according to the service provided, contractors and suppliers would expect the communication of relevant criteria for operation and maintenance, as well as procurement, to maintain or improve the energy and EMS performance of the organization. - Have information security requirements established and agreed with each supplier.</li></ul>	<ul style="list-style-type: none"><li>• Work meetings</li><li>• Supplier Portal.</li><li>• Active listening meetings.</li><li>• Satisfaction surveys.</li><li>• Mailing.</li><li>• Web platforms, including the Compliance section and Complaints System.</li><li>• Clear contracts with pre-established formal requirements, including those of the Crime Prevention Model, Anti-Corruption Policy and the existence of the Complaints Channel and the Energy Management System.</li><li>• The communication of the Energy Policy (as applicable).</li><li>• The communication of criteria for the evaluation of the energy performance in the acquisition of products, equipment, and services that use energy.</li></ul>	Permanent	<ul style="list-style-type: none"><li>• Communication through the Suppliers Portal.</li><li>• Decalogue of Suppliers.</li><li>• Relationship Policy.</li><li>• Responsible Area with Suppliers.</li><li>• Annual work program: Comprehensive Supplier Plan.</li><li>• Permanent meetings.</li><li>• Attention to accredited suppliers.</li><li>• Supplier Conference.</li><li>• Electronic Box gestionenergetica@aguasandinas.cl</li><li>• Complaints Channel on the institutional website</li></ul>
		Not critical		<p>Non-critical suppliers expect you to:</p> <ul style="list-style-type: none"><li>• Communicate and train regarding roles, responsibilities and self-responsibilities within the delivery of the service and in the face of any incident.</li><li>• Compliance with the clauses agreed in the contract or other formal document signed by the parties.</li><li>• Transparent and equitable conditions.</li><li>• Timely payment and development opportunities.</li><li>• Be trained in anti-corruption matters.</li><li>• Access to a confidential channel for queries/complaints regarding the behavior of employees of the Aguas Group, as well as other suppliers and third parties in matters of integrity and compliance.</li><li>• That the infrastructure visited by our suppliers is in optimal conditions, so as not to suffer occupational accidents or contract occupational diseases as a result of entering our facilities and / or perform work for which the company has treated them.</li><li>• In case it is necessary and according to the service provided, suppliers will wait for the delivery of energy-efficient operational premises to operate.</li></ul>			



Nº	Concerned parties	Subgroup	Needs	Expectations	Participation approach (form of communication)	Frequency	Communication channels
3	Workers and workers Grupo Aguas	Workers of regulated companies	Workers need to work in a functional and formal organization, in an environment that is safe for the development of their work and, mainly, have clarity and knowledge of what the companies of the Aguas Group expect and demand from them. behavior in matters of integrity and compliance. Both workers and Senior Management need to optimize the use of resources used. Any person who works under the control of the organization (external operators, suppliers and contractors are excluded), who need to optimize the use and consumption of energy.	The workers of Grupo Aguas expect a work environment that: • Is safe, constant and timely training according to the positions and equal opportunities. • Reliable evaluation and adequate recognition. • That the necessary communication channels exist and are known by the parties. • Functioning of a communication channel to the family in case of emergency. • That the organization has benefits that provide a better quality of life, health and safety. • Additionally, workers must have access to a channel where they can make complaints regarding the behavior of workers of the Aguas Group, as well as suppliers and third parties in matters of integrity and compliance, without fear of reprisals. • Training, which can be on the Compliance Management System and Energy Management, among others, as well as interaction with the area in a safe, transparent and confidential manner. • Specifically for the Committees and Boards of Directors: Information to be able to follow up and make proposals for improvements to the Policies, including those that integrate the Compliance Management System and Energy Management. The commitment of Senior Management is essential for compliance with the guidelines that the Aguas Group promotes.	• Internal campaigns. • Mailing. • Meetings. • Institutional stationery. • Interventions in work spaces. • Work meetings. • Formation of committees and participation groups. • Intranet and Social Networks. • Aguas Andinas website. • Training. • Periodic reports on the operation of the Management System, including Compliance. • Access to the Complaints Channel and Minisite of the Compliance Management System on the Intranet. • Reports and information SGE information: objectives, energy goals, energy policy, benefits of improving energy performance, impact of its activities and implications of not complying for the facilities certified with the ISO 50001:2018 Standard • E-mail reporting energy indicators • Employment contract.	Permanent Contingent/ Adhoc/ According to the procedures of the Management Systems (SGI)	Various media and platforms managed by the company, such as: • Digital communication. • Mailings and campaigns. • Meetings (online and face-to-face). • Communication interventions. • Audiovisual programs ("Interview with...") • Training. • Marketing and Social Networks. • Complementary information of public knowledge (media ). • Events. • Electronic Box gestionenergetica@aguasandinas.cl • Complaints Channel and Minisite of the Compliance Management System on the Intranet - Complaints Channel on the institutional website • Other instances.
		Workers of non-regulated companies					
		Joint Hygiene and Safety Committees	The Health and Safety Joint Committees need the Aguas Group to allow and provide the instances, facilities, means and any other requirement to carry out their activities.  In addition, they require that the agreements emanating from the committees be heard and respected by the company.	• Specifically for the subsidiaries: Comprehensive knowledge of the Policies and Procedures that make up the Compliance Management System, first because these are applicable to them and their behavior must be governed by such regulations, and second, because the development and strengthening of the culture of integrity in the Group is also the responsibility of all of them. This is why they require training, clear and permanent communication on everything related to the system, which must of course be easily accessible to all of them. • That in case of accidents they are attended in a timely manner. • That the company pays the contributions established in Law 16744 in order not to lose coverage in case of accidents at work and occupational diseases. • That the representatives of the Joint Committees have instances where they are heard and their decisions are taken into consideration by the company.			
		Union leaders	Union Leaders need to generate collaborative relationships between the parties, in a context of transparency of information and availability of dialogue with high authorities of the company, to generate agreements with the company that benefit both parties. Have clarity and knowledge of what the companies of the Aguas Group expect from workers and demand in their behavior in matters of integrity and compliance.				



Nº	Concerned parties	Subgroup	Needs	Expectations	Participation approach (form of communication)	Frequency	Communication channels
4	Authorities	Nationals	The national authorities need Aguas Andinas to comply with the guidelines defined in the documents that apply to the organization. This is very relevant because the Aguas Group is mainly made up of regulated companies, which are in constant relationship with the Administration public. In this sense, interaction with public officials must be carried out within the framework of transparency and respect for applicable laws and regulations on the matter.	<p>The Government expects that:</p> <ul style="list-style-type: none"><li>• The company complies with current legislation.</li><li>• Is aligned with government policies and the areas of national interest defined for its operation.</li><li>• Aguas Andinas carries out ethical behavior.</li><li>• The company carries out its operations according to the regulations stipulated for its operation.</li><li>• The different facilities of the company are inspected in order to ensure that the service is not affected.</li><li>• Reduce the impact of the incidents presented.</li><li>• The organization of compliance with the aspects regulations.</li><li>• Collaborative relations between the parties and contribution to local development.</li><li>• Response to emergencies.</li><li>• Access to a confidential channel where they can make inquiries/ complaints in relation to the behavior of workers of the Aguas Group, as well as suppliers and third parties in these matters.</li><li>-Improve cybersecurity and resilience of systems and data security for all Chileans.</li></ul>	<ul style="list-style-type: none"><li>•Consult and/or inform them about matters of interest through formal communication channels.</li><li>•Coordination in emergency situations.</li><li>•Visits to facilities.</li><li>•One-stop communication window through Rates Management and Regulation.</li><li>• Response to requirements.</li><li>•Direct communication.</li><li>• Meetings.</li><li>• Inspection visits.</li><li>•Participation in public activities.</li><li>•The Public Administration has access to the information of the Compliance Management System through the institutional website and access to the complaints channel.</li><li>•Meetings that are informed according to the Procedure for Interaction with Public Officials.</li><li>•Training.</li></ul>	Contingent / Permanent	<ul style="list-style-type: none"><li>•Participation in meetings.</li><li>•Participation in emergency committee and meetings.</li><li>•Development of management plans.</li><li>•Response to information requirements.</li><li>•Communication plan for the population.</li><li>•Early warning.</li><li>•Communication in the media and marketing.</li><li>•Complaints Channel on the institutional website.</li><li>-Exchange of relevant cybersecurity information.</li><li>•Information Security Incident Response Team.</li></ul>
		Regionals	The regional authorities need Aguas Andinas to comply with the guidelines defined in the documents that apply to the organization. This is very relevant because the Aguas Group is mainly made up of regulated companies, which are in constant relationship with the Administration. public. In this sense, interaction with public officials must be carried out within the framework of transparency and respect for applicable laws and regulations on the matter.	<p>The regional authorities expect that:</p> <ul style="list-style-type: none"><li>- The company is aligned to the Regional Policies and regional areas of interest defined for its operation.</li><li>- Maintain ethical behavior.</li><li>- Conduct its operations in accordance with the regulations stipulated for its operation.</li><li>- Decrease the impact of the incidents presented.</li><li>- Collaborative relationships between parties and contribution to local development. - Emergency response.</li><li>- Access to a confidential channel where they can make inquiries/ complaints regarding the behavior of workers, employees of the Aguas Group, as well as suppliers and third parties in these matters.</li><li>- Access to a confidential channel where they can make inquiries/ complaints regarding the behavior of workers, employees of the Aguas Group, as well as suppliers and third parties in these matters.</li></ul>			



Nº	Concerned parties	Subgroup	Needs	Expectations	Participation approach (form of communication)	Frequency	Communication channels
4	Authorities	Communal	<p>The community authorities need Aguas Andinas to comply with the guidelines defined in the documents that apply to the organization.</p> <p>This is very relevant because the Aguas Andinas Group is mainly made up of regulated companies, which are in constant relationship with the Public Administration. In this sense, interaction with public officials must be developed within the framework of transparency and respect for the laws.</p> <p>of transparency and respect for the laws and regulations applicable to the matter.</p>	<p>The community authorities expect that:</p> <ul style="list-style-type: none"> <li>• The company is aligned with communal policies.</li> <li>• Maintain ethical behavior.</li> <li>• Conduct its operations in accordance with the regulations stipulated for its operation.</li> <li>• Reduce the impact of incidents.</li> <li>• Collaborative relationships between parties and contribution to local development. - Generate Shared Value in communities surrounding plants and facilities (local development opportunities).</li> <li>• Generate opportunities for dialogue and relationship, to maintain a lasting relationship over time.</li> <li>• Emergency response.</li> <li>• Access to a confidential channel where they can make inquiries/ complaints regarding the behavior of workers, workers of the Aguas Group, as well as suppliers and third parties in these matters.</li> </ul>	<ul style="list-style-type: none"> <li>• Consulting and/ or informing them about matters of interest through formal communication channels.</li> <li>• Coordination in emergency situations.</li> <li>• Visits to facilities. -One-stop communication window through the Tariff and Regulation Management.</li> <li>Regulation.</li> <li>• Response to requirements. • Direct communication.</li> <li>-Meetings.</li> <li>• Surveillance visits.</li> <li>-Participation in public activities.</li> <li>• The Public Administration has access to the information of the Compliance Management System through the institutional website and access to the complaints channel. -Meetings that are reported in accordance with the Procedure for Interaction with Public Officials.</li> <li>• Training.</li> </ul>	Contingent / Permanent	<ul style="list-style-type: none"> <li>• Participation in meetings.</li> <li>• Participation in emergency committees and meetings.</li> <li>• Development of management plans.</li> <li>• Response to information requests.</li> <li>• Communication plan for the population.</li> <li>• Early warning.</li> <li>• Communication in media and marketing.</li> <li>• Complaints channel on institutional web.</li> <li>• Exchange of relevant cybersecurity information.</li> <li>• Computer Security Incident Response Team.</li> </ul>
		Regulators and fiscalizers	<p>Regulators and overseers need Aguas Andinas to comply with the guidelines defined in the documents that apply to the organization.</p> <p>This is very relevant because the Aguas Andinas Group is mainly made up of regulated companies, which are in constant relationship with the Public Administration. In this sense, interaction with public officials must be developed within the framework of transparency and respect for the laws.</p> <p>of transparency and respect for the laws and regulations applicable to the matter.</p>	<p>The auditing entities expect, mainly, timely and truthful information whenever requested, in addition to ensuring compliance under the standards that each one supervises. -Regulatory compliance.</p> <ul style="list-style-type: none"> <li>• Resilience/operational continuity. -Impact management.</li> <li>• Investments.</li> <li>• Management of communication to the population.</li> <li>Communication management to the public.</li> <li>• Customer complaints.</li> <li>• Compensations.</li> <li>• SEREMI requires that: To be informed every time a fatal or serious accident occurs. The SEREMI is required to answer information requested in case of inspection, within the required deadlines.</li> <li>• Access to a confidential channel where they can make inquiries/ complaints regarding the behavior of workers, workers of the Aguas Group, as well as suppliers and third parties in these matters.</li> </ul>			
		Emergency services	<p>The emergency services need incidents to be reported as soon as possible and all the necessary information to be provided.</p> <p>This is very relevant because the Aguas Andinas Group is mainly made up of regulated companies, which are in constant relationship with the Public Administration. In this sense, interaction with public officials must be developed within the framework of transparency and respect for the laws of transparency and respect for the laws and regulations applicable to the matter.</p>	<p>Emergency services expect Aguas Andinas:</p> <ul style="list-style-type: none"> <li>• to report incidents in the shortest possible time.</li> <li>• to provide all required information.</li> <li>• to support in cases where additional resources are required.</li> <li>• to maintain defined protocols to deal with incidents.</li> <li>• to have instances of coordination and work on existing protocols.</li> <li>• to access to a confidential channel where they can make inquiries/ complaints regarding the behavior of workers, workers of the Aguas Group, as well as suppliers and third parties in these matters.</li> </ul>			



Nº	Concerned parties	Subgroup	Needs	Expectations	Participation approach (form of communication)	Frequency	Communication channels
5	Capital providers	Matrix		Shareholders, Creditors / Bondholders expect that: <ul style="list-style-type: none"><li>• The company increases its value and its growth in the short and long term. Profitability.</li><li>• The organization is in optimal conditions so as not to be affected by the decrease in the value of the company. Importance of risk management and transparency of management in general.</li><li>• Investments.</li><li>• Financial performance.</li><li>•Corporate governance practices.</li><li>•Risk management.</li><li>•Transparency.</li><li>•ESG Performance.</li><li>•Access to a confidential channel where they can make inquiries/ complaints regarding the behavior of workers of the Aguas Group, as well as suppliers and third parties in matters of integrity and compliance.</li></ul> Regarding OHS: <ul style="list-style-type: none"><li>• That there is a stability of investment, considering occupational health and safety as one of the axes that contribute to such stability.</li><li>• Promote a decrease in rates of accidents at Grupo Aguas level.</li><li>• Reduce additional contributions for compulsory insurance established by Law.</li><li>• New sustainable energy business models.</li><li>• Protect the value assets of the organization from loss of integrity , availability and confidentiality.</li></ul>			
		Majority shareholders (controller)	The shareholders need the business to be profitable, with an acceptable financial return, lasting over time and a sustained increase in the value of the company. Likewise, shareholders must have information about the Policies and Procedures that the Company implements to prevent risks of corruption. Decrease in operating costs and maintenance/improvement of energy performance and EMS results. Timely and transparent information. Fulfillment of commitments established with international organizations (SDG).		Communication through market information. Direct information via audits of the Head Office or periodic reports on the performance of the company. Access to the complaints channel and the information of the Compliance Management System through the institutional website.	Annual/ Contingent/ Ad-hoc	<ul style="list-style-type: none"><li>•Investor web page.</li><li>•Meetings and ad-hoc calls.</li><li>•Investor relations area.</li><li>• Shareholders' meeting.</li><li>•Annual Report.</li><li>•Integrated Report.</li><li>•Local and international conferences.</li><li>•Access to Complaints Channel.</li><li>•Internal Audits of the Parent Company.</li></ul>
		Minority shareholders					
6	Communities	Neighboring Communities to PA Sanitation Facilities and Infrastructure		The communities neighboring plants and facilities expect that Aguas Andinas: <ul style="list-style-type: none"><li>• Ensures the quality of life in the sectors surrounding the plants and facilities.</li><li>•Reduce the impact of incidents that may affect them.</li><li>•Support community development in the towns surrounding the plants and facilities (local development opportunities).</li><li>•Generate opportunities for dialogue and relationships, to maintain a lasting relationship over time.</li><li>•Have certifications that ensure the quality of service and care for the environment.</li><li>•There is a communication channel and the corresponding flows.</li><li>•The impact of incidents that may affect them in health and safety matters is eliminated or reduced.</li><li>•Access to a confidential channel where they can make inquiries/ complaints in relation to the behavior of workers in theGrupo Aguas, as well as suppliers and third parties in matters of integrity and compliance.</li></ul>			
		Communities Neighboring AS Sanitation Facilities and Infrastructure	Neighboring communities need the facilities to comply with the fundamental requirements to protect the care of the environment and the quality of life of the surrounding parties, with the company having an Anti-Corruption Policy and a Crime Prevention Model, which allow among other things prevent corruption risks.		Communication/impact management, local development projects. This is done through direct territorial contact or through segmented campaigns. Access to the complaints channel and Compliance Management System information through the institutional website.	Daily, monthly, fortnightly. Some communications regulated by RCA.	<ul style="list-style-type: none"><li>• Aló Vecino.</li><li>• Work tables.</li><li>•Community relationship programs.</li><li>•Direct door-to-door communication.</li><li>•Segmented communication campaigns.</li><li>•Channel for Complaints on the institutional website.</li></ul>
		Neighborhood associations, sports clubs, other neighborhood associations					



Nº	Concerned parties	Subgroup	Needs	Expectations	Participation approach (form of communication)	Frequency	Communication channels
7	Water user associations	Canal Associations	The Canal Associations need an effective operation and distribution of the water supply, for the benefit of all the agents that depend on the intervened channels. Counting, the company, with an Anti-Corruption Policy and a Crime Prevention Model, which allow, among other things, to prevent risks of corruption.	<p>The associations of water users expect that Aguas Andinas:</p> <ul style="list-style-type: none"><li>• Complies with the operating requirements.</li><li>• Ensures the quality of the service and care for the environment.</li><li>• There is a channel and corresponding communication flows.</li><li>• Ensures the water supply for all those who "benefit" or depend on the intervened channels.</li><li>• Water management in general: discharges of treated water, water quality, water extraction, availability of the resource.</li><li>• Support community development in the towns surrounding the plants (local development opportunities).</li><li>• Access to a confidential channel where they can make inquiries/ complaints in relation to the behavior of the workers of the Aguas Group, as well as suppliers and third parties in matters of integrity and compliance.</li></ul>	<p>Work meetings and constant communication to review main topics of common interest.</p> <p>Access to the complaints channel and the information of the Compliance Management System through the institutional website.</p>	Periodically/ Contingent	<p>Report of discharges to bodies of water.</p> <ul style="list-style-type: none"><li>• Report of water collection.</li><li>• Reserve monitoring.</li><li>• Follow-up and coordination meetings.</li><li>• Complaints Channel on the institutional website.</li></ul>
		Hydroelectric users	Hydroelectric entities need constant and regular flow of water for electricity generation. Counting, the company, with an Anti-Corruption Policy and a Crime Prevention Model, which allow, among other things, to prevent risks of corruption.				
		Surveillance Boards	The Surveillance Boards need an effective functioning of the water supply. Counting, the company, with an Anti-Corruption Policy and a Crime Prevention Model, which allow, among other things, to prevent risks of corruption.				
		Surveillance Boards and Canal Owners Associations downstream of the Aguas Andinas Biofactories	It needs an effective operation of the water supply, for the benefit of all the agents that depend on the intervened channels. Counting, the company, with an Anti-corruption Policy and a Crime Prevention Model, which allow, among other things, to prevent corruption risks.				
8	Civil society associations	Environmental/ Social/Ethical Organizations	Organizations need good compliance with the specialized rules of their management. Counting, the company, with an Anti-Corruption Policy and a Crime Prevention Model, which allow, among other things, to prevent risks of corruption.	<p>The organizations expect Aguas Andinas to:</p> <ul style="list-style-type: none"><li>• Comply with the operating requirements.</li><li>• Ensure the quality of the service and care for the environment.</li><li>• Access to a confidential channel where they can make inquiries/ complaints regarding the behavior of the workers of the Aguas Group, as well as suppliers and third parties in matters of integrity and compliance.</li></ul>	<ul style="list-style-type: none"><li>• Respond to their requirements.</li><li>• Communicate the company's actions to provide a better service.</li><li>• Possibilities of joint initiatives.</li></ul>	Circumstantial	<p>Publications in the mass media.</p> <ul style="list-style-type: none"><li>• Personalized response according to the requirement.</li><li>• Direct interaction.</li><li>• Customer Counsel if necessary.</li><li>• Joint work projects to provide Shared Value (meetings, coordination, contributions, among other related activities).</li><li>• Complaints Channel on the institutional website.</li></ul>
		Consumer Association	These organizations need to generate collaboration agreements that make it possible to address issues that are relevant to the country. They require timely, transparent and traceable information regarding various aspects of companies such as energy. Counting, the company, with an Anti-Corruption Policy and a Crime Prevention Model, which allow, among other things, to prevent risks of corruption.	<p>The Consumer Association expects Aguas Andinas to:</p> <ul style="list-style-type: none"><li>• Comply with operating requirements.</li><li>• Ensure service quality and care for the environment.</li><li>• There is a channel and corresponding communication flows.</li><li>• Support community development in the towns surrounding the plants. (local development opportunities).</li><li>• Ensure water supply for all who "benefit" or depend on the intervened channels.</li><li>• Access to a confidential channel where they can make inquiries/ complaints in relation to the behavior of the workers of the Aguas Group, as well as suppliers and third parties in matters of integrity and compliance.</li></ul>			
		Foundations and NGOs	These organizations need to generate collaboration agreements to address issues relevant to the country. They require timely, transparent and traceable information regarding the various aspects of companies such as energy. The company has an Anti-Corruption Policy and a Crime Prevention Model, which allow, among other things, to prevent corruption risks.	<p>These organizations need to know information, Policies and Procedures that the Company is implementing to prevent risks in different areas, including Compliance.</p> <p>They require transparent and traceable information regarding the various aspects of companies such as energy.</p> <ul style="list-style-type: none"><li>• Access to a confidential channel where they can make inquiries/ complaints in relation to the behavior of the workers of the Aguas Group, as well as suppliers and third parties in matters of integrity and compliance.</li></ul>			



Nº	Concerned parties	Subgroup	Needs	Expectations	Participation approach (form of communication)	Frequency	Communication channels
9	Mass media	Specialized press  Media	The media need clear and timely information to be delivered	<p>The media expect Aguas Andinas to:</p> <ul style="list-style-type: none"> <li>• Generate communication instances when necessary, in attractive and reproducible formats, tailored to the nature of each medium.</li> <li>• Be available to answer queries, especially in contingencies. Issues recurring: <ul style="list-style-type: none"> <li>• Operational continuity / resilience.</li> <li>• Investments.</li> <li>• Projects (investment, social, environmental, energy management).</li> <li>• Development of works.</li> <li>• Preparation of the company for climatic events.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Proactive and direct communication (phone, face to face, e-mail).</li> <li>• Meetings.</li> <li>• Sending press releases.</li> <li>• Visits to plants and other facilities.</li> </ul>	Periodic, contingent	<ul style="list-style-type: none"> <li>• Sending of communications.</li> <li>• Response to requirements.</li> <li>• Development of meetings.</li> <li>• Invitation to events/seminars.</li> <li>• Development of management plans for climatic events and to mitigate environmental and social impacts.</li> <li>• Mass Media.</li> </ul>
10	Leaders of opinion	Leaders of opinion	Opinion leaders need to take a position in relation to the work of Aguas Andinas, especially in situations of public interest.	<p>Opinion leaders expect access to correct, sustained and timely information on the work of Aguas Andinas, in order to maintain their position, or change it. Recurring themes:</p> <ul style="list-style-type: none"> <li>• Operational continuity/resilience.</li> <li>• Ability to deal with emergencies.</li> <li>• Financial position.</li> <li>• Labor practices.</li> <li>• Environmental practices.</li> <li>• Development of activities of citizen interest.</li> </ul>	<ul style="list-style-type: none"> <li>• Keep them informed of matters of interest to them.</li> <li>• Direct communication (face-to-face meetings, telephone conversations, e-mail).</li> <li>• Invitation to events.</li> </ul>	Periodic, contingent	<ul style="list-style-type: none"> <li>• Direct communication.</li> <li>• Invitations.</li> <li>• Development of management plans.</li> <li>• Delivery of specialized and detailed information.</li> </ul>
11	Specialized Entities	Institutions of Higher Education (Universities)  Research Centers - Thought  International Organizations, Trade Associations and Multilateral Organizations	<p>The specialized institutions need Aguas Andinas to support their agreements, to have common development and to ensure the rights and interests of the companies that provide Sanitation Services. Trade associations ensure the rights and interests of the companies that provide Sanitation Services. Counting, the company, with an Anti-Corruption Policy and a Crime Prevention Model, which allow, among other things, to prevent risks of corruption. In general, they require all those efforts that contribute to Sustainable Development and the creation of Shared Value.</p>	<p>The specialized entities expect that Aguas Andinas:</p> <ul style="list-style-type: none"> <li>• Is committed to caring for the environment.</li> <li>• There is a channel and corresponding communication flows.</li> <li>• Support the development of studies related to research and innovation.</li> <li>• Create alliances with study centers to train their workers. Main topics: <ul style="list-style-type: none"> <li>• Innovation.</li> <li>• Development of human capital.</li> <li>• Water management.</li> <li>• Regulations.</li> <li>• Industry challenges.</li> <li>• Climate change (reduce its effects and resilience).</li> <li>• Contribution to reducing the Carbon Footprint.</li> <li>• Continuous improvement of the sustainable management of the Dow Jones Sustainability Index (DJSI) companies.</li> <li>• Access to a confidential channel where they can make queries/complaints in relation to the behavior of the workers of the Aguas Group, as well as suppliers and third parties in matters of integrity and compliance.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Participation/Support in events (seminars, workshops, talks).</li> <li>• Consultations for issues that involve the industry.</li> <li>• Access to the complaints channel and the information of the Compliance Management System through the institutional website.</li> </ul>	Periodic, short-term	<ul style="list-style-type: none"> <li>• Organization and participation in seminars, talks and workshops.</li> <li>• Facilitation of information.</li> <li>• Request for advice.</li> <li>• Complaints Channel if necessary.</li> <li>• Respond to Surveys and ensure the traceability of the information.</li> <li>• Integrated report.</li> <li>• Joint work projects to provide Shared Value (meetings, coordination, contributions, among other related activities).</li> <li>• Complaints Channel on the institutional website.</li> </ul>



Director skills matrix

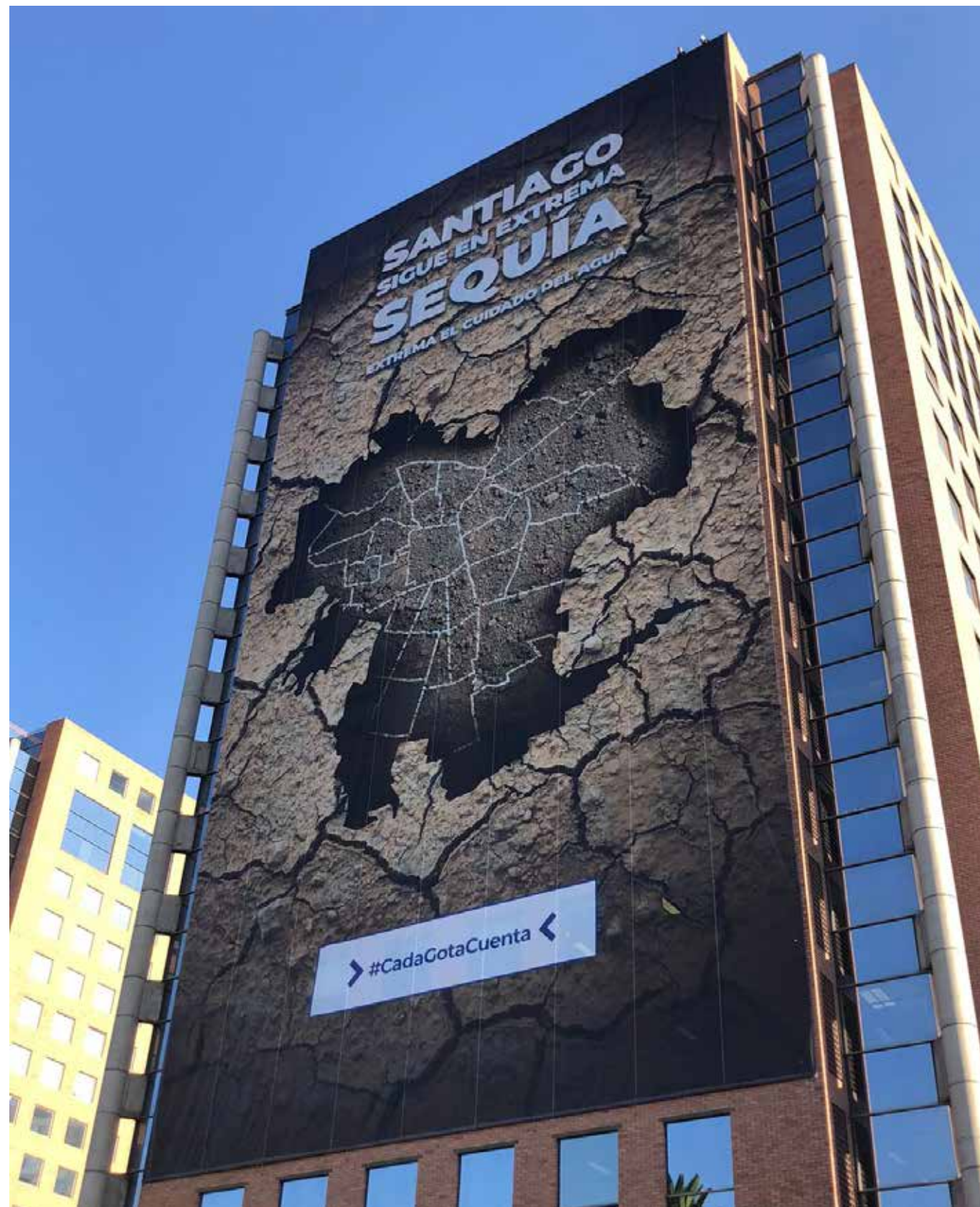
Post	Name	Environmental	Social	Governance	Sanitation industry	Communication and marketing	Finance and risks
Regular Directors	FELIPE LARRAIN ASPILLAGA	•		•	•		•
Regular Directors	ALBERTO MUCHNICK MLYNARZ			•	•		•
Regular Directors	HERMAN CHADWICK PIÑERA		•	•	•	•	•
Regular Directors	IGNACIO GUERRERO GUTIERREZ			•	•		•
Regular Directors	RODRIGO AZÓCAR HIDALGO		•	•	•		•
Regular Directors	HERNÁN CHEYRE VALENZUELA			•	•		•
Regular Directors	LUIS ENRIQUE ALAMOS OLIVOS			•	•		•
Alternate Directors	COSME SAGNIER GUIMÓ			•	•		•
Alternate Directors	HUGO SILVA	•		•	•		•
Alternate Directors	ANDRÉS MUCHNICK CRUZ			•	•		•
Alternate Directors	NARCISO BERBERANA SÁENZ	•		•	•		•
Alternate Directors	CARLOS MLADINIC ALONSO			•	•	•	•
Alternate Directors	MARÍA JOSÉ UAUY		•	•	•		•
Alternate Directors	RODRIGO CASTRO FERNÁNDEZ	•		•	•		•



## Overview

Identification of the company  
Business model  
Sanitation regulation  
NCG 461 Index





## IDENTIFICATION OF THE COMPANY

**Name:** Inversiones Aguas Metropolitanas SA

**Legal address:** Av. Apoquindo N° 4800, Tower II, 20th floor, Las Condes, Chile.

**RUT:** 77.274.820-5

**Phone:** (56-2) 2739 6600

**Email:** investor@aguasmetropolitanas.cl

**Turnover:** Investment in shares of the Chilean corporation called Aguas Andinas SA; and the provision of all kinds of advice, consultancy and services related to the transfer of technology and know-how, technical assistance, business and project administration, especially those related to the management and operation of businesses related to the health sector.

### Registration in the Securities Registry:

No. 0912, dated August 19, 2005.

### Stock Information

Stock code

**Unique series:** IAM

### Shareholder Information

Central Securities Depository

**Address:** Av. Los Conquistadores 1730 24th floor, Providencia, Chile.

**Telephone:** (56-2) 2393 9003

## Legal constitution of the company

The company was incorporated by public deed dated May 19, 1999, granted in the Santiago Notary Public of Mr. Juan Ricardo San Martín Urrejola. An extract of it was registered on page 11,226, No. 9,027, in the Commercial Registry of the Santiago Real Estate Registrar for the year 1999, and was published in the Official Gazette on May 22, 1999.

The corporate bylaws have been subject to various modifications, among which the statutory reform that is recorded in a public deed dated July 15, 2005, granted in the Santiago Notary of Mr. Iván Torrealba Acevedo, through which its partners agreed, to Pursuant to articles 96 and following of Law No. 18,046, on Public Limited Companies, change the type or social type of the company, transforming it into a public limited company, legal continuation of its legal personality.

An extract of this modification was registered on page 25,668, No. 18,587, in the Commercial Registry of the Santiago Real Estate Registrar for the year 2005, and was published in the Official Gazette on July 25, 2005.

# Sustainable and resilient business model

## Business context

Aguas Andinas operates in a highly challenging context. On the one hand, it has to deal with an increasingly scarce water resource, extreme weather events that affect the production of drinking water, and on the other, it must satisfy increasingly demanding customers and communities that are less tolerant of non-compliance in the supply of services, even if they are not the company's responsibility.

### Aguas Andinas' response to a challenging environment

Context	Challenges	How to approach
<ul style="list-style-type: none"><li>• Drought of more than 13 years</li><li>• Regulatory risks</li><li>• Complex economic scenario</li><li>• Demographic expansion: more than 8 million inhabitants</li><li>• Social changes</li></ul>	<ul style="list-style-type: none"><li>• Adapting to the climate crisis and its effects on service: water availability and turbidity</li><li>• Disseminate to the community the activities of Aguas Andinas and its socio-environmental contributions</li></ul>	<ul style="list-style-type: none"><li>• Investments in infrastructure</li><li>• Studies on the climate crisis</li><li>• New ways of working</li><li>• Communication plan</li><li>• Risk management and transformation plan</li></ul>

## Regulatory framework

The company operates in strict compliance with the legislation and regulations in force in Chile. The Superintendencia de Servicios Sanitarios (SISS) <sup>1</sup> is responsible for overseeing the level of service provided and acts as a counterpart in the tariff regulation process.

The main legal bodies that govern the operation of the sector and the sanitation companies are:

- General Law of Sanitation Services (DFL MOP 382 of 1988) and its regulation (DS MOP 1199/2004): Contains the main provisions that regulate the concession regime and the activity of sanitation service providers.
- Sanitation Services Tariff Law (DFL MOP 70 of 1988) and its regulation (DS MINECON 453 of 1989): Establishes the provisions governing the setting of drinking water and sewerage rates and reimbursable financing contributions.
- Law creating the Superintendency of Sanitation Services (Law 18,902 of 1990): Establishes the functions of the SISS.
- 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): Establishes a subsidy for the payment of potable water and sewerage consumption for low-income customers.

## Tariff process

Tariffs are set every five years through a process involving the company and the regulator. This process is carried out objectively according to a technical model that considers the determination of the total long-term cost of a model company. The procedure also contemplates updates linked to variations of polynomials integrated by the CPI, IPBI and IPPIM indexes.

In the reported period, the cost of services paid by customers was governed according to the provisions of the Seventh Tariff Process 2020-2025, concluded on November 14, 2019, and which determined a reduction of 3% to the tariffs of Aguas Andinas and 1.5% to those of Aguas Cordillera and Aguas Manquehue. Additionally, for Aguas Andinas and Aguas Cordillera additional values were established for future works, which are applied when these enter into operation.

Additional tariffs			
	Work	Increase	Application
Aguas Andinas	Achieve autonomy of 34 hours in extreme turbidity events	1,7%	April 2020
	Reach an autonomy of 37 hours	0,6%	November 2022
	Achieve 48-hour autonomy	0,8%	(*)
	Nitrate removal in La Farfana plant	0,5%	April 2021
	Nitrate removal at Trebal plant	0,8%	April 2022
Aguas Cordillera	Drying encapsulation term at El Rital	0,3%	(*)
	12 hours of autonomy	3,2%	September 2021
	Electrical backup of wells and plants	0,8%	(*)
	Installation of meters	0,2%	(*)

<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 Ministry of Public Works.

(\*) Application of the tariff will be made when the works start operating.

The current tariff in Santiago is one of the lowest of all the country's regional capitals, according to SISS data. This is achieved without the help of state subsidies.

# Sanitation Regulation

The Chilean sanitation industry is governed by a set of laws and regulations. The main legal bodies are:

**General Sanitation Services Law (DFL MOP No. 382 of 1988).** It contains the provisions that regulate the concession regime and the activity of health service providers.

**Regulation of the General Sanitation Services Law (DS MOP No. 1199/2004, published in November 2005).** Establishes the regulatory norms that allow the application of the General Sanitation Services Law (replaces DS MOP No. 121 of 1991).

**Sanitation Services Tariff Law (DFL MOP No 70 of 1988).** It contains the provisions that regulate the fixing of potable water and sewerage rates and the reimbursable financing contributions.

**Regulation of the Sanitation Services Tariff Law (DS MINECON No 453 of 1990).** It contains the regulations

that allow the application of the Sanitation Services Tariffs Law, including the methodology for calculating tariffs and administrative procedures.

**Law that creates the Superintendence of Sanitation Services (Law No. 18,902 of 1990).** Sets the functions of this service.

**Subsidy Law for the payment of drinking water consumption and sewage service (Law No. 18,778 of 1989).** Establishes a subsidy for the payment of drinking water and sewerage consumption.

**Regulation of the Subsidy Law (DS Hacienda No 195 of 1998).** Contains the regulatory provisions for the application of the Subsidy Law.

**DS MOP No. 214/05, Regulation of Article 67 of the General Law of Sanitation Services.** Establishes the requirements for public bidding processes, which are required by health providers.



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2.2	Historic information		10
2.3.1	Control situation		14
2.3.2	Major changes in ownership or control		14
2.3.3	Identification of partners or majority shareholders		14
	i. Description of the series of actions: If there are series of shares, you must describe the characteristics of each of them and the validity terms of the corresponding preferences		13
	ii. Dividend Policy: The dividend and/or profit distribution policy must be explained, as appropriate, that the entity's administration intends to follow for the next 2 years		64
	iii. Statistical information.		
2.3.4	Shares, their characteristics and rights	a. Dividends: In relation to distributed dividends, if they exist, the amount paid for interim and final dividends must be indicated, and what part corresponds to the profit of the year and retained earnings from previous years. Additionally, a statistic of the dividends paid per share in the last three years must be included, breaking down the information by series of shares, if applicable.	65
		b. Exchange transactions: The stock exchanges in which the entity lists its shares must be identified and, for each market, understood as the jurisdictions in which its shares are listed, a summary table indicating for the last year and quarterly, information regarding price, stock market presence, volume and amounts traded.	66
		c. Number of shareholders: The total number of registered shareholders at the end of the annual period must be reported. In the event that one or more securities deposit and/or custody companies referred to in Law No. 18,876 are among the shareholders, the determination of the total number of shareholders will be made by adding those that appear in the shareholder register of the company and those that appear on the list that corporations must form and maintain in accordance with article 26 of the aforementioned Law, for each one of the shareholders.	13
2.3.5	Other securities		
3. Corporate Governance			Página
	i. How the entity seeks to guarantee and evaluate the proper functioning of its corporate governance.		70
	ii. How the entity integrates a sustainability approach in its business; in particular, how the entity incorporates environmental matters (especially climate change), social issues and respect for human rights, in the different evaluation processes and strategic definitions, and how the entity defines the units or managers in charge these subjects.		26, 27, 28, 29, 30, 31, 32, 35, 81, 83
3.1	Governance framework	iii. How the entity detects and manages the conflicts of interest it faces, conducts that could affect free competition and fair competition, and how corruption, money laundering and terrorist financing are prevented. How the entity detects and manages conflicts of interest that it faces, the conducts that could affect free competition and fair competition, and how to prevent corruption, money laundering and financing of terrorism.	79
		iv. How the entity deals with and addresses the interests of its main stakeholders, at least identifying them and pointing out the activities of the entity that have a direct impact on those groups.	90-97
		v. How the entity promotes and facilitates innovation and whether it allocates corporate resources to Research and Development.	30
		vi. How the entity detects and reduces organizational, social or cultural barriers that could be inhibiting the diversity of capacities, conditions, experiences and visions that, without these barriers, would have occurred naturally in the organization.	33, 72, 77
		vii. How the entity identifies the diversity of capacities, knowledge, conditions, experiences and visions that all those who perform functions at the different levels of the organization must have and what are the hiring policies in order to achieve and preserve that diversity.	15-17, 34, 77, 78

3. Corporate Governance		Page
3.2	Board	i. The identification of each one of its members indicating: the date of their appointment or last re-election as well as their cessation of office when appropriate and including their profession or trade if they hold the status of president or vice president and when appropriate, if their quality of director is titular or alternate
		15 -16
		ii. The income of its members as a result of their work on the Board of Directors, identifying the origin of the same and presented in comparative terms with the exercise of the previous year. For these purposes, the remuneration must be separated, distinguishing whether it is fixed income (for example, attendance fees), from variables, which may come from functions or jobs in the same entity other than the exercise of their position or for concept representation expenses, travel expenses, royalties and, in general, any other stipend.
		75
		iii. A description of the policy that has been implemented for the hiring by the Board of experts to advise it on accounting, tax, financial, legal or other matters. Along with the above, the total amount disbursed for consultancies contracted by the Board of Directors must be reported. Regarding the services contracted with the auditing firm in charge of the audit of financial statements, as well as with other entities that, due to their amount, are estimated to be relevant with respect to the annual budget of the Board of Directors, mention must be made of the identity of those hired, the amount paid and the type of services contracted. If it is not appropriate, it must be expressly indicated
		70
		iv. A matrix of knowledge, skills and experience of the members of the Board of Directors.
		98
		v. A description of the procedures or mechanisms that have been implemented for the induction of new members, indicating the most relevant matters that it has been determined they should know and understand.
		70
		vi.The frequency with which it meets with the risk management, internal audit and social responsibility units, or with the persons responsible for equivalent functions and with the external audit firm in charge of auditing 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
		70
		vii. A description of how, and with what periodicity, issues related to environmental and social matters are reported, especially regarding climate change, and if these matters are included when debating and adopting strategic decisions, business plans or budgets, among others.
		70
		viii. If the Board of Directors in plenary or any of its members has made field visits during the year to the different dependencies and facilities of the entity, in case the entity has these, to know aspects such as: the status and operation of these dependencies and facilities, the main functions and concerns of those who work there, the recommendations and improvements that, in the opinion of those responsible for those units and facilities, it would be pertinent to make to improve their operation. In addition, it should disclose whether if the general manager or other senior executives participate in these activities.
		70
		ix. 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 periodicity with which this performance is evaluated and reviewed and update those procedures, and referring in particular to: a.The detection of those areas in which its members can be trained, strengthened and continue to improve, pointing out the subjects that are considered most relevant for the purposes of a continuous updating of knowledge. b.The detection and reduction of organizational, social or cultural barriers that could be inhibiting the natural diversity of capacities, visions, characteristics and conditions that would have occurred in its composition if these barriers did not exist. c. If you consider the eventual hiring of an expert outside the company for the evaluation of the performance and operation of the board of directors, in addition to the detection and implementation of possible improvements or areas of strengthening
		70
		x. Notwithstanding the legal obligations, if it expressly contemplates the determination of the minimum number of ordinary meetings, the minimum average time spent in person and remotely to them and the advance notice with which the summons and the necessary background information must be sent for the proper performance of those, 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 dealt with.
		70
		xi. If it expressly contemplates the change, if appropriate, of its internal organization and operation in case of contingency or crisis situations, with a business continuity plan.
		In the event of a contingency or crisis situations the IAM Board of Directors calls for an Extraordinary Board of Directors.
		xii. If you have an information system that allows each member to access, securely, remotely and permanently, to: a.The minutes and documents kept in view for each Board meeting, or equivalent, indicating the temporal extension of the historical record of such minutes and documents. b.The minutes or document that synthesizes all the matters that will be dealt with in each session and the other information that will be presented in the same or additional ones necessary for its preparation, all of the above without prejudice to the legal obligations regarding the deadline for sending the content of the subpoenas. c.A reporting system or channel that has been implemented. d.To the final text of the minutes of each session, indicating the term after the respective session in which said minutes are available for consultation.
		70, 79



SECTION	INDICATOR	COMMENT	PAGE
3.2	Board	xiii. Regarding the formation of the Board of Directors, the following must be reported:	
		a. The total number of directors separated by men and women, distinguishing between regular and alternate directors.	15-16, 72
		b. The number of directors by nationality, separated by men and women, distinguishing between regular and alternate directors.	15-16, 72
		c. The number of directors by age range according to the ranges contemplated in section 5.1.3., separated by men and women, distinguishing between regular and alternate directors.	15-16, 72
		d. The number of directors by seniority in the organization according to the ranks contemplated in section 5.1.4., separated by men and women, distinguishing between regular and alternate directors.	15-16, 72
		e. The number of disabled directors, separated by men and women, distinguishing between regular and alternate directors.	Not applicable
		f. The salary gap by sex based on the mean and median, in the terms indicated in section 5.4.2., in the event that there are differentiated remunerations between directors or that there are royalties, per diems or other types of compensation that do not are applicable to all of them.	Not applicable
3.3	Board Committees	i. A brief description of the role and main functions of the respective committee.	73
		ii. The identification of each of its members during the last 2 fiscal years, indicating who holds or has held the status of independent directors.	75
		iii. In a comparative way with respect to the previous year, the income of its members on the occasion of their work in the corresponding committee.	75
		iv. 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 said article 50 bis. In the case that it has had to review transactions that Title XVI of Law No. 18,046 deals with, mention must be made of them. Additionally, the committee's annual management report must be submitted, including its main recommendations to shareholders, in accordance with the instruction given in said article.	74
		v. The policies that have been implemented for the contracting of consultancies and the expenses that the respective committee has incurred during the fiscal year for this concept.	74
		vi. In the case of the Directors' Committee of article 50 bis of Law No. 18,046, or committee that fulfills equivalent or risk management functions, the periodicity with which the committee meets with the risk management, internal audit and social responsibility, or with the persons responsible for the equivalent functions, and with the external audit company in charge of the audit of the financial statements, indicating the main issues that are addressed in such meetings, and indicating whether the general manager or others top executives participate in them.	73
		vii. The frequency with which the respective committee reports to the Board.	73
3.4	Main executives	i. Position, name, id number (RUT), profession and date from which each of them holds the position	76
		ii. In aggregate and comparative terms with respect to the previous year, the amount of the remunerations received by the main executives.	76
		iii. In case that the entity has compensation plan or special benefits for its main executives, such compensation must be separated into its fixed and variables components, in the event that those benefits or compensation have such components.	76
		iv. The percentage of participation in the property of the issuer that each of the main executives and directors of the company have directly and indirectly through companies that they control must be	66
3.5	Adherence to national or international codes		It will be implemented during the year 2023
3.6	Risk Management	i. 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 related to climate change), social and human rights indicating whether For these purposes, it has taken national or international principles, directives or recommendations as a guide, and what they are.	60-61, 70, 84-89
		ii. The risks and opportunities that the entity has determined could materially affect the performance of its businesses and its financial condition, describing the impact of those both in the development of its activities, as well as in its strategy and financial planning, and the resilience of the business model before the materialization of the same. For the above, the definitions, guidelines and recommendations that, on risk management, including those on climate change, have been issued by recognized international organizations in these fields, such as such as COSO (Committee of Sponsoring Organizations of the Treadway), COBIT (Control Objectives for Information and Related Technology).ISO (International Organization for Standardization) and TCFD (Task Force on Climate-related Financial Disclosure), among others.	60-61, 70, 84-89
		iii. How all these risks are detected and how those that are relatively more significant than the others are determined, including whether changes in existing regulations or the emergence of new regulations and due diligence procedures in the area of human rights are considered in said process.	81, 83-88

SECTION	INDICATOR	COMMENT	PAGE
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 said risks, especially environmental, social and human rights, with particular emphasis on climate change, and how strategic responses are adopted to mitigate, transfer, accept, avoid and prioritize those risks.	70, 84-89
		v. If it has a risk management unit, specifically in charge of the detection, quantification, monitoring and communication of risks.	The Following up is done through the risk unit of the Aguas Andinas Subsidiary
		vi. If it has an internal or equivalent audit unit, responsible for verifying the effectiveness and compliance with the policies, procedures, controls and codes implemented for risk management.	Following up is carried out through the Internal Audit unit of Aguas Andinas.
		vii. If it has a Code of Ethics or Conduct or equivalent document that defines the principles and guidelines that should guide the actions of the personnel and the Board of Directors.	79
		viii. If it has programs for the dissemination of information and permanent training for personnel regarding the policies, procedures, controls and codes implemented for risk management.	79, 82
		ix. If you have a channel available for your staff, shareholders, customers, suppliers and/or third parties outside the entity, for reporting of any irregularities or illegal acts, indicating how that specific channel works if it guarantees the anonymity of the complainant if it allows the complainant know the status of your complaint and if it is made known to your staff, shareholders, customers, suppliers and third parties, both through training and through the entity's website.	79, 82, 83
		x. If it has procedures to establish a Succession Plan, which incorporates the identification among the employees of the entity or other external ones, to potential replacements of the general manager and other main executives. It must indicate whether this Succession Plan allows the timely replacement of the general manager and other main executives, and transfer their functions and relevant information, in the event of their unforeseen absence, minimizing the impact that this would have on the organization.	It will be implemented in the year 2023
		xi. If it has procedures for the Board of Directors to review the salary structures and compensation and indemnity policies of the general manager and other main executives, indicating the periodicity with which these reviews are carried out and informing if for these purposes it considers the advice of a third party outside the entity.	It will be implemented in the year 2023
		xii. If it has procedures to submit the salary structures and compensation and indemnity policies of the general manager and other main executives to the approval of the shareholders, in addition to the approval of the Board of Directors or one of its Committees. For your part, if you consider the disclosure of those structures and policies to the general public	Not applicable
		xiii. If you have an implemented crime prevention model in accordance with the provisions of Law No. 20,393 and intended to prevent the commission of crimes in the organization.	79
3,7	Relationship with stakeholders and the general public	i. If it has a unit for relations with interest groups and the press that allows them to clarify doubts regarding the main risks, financial, economic or legal situation and publicly known businesses of the entity, indicating the means by which Contact that unit.	It is done through Aguas Andinas Subsidiary (90-97)
		ii. If it has a continuous improvement procedure to detect and implement eventual improvements in the processes of elaboration and dissemination of disclosures made by the entity to the market, so that said communications are easily understood and provided in a timely manner. In addition, it must refer to the periodicity with which these procedures are carried out and if, for these purposes, the advice of experts external to the entity is available.	79
		iii. If it has a procedure so that shareholders can be informed in advance of the shareholders' meeting in which directors will be elected, about the diversity of capacities, conditions, experiences and visions that in the opinion of the Board of Directors it is advisable to have those who are part of it of the same, so that it is in a better position to ensure the social interest. As well as, before the corresponding vote, the experience, profession or trade of those who are candidates for the Board of Directors.	It can be found on the IAM website



SECTION	INDICATOR	COMMENT	PAGE
3.7	Relationship with stakeholders and the general public	iv. If it has a mechanism, system or procedure that allows shareholders to participate and exercise their right to vote remotely, at the same time as the rest of the shareholders who are physically represented at the shareholders' meeting, and the general public be informed in real time of the agreements adopted in such meetings.	The Company has made technological systems available to shareholders that allow them to exercise their rights remotely, as if they were physically represented at the meeting. Likewise, shareholders and the general public can observe and be informed in real time of what happens during shareholders' meetings, by having streaming technology to transmit live the development of the same.
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		ii. The total number of personnel trained and the percentage that this number represents of the total workforce.	
		iii. The annual average of training hours that the personnel assigned, on behalf of the entity, to training activities, by gender and category of functions.	
		iv. Identification, in general terms, of the subjects addressed by these trainings.	
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		ii. The competition faced by the entity in the industrial sector.	Not applicable due to the business nature of Aguas Andinas.
		iii. In the case that there is a legal or regulatory framework that regulates or affects the industry in which it participates, it must indicate what those regulations are and how they affect its activities.	101
		iv. National or foreign regulatory entities that have supervisory powers over the entity.	101
		v. The main interest groups that have been identified and the reasons why such groups have that condition.	90-97
		vi. Affiliation to guilds, associations or organizations on the part of the entity.	54
6.2	Business	i. The main goods produced and/or services provided and the main markets in which these products are sold.	22, 23, 25
		ii. The sales channels and distribution methods used for the commercialization of goods and services.	24
		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 in the segment. In the event that no supplier reaches said concentration, it must expressly indicate so.	63
		iv. The number of clients that individually concentrate at least 10% of the segment's income. In the event that no client reaches said concentration, it must expressly indicate so.	Not applicable
		v. The main brands used in the commercialization of goods and services.	21
		vi. If it is important, the patents owned by the entity, indicating in which production processes said patents are used.	Not applicable
6.3	Stakeholders	vii. The main licences, franchises, royalties and/or concessions owned by the entity. In this sense, a summary of the main characteristics of said agreements must be presented, in terms of rights, duties and terms of validity.	Not applicable
		viii. Other factors of the external environment that are relevant for the development of the entity's business, including legal, commercial, social, environmental and political aspects.	101
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6.4	Properties 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, according to business areas.	57
		ii. For a company that extracts natural resources, the concession areas and/or land owned by the company must be identified: surface and location; the volume of the main resources available to the entity for future exercises; the status of such resources for exploitation; and the source of this information. The same information must be submitted for the lands and resources not yet exploited. Companies of exploration or exploitation of mining resources and reserves must submit information regarding: the results of their mineral exploration activities; estimation of resources; reserves associated with the mining exploitation; identification of the person responsible over the mining resources; and permits subscribed or issued, as indicated in Article 18 of Law No. 20,235. Finally, companies extracting renewable resources must share their policies to ensure the renewal of the exploited resources.	24
		iii. For the above cases, it is necessary to identify whether the entity is the owner of such facilities or whether they are used under some other type of contract, such as financial or operating leasing.	57



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		Name and surname of the director(s), administrators, if applicable, and general manager.	126-140
		Current percentage of participation of the parent company or investing entity in the capital of the subsidiary or associate and variations that occurred during the last fiscal year.	126-140
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		Indication of the name and surname of the director, general manager or main executives of the parent company or investing entity that perform some of these positions in the subsidiary or associate.	126-140
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		Concise list of the acts and contracts entered into with the subsidiaries or associates that significantly influence the operations and results of the parent company or investing entity.	126-140
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		Percentage of ownership.	Not applicable
		Description of their main activities.	Not applicable
		Percentage of the company's total individual assets represented by these investments.	Not applicable
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.	63
		Total Amount (million of pesos): the sum of the value of the invoices paid during the year for each one of the ranges already indicated.	63
		Total amount of interest for late payment of invoices (million of pesos): the sum of the value of the interest that was paid or must be paid due to late payment or simple delay for the invoices issued during the reported period.	63
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8.1.5	Others		There is no



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AGUAS  
andinas

## Financial Statements

<https://iam.cl/es/informacion-financiera/estados-financieros/2022>

IAM Summaries  
Aguas Andinas Summaries



# SUMMARY FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

## This document consists of:

Summary financial statements of Inversiones Aguas Metropolitanas SA  
Summary financial statements of subsidiaries



# Inversiones Aguas Metropolitanas S.A.

General Background

Name	:	Inversiones Aguas Metropolitanas S.A.
Type of entity	:	Open stock company
Legal domicile	:	Avenida Apoquindo No 4800 20th floor Tower II Las Condes Santiago Chile
Telephone	:	(56-2) 27396600
Unique tax role (RUT)	:	77.274.820-5
Line of business	:	Investment company
Subscribed and paid capital	:	ThCh\$ 468,358,402
External auditors	:	Ernst & Young

Legal constitution of the Company.

IAM was incorporated on May 19, 1999, by the companies Aguas de Barcelona SA (“AGBAR”) and Suez Environnement as a Limited Liability Company, with the purpose of participating in the privatization process of Empresa Metropolitana de Obras Sanitarias (“Empresa Metropolitana de Obras Sanitarias (“ EMOS”), currently Aguas Andinas SA In July 2005, the company was transformed into an Open Stock Company.

Legal aspects.

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

Social object.

Its corporate purpose is the investment in shares of Aguas Andinas SA and the provision of all kinds of advice, consultancy and services related to technology transfer and know-how, technical assistance, business and project administration, especially those related to management and operation of businesses related to the sanitation business.

Board of directors

President	:	Felipe Larrain Aspillaga
Regular directors	:	Alberto Muchnick Mlynarz Herman Chadwick Ignacio Guerrero Gutiérrez Rodrigo Azocar Hidalgo Luis Enrique Alamos Olivos Hernán Cheyre Valenzuela
General Manager	:	Fernando Samaniego Sangroniz

Parent participation percentage:

50,1% direct

Proportion that represents the investment in the parent company's assets.

The investment in the company represents the proportion of 97.75%

Commercial relationship with the parent company and subsidiaries of the parent company

During the business year ended December 31, 2022, the Company maintained a lease agreement with its parent company, which are paid within a maximum period of 30 days. In the future it is expected to maintain similar commercial relations.

Note 1. GENERAL INFORMATION

Inversiones Aguas Metropolitanas SA (hereinafter “IAM” or the “Company”) and its subsidiaries are part of the Inversiones Aguas Metropolitanas SA Group (hereinafter the “Group”). Its legal address is Apoquindo N°4800, Tower 2, office 2001, 20th floor, Las Condes, Santiago, Chile and its Unique Tax ID is 77.274.820-5.

IAM was incorporated on May 19, 1999, by the companies Aguas de Barcelona SA (“AGBAR”) and Suez Environnement as a Limited Liability Company, with the purpose of participating in the privatization process of Empresa Metropolitana de Obras Sanitarias (“Empresa Metropolitana de Obras Sanitarias (“EMOS”), current Aguas Andinas SA

IAM was awarded the share package in the international tender carried out by the Production Development Corporation (CORFO), subscribed a capital increase and bought additional shares on the Stock Exchange, thus controlling 51.2% of the capital stock of Aguas Andinas SA (formerly EMOS).

In July 2005, the company became an open stock company and restricted its corporate purpose, which was limited to investing in shares of Aguas Andinas SA and providing all kinds of advice, consultancy and services related to technology transfer and know-how, technical assistance, business and project administration, especially those related to the management and operation of businesses related to the health sector.

In November 2005, IAM went public, through the placement of a package of shares corresponding to 43.4% of its ownership, which resulted in the incorporation of new shareholders.

During 2006, IAM sold 1.1% of its shares in Aguas Andinas SA, keeping 50.1% of its shares, which allowed it to maintain control of the utility.

In 2007, it implemented an ADR Level I program, which made it possible to trade its shares in the over-the-counter market in the United States, said program ended in 2016.

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

The Company and its subsidiary Aguas Andinas SA are registered in the Securities Registry of the Commission for the Financial Market under No. 912 and No. 346, respectively. The subsidiaries Aguas Cordillera SA and Aguas Manquehue SA are registered in the Special Register of Reporting Entities of the Financial Market Commission under No. 170 and No. 2, respectively. As companies in the sanitation sector, 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 purposes of preparing the consolidated financial statements, a group is understood to exist when the parent company has one or more Subsidiary entities, these being those over which the parent company has control, either directly or indirectly. The accounting policies applied in preparing 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 50.1% ownership, a company that is controlled by Veolia Inversiones Andina SA, and is by Agbar SLU, an entity based in Spain and one of the largest operators of sanitation services worldwide, which in turn is controlled by Veolia Environnement (France).

Note 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 Bases of preparation

These consolidated financial statements correspond to the consolidated statements of financial position as of December 31, 2022 and December 31, 2021 and the consolidated statements of comprehensive income, changes in equity and cash flows for the years ended on 31 December 2022 and 2021, which have been prepared in accordance with the International

Accounting Standards (IAS), incorporated into the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (hereinafter “IASB”) , and represent the comprehensive, explicit and unreserved adoption of the aforementioned IFRS.

The Group complies with the legal conditions of the environment in which it carries out its operations, particularly the sanitation Subsidiaries with respect to the regulations of the sanitation sector. The companies of the Group present normal operating conditions in each area in which they carry out 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 the administration determines their ability to continue as a going concern, 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 that make up the Group are presented in the currency of the main economic environment in which said 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 to 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 the improvements and modifications to IFRS, that have been issued, effective as of the date of these financial statements, are detailed below. The Company has applied these standards concluding that they did not significantly affect the financial statements.

Amendments	Mandatory application date
IFRS 3 Reference to the Conceptual Framework	January 1, 2022
IAS 16 Property, plant and equipment: charges before intended use	January 1, 2022
IAS 37 Onerous contracts – cost of fulfilling a contract	January 1, 2022
IFRS 1, IFRS 9, IFRS 16, IAS 41 Annual improvements to standards 2018-2020	January 1, 2022

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

Standards and interpretations	Mandatory application date
IFRS 17 Insurance contracts	January 1, 2023

Amendments	Mandatory application date
NIC 1 Classification of liabilities as current or non-current	January 1, 2024
NIC 8 Definition of accounting estimates	January 1, 2024
NIC 12 Deferred taxes related to assets and liabilities arising from a single transaction	January 1, 2024
NIC 1 Disclosure of accounting policies	January 1, 2024
NIIF 16 Lease liabilities related to sales with leaseback	January 1, 2024

NIIF 10 and NIC 28 Consolidated Financial Statements – sale or contribution of assets between a investor and its associate or joint venture to determine



The Company's Management estimates that the adoption of the Rules, Amendments and Interpretations, described above and that could apply to Inversiones Aguas Metropolitanas SA and Subsidiaries, are in the process of evaluation and it is estimated that to date they would not have a significant impact on the consolidated financial statements of the Group in the year of its first application.

The Administration 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 states that all the principles and criteria included in the International Financial Reporting Standards (IFRS) have been applied. The Board of Directors, in a session dated March 22, 2022, approved these consolidated financial statements.

The consolidated financial statements corresponding to the year 2021 were approved by its Board of Directors in a meeting held on February 14, 2022.

Estimates such as:

- Revaluation of land
- Useful life of property, plant and equipment and intangibles
- Valuation of assets and goodwill purchased (goodwill or less value of investments)
- Losses due to impairment of assets
- Assumptions used in the actuarial calculation of benefits for termination of employee contracts
- Assumptions used to calculate the fair value of the instruments
- Income from supplies pending billing
- Provisions for commitments acquired with third parties
- Risks derived from current litigation

Despite the fact that these estimates and judgments were made based on the best information available on the date of issuance of these consolidated financial statements, it is possible that events that may occur in the future, such as what happened in this period with respect to Covid-19, make it necessary to modify them (upwards or downwards) in future periods, which would be recorded prospectively, when the variation is known, recognizing the effects of said 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 below.

### A. Bases 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, has the right to variable returns from its participation and the ability to use that power to influence the amounts of investor returns. Subsidiaries are consolidated from the date control is transferred to the Group and are excluded from consolidation on the date control ceases.

In the consolidation process, all transactions, balances, losses and gains 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 the following:

Subsidiaries	RUT	Country of origin	Functional currency	Percentage of direct and indirect participation			
				12-31-2022		12-31-2021	
				Direct	Indirect	Direct	Indirect
Aguas Andinas S.A.	61.808.000-5	Chile	CLP	50,10234%	100,00000%	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%
Hidrogistica 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%

\*On May 3, 2022 the company Gestion y Servicios S.A. changes its name to Hidrogistica S.A.

### B. Operating segments

IFRS 8 establishes the standards for reporting regarding 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 for decision-making on the resources that should be allocated to the segments and to evaluate their performance.

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

- Operations related to the sanitation business (Water).
- Operations not related to the sanitation business (Non-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 it will flow to the entity and the cost can be measured reliably.

#### i. Separately acquired intangible assets:

Intangible assets acquired separately are stated at cost less accumulated amortization and accumulated impairment losses. Amortization is calculated on a straight-line basis using estimated useful lives. The estimated useful lives and the amortization method are reviewed at the close of each statement of position, accounting for the effect of any change in the estimate prospectively..

#### ii. Amortization method for intangibles:

##### Intangibles with a defined useful life

The amortization method applied by the Company reflects the pattern in which the future economic benefits of the asset are expected to be used by the entity. For this purpose, the Company uses the straight-line amortization method.

Software

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

Intangibles with an indefinite useful life

Intangibles with an indefinite useful life correspond mainly to water rights and easements, which were obtained indefinitely, as established in the acquisition contracts and the rights obtained from the General Directorate of Water, under the Ministry of Public Works.

Determination of useful life

The factors that must be considered for the estimation of the useful life are, among others, 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, climatic factors and technological changes that affect the ability to generate profits.

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

D. Goodwill

The goodwill (lesser value of investments or goodwill) generated in the business combination represents the excess of the acquisition cost over the Group's participation in the fair value of the assets and liabilities, including the identifiable contingent liabilities of a Subsidiary Company in the acquisition date.

The valuation of the assets and liabilities acquired is made provisionally on the date of takeover of the Company, reviewing it 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 acquired Company is provisionally recorded as capital gain.

In the event that the final determination of the goodwill is made in the financial statements of the year following the acquisition of the participation, the items of the previous year that are presented for comparative purposes are modified to incorporate the value of the assets and liabilities acquired and of the definitive capital gain from the date of acquisition of the participation.

The goodwill that was generated prior to the date of our transition to IFRS, that is, January 1, 2008, is maintained for the net value recorded on that date, while the goodwill originated after is recorded using the acquisition method. Goodwill is not amortized. Instead, at the end of each accounting year, it is estimated whether any deterioration has occurred in it that reduces its recoverable value to an amount lower than the recorded net cost, proceeding, where appropriate, to the appropriate adjustment. for impairment, as required by IAS 36.

E. Property, plant and equipment

The Company uses the cost method for the valuation of Property, Plant and Equipment, with the exception of land where the revaluation method is used. The historical cost includes expenses that are directly attributable to the acquisition of the asset.

Land revaluations are carried out regularly enough to ensure that the book value 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, said increase is recognized in the income statement. A decrease in value is recorded in the income statement, except in the case that this decrease cancels out the existing surplus in the same asset that would have been recognized in adjustments for changes in value.

Subsequent costs are included in the initial asset value or recognized as a separate asset only when it is probable that future economic benefits associated with the fixed asset item will flow to the Group and the cost of the item can be reliably determined. The value of the replaced component is derecognized. The rest of the repairs and maintenance are charged to the result of the period 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 throughout its technical useful life, which is based on studies prepared by independent experts (specialist external companies). The residual value and the 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 is greater than its estimated recoverable amount, its value is immediately reduced to its recoverable amount (Note 32)

Useful lives

The useful lives considered for the purpose of calculating depreciation are based on technical studies prepared by specialized external companies, which are reviewed as information arises that allow us to consider that the useful life of any asset has changed.

The allocation of the total useful life for the 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:

Item	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	5
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 results from the sale of property, plant and equipment are calculated by comparing the proceeds obtained with the book 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 values 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 value 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 at present value using a pre-tax discount rate that reflects both the current market conditions of the value of money over time, as well as 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 income. 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, less any impairment of the right-of-use asset.

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 2.2F 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 divestitures of financial assets are recognized on the trade date, i.e. the date on which the Group commits 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 changes in comprehensive income
- Financial assets at amortized cost

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 covenants are N-1 rated instruments (instruments with the highest capacity to pay principal and interest in 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 integral**

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 certain 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 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 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.

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. On a semi-annual basis, an impairment estimate is made for those materials that are damaged, partially or totally obsolete, or have not been in rotation 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 currencies

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

Currency	31-12-2022	\$	31-12-2021	\$
US Dollar	855,86		844,69	
Euro	915,95		955,64	
JPY	6,52		7,33	
AUD	583,01		612,23	

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, 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 the caption "Other Financial Assets" and if it is negative under the caption "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 results of the respective income statement accounts.



**Cash flow hedges and hedges of net investment 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 end 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 embedded derivatives in contracts and financial instruments to determine whether their characteristics and risks are closely related to the host contract provided that the whole is not being accounted for at fair value. If they are not closely related, they are recorded separately and the changes in value are 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 close. 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 the estimated turnover, mortality, salary increases or discount rate are determined as follows in accordance with the provisions of IAS 19 in other comprehensive income, directly affecting equity, which is subsequently reclassified to retained earnings.

Aguas Andinas S.A.

The severance payment for years of service at Aguas Andinas S.A. is governed by the provisions of the Labor Code, except for the amount of severance pay accrued as of July 31, 2002 and the payment for dismissal of 1.45 salaries, excluding voluntary resignation, without a cap on the amount or years, for workers who are part of the collective bargaining agreements in force, and those 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 agreement establishes that employees who retire from Aguas Andinas S.A., and make their retirement effective 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 at all events accrued as of that date is as follows is adjusted quarterly according to the variation of the consumer price index. In addition, 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. Share-based payment reserve

In accordance with IFRS 2, the Group has recognized an expense (personnel costs) corresponding to the benefits granted by Suez Groupe S.A.S. (France) to the employees of all subsidiaries worldwide, in the form of share-based payments, in consideration for services rendered, which benefit was subscribed by the employees of the Subsidiaries in Chile. These services are valued at the fair value of the instruments awarded and the effects are described in note 23 to the Financial Statements.

The stock purchase plans implemented by Suez Groupe S.A.S. for employees of subsidiaries around the world allow employees to subscribe to Company shares at a price below the market price. The fair value of instruments awarded under employee stock purchase plans is estimated at the grant date based on the value of this discount granted to employees and the vesting period applicable to the share subscribed. Since it is treated as a service rendered by employees to each subsidiary, in accordance with IFRS 2, the cost of the agreement is recognized by the domestic subsidiaries as an expense for the year, which is offset by a credit to shareholders' equity.

Q. 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 probable that future taxable profits will be available against which such differences can be utilized. Deferred tax assets or liabilities are not recognized if the taxable temporary differences are deductible or deductible.

Temporary differences arise from the lower value or initial recognition (except in a business combination) of other assets and liabilities in a transaction that does not affect tax results 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 probable 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 effect 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.

R. 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 the performance obligations of the contract;
- 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 probable 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

Revenues from the sale of services are 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, which generates that at the end of each month there are consumptions not read and, therefore, not billed.

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

In those cases in which the Company does not have all the consumption read, 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 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 on the basis of 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 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 conditions stipulated in each contract are met, which ensure that the associated economic benefit will flow to the Company.

S.Earnings per share

Basic earnings per share is calculated by dividing the profit (loss) attributable to equity holders of the Parent Company by the weighted average number of common shares outstanding.

The Group has not carried out any transactions with a potential dilutive effect that would result in earnings per diluted share other than basic earnings per share.

T. 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.

U. Consolidated statements of cash flows

The statement of cash flows 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.

V. 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, forming part of the cost of such assets.

Interest cost capitalization policy

Interest paid or accrued on debt financing qualifying assets is capitalized, as stipulated in IAS 23. The aforementioned IAS 23 establishes that when the Entity acquires debt to finance investments, the interest on such debt must be deducted from financial expense and incorporated to 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.



### W. Non-current assets held for sale or to be distributed to owners

The Company classifies as non-current 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 probable 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 less costs to sell, and cease to be amortized from the moment they acquire this classification.

Non-current 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 "Non-current assets or groups of assets for disposal classified as held for sale". Liabilities forming 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".

### X. Reclassifications

For the year ended December 31, 2022, certain reclassifications have been made to facilitate comparison as of December 31, 2021, as follows:

Reclassifications	Increase/(Decrease) ThCh\$
Statement of comprehensive income by nature:	
Impairment gains and reversal of impairment losses (Impairment losses) determined in accordance with MFRS 9 on financial assets	15,694,733
Other expenses, by nature	(15,694,733)

### Note 3. TRADE AND OTHER ACCOUNTS RECEIVABLE AND RECEIVABLES

The composition of trade receivables (current and non-current) as of December 31, 2022 and December 31, 2021 is as follows:

Credit risk	31-12-2022 M\$	31-12-2021 M\$
Gross trade accounts receivable exposure	161.859.008	134.434.882
Gross exposure notes receivable	1.136.765	1.397.238
Gross exposure other accounts receivable	4.857.013	3.993.910
<b>Trade and other accounts receivable, current, gross</b>	<b>167.852.786</b>	<b>139.826.030</b>
Allowances for accounts receivable	( 45.077.376)	( 38.721.361)
<b>Trade and other current accounts receivable, net</b>	<b>122.775.410</b>	<b>101.104.669</b>
Gross exposure notes receivable	-	244.711
Gross exposure other accounts receivable	3.138.563	3.454.722
<b>Non-current receivables</b>	<b>3.138.563</b>	<b>3.699.433</b>
Allowances for accounts receivable	( 322.275)	( 261.186)
<b>Non-current receivables, net</b>	<b>2.816.288</b>	<b>3.438.247</b>
<b>Net exposure, risk concentrations</b>	<b>125.591.698</b>	<b>104.542.916</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, 2022 is presented in trade accounts receivable (increase of ThCh\$27,424,126. with respect to December 31, 2021), mainly due to the following factors:

a) During the 2022 period, there is an increase in trade payables with respect to December 2021, in the following segments:

- Commercial debt overdue for more than or equal to 9 months in the amount of ThCh\$5,205,335.
- Agreed trade debt (payment agreements with customers) ThCh\$ 8,625,022

These increases are mainly explained by the economic impacts of the COVID-19 pandemic and the application of Law No. 21,249 (Basic Services Law). See more information in the table "Credit Risk Movement" in this Note.

b) Higher invoicing associated with higher average tariffs, as a result of polynomial tariff indexations (impact of the high CPI for the 2022 period) and the entry into operation of new investment projects (La Farfana/Trebal-Mapocho nitrogens and Aguas Cordillera safety ponds).

As a result of the application of Law No. 21,423 (February 11, 2022) which regulates the apportionment and payment of debts generated during the covid-19 pandemic and establishes subsidies, it has been determined that the impacts or effects as of December 31, 2022 have not been significant and do not require disclosure, given the low rate of compliance with payments to maintain the subsidy. See more information in Note 3 Risk Management, Letter i).

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, 2022 and December 31, 2021.

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

Credit risk movement accounts receivable	31-12-2022 ThCh\$	31-12-2021 ThCh\$
<b>Intitial balance as of 01-01-2021</b>	<b>(38.982.547)</b>	<b>(33.733.524)</b>
Increase in existing provisions	(13.830.357)	(15.694.733)
Others	7.413.253	10.445.710
<b>Changes, Totals</b>	<b>(6.417.104)</b>	<b>(5.249.023)</b>
<b>Final balance</b>	<b>(45.399.651)</b>	<b>(38.982.547)</b>

The age composition of gross debt is presented below:

Age of gross debt	31-12-2022 ThCh\$	31-12-2021 ThCh\$
under three months	116.221.034	92.202.288
between three and six months	5.658.916	5.915.502
between six and eight months	3.149.878	3.040.229
higher tan 8 months	45.961.521	42.367.444
<b>Total</b>	<b>170.991.349</b>	<b>143.525.463</b>

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

Gross overdue debt	31-12-2022 ThCh\$	31-12-2021 ThCh\$
under three months	18.017.601	11.597.059
between three and six months	3.417.121	4.413.631
between six and eight months	1.581.266	2.109.673
<b>Total</b>	<b>23.015.988</b>	<b>18.120.363</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 9 months old are not provisioned.

As of December 31, 2022 and December 31, 2021, the analysis of the gross exposure of current trade debtors and current and non-current notes receivable, for the repackaged and non-repackaged non-securitized portfolio, is as follows:

December 31, 2022						
Term of trade receivables	Non refinanced portfolio		Refinanced portfolio		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	828,736	5,338	801,221	11,703	1.629.958
More than 251 days	65,106	5,161,674	76,171	35,745,347	141,277	40.907.024
<b>Total</b>	<b>1,654,162</b>	<b>123,080,069</b>	<b>166,604</b>	<b>39,915,702</b>	<b>1,820,766</b>	<b>162.995.775</b>

December 31, 2021						
Term of trade receivables	Non refinanced portfolio		Refinanced portfolio		Total gross portfolio	
	N° of customers	Gross amount ThCh\$	N° of customers	Gross amount ThCh\$	N° of customers	Gross amount ThCh\$
Up to date	15.511	5.197.378	-	-	15.511	5.197.378
Between 1 and 30 days	999.309	70.738.665	167	25.328	999.476	70.763.993
Between 31 and 60 days	175.413	8.283.849	839	72.888	176.252	8.356.737
Between 61 and 90 days	58.336	3.519.455	1.559	97.312	59.895	3.616.767
Between 91 and 120 days	32.526	2.250.749	1.756	126.931	34.282	2.377.680
Between 121 and 150 days	22.024	1.723.405	1.755	154.617	23.779	1.878.022
Between 151 and 180 days	14.701	1.451.795	1.821	212.476	16.522	1.664.271
Between 181 and 210 days	10.997	1.236.023	1.658	228.788	12.655	1.464.811
Between 211 and 250 days	7.337	1.149.123	2.696	428.987	10.033	1.578.110
More than 251 days	53.374	5.816.022	57.585	33.363.040	110.959	39.179.062
<b>Total</b>	<b>1.389.528</b>	<b>101.366.464</b>	<b>69.836</b>	<b>34.710.367</b>	<b>1.459.364</b>	<b>136.076.831</b>



As of December 31, 2022 and December 31, 2021, the analysis of protested notes receivable and notes receivable in judicial collection, of the non-securitized portfolio, is as follows:

NON SECURITIZED PORTFOLIO				
Unpaid and court-ordered collections portfolio	Non-renegotiated portfolio 31-12-2022		Renegotiated portfolio 31-12-2021	
	N° of customers	Gross amount ThCh\$	N° of customers	Gross amount ThCh\$
Unpaid notes receivable	469	339.772	395	292.091
Notes receivable in court-ordered collection	5	365.399	5	327.532
<b>Totals</b>	<b>474</b>	<b>705.171</b>	<b>400</b>	<b>619.623</b>

As of December 31, 2022 and December 31, 2021, the credit risk analysis is as follows:

31 December 2022			
Provision			Uncollectibles of the financial year
Non-renegotiated portfolio ThCh\$	Renegotiated portfolio ThCh\$	Total Provision M\$	
(5,483,949)	(39,915,702)	<b>(45,399,651)</b>	(7,413,380)

31 December 2021			
Provision			Uncollectibles of the financial year
Non-renegotiated portfolio ThCh\$	Renegotiated portfolio ThCh\$	Total Provision M\$	
(4,272,180)	(34,710,367)	<b>(38,982,547)</b>	10,404,331

## Note 4. DISCLOSURES ABOUT RELATED PARTIES

### 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 of related party	Name of related party	Nature of relationship	Nature of transactions with related parties	Terms	Guarantees	31-12-2022 ThCh\$	31-12-2021 ThCh\$
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal Ltda.	Related to controller	Laboratory analysis and sampling services	30 days	No guarantees	-	7.588
77.441.870-9	Veolia Soluciones Medioambientales Chile S.A.	Related to controller	Laboratory analysis and sampling services	30 days	No guarantees	142	10.208
77.441.870-9	Veolia Soluciones Medioambientales Chile S.A.	Related to controller	Discharge of wastewater	30 days	No guarantees	-	2.194
65.113.732-2	Corporación Chilena de Investigación del Agua SpA.	Related to controller	Lease	30 days	No guarantees	6.999	3.099
87.803.800-2	Veolia SU Chile S.A.	Related to controller	Laboratory analysis and sampling services	30 days	No guarantees	1.279	-
87.803.800-2	Veolia SU Chile S.A.	Related to controller	Income from excess load	30 days	No guarantees	14.611	-
<b>Totals</b>						<b>23.032</b>	<b>23.088</b>

Accounts payable to related entities

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

Rut of related party	Name of related party	Nature of the relationship	Nature of transactions with related parties	Terms	Guarantees	31-12-2022 ThCh\$	31-12-2021 ThCh\$
77.441.870-9	Veolia Soluciones Medioambientales Chile S.A.	Related to controller	CCO 2.0 Operational Control Center Upgrade Project, maintenance and support.	30 days	Contract performance guarantee Amount UF 4,107	709.335	119.187
77.329.730-4	Veolia Inversiones Aguas del Gran Santiago Ltda.	Controller	Lease	30 days	No guarantees	7.927	5.323
76.746.454-1	Biofactoria Andina Spa.	Related to controller	Plan to upgrade La Farfana treatment plant to a biofactory	30 days	Contract performance guarantee Amount UF 1.048.050	-	3.575.539
76.746.454-1	Biofactoria Andina Spa.	Related to controller	Nitrogen removal and biofactory adequacy plan of the Mapocho-Trebal treatment plant	30 days	Contract performance guarantee Amount UF 1.048.050	2.474.572	9.072.418
65.113.732-2	Corporación Chilena de Investigación del Agua SpA.	Related to controller	Studies and Consultancy	30 days	No guarantees	59.609	498,58
76.080.553-K	Veolia Advanced Solutions Chile Ltda.	Related to controller	Purchase of materials	60 days	No guarantees	669.493	9.127
76.080.553-K	Veolia Advanced Solutions Chile Ltda.	Related to controller	Virtual platform	30 days	No guarantees	95.059	1.912
76.080.553-K	Veolia Advanced Solutions Chile Ltda.	Related to controller	Specialized customer service	30 days	No guarantees	114.902	205.691
76.080.553-K	Veolia Advanced Solutions Chile Ltda.	Related to controller	Process reengineering and implementation of new information systems for customer service	30 days	Contract performance guarantee Amount ThCh\$ 845.149	-	163.727
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal Ltda.	Related to controller	Operation of La Farfana Biogas purification plant, control and monitoring of electric energy costs	30 days	No guarantees	196.748	134.567
96.817.230-1	EPSA Electrica Puntilla S.A.	Director in common	Purchase of water	30 days	No guarantees	461.216	16.440
70.009.410-3	Asociación canalistas sociedad del canal del Maipo	Director in common	Purchase of water, electric power and interconnections.	30 days	No guarantees	24.283	11.494
A85788073	Aquatec Proyectos para el sector del agua S.A.	Related to controller	Dam Monitoring Control, Water Supply	30 days	No guarantees	10.249	10.298
A03466604	Logistium , Servicios Logisticos S.A.	Related to controller	Operational Inputs	30 days	No guarantees	186.615	-
Total						5.010.030	13.824.302



Transactions with related entities

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

Rut of related party	Name of related party	Nature of the relationship	Country of origin	Nature of transactions with related parties	Type of currency	31-12-2022		31-12-2021	
						M\$		M\$	
						Amount	Effects on Income (Charge)/Credit	Amount	Effects on Income (Charge)/Credit
76.080.553-K	Veolia Advanced Solutions Chile Ltda.	Related to controller	CL	Purchase of materials	CLP	2,291,041	(1,925,245)	112,425	(66,394)
76.080.553-K	Veolia Advanced Solutions Chile Ltda.	Related to controller	CL	Maintenance of Siebel virtual platform, Aquacis, consulting, evolutionary maintenance and Aquacis licenses.	CLP	1,344,590	(868,048)	2,349,086	(1,637,664)
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal Ltda.	Related to controller	CL	Charge for termination of Mapocho-Trebal contract,	CLP	-	-	5,698,475	5,698,475
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal Ltda.	Related to controller	CL	Mapocho-Trebal Wastewater Treatment Plant Expansion Project cost overruns.	CLP	-	-	5,069,909	-
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal Ltda.	Related to controller	CL	Digester Rehabilitation	CLP	-	-	729,635	-
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal Ltda.	Related to controller	CL	Operation and maintenance services for Biogas Plant.	CLP	102,337	(234,966)	242,697	(220,485)
77.441.870-9	Suez Medioambiente Chile S.A.	Related to controller	CL	CCO 2.0 Operational Control Center Upgrade and Tracer Gas Leak Detection Project	CLP	4,056,303	(3,408,657)	2,671,726	(859,941)
77.441.870-9	Suez Medioambiente Chile S.A.	Related to controller	CL	Construction of San Antonio Arsenic Plant.	CLP			-	-
96.817.230-1	EPSA Eléctrica Puntilla S.A.	Director in common	CL	Purchase of water and electricity	CLP	4,627,713	(3,888,835)	3,811,187	(3,202,678)
76.746.454-1	Suez Biofactoría Andina spa.	Related to controller	CL	Operation, maintenance and adaptation of Biofactoria treatment plant.	CLP	11,520,412	(7,731,920)	50,536,792	(20,553,578)
76.746.454-1	Biofactoria Andina Spa.	Related to controller	CL	Termination of contract and other Nitrogen projects.	CLP	11,483,240	-	-	-
70.009.410-3	Asociación canalistas sociedad del canal del Maipo	Director in common	CL	Purchase of water, electric power and canal management company	CLP	6,868,550	(5,771,891)	2,270,974	(1,908,381)
65.113.732-2	Corporación Chilena de Investigación del Agua	Related to controller	CL	Study on management models for resilient urban hydraulic infrastructures in relation to hydrological and geological risks, sludge valorization.	CLP	337,394	(337,394)	753,781	(753,781)
A85788073	Aquatec Proyectos para el sector del agua S.A.	Related to controller	CL	Control and monitoring of the operation of dams for water supply in Santiago. El Yeso reservoir, technical consulting and training.	CLP	138,135	(138,135)	-	-
A03466604	Logistium , Servicios Logisticos S.A.	Related to controller	CL	Operating supplies	CLP	1,343,176	-	-	-
77.329.730-4	Suez Inversiones Aguas del Gran Santiago Ltda.	Controller	CL	Dividends paid	CLP	19,050,901		26,211,819	-

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.

### Remuneration of Directors and Directors' Committee

Remuneration paid to directors of Aguas Metropolitanas S.A. and Subsidiaries and directors' committee.

Compensation paid	31-12-2022 ThCh\$	31-12-2021 ThCh\$
Board of Directors	975.814	836.683
Directors' Committee	159.287	147.180
<b>Totals</b>	<b>1.135.101</b>	<b>983.863</b>

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 has no knowledge of the existence of transactions between related parties and directors and/or executive officers, other than their own directors and/or per diems and remuneration.

Financial statements	2022 M\$	2021 M\$
<b>ASSETS</b>		
Current assets	326.058.264	285.099.776
Non-current assets	2.325.871.931	2.216.722.469
<b>Total Assets</b>	<b>2.651.930.195</b>	<b>2.501.822.245</b>
<b>LIABILITIES</b>		
Current liabilities	266.626.154	249.136.827
Non-current liabilities	1.274.907.748	1.138.295.178
Equity	691.794.448	693.964.870
Minority interest	418.601.845	420.425.370
<b>Total Liabilities and Equity</b>	<b>2.651.930.195</b>	<b>2.501.822.245</b>
<b>STATEMENT OF COMPREHENSIVE INCOME</b>		
Income from operations	575.465.445	506.458.487
Operating cost	-347.136.671	-298.582.450
Financial income	-131.694.344	-76.941.424
Other non-operating	-15.352.190	-12.057.841
Income tax	2.577.179	-19.665.778
Minority interest	-42.539.263	-50.221.270
<b>Earnings attributable to owners of the controlling entity</b>	<b>41.320.156</b>	<b>48.989.724</b>
<b>STATEMENT OF CASH FLOWS</b>		
Cash flows provided by (used in) from operating activities	241.057.418	229.945.799
Cash flows provided by (used in) investing activities	-165.900.708	-157.671.083
Cash flows provided by (used in) financing activities	-59.169.722	-85.680.689
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>15.986.988</b>	<b>-13.405.973</b>
Cash and cash equivalents at the beginning of the period	164.558.880	177.964.853
<b>Cash and cash equivalents at end of period</b>	<b>180.545.868</b>	<b>164.558.880</b>
<b>STATEMENT OF CHANGES IN EQUITY</b>		
Issued capital	468.358.402	468.358.402
Retained earnings (loss)	179.264.624	179.164.900
Other equity investments	-37.268.415	-37.268.415
Other reserves	81.439.777	83.709.983
Non-controlling interests	418.601.845	420.425.370
<b>Total equity</b>	<b>1.110.396.293</b>	<b>1.114.390.240</b>



# Aguas Andinas S.A.

## General Background

Name	: Aguas Andinas S.A.
Type of entity	: Open stock corporation
Legal address	: Avenida Presidente Balmaceda N° 1398, Santiago Chile
Telephone	: (56-2) 569 2500
Fax	: (56-2) 569 2777
Unique Taxpayer Number (RUT)	: 61.808.000-5
P.O. Box	: 1537 Santiago
Business	: Capture, purification, distribution of potable water and sewage disposal
Subscribed and paid-in capital	: M\$ 155.567.354
External auditors	: Ernst & Young
Unique tax number (RUT)	: 61.808.000-5

## Legal incorporation of the Company.

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 sector 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 Company's corporate purpose is the provision of sanitation services, which includes 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 Greater Santiago, outlying towns and in the Los Rios and Lakes 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 Larraín Aspillaga
Directors	: Fernando Samaniego Sangroniz Gustavo Miques Tabernaberry Maria Florencia Esquerre Riquelme Giorgianna Cúneo Queirolo Rodrigo Manubens Moltedo Jaime Arellano Quintana
General Manager	: Marta Colet Gonzalo

## Percentage of parent company:

50.10234% direct

## Proportion that represents the investment in the parent company's assets.

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

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

During the fiscal year ended December 31, 2022, 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.

Note 1. GENERAL INFORMATION

Subsidiaries make up the Aguas Andinas Group (hereinafter the "Group"). Its legal domicile is Avenida Presidente Balmaceda N° 1398, Santiago, Chile and its sole 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 Company's corporate purpose, 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 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 sector (Hidrogestica 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 sector 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, 2022 and 2021 and the consolidated statements of comprehensive income, changes in equity and cash flows for the periods ended December 31, 2022 and 2021, which have been prepared in accordance with International Accounting Standards (IAS), as incorporated into International Financial Reporting Standards (IFRS), 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 sector. 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 a going concern, 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.

Ammendments	Date of mandatory application
IFRS 3 Reference to the Conceptual Framework	January 1st 2022
IFRS 16 Property, plant and equipment: recoveries before intended use	January 1st 2022
IAS 37 Onerous contracts - cost of fulfilling a contract	January 1st 2022
IFRS 1, IFRS 9, IFRS 16, IAS 41 Annual Improvements to Standards 2018-2020	January 1st 2022

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

Standards and interpretations	Date of mandatory application
IFRS 17 Insurance contracts	January 1st 2023

Ammendments	Date of mandatory application
IAS 1 Classification of liabilities as current or non-current	January 1st 2023
IAS 8 Definition of Accounting Estimates	1 January 2023
IAS 1 Disclosure of accounting policies	1 January 2023
IAS 12 Deferred Taxes related to assets and liabilities arising from a single transaction	January 1st 2024
IAS 16 Lease liabilities related to sale and leaseback sales	January 1st 2024
IFRS 10 and IAS 28 Consolidated Financial Statements - sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Company's Management considers that the adoption of the Standards, Amendments and Interpretations described above, which may apply to Aguas Andinas S.A. and Subsidiaries, are in the process of evaluation and it is estimated that at the date of their first application, they 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 International Financial Reporting Standards



(IFRS) have been applied. Financial Reporting Standards (IFRS). The Board of Directors, at its meeting held on March 22, 2023, approved these consolidated financial statements.

The consolidated financial statements of Aguas Andinas S.A. and Subsidiaries for the year 2021 were approved by its Board of Directors at its meeting held on February 14, 2022.

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, such as what happened in this period with respect to Covid-19, may make it necessary to modify them (upward or downward) in future periods, which would be recorded prospectively, at the time the variation is known, recognizing the effects of such changes in the corresponding future consolidated financial statements.

2.2 Accounting policies

The principal 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 Aguas Andinas S.A. are as follows:

R.U.T.	Company Name	Direct %	Indirect %	% Total 31-12-2022	Direct %	Indirect %	% Total 31-12-2021
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

\*On May 3, 2022, the company Gestión y Servicios S.A. changed its name to Hidrogística S.A.

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 separately are stated at cost less 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 life

The amortization method applied by the Company reflects the pattern in which the future economic benefits of the asset are expected to be used by the entity. For this purpose, the Company uses the straight-line method of amortization.

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 assumptions about the aforementioned factors.

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 regularity 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 33).

**Useful lives**

The useful lives considered for the purposes of calculating depreciation are based on technical studies prepared by specialized external companies, which are reviewed to the extent that background information becomes available that allows us to consider that the useful life of an asset has changed.

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

Item	Useful life (years) minimum	Useful life (years) maximum
Buildings	25	80
Plant and equipment	5	50
Information technology equipment	4	4
Fixtures and fittings	5	80
Motor vehicles	7	10
Leasehold improvements	5	5
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.

**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 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, 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 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 profit or loss
- 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 a risk rating of N-1 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 an invoiced 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 are 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 in rotation for the last twelve months and their market price has fallen by more than 20%.

J. Dividend payments

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 currency

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 parities:

Currency	31-12-2022	\$	31-12-2021	\$
US Dollar	855,86		844,69	
Euro	915,95		955,64	
JPY	6,52		7,33	
AUD	583,01		612,23	

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, 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 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 results of the respective income statement accounts.

**Cash flow hedges and hedges of net investment 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 end 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 embedded derivatives in contracts and financial instruments to determine whether their characteristics and risks are closely related to the host contract, provided that the set 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 the estimated turnover, mortality, salary increases or discount rate are determined as follows in accordance with the provisions of IAS 19 in other comprehensive income, directly affecting equity, which is subsequently reclassified to retained earnings.

Aguas Andinas S.A.

The severance payment for years of service at Aguas Andinas S.A. is governed by the provisions of the Labor Code, except for the amount of severance pay accrued as of July 31, 2002 and the payment for dismissal of 1.45 salaries, excluding voluntary resignation, without a cap on the amount or years, for workers who are part of the collective bargaining agreements in force. and those 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 agreement establishes that employees who retire from Aguas Andinas S.A., and make their retirement effective 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. Share-based payment reserve

In accordance with IFRS 2, Aguas Andinas has recognized an expense (personnel costs) corresponding to the benefits granted by the former controller Suez Groupe S.A.S. (France) to employees of all subsidiaries worldwide, in the form of share-based payments, in consideration for services rendered, a benefit that was subscribed by employees of Aguas Andinas and subsidiaries in Chile. These services are valued at the fair value of the instruments awarded and the effects are described in note 23 to the Financial Statements.

The stock purchase plans implemented by the former controlling Suez Groupe S.A.S. (France) for employees of subsidiaries around the world allow employees to subscribe to the Company's shares at a price below the market price. The fair value of instruments awarded under employee stock purchase plans is estimated at the grant date based on the value of this discount granted to employees and the vesting period applicable to the share subscribed. As it is treated as a service provided by the employees to each subsidiary, in accordance with IFRS 2, Aguas Andinas and domestic subsidiaries recognize the cost of the agreement as an expense for the year, which is offset by a credit to equity.

Q. 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 probable that future taxable profits will be available against which such differences can be utilized. Deferred tax assets or liabilities are not recognized if the taxable temporary differences are deductible or deductible. Temporary differences arise from the lower value or initial recognition (except in a business combination) of other assets and liabilities in a transaction that does not affect tax results 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 probable 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 effect 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.

R. 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 the performance obligations of the contract;
- (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 probable 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 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, which generates that at the end of each month there are consumptions not read and, therefore, not billed.

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

In those cases in which the Company does not have all the consumption read, 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 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 conditions stipulated in each contract are met, which ensure that the associated economic benefit will flow to the Company.

S. Earnings per share

Basic earnings per share are calculated by dividing the profit (loss) attributable to equity holders of the Parent Company by the weighted average number of common shares outstanding.

The Group has not carried out any transactions with a potential dilutive effect that would result in earnings per diluted share other than basic earnings per share.

T. 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 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.

U. Consolidated statements of cash flows

The statement of cash flows 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 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.

V. 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, forming part of the cost of such assets.

Interest cost capitalization policy:

Interest paid or accrued on debt financing qualifying assets is capitalized, as stipulated in IAS 23. The aforementioned IAS 23 establishes that when the Entity acquires debt to finance investments, the interest on such debt must be deducted from financial expense and incorporated to 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.

W. Non-current assets held for sale or to be distributed to owners

The Company classifies as non-current 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 probable 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 less costs to sell, and cease to be amortized from the moment they acquire this classification.

Non-current 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 "Non-current assets or groups of assets for disposal classified as held for sale". Liabilities forming 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".

X. Reclassifications

For the year ended December 31, 2022, certain reclassifications have been made to facilitate comparison as of December 31, 2021, as follows:

Reclassifications		Increase/ (Decrease) \$
Statement of comprehensive income by nature:		
Impairment gains and reversal of impairment losses (Impairment losses) determined in accordance with IFRS 9 on financial assets		15,694,733
Other expenses, by nature		(15,694,733)



### Note 3. TRADE AND OTHER ACCOUNTS RECEIVABLE AND RECEIVABLES

The composition of trade debtors (current and non-current) as of December 31, 2022 and 2021 is as follows:

Credit risk	31-12-2022 ThCh\$	31-12-2021 ThCh\$
Gross trade accounts receivable exposure	161,859,008	134,434,882
Gross exposure notes receivable	1,136,765	1,397,238
Gross exposure other accounts receivable	4,858,930	3,995,027
<b>Trade and other receivables, current, gross</b>	<b>167,854,703</b>	<b>139,827,147</b>
Allowance for doubtful accounts receivable	(45,077,376)	(38,721,361)
<b>Trade and other accounts receivable current, net</b>	<b>122,777,327</b>	<b>101,105,786</b>
Gross exposure notes receivable	-	244,711
Gross exposure other receivables	3,138,563	3,454,722
<b>Receivables, non-current</b>	<b>3,138,563</b>	<b>3,699,433</b>
Allowance for doubtful accounts receivable	(322,275)	(261,186)
<b>Non-current receivables, net</b>	<b>2,816,288</b>	<b>3,438,247</b>
<b>Net exposure, concentrations of risk</b>	<b>125,593,615</b>	<b>104,544,033</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, 2022 is presented in trade accounts receivable (increase of ThCh\$27,424,126. with respect to December 31, 2021), mainly due to the following factors:

a) During the 2022 period, there is an increase in trade payables with respect to December 2021, in the following segments:

- Commercial debt not past due less than or equal to 8 months in the amount of ThCh\$9,914,692
- Agreed trade debt (payment agreements with customers) ThCh\$ 12,151,767

These increases are mainly explained by the economic impacts of the COVID-19 pandemic and the application of Law No. 21,249 (Basic Services Law). See more information in the table "Credit Risk Movement" in this Note.

b) Higher invoicing associated with higher average tariffs, as a result of polynomial tariff indexations (impact of the high CPI for the 2022 period) and the entry into operation of new investment projects (La Farfana/Trebal-Mapocho nitrogens and Aguas Cordillera safety ponds).

As a result of the application of Law No. 21,423 (February 11, 2022) which regulates the apportionment and payment of debts generated during the covid-19 pandemic and establishes subsidies, it has been determined that the impacts or effects as of December 31, 2022 have not been significant and do not require disclosure, given the low rate of compliance with payments to maintain the subsidy. See more information in Note 3 Risk Management, Letter i).

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, 2022 and 2021.

Movement in the allowance for doubtful accounts is as follows:

Movement in accounts receivable credit risk	31-12-2022 ThCh\$	31-12-2021 ThCh\$
<b>Opening balance at 01-01-2021</b>	<b>(38,982,547)</b>	<b>(33,733,524)</b>
Increase in existing allowances	(13,830,357)	(15,694,733)
Other	7,413,253	10,445,710
<b>Changes, total</b>	<b>(6,417,104)</b>	<b>(5,249,023)</b>
<b>Closing balance</b>	<b>(45,399,651)</b>	<b>(38,982,547)</b>

The age composition of gross debt is presented below:

Age of gross debt	31-12-2022 ThCh\$	31-12-2021 ThCh\$
less than three months	116,222,951	92,203,405
between three and six months	5,658,916	5,915,502
between six and eight months	3,149,878	3,040,229
more than eight months	45,961,521	42,367,444
<b>Totals</b>	<b>170,993,266</b>	<b>143,526,580</b>

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

Gross overdue debt	31-12-2022 ThCh\$	31-12-2021 ThCh\$
less than three months	18,017,601	11,597,059
between three and six months	3,417,121	4,413,631
between six and eight months	1,581,266	2,109,673
<b>Totals</b>	<b>23,015,988</b>	<b>18,120,363</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 9 months old are not provisioned.

As of December 31, 2022 and 2021, the analysis of the gross exposure of current trade debtors and current and non-current notes receivable for the repackaged and non-repackaged portfolio is as follows:

December 31st 2022						
Times of trade debtors	Non-renegotiated portfolio		Renegotiated portfolio		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	828,736	5,338	801,221	11,703	1,629,959
More than 251 days	65,106	5,161,673	76,171	35,745,348	141,277	40,907,021
<b>Totals</b>	<b>1,654,162</b>	<b>123,080,068</b>	<b>166,604</b>	<b>39,915,703</b>	<b>1,820,766</b>	<b>162,995,773</b>

Portfolio stratification as of December 31, 2021 is as follows:

December 31st 2021						
Times of trade debtors	Non-renegotiated portfolio		Renegotiated portfolio		Total gross portfolio	
	N° of customers	Gross amount ThCh\$	N° of customers	Gross amount ThCh\$	N° of customers	Gross amount ThCh\$
Up to date	5,511	5,197,378	-	-	15,511	5,197,378
Between 1 and 30 days	999,309	70,738,665	167	25,328	999,476	70,763,993
Between 31 and 60 days	175,413	8,283,849	839	72,888	176,252	8,356,737
Between 61 and 90 days	58,336	3,519,455	1,559	97,312	59,895	3,616,767
Between 91 and 120 days	32,526	2,250,749	1,756	126,931	34,282	2,377,680
Between 121 and 150 days	22,024	1,723,405	1,755	154,617	23,779	1,878,022
Between 151 and 180 days	14,701	1,451,795	1,821	212,476	16,522	1,664,271
Between 181 and 210 days	10,997	1,236,023	1,658	228,788	12,655	1,464,811
Between 211 and 250 days	7,337	1,149,123	2,696	428,987	10,033	1,578,110
More than 251 days	53,374	5,816,022	57,585	33,363,040	110,959	39,179,062
<b>Totals</b>	<b>1,389,528</b>	<b>101,366,464</b>	<b>69,836</b>	<b>34,710,367</b>	<b>1,459,364</b>	<b>136,076,831</b>

As of December 31, 2022 and 2021, the analysis of protested notes receivable and notes receivable in judicial collection, of the non-securitized portfolio, is as follows:

NO SECURITIZE				
Unpaid portfolio and receivables under legal collection	Renegotiated portfolio 31-12-2022		Renegotiated portfolio 31-12-2021	
	N° of customers	Gross amount ThCh\$	N° of customers	Gross amount ThCh\$
Unapid notes receivable	469	339.772	395	292.091
Notes receivable in court collection	5	365.399	5	327.532
<b>Totals</b>	<b>474</b>	<b>705.171</b>	<b>400</b>	<b>619.623</b>

As of December 31, 2022 and 2021, the credit risk analysis is as follows:

December 31st 2022				
Provision			Uncollectibles for the period	Period recovery
Non-renegotiated portfolio ThCh\$	Renegotiated portfolio ThCh\$	Provision total ThCh\$		
(5,483,948)	(39,915,703)	<b>(45,399,651)</b>	7,413,380	-

December 31st 2021				
Provision			Uncollectibles for the period	Period recovery
Non-renegotiated portfolio ThCh\$	Renegotiated portfolio ThCh\$	Provision total ThCh\$		
(4,272,180)	(34,710,367)	<b>(38,982,547)</b>	10,404,331	-

<https://www.aguasandinasinversionistas.cl/es/informacion-financiera/estados-financieros/2022>



Note 4. DISCLOSURES ABOUT RELATED PARTIES

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 Related party	Name of Related party	Nature of the relationship	Nature of the relationship with related party	Terms	Guarantees	31-12-2022 ThCh\$	31-12-2021 ThCh\$
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal Ltda.	Related to the controller	Laboratory analysis and sampling services	30 days	No guarantees	-	7.588
77.441.870-9	Veolia Soluciones Ambientales Chile S.A.	Related to the controller	Laboratory analysis and sampling services	30 days	No guarantees	142	10.280
77.441.870-9	Veolia Soluciones Ambientales Chile S.A.	Related to the controller	Wastewater discharge	30 days	No guarantees	-	2.149
65.113.732-2	Corporación Chilena de Investigación del Agua SpA.	Related to the controller	Lease	30 days	No guarantees	6.999	3.098
87.803.800-2	Veolia SU Chile S.A.	Related to the controller	Laboratory analysis and sampling services	30 days	No guarantees	1.279	-
87.803.800-2	Veolia SU Chile S.A.	Related to the controller	Income due to excess load	30 days	No guarantees	14.612	-
Totals						23.032	23.088

Accounts payable to related entities

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

Rut of related party	Name of related party	Nature of the relationship	Nature of transactions with related parties	Terms	Guarantees	31-12-2022 ThCh\$	31-12-2021 ThCh\$
77.441.870-9	Veolia Soluciones Medioambientales Chile S.A.	Related to the controller	CCO 2.0 Operational Control Center Upgrade Project, maintenance and support.	30 days	Contract performance bond Amount 4,017	709,355	119,187
76.746.454-1	Biofactoria Andina Spa.	Related to the controller	Upgrade plan to a biofactory for the La Farfana treatment plant.	30 days	Contract performance bond Amount 1,048,050	-	3,575,539
76.746.454-1	Biofactoria Andina Spa.	Related to the controller	Nitrogen removal and biofactory adaptation plan for the Mapocho-Trebal treatment plant.	30 days	Contract performance bond Amount 1,048,050	2,474,572	9,072,418
65.113.732-2	Corporación Chilena de Investigación del Agua SpA.	Related to the controller	Studies and Consulting	30 days	No guarantees	59,609	498,580
76.080.553-K	Veolia Advanced Solutions Chile Ltda.	Related to the controller	Purchase of materials	60 days	No guarantees	669,493	9,127
76.080.553-K	Veolia Advanced Solutions Chile Ltda.	Related to the controller	Virtual platform	30 days	No guarantees	95,059	1,912
76.080.553-K	Veolia Advanced Solutions Chile Ltda.	Related to the controller	Specialized customer service	30 days	No guarantees	114,902	205,691
76.080.553-K	Veolia Advanced Solutions Chile Ltda.	Related to the controller	Process reengineering and implementation of new information systems for customer service.	30 days	Contract performance bond for ThCh\$ 845,149	-	163,727
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal Ltda.	Related to the controller	Operation of Biogas La Farfana purification plant, control and monitoring of electric energy costs.	30 days	No guarantees	196,748	134,567
96.817.230-1	EPSA Eléctrica Puntilla S.A.	Director in common	Purchase of water	30 days	No guarantees	461,216	16,440
70.009.410-3	Asociación Canalistas Sociedad del Canal del Maipo	Director in common	Purchase of water, electric power and interconnections.	30 days	No guarantees	24,283	11,494
A85788073	Aquatec Proyectos para el sector del agua S.A.	Related to the controller	Dam monitoring control, water supply.	30 days	No guarantees	10,249	10,297
A03466604	Logistium, Servicios Logisticos S.A.	Related to the controller	Operational Inputs	30 days	No guarantees	186,617	-
Totals						5,002,103	13,818,979



Transactions with related entities

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

The materiality criterion for reporting transactions between related companies is amounts greater than ThCh\$75,000 accumulated.

Rut of related party	Name of related party	Nature of the relationship	Country of origin	Nature of transactions with related parties	Type of currency	31-12-2022 ThCh\$		31-12-2021 ThCh\$	
						Amount	Effects on Result (Charge)/Credit	Amount	Effects on Result (Charge)/Credit
76.080.553-K	Veolia Advanced Solutions Chile Ltda.	Related to the controller	CL	Purchase of materials	CLP	2,291,041	(1,925,245)	112,425	(66,394)
76.080.553-K	Veolia Advanced Solutions Chile Ltda.	Related to the controller	CL	Maintenance of Siebel virtual platform, Aquacis, consulting, evolutionary maintenance and Aquacis licenses.	CLP	1,344,590	(868,048)	2,349,086	(1,637,664)
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal Ltda.	Related to the controller	CL	Charge for termination of Mapocho-Trebal contract.	CLP	-	-	5,698,475	5,698,475
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal Ltda.	Related to the controller	CL	Mapocho-Trebal Wastewater Treatment Plant Expansion Project cost overruns.	CLP	-	-	5,069,909	-
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal Ltda.	Related to the controller	CL	Digesters Rehabilitation	CLP	-	-	(729,635)	-
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal Ltda.	Related to the controller	CL	Biogas Plant operation and maintenance services.	CLP	102,337	(234,966)	242,697	(220,485)
77.441.870-9	Suez Medioambiente Chile S.A.	Related to the controller	CL	CCO 2.0 Operational Control Center Upgrade Project and Leak Detection with Tracer Gas	CLP	4,056,303	(3,408,657)	2,671,726	(859,941)
96.817.230-1	EPSA Eléctrica Puntilla S.A.	Director in common	CL	Purchase of water and electricity	CLP	4,627,713	(3,888,835)	3,811,187	(3,202,678)
76.746.454-1	Suez Biofactoría Andina spa	Related to the controller	CL	Operation, maintenance and adaptation of the Biofactoría treatment plant.	CLP	11,520,412	(7,731,920)	50,536,792	(20,553,578)
76.746.454-1	Suez Biofactoría Andina spa	Related to the controller	CL	Termination of the contract and other Nitrogen projects.	CLP	11,483,240	-	-	-
70.009.410-3	Asociación Canalistas Sociedad del Canal del Maipo	Director in common	CL	Purchase of water, electric energy and canal administrator.	CLP	6,868,550	(5,771,891)	2,270,974	(1,908,381)
65.113.732-2	Corporación Chilena de Investigación del Agua	Related to the controller	CL	Study on resilient urban water infrastructure resilient urban hydraulic infrastructures in relation to hydrological and geological hydrological and geological risks, sludge valorization	CLP	337,394	(337,394)	753,781	(753,781)
A85788073	Aquatec Proyectos para el sector del agua S.A.	Related to the controller	CL	Control and monitoring of the operation of dams for water supply in Santiago for water supply in Santiago El Yeso reservoir, technical advice and training	CLP	138,135	(138,135)	-	-
A03466604	Logistium Servicios Logísticos S.A.	Related to the controller	CL	Operating Inputs	CLP	1,343,176	-	-	-
77.274.820-5	Inversiones Aguas Metropolitanas S.A.	Controller	CL	Dividends paid	CLP	39,079,873	-	52,698,492	-

(\*) 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 the inventories, the assets of the Company, and the acquisition of the assets of Suez Biofactoría Andina SPA, which resulted in the acquisition of the inventories.

### Remuneration of Directors and Directors' Committee

Remuneration paid to directors of Aguas Andinas S.A. and Subsidiaries and Directors' Committee

Paid compensations	31-12-2022 ThCh\$	31-12-2021 ThCh\$
Board of directors	388,942	316,682
Directors' committee	69,677	67,257
<b>Totals</b>	<b>458,619</b>	<b>383,939</b>

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.

Financial situation statement	2022 ThCh\$	2021 ThCh\$
<b>ASSETS</b>		
Current assets	324.838.124	283.854.689
Non-current assets	2.054.511.436	1.945.366.921
<b>Total Assets</b>	<b>2.379.349.560</b>	<b>2.229.221.610</b>
<b>LIABILITIES</b>		
Current liabilities	265.797.147	248.642.211
Non-current liabilities	1.274.661.314	1.138.031.686
Equity	838.861.526	842.520.215
Minority interest	29.573	27.498
<b>Total Liabilities and Shareholders' Equity</b>	<b>2.379.349.560</b>	<b>2.229.221.610</b>
<b>STATEMENT OF COMPREHENSIVE INCOME</b>		
Income from ordinary activities	575.465.445	506.459.633
Cost of operations	(345,685,272)	(297,141,669)
Financial income (loss)	(131,755,492)	(76,943,650)
Other non-operating	(15,352,190)	(12,064,894)
Income tax	2,578,383	(19,662,886)
Minority interest	(2,140)	2,005
<b>Profit attributable to owners of the controlling entity</b>	<b>85,248,734</b>	<b>100,644,529</b>
<b>STATEMENT OF CASH FLOWS</b>		
Cash flows provided by (used in) from operating activities	242,903,240	231,199,221
Cash flows provided by (used in) investing activities	(165,900,708)	(157,685,839)
Cash flows provided by (used in) financing activities	(61,180,505)	(84,945,654)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>15,822,027</b>	<b>(11,432,272)</b>
Cash and cash equivalents at the beginning of the period	163,513,314	174,945,586
<b>Cash and cash equivalents at the end of the period</b>	<b>179,335,341</b>	<b>163,513,314</b>
<b>STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY</b>		
Issued capital	155,567,354	155,567,354
Retained earnings (loss)	362,648,852	361,776,346
Share premiums	164,064,038	164,064,038
Other equity investments	(5,965,550)	(5,965,550)
Other reserves	162,546,852	167,078,027
Non-controlling interests	29,573	27,498
<b>Total equity</b>	<b>838,891,099</b>	<b>842,547,713</b>



**Statements of financial position as of December 31, 2022**

FINANCIAL SITUATION STATEMENTS	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.	
	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$	2022 ThCh\$	2021 ThCh\$
<b>ASSETS</b>														
Current Assets	324.838.124	283.854.689	22.667.895	22.830.465	6.286.773	6.712.447	9.093.880	8.208.979	5.577.611	5.670.967	6.667.293	4.739.859	2.299.186	2.316.241
Non-Current Assets	2.054.511.436	1.945.366.921	434.065.600	419.823.368	97.444.444	97.973.115	1.191.473	916.833	3.649.806	2.525.143	6.501.327	6.240.863	11.514.477	11.725.683
<b>Total Assets</b>	<b>2.379.349.560</b>	<b>2.229.221.610</b>	<b>456.733.495</b>	<b>442.653.833</b>	<b>103.731.217</b>	<b>104.685.562</b>	<b>10.285.353</b>	<b>9.125.812</b>	<b>9.227.417</b>	<b>8.196.110</b>	<b>13.168.620</b>	<b>10.980.722</b>	<b>13.813.663</b>	<b>14.041.924</b>
<b>LIABILITIES</b>														
Current Liabilities	265.797.147	248.642.211	79.548.322	78.550.772	16.448.603	18.120.800	3.775.734	3.167.122	4.370.914	3.493.377	2.204.349	1.912.185	6.418.482	6.609.241
Non-Current Liabilities	1.274.661.314	1.138.031.686	80.561.550	88.292.010	20.575.073	23.885.615	132.773	44.354	1.035.969	966.417	1.358.980	818.268	-	1.859
Equity	838.861.526	842.520.215	296.623.336	275.810.781	66.707.541	62.679.147	6.376.846	5.914.336	3.820.534	3.736.316	9.605.291	8.250.269	7.395.181	7.430.824
Minority Interests	29.573	27.498	287	270	-	-	-	-	-	-	-	-	-	-
<b>Total Liabilities and Equity</b>	<b>2.379.349.560</b>	<b>2.229.221.610</b>	<b>456.733.495</b>	<b>442.653.833</b>	<b>103.731.217</b>	<b>104.685.562</b>	<b>10.285.353</b>	<b>9.125.812</b>	<b>9.227.417</b>	<b>8.196.110</b>	<b>13.168.620</b>	<b>10.980.722</b>	<b>13.813.663</b>	<b>14.041.924</b>
<b>STATEMENT OF COMPREHENSIVE INCOME</b>														
Ordinary Income	575.465.445	506.459.633	82.979.124	74.958.304	19.909.408	19.243.191	20.734.925	17.157.185	9.232.759	10.088.904	11.954.333	10.069.396	2.210.867	896.583
Cost of Operations	(345.685.272)	(297.141.669)	(55.698.565)	(48.708.708)	(14.291.097)	(12.365.843)	(17.563.642)	(14.348.001)	(9.424.745)	(9.438.265)	(10.417.793)	(8.555.775)	(2.096.632)	(1.340.489)
Financial Income (Loss)	(131.755.492)	(76.943.650)	(3.259.777)	(666.476)	(99.474)	(397.374)	95.728	7.523	(73.204)	(44.143)	(90.570)	(23.138)	(501.594)	(68.981)
Other non-operating	(15.352.190)	(12.064.894)	(5.313.973)	(2.749.252)	(2.561.301)	(1.352.301)	(10.281)	25.130	36.206	10.878	20.051	12.011	119.841	58.686
Income Taxes	2.578.383	(19.662.886)	2.755.819	(2.720.176)	955.946	(655.823)	(686.013)	(644.868)	163.540	(124.308)	(66.476)	(269.467)	231.875	382.787
Minority interest	(2.140)	(2.005)	(17)	(18)	-	-	-	-	-	-	-	-	-	-
Profit (loss) from discontinued operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Profit attributable to owners of controlling interest</b>	<b>85.248.734</b>	<b>100.644.529</b>	<b>21.462.611</b>	<b>20.113.674</b>	<b>3.913.482</b>	<b>4.471.850</b>	<b>2.570.717</b>	<b>2.196.969</b>	<b>(65.444)</b>	<b>493.066</b>	<b>1.399.545</b>	<b>1.233.027</b>	<b>(35.643)</b>	<b>(71.414)</b>
<b>STATEMENT OF CASH FLOWS</b>														
Net Cash Flows from Operating Activities	242.903.240	231.199.221	41.488.735	32.391.631	10.585.713	7.559.557	784.943	2.438.721	(1.419.731)	1.821.153	(504.063)	1.631.706	1.749.540	(509.667)
Net Cash Flows from Investing Activities	(165.900.708)	(157.685.839)	(27.463.919)	(30.000.023)	(2.999.406)	(2.213.776)	(136.390)	(260.544)	(262.357)	(817.453)	(511.543)	(1.122.088)	-	-
Net Cash Flows from Financing Activities	(61.180.505)	(84.945.654)	(15.083.794)	(2.383.148)	2.511.949	(4.906.469)	(2.000.000)	(2.000.000)	337.180	-	352.000	(81.000)	(1.702.000)	501.000
<b>Net Increase (Decrease) in Cash and Cash Equivalents Cash and Cash Equivalents</b>	<b>15.822.027</b>	<b>(11.432.272)</b>	<b>(1.058.978)</b>	<b>8.460</b>	<b>10.098.256</b>	<b>439.312</b>	<b>(1.351.447)</b>	<b>178.177</b>	<b>(1.344.908)</b>	<b>1.003.700</b>	<b>(663.606)</b>	<b>428.618</b>	<b>47.540</b>	<b>(8.667)</b>
Cash and Cash Equivalents Beginning Balance	163.513.314	174.945.586	3.749.964	3.741.504	2.145.130	1.705.818	3.508.336	3.330.159	1.877.777	874.077	842.906	414.288	2.021	10.688
<b>Cash and Cash Equivalents Ending Balance</b>	<b>179.335.341</b>	<b>163.513.314</b>	<b>2.690.986</b>	<b>3.749.964</b>	<b>12.243.386</b>	<b>2.145.130</b>	<b>2.156.889</b>	<b>3.508.336</b>	<b>532.869</b>	<b>1.877.777</b>	<b>179.300</b>	<b>842.906</b>	<b>49.561</b>	<b>2.021</b>
<b>STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY</b>														
Issued capital	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)	362.648.832	361.776.346	149.864.579	129.031.620	53.736.152	49.704.699	6.070.338	5.607.828	3.355.054	3.270.466	9.364.285	8.009.263	(410.716)	(129.681)
Other equity investments	(5.965.550)	(5.965.550)	(61.060.426)	(61.060.426)	(754.269)	(754.269)	(27.279)	(27.279)	(41.428)	(41.058)	(21.450)	(21.450)	(165.324)	(410.716)
Share premiums	164.064.038	164.064.038	-	-	-	-	-	-	-	-	-	-	-	-
Other reserves	162.546.852	167.078.027	54.211.000	54.231.404	4.699.826	4.702.885	-	-	-	-	-	-	-	-
Non-controlling interests	29.573	27.498	287	270	-	-	-	-	-	-	-	-	-	-
<b>Ending balance of shareholders' equity</b>	<b>838.891.099</b>	<b>842.547.713</b>	<b>296.623.623</b>	<b>275.811.051</b>	<b>66.707.541</b>	<b>62.679.147</b>	<b>6.376.846</b>	<b>5.914.336</b>	<b>3.820.534</b>	<b>3.736.316</b>	<b>9.605.291</b>	<b>8.250.269</b>	<b>7.395.181</b>	<b>7.430.824</b>

<https://www.iam.cl/es/informacion-financiera/estados-financieros/2022>



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