

Materiality process

This materiality analysis refers to the companies that make up the Aguas Group during the period from January 1 to December 31, 2022. Therefore, it covers the parent company Inversiones Aguas Metropolitanas S.A., Aguas Andinas S.A. and its sanitary subsidiaries Aguas Cordillera S.A. and Aguas Manquehue S.A., as well as the environmental services subsidiaries Ecoriles S.A., Análisis Ambientales S.A. (ANAM), Hidrogística S.A. and Aguas del Maipo S.A.

For the definition of the material issues, it was decided to carry out an extensive and in-depth analysis of double materiality, involving all the company's stakeholders in the process.

This strategic decision of the company entails a significant advance with respect to previous years, when this definition of material issues was made according to traditional criteria. Now, it explicitly sought to validate with internal and external stakeholders the impacts that the Aguas Group generates both in its financial performance, as well as those that it may cause in society and the planet. The result of this effort is a new materiality matrix that provides much more accurate, detailed and useful information for the company's future decision-making.

With this, the company also aligned itself with the methodology recommended by the main international benchmarks for the integrated delivery of corporate information, including the European Non-Financial Reporting Directive and the GRI-2021.

During this process, consultations with the company's internal and external stakeholders addressed two main aspects:

- **The level of impact that material issues can have on financial performance** the Company is not responsible for the business, including whether it is positive or negative, the probability that it will materialize and its eventual magnitude.
- **The level of impact that the company can generate on society and the planet** in each material issue - and an estimate of whether it would be positive or negative - as well as the likelihood of it materializing and its eventual magnitude.

Material topics

Prior to the survey, a selection of topics was carried out through a documentary analysis that included internal information and external sources relevant to understanding the company's context and performance. This background information included:

- **Sector trends.**
- **Sector commitments and challenges.**
- **Veolia's sustainability strategy (final controller of Inversiones Aguas Metropolitanas S.A.).**
- **Aguas Andinas S.A.'s previous materiality.**
- **Media analysis.**

The analysis and review of the aforementioned sources made it possible to establish a list of 18 material topics, segmented by area of impact.



Economic topics

Code	Subject material	Description
E1	Governance and Integrity	To support and lead the management of the company with a corporate governance of high standard characteristics and performance, and an organizational culture based on ethics and unrestricted compliance with relevant laws, regulations and codes of conduct.
E2	Sustainable financial opportunities	To promote new lines of business with sustainable financial instruments and investment plans to maintain and renew networks, and to increase the company's resilience, strengthening its infrastructure, technology and training to prevent and provide early response to incidents and emergencies, and to face the climate crisis.
E3	Privacy and cybersecurity	Ensure the privacy of customer and user information, implementing practices, standards and regulations in accordance with international guidelines, also reinforcing mechanisms and systems to safeguard information from loss, leaks or data corruption.
E4	Supply chain management	Integrate environmental, social and governance (ESG) aspects into supply chain management in order to continuously improve suppliers' and contractors' ESG standards.
E5	Legal framework, regulations and public debate	Strengthen public participation through transparent and constructive dialogue with policy and regulatory decision-makers, regulators and civil society representatives, in the context of a changing regulatory framework and a regulated and supervised industry.
E6	Customer management	Continuously improve customer satisfaction by optimizing response times to complaints, maintaining water quality and improving the service provided, in a context of increasing demand for water and sanitation services.
E7	Innovation, technology and digital transformation	Promote innovation and digitalization of the company, adapting and optimizing its processes to a digital environment in continuous development.

Environmental topics

Code	Subject material	Description
A1	Management of water	Strategic management of water resources considering current variables such as water scarcity and increased demand, through efficiency measures and participation in public debate to ensure continuity and quality of service. measures and participation in the public debate in order to ensure continuity and quality of service.
A2	Sustainability energy	Identify and manage the main risks and opportunities arising from climate change, setting targets to move towards decarbonization. decarbonization of the portfolio.
A3	Climate Change	Climate change Develop strategies to adapt to climate change, considering physical risks (such as fire, drought and turbidity) and transitional risks (such as regulation, reputation and new technologies), in addition to mitigating emissions in accordance with the goal of limiting global temperature increase to 1.5° Celsius.
A4	Economy circular	Maximize efficiency in the use of available water resources and the by-products of the water treatment and sanitation process. In addition, to apply other innovative solutions that make it possible to better manage resources, add value to society and contribute to mitigating the effects of climate change, including the reduction, reuse and reuse of wastewater. to the mitigation of the effects of climate change, including the reduction, reuse and revaluation of waste generated by the company.
A5	Biodiversity and ecosystem ecosystem services	Generate processes and projects that restore and conserve the biodiversity of ecosystems in the Metropolitan Region, thus improving the health of the watershed, with nature-based solutions.

Social topics

Code	Subject material	Description
S1	Diversity, climate and relations	Generate an optimal work environment, fostering respect, dialogue, diversity and equal opportunities, providing decent wages and good labor practices.
S2	Occupational health and safety	To create and maintain a safe and healthy environment, free of accidents and occupational diseases related to operations by responding adequately to potential health crises and maintaining the highest health and safety protocols for workers and contractors.
S3	Human Rights	Align management with international standards, using mechanisms to protect the inherent rights of individuals throughout our value chain.
S4	Development of human capital	Promote new leadership and employee development through adequate training and strengthening performance evaluations to ensure the attraction and retention of the best talent.
S5	Access and affordability	Facilitate greater access to water, facilitating its availability in rural or remote areas and making it economically accessible to the greatest number of customers.
S6	Relationship and impact in communities	Maintain an active relationship with the community and generate a positive impact through the development of projects of social value, water education and the promotion of responsible water consumption.

Changes from previous material topics

The list of material topics elaborated in the last exercise represents an evolution with respect to the topics raised in the previous period. Although there is continuity in many of them, there were others that were merged, resulting in a list with a more precise focus.

	Material Topics 2021		Material Topics 2022
ECON/GOVERNANCE	Corporate governance	→	Governance and integrity
	Code of Conduct		
	Privacy and cybersecurity	=	Privacy and cybersecurity
	Legal framework, regulations and public debate	=	Legal framework, regulations and public debate
	Supply chain management	=	Supply chain management
	Customer management	=	Customer management
	Innovation, technology and digital transformation	=	Innovation, technology and digital transformation
	Emergency response	-	This is reflected in water risk management, an environmental topic

ENVIRONMENTAL	Climate change	=	Climate change
	Biodiversity and ecosystem services	=	Biodiversity and ecosystem services
	Circular economy	=	Circular economy
	Energy sustainability	=	Energy sustainability
	Water risk management	=	Water risk management
	Environmental systems and controls	-	It is reflected as an intrinsic element in other material issues of the environmental dimension, especially in water risk management.
SOCIAL	Human capital development	=	Human capital development
	Access and affordability	=	Access and affordability
	Relationship and impact on communities	=	Relationship and impact on communities
	Diversity, climate and labor relations	=	Diversity, climate and labor relations
	Human rights	=	Human rights
	Occupational health and safety	=	Occupational health and safety

Consult stakeholders

During November and December 2022, an online survey was conducted among employees and executives to determine their perception of the material issues that had been previously identified. This was complemented with interviews with the company's main executives (area directors and those who hold positions close to the General Management). In parallel, the company surveyed external stakeholders online to incorporate their views on the same issues. The following groups were consulted:

- Shareholders
- Investors

- Customers
- Suppliers

- Communities
- Other groups

Materiality matrix

The materiality matrix resulting from this process allows calibrating the material issues according to the assignments given to each one by the multiple stakeholders of the Aguas Group companies. On the X axis, their financial impact on the company is represented; that is, their possible effect on the revenues, costs, assets or reputation of Inversiones Aguas Metropolitanas. On the Y axis, the social and environmental impact of the company's activities on the environment is shown for each topic, taking into account the effect on society, communities and the environment.

