



SUSTAINABILITY REPORT

2022




LATIN AMERICA POWER





REPORTE DE
SOSTENIBILIDAD
2022
LATIN AMERICA POWER

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Esteban Moraga _ CEO

Message from the Chief Executive Officer (CEO)

What is sustainability for LAP?

We are part of an industry that plays a fundamental role in the process of decarbonization of the energy matrix. This is how in Latin America Power we fulfill a fundamental role in this journey against the devastating effects of climate change. Therefore, sustainability is a fundamental pillar not only for us, but for any company in the industry.

In our case, since the beginning, our stockholders defined that we are a company that invests only in non-conventional renewable energy, for we not only actively work to comply with the government's terms about the accelerated decarbonization plan but is also an aspect that is engraved in LAP's DNA.

Additionally, we have committed to investing in long-term projects. Therefore, it is necessary to generate a business that is sustainable over time and not only meets the basic requirements of the current market, but also has a vision of what the market requirements will be in the medium and long term, being consistent with that structure.

What role does Latin America Power play in this matter with respect to its environment?

Our focus in sustainability goes beyond just investing in clean energy projects, we directly get involved with our neighbors. In principle, we not only look to make a specific contribution through different programs, but we also commit in diverse aspects, such as the surrounding communities' children and young adult environmental education, as they are fundamental actors for their local communities, the country, and the care of our planet. Through these actions, we aspire to transform the paradigm that surrounds environmental awareness and care of our environment, because it is fundamental to comprehend that long-term sustainability cannot be reached fully without a solid environmental education base to effectively achieve the cultural changes needed to take care of our planet and fight the effects of climate change.

And in regard to your customers?

As of today, there is a social awareness that everyone has to be a part of this evolution to reduce the consumption of fossil fuels. Therefore, from the point of view of the demand of our customers, for the majority it is already an obligation that we operate 100% on renewable energy.

This has even been reflected in our I-REC certificates, which certify that the electricity supply of each customer comes from a renewable source. On the other hand, the fact that we are 100% renewable also leads us to make difficult decisions, especially when we consider that economic cycles change.

For example, the scene has changed a lot in the past two years because of a series of factors, where we could have bought energy from fossil fuels at a lower price to improve our financial results, but we are not willing to do so, precisely because our DNA is in renewable energy and because our customers are not willing to accept it, as it is a commitment that we assumed from the beginning.

What sustainability advances were made in 2022?

During 2022, we carried out major sustainability, environmental education, and environmental protection initiatives, which we actively communicated to our stakeholders through different platforms.

On the other hand, we achieved a 50.2% reduction in our greenhouse gas emissions in all our projects in Chile and Peru compared to the previous year, which is a clear reflection of our commitment. This, in turn, motivates us to continue improving each year.

In that line of work, not only we generate renewable energy, but additionally we look to support in matters in which we can even better our capacity of doing good in a social context, in topics like measuring and reducing our carbon emissions, actions with the community, and the protection of the environment in general.

How does the General Management get involved in these challenges?

The General Management in LAP has the goal of determining and agreeing with its stockholders investment plans, and at the same time manage them, assuring a suitable and correct execution of all the processes.

Without adequate and correct execution, there are long-term objectives linked to the mandate and the DNA of the company that could be lost or dismantled by focusing only on meeting short-term objectives. For example, in the face of the complex financial situation of the industry, we could have decided to buy energy from fossil fuels at a lower price and thus improve our results, but it is something that we are not willing to do, because it goes against our mandate. It is precisely in those cases where the general management has to ensure to be a guide regarding the principles and values that govern the company's strategy.

What is LAP's sustainability goal considering the industry context?

The Chilean electric market is going through a crisis without precedents. Not only is it a technical crisis, but also a financial one. This is something we have seen that has affected us, as well as other companies in the industry. The matter of fact is, we need to consider that this scenario involves multiple conditions, especially because of the fossil fuel high prices, a 13-year extreme drought, the lack of a suitable power transmission structure, that has not grown at the same speed that renewable energy projects have grown, with a congestion that is making that the results of other companies extremely deteriorating.

Despite of this, our objective towards the future is to assure the sustainability of LAP in a mid to long term, for which we are focused in looking for methodologies that allow us to manage the new risks that are prevailing in the market, so we can keep achieving our goals and keep the LAP seal, with focus on renewable energy, and keep investing in the decarbonization of the Chilean power system. At the same time, we need to keep our focus on another of our fundamental pillars, which is our relationship with the communities where we operate. We will continue to strengthen this commitment in order to continue moving forward together with them.



About this report

In this third report of Sustainability, we review our performance in environmental, social and governance dimensions, focusing on topics of greater relevance for Latin American Power and its interest groups, where we highlight our strong development in a public-private alliance in Chile as well as in Peru.

This report has been prepared in accordance with the Essential option of the GRI (Global Reporting Initiative) Standards.

This document provides the Company's sustainability results and progress for the period from January 1 to December 31, 2022. The financial information considers the results of LAP Chile and Peru. This report was not submitted for external verification.



The **Company**



We are a renewable energy company that looks to maximize the worth of its clients, people, communities, and shareholders through secure, excellent and sustainable processes. Since 2011 until today, we have characterized ourselves for developing projects from different sources of energy, like hydroelectric, eolic and solar, maintaining a close relationship with the communities and protecting the environment.

Our history has developed hand in hand a group of visionary shareholders that view climate change as a reality, where the decrease of emissions is a necessity so we can have a sustainable world, thus the investors need to head in that same direction. "To participate in the market of renewable energy and contribute to a continuous improvement of the power matrix in Chile and Perú"

Latin America Power has positioned itself for more than a decade in this market, promoting initiatives that allow us to strengthen the communities, better lives, and generate the transformations that are needed so sustainability and the protection of the environment are the protagonists of the line of actions of our company.

Today, with more than ten energy operating projects, the year 2022 we have generated

640 Gwh en Chile

321 Gwh en Perú



1.1

Company's Milestones



1.1 Company's Milestones

<p>2009</p>	<p>Hidroeléctrica Santa Cruz begins commercial operation of its Santa Cruz 1 and Santa Cruz 2 power plants.</p>
<p>2010</p>	<p>Santa Cruz Hydroelectric signs the RER1 Supply Contract with the Peruvian government for the energy generated by the Santa Cruz 1 and Santa Cruz 2 power plants, as well as the energy supply contracts for the Huasahuasi 1 and Huasahuasi 2 power plants, resulting from the first Renewable Energy Resources (RER) 2 Energy Auction.</p>
<p>2011</p>	<p>LAP Chile purchases the water rights of Carilafquén-Malalcahuello in the Araucanía Region.</p> <p>LAP Peru is constituted and makes its first investments through a local partner, acquiring a majority stake in the Santa Cruz 1 and Santa Cruz 2, Huasahuasi 1, Huasahuasi 2, Runatullo 2 and Runatullo 3 projects, as well as the Cherrepe, Ocucaje and Paijan wind projects.</p> <p>As a result of the second RER Energy Auction, the RER Supply Contract is signed with the Peruvian State for the energy generated by Runatullo 3.</p>
<p>2012</p>	<p>Commercial operation of Huasahuasi 1 and Huasahuasi 2 is initiated.</p>
<p>2013</p>	<p>LAP Chile adds to its operating portfolio then Totoral Wind Farm in Chile.</p>

1.1 Company's Milestones

2014

As a result of the third RER Auction, The RER Supply Contract was signed with the Peruvian Government for the energy generated by Runatullo 2. Runatullo 2 and Runatullo 3 start commercial operation.

2015

LAP Chile begins construction of the San Juan Windfarm, located on the southern coast of the Atacama Region.

2016

LAP Chile begins operating the Carilafquén - Malalcahuello hydroelectric power plants in the Araucanía Region.

2017

The San Juan Wind Farm officially begins operations, becoming the largest of its kind in Chile.

2019

LAP Peru acquires 100% of the shares of its local partner and thus directly assumes the operation of the six hydroelectric power plants and exclusive rights to develop the Paijan, Cherrepe and Ocucaje wind projects.

1.1 Company's Milestones

2020

In light of the global pandemic context, the COVID-19 crisis committee was formed with representatives from Chile and Peru, also, because of the Carilafquén - Malalcahuello CH pipeline change project in Melipeuco, the COVID-19 Health Committee was made up with the participation of employees, neighborhood leaders and contractors.

During this year, in addition to winning first place in the Chilean Generators Best Practices Contest and being named partner of the month in WEC Chile, LAP Chile initiated the certification pilot plan by Transelec.

2021

After the Replacement of its adduction pipelines, the Malalcahuello Power Plant Became operational again. LAP has been enabled in the I-REC platform to issue renewable certificates to its customers in Chile and Peru. First Measurement of LAP's corporate carbon footprint.

2022

LAP obtains the seal of 40 hours work! Certification granted by Chilean government Work and Social Security department, that recognizes the company for boosting a voluntary working day reduction policy. This policy has also extended to the collaborators in Latin America Power in Perú.

The Direccion General de Aguas (DGA) approves the final reception of the waterworks in Carilafquén – Malalcahuello hydroelectric power plant.

Latin America Power, representatives of communities and authorities re-opened the Carilafquén – Malalcahuello hydroelectric power plant. Along with the re-opening, the company presented a renewed social agreement to work alongside the Esteban Traipe indigenous community.

1.2

Purpose and Values, Corporate *Philosophy*



1.2 Purpose and Values, Corporate Philosophy

In the words of our CEO.

“As of today, there is a social conscience where everyone must be a participant of this evolution by decreasing the consumption of fossil fuels, **as from our clients' demands point of view, for most of them it is an obligation that we operate 100% in renewable energy.**”



Esteban Moraga – General Manager

Our company looks for operational excellence, with a high-level human capital, **and for that, the values that inspire us are:**

Transparency



We share information in a clear, simple, and direct way. We know this contributes to building a trusting relationship with our teams, and without a doubt increases business profitability through loyal and committed clients.

Commitment



We want our collaborators to contribute to the challenges that arise in their areas, and for them to collaborate with the company when problems arise.

Discipline



We organize ourselves based on a set of rules and norms, which constant compliance drives us to the results we desire.

Austerity



Our company values simplicity, frankness, and temperance. We strive to be ourselves, always, in the eyes of all.

Responsibility



It is part of our culture, responsible work, and task completion. This quality allows us to make front to the goals we aim to achieve.



1.2 Purpose and Values, Corporate Philosophy

Our Corporate *Philosophy*



Operational Excellence

We strive for **excellence** in all our processes.



People and Culture

The jobs of every single person at LAP are important, that is why we value **teamwork** and recognize a good outcome.



Security and Sustainability

Nothing is more important than the safety of our collaborators and the environment.



Risk Profitability

We take care of **managing the risks** to maximize the value of business.

1.3 Exercise Results

Exercise Results

What is your assessment of LAP's results in 2022 in the context of the industry crisis?

While there was better hydrology and more renewable energy in the system in terms of environmental terms, the main issue that affected us was the rise in fuel prices caused by the war between Ukraine and Russia. This also led to a significant increase in the marginal costs of the system, which was compounded by the poor generation results of 2021.

In the case of Peru, it is important to consider that the hydrological period in 2022 was delayed and began in December. This resulted in us selling less energy in the final months of 2021. However, it also allowed the rainfall periods that were shifted to January, February, and March to be very productive in April. This allowed us to start the following period with good results.



Vicente Orueta _ Corporate Finance Manager

Commercial Engineer from Pontificia Universidad Católica de Chile, with experience in Corporate Finance. He assumed the finance management of Latin America Power in March 2023 after having served as assistant manager of corporate finance of LAP since 2021.

What are the projections for 2023?

For 2023, considering that fuel prices are normalizing and that the hydrology has been reasonable so far, along with the entry of many new renewable energy projects, the outlook is more favorable.

These three factors have led to the alignment of energy costs, meaning that they are equal in different voltage points. As a result, even though we have low generation, we can buy energy at reasonable prices on the market, and thus improve our results.

What challenges and difficulties do you see ahead?

More than a challenge for LAP, there is a challenge for the market as a whole. In that line, if we had a stable market, even though we were generating little energy, we would have good results. However, the current industry landscape has caused results to be hampered by the sector environment.

For example, there are currently transmission failures, a deficit of energy accumulation, and a very important bottleneck in the transmission lines for energy to flow freely throughout the country. Although Latin America Power is prepared to face these difficulties, it is undoubtedly a challenge for both the company and the industry as a whole.

1.3 Exercise Results

The energetic capacity that can be achieved in Chile and Perú.



Results by country



1.4 Operational Results

Operational Results



Víctor López _ O&M Manager

Civil Electrical Engineer from Universidad de Chile and Master in Business Administration from Universidad Adolfo Ibáñez with more than 20 years of experience in the Chilean electricity market.

What is LAP's strategy in terms of maintenance?

In general, the philosophy of maintenance is always focused on carrying out more preventive and predictive checkups, naturally this will avoid corrective

maintenance. In the same way as with a person's health, we focus on prevention because it is much more expensive to cure. For it, the strategy behind is to carry out forceful preventive maintenance, very thorough and systematic to avoid any type of undesirable events.

We measure maintenance through an indicator that is the ratio of preventive maintenance hours to corrective maintenance tasks. One of the benefits of this is that you don't need as many employees, but you do need more specialized employees to perform inspections and less invasive testing tasks. Therefore, it allows us to have a staff complement that is quite specialized compared to what one would need if one faced the issue in another way.

How does this process connect to asset management and the company's policies?

One of our pillars is operational excellence, therefore when we approach maintenance with this strategy, we are oriented and profiled towards performing all our processes in the best possible way. In line with this objective, one of the best possible ways is precisely to try to keep our assets available for as long as possible.

What is the milestone you would highlight the most in the area during 2022?

The most significant milestone was the reopening of our Carilafquén Malalcahuello Hydroelectric Power Plant, after obtaining the permanent permit from the General Directorate of Waters to operate in a fully autonomous manner, following a period in which we had a provisional permit in which we had to be carrying out certain tests to demonstrate to the authority that we were in compliance.

On the other hand, for any of the milestones we achieved in 2022, it is very important to highlight our team. At LAP, we have top-notch human teams, sometimes physically far from the headquarters, but highly integrated in terms of the company's goals, policies, and pillars. Every time I visit the parks and power plants, I feel the commitment and dedication of the people, always aligned with the pillars that drive us day by day.

1.4 Operational Results

CHILE



PROJECT'S NAME	LOCATION	MWH PRODUCED PER YEAR	NUMBER OF WIND TURBINES	BEGINNING OF OPERATIONS	COVERAGE (Number of households)
San Juan Wind Farm	Estancia Chañaral de Aceituno, Atacama Region	448.850	56	2015	200.000
Totoral Wind Farm	Canela, Coquimbo Region	79.200	23	2010	50.000
Carilafquén, Malalcahuello Hydroelectric Plant	Melipeuco, Araucanía Region	111.700	4	2016	43.000



Freirina
Atacama Region.



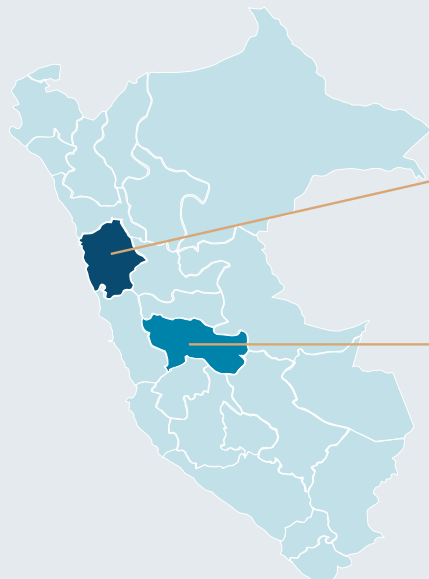
Canela
Coquimbo Region.



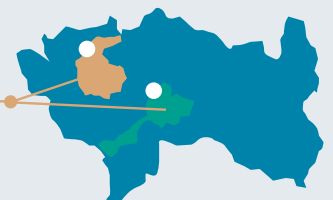
Melipeuco
Araucanía Region.

PERÚ

PROJECT'S NAME	LOCATION	MWH PRODUCED PER YEAR	NUMBER OF WIND TURBINES	BEGINNING OF OPERATIONS	COVERAGE (Number of households)
Santa Cruz Hydroelectric Plant 1 and 2	Provincia de Huaylas, Department of Ancash.	61.352	2	2019	60.000
Huasahuasi Hydroelectric Plant 1 and 2	Department of Junín between Sierra and Amazon Rainforest of Perú. In the central area of The Andes.	84.622	2	2012	80.000
Runatullo Hydroelectric Plant 2 and 3	Department of Junín at 3147 meters above sea level.	174.827	2	2014	190.000



Huaylas Province,
Department of Ancash.

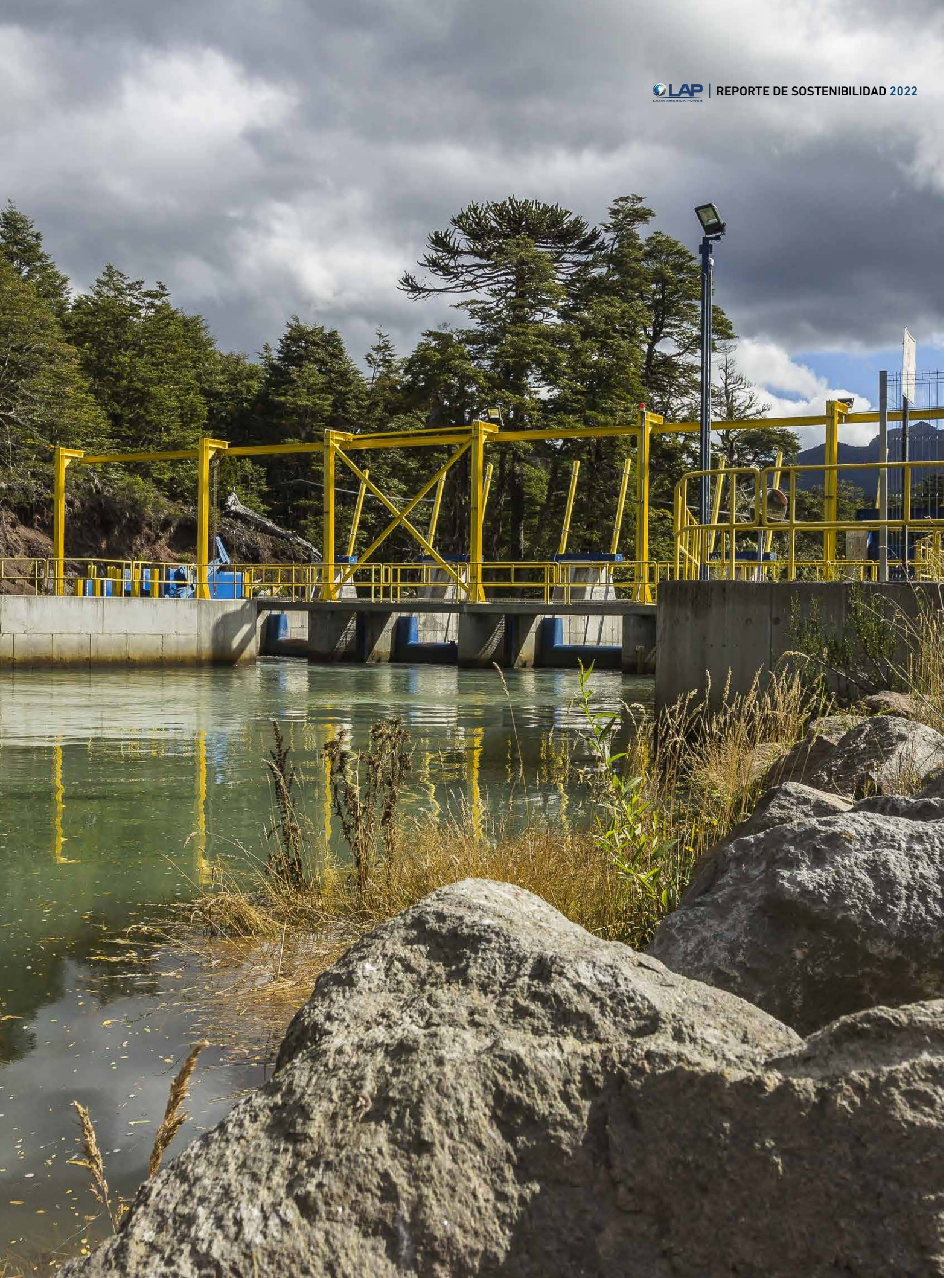


Tarma Province,
Department of Junín.

10 projects in operation in both Chile and Perú.

333,2 MW of operating assets.

115 kilometers of transmission lines in operation.



Sustainability Strategy

A large-scale photograph of a wind farm at sunset. The sky is a deep, warm purple and orange, transitioning to a dark blue at the top. The silhouettes of numerous wind turbines are visible against the horizon, stretching across the landscape. The foreground is dark, suggesting a field or low-lying vegetation. The overall mood is serene and emphasizes renewable energy.

2



2.1 Context

Context

Our work is based on the public goals and strategies established in both Chile and Peru. **Both countries have set criteria and policies as part of their public management.**



Perú

Peru aims to ensure the use of non-conventional renewable energy resources in the electricity generation matrix, **progressively increasing new requirements with unconventional renewable energies according to the supply and demand of the electricity market.**

The main objectives defined in the 2040 Policy are to achieve **Universal Access to energy supply, integration with energy markets in the region, and self-sufficiency in energy production.** To have a competitive energy supply, with efficiency in energy production and utilization. To diversify the energy matrix by developing energy resources rationally, with minimal environmental impact and low carbon emissions within the framework of Sustainable Development.

Main Axes of the National Energy Policy of Peru 2010 - 2040

- Diversified energy matrix.
- Energy supply.
- Universal access.
- Greater efficiency.
- Self-sufficiency.
- Minimal environment impact.
- Develop the natural gas industry.
- Strengthen institutionalism
- Integrate with energy markets.

¹ Political Dialogue on Energy Efficiency in Latin America and the Caribbean: Energy Efficiency Markets, Presentation Edwin Quintanilla Vice Minister of Energy.

¹ Political Dialogue on Energy Efficiency in Latin America and the Caribbean

2.1 Contexto

Chile

As of October 2022, in the 12-month period, **wind and solar power generation increased by 27.5%, while coal generation only reached 26.5%**. This new scenario opens the door to an acceleration of a fair energy transition and thus meeting the schedule for closing coal-fired power plants by 2030. Civil society organizations play a key role, which have carried out various campaigns to achieve a more ambitious decarbonization schedule in Chile, **calling for the closure of all coal-fired power plants between 2025 and 2030**, and their replacement with renewable capacity, is highlighted

The success achieved so far with the rapid deployment of wind and solar energy means that Chile is well positioned to do so. **Chile's current goal is to achieve 80% renewable electricity by 2030 and a 100% emission-free electricity grid by 2050**. In this way, the National Energy Strategy for 2030, which in this opportunity analyzes what is pertinent to electric energy, is based on the following fundamental pillars.

First, adopt a determined commitment to energy efficiency and promote it as a public policy of paramount importance in the pursuit of reducing consumption and decoupling between growth and energy demand.

Second, ratify the need to increasingly incorporate unconventional renewable energies into the Chilean electric matrix.

Third, clearly and decisively enhance traditional renewable energies. To do so, our country must take advantage of its comparative advantages, reduce its external dependence, and limit the expansion of greenhouse gas emissions.

Fourth, strengthen the design, solidity, and promote the development of our transmission system.

Fifth, address the various challenges posed by the electricity market and distribution in a formal manner.

Sixth, promote a sustained advance in the development of international interconnections.



² País Circular, noticia 25/10/2022.

2.1 Contexto

Chile

The State’s vision is also in line with what the World Energy Council (WEC) proposes regarding sustainable energy policies, which are achieved through the following dimensions: Energy Security, Energy Equity, and Environmental Sustainability

In this way, the Energy Policy is based on Supply Security and Quality, Energy as a Development Engine, Compatibility with the Environment, and Energy Efficiency and Education. On these bases, the various measures and action plans proposed until 2050 must be developed. The main goals of the National Energy Policy.

- 100% zero-emission energy by 2050 in electricity generation and 80% renewable energy by 2030.
- 60% less annual GHG emissions in the energy sector by 2050, compared to 2018, which will enable carbon neutrality before 2050.
- 70% reduction in PM2.5 particulate matter pollution from heating by 2050, compared to 2018.
- Carbon price of at least USD 35 per tonne of CO2 equivalent by 2030. • 100% dry firewood in all urban centers by 2030.
- 100% of new residential and non-residential buildings are “net-zero energy consumption”.
- 100% of sales of new light and medium vehicles, and new additions to urban public transport, are zero-emission by 2035.
- 100% access to electricity for all households by 2030 and clean low-emission energy by 2040 to meet heating, hot water, and cooking needs.
- 6,000 MW in energy storage systems in the National Electric System by 2050 (2,000 MW by 2030), such as batteries, hydraulic pumping, compressed air, liquid air, among other technologies.
- By 2040, Chile will have the highest standards in the world for reliability and resilience of the energy system.



2.1 Contexto

Chile

- Maximum of 1 hour of average electric supply unavailability in the country by 2050, with a lower level of dispersion at the community level compared to 2021.
- Training of 18,000 and certification of at least 9,000 people by 2030.
- 500 MW of participation by indigenous or rural local organizations in the electric generation matrix by 2050 (100 MW by 2030).
- Gender parity in executive positions and remuneration of public and private energy sector organizations by 2040.
- 25% improvement in energy intensity of large energy consumers by 2050, compared to 2021.
- All new energy projects incorporate ecosystem safeguard measures by 2030, such as the net-zero biodiversity loss approach.
- All controversies associated with energy projects by 2050 are addressed through dialogue and/or dispute resolution mechanisms.
- 100% of energy sector policies and instruments are designed, implemented, monitored, or evaluated considering appropriate participatory processes for the instrument in question, incidents, and inclusivity by 2050.
- Permanent Energy Policy Council of Chile, created and formalized in 2022.

HIGHLIGHTED GOALS

**GEI
60%**

Reduction of Greenhouse Gas Emissions in the energy sector by 2050, compared to 2018.

**H2V
70%**

Zero-emission fuels (such as green hydrogen) in non-electric final energy uses by 2050 (15% by 2035)

**35
USD**

Carbon price of at least USD 35 per ton of CO2 equivalent by 2030

**CO2
100%**

Zero-emission energy by 2050 in electricity generation (renewables will contribute 80% by 2030). We will work to create spaces that allow for the complete removal and/or conversion of coal-fired power plants by 2030



2.2 Sustainability Pillars.

Sustainability Pillars

In order to continue the work that the company has already started, and in line with the context of the countries where we operate, we have defined the material topics that we will focus on.

These topics were selected based on the expectations of our stakeholders and the strategic goals of the company. The sustainability strategy, as reflected in the Sustainability Plan, maintains its four main pillars of work:

1. Political participation to promote sustainable development.

We have established alliances, participation in industry associations, working groups, and public-social impact spaces that promote the construction of legislation and regulations related to the development of clean energy.

2. Environmental responsibility.

We ensure the rational use of natural resources, with clean technologies, in addition to recovering spaces and reducing waste in order to have a friendly interaction with the environment.

4. Economic development.

We implement programs that promote economic development, culture, identity, and community infrastructure in a way that is tailored to the specific needs of each territory.

3. Social development.

The respect for territorial identity in our relationships with communities close to the area of influence of our operations is the key to our organization, as we seek to generate long-term relationships and contribute to local economic development in the sectors where we operate.

2.3 Materiality

Materiality

The materiality matrix is a process of identifying the most important issues for a company, based on its business strategy and also on the stakeholders' perception of the impacts.

The company's Sustainability team reviews, identifies, and maps its stakeholders at the national and local levels. The team maintains a permanent link with the communities, social and governmental organizations, and updates a map of the stakeholders according to the company's reality and the environment. To this end, the stakeholders were prioritized according to two variables.

Dependency



Groups or individuals who are directly or indirectly dependent on the activities, products, or services of the organization and its associated functions.

- Employees
- Suppliers and contractors
- Customers
- Shareholders








Influence



Groups or individuals who can have an impact on the organization or strategic stakeholders for the decision-making process.

- Shareholders
- Industry
- Communities
- Unions
- Authorities

2.3 Materiality

Stakeholder	Relationship Channels	Relevant Issues
 Employees	<ul style="list-style-type: none"> • Internal Culture Survey. • Feedback by area. • Sexual harassment survey. • Cultural alignment program. • Intranet. 	<ul style="list-style-type: none"> • Occupational health and safety. • Job stability. • Work environment. • Training and development. • Growth and profitability.
 Shareholders	<ul style="list-style-type: none"> • Shareholders' Meeting. • Annual report of Patria indicators. • Website. 	<ul style="list-style-type: none"> • Occupational health and safety. • Growth and profitability. • Corporate governance. • Ethics and integrity. • ESG criteria in operations.
 Suppliers and Contractors	<ul style="list-style-type: none"> • Annual Evaluation. • Satisfaction surveys. • Training sessions. • Intranet. • Website. 	<ul style="list-style-type: none"> • Local suppliers. • Operational maintenance. • Occupational health and safety. • Economic growth. • Ethics and integrity.
 Customers	<ul style="list-style-type: none"> • Customer Satisfaction Studies. • Project and monitoring visits. • Corporate business plan. • Complaint channel. • Website. 	<ul style="list-style-type: none"> • Operational continuity. • Economic growth. • Ethics and integrity. • ESG criteria.
 Unions	<ul style="list-style-type: none"> • Working groups • Strategic plans for the sector • Website 	<ul style="list-style-type: none"> • Economic growth. • Operational continuity . • ESG criteria.
 Authorities	<ul style="list-style-type: none"> • Community outreach sessions. • Social Investment Funds. • Working groups. • Local managers and plant managers visit. • Informative brochures and flyers. • Website. 	<ul style="list-style-type: none"> • Local economic development. • Ethics and integrity. - Biodiversity. • Local suppliers. • Water. • ESG criteria.
 Media	<ul style="list-style-type: none"> • Media spokespersons. • Press releases. • Website. • LinkedIn. 	<ul style="list-style-type: none"> • Ethics and integrity. • ESG criteria.



2.4 Materiality Matrix

Materiality Matrix



2.5 Commitment to Sustainable Development Goals and Work in Line with the SDGs

Commitment to *Sustainable Development* Goals and Work in Line with the SDGs

The Sustainable Development Goals are a series of measures to end poverty, protect the planet, and ensure the global well-being of people.

A century ago, economic growth prevailed over everything else in our society, and the goal was to generate economic results. This objective was so strong and marked in countries that people and nature were relegated to a secondary position. Progress became the progress of destroying life as we knew it.

In the 1980s, science presented real evidence and the necessary data to open our eyes to the fact that we were on the wrong path and putting the planet and our subsistence at risk. The current concept of sustainability appears for the first time in the Brundtland Report of 1987, called Our Common Future.

This document, prepared for the United Nations, warns for the first time of the terrible environmental consequences of economic development and globalization. However, it not only highlights the problems but also offers solutions to industrialization or population growth.

193 United Nations member states approved the 2030 Agenda, which sets out the Sustainable Development Goals (SDGs), a new horizon with the most important challenges for human beings in the coming years: eradicating poverty, protecting the planet, and ensuring prosperity for all.

These are seventeen ambitious objectives, broken down into 169 targets, which require the collaboration of civil society and public and private sectors, whose success would mean a more equal and habitable world

2.5 Commitment to Sustainable Development Goals and Work in Line with the SDGs

LAP has decided to specifically integrate nine of these SDGs into its business plan, without excluding the company's contribution to achieving all the goals.

The commitment to the SDGs was a result of the definition of sustainability coined in the Brundtland Report of 1987. Therefore, Latin America Power's sustainable business strategy is framed within the energy transition, incorporating the SDG targets into the investments of its business lines.



In southern Chile, investment funds contribute to improving the agricultural production of various Mapuche communities, while in the north of the country, work is being done with communities of seaweed and fisherman to improve their productive conditions 1.

In Peru, the "Improvement of commercial and native potato seed" project stands out, which has been executed for nine years in the Huasahuasi district.

ODS 2



The work with the peasants of Huasahuasi is the result of public-private cooperation, and its main achievement is the assurance of a product that is 100% marketable.

ODS 4



Since 2014, as part of our environmental commitments acquired through licensing operations in the La Araucanía Region, Chile, we have benefited more than 300 children and young people with study scholarships.

ODS 7



We have ten operations in Chile and Peru that contribute more than 340 MW of ERNC to the electrical systems of both countries. This benefits households, institutions, and businesses, as well as each state's goals in transforming its energy matrix.

ODS 8



In LAP, we contribute with strict regulatory assurance, occupational risk prevention, and constant training. As a result, from 2018 to 2022, we have had 0 accidents with lost time.



Among other aspects,, this SDG aims to ensure access to adequate, safe, and affordable housing and basic services for all people, and to improve slums. Additionally, it promotes participatory, integrated, and sustainable planning and management of human settlements in all countries, along with redoubling efforts to protect and safeguard the world's cultural and natural heritage. In our community relations, we ensure that the funds we provide are in line with projects designed by community members to improve their quality of life and promote their culture and traditions.

ODS 15



We have an Environmental Commitment Plan for each power plant and park that includes monitoring of wildlife, annual bird reports, reforestation programs, effluent quality, and commitment tracking.

ODS 16

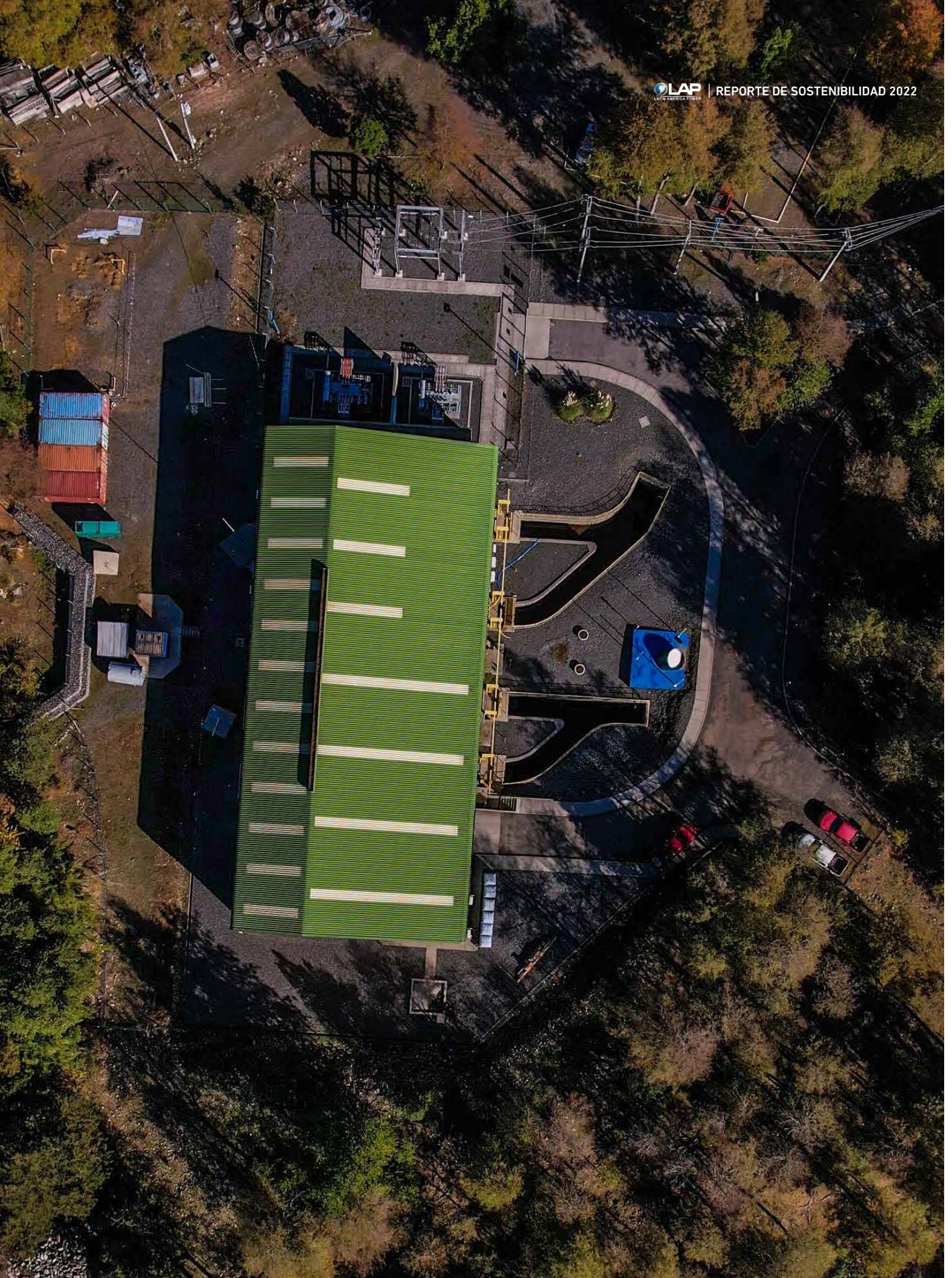


The Corporate Governance model safeguards the interests of shareholders and key stakeholders, based on solid governance, with a structure that clearly defines responsibilities and has a strategy, values, policies, and risk management, ethics, and compliance models in all processes.

ODS 17



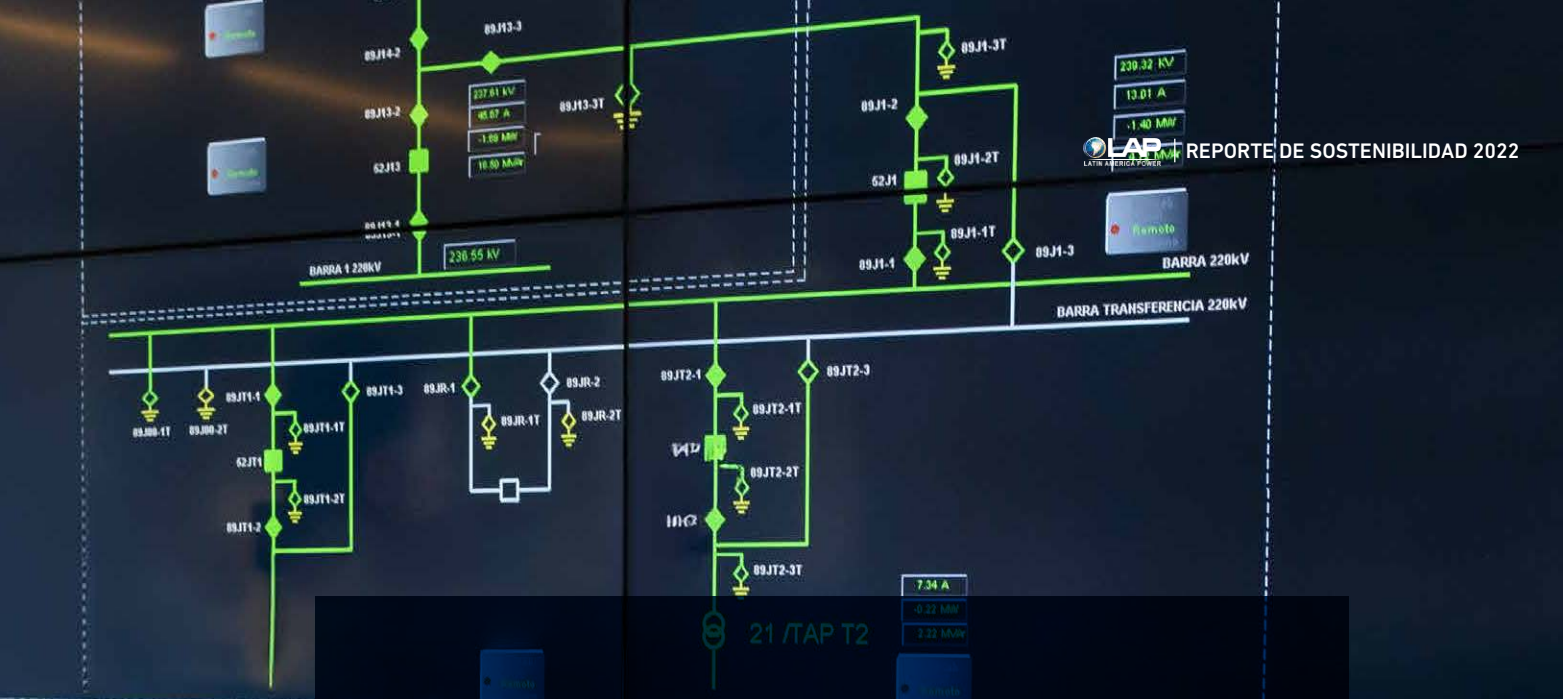
We participate in various guild and technical instances to share knowledge and best practices. In addition, we form partnerships with public entities and other private companies for the development of projects that benefit the communities in which the company operates.





Corporate
Government

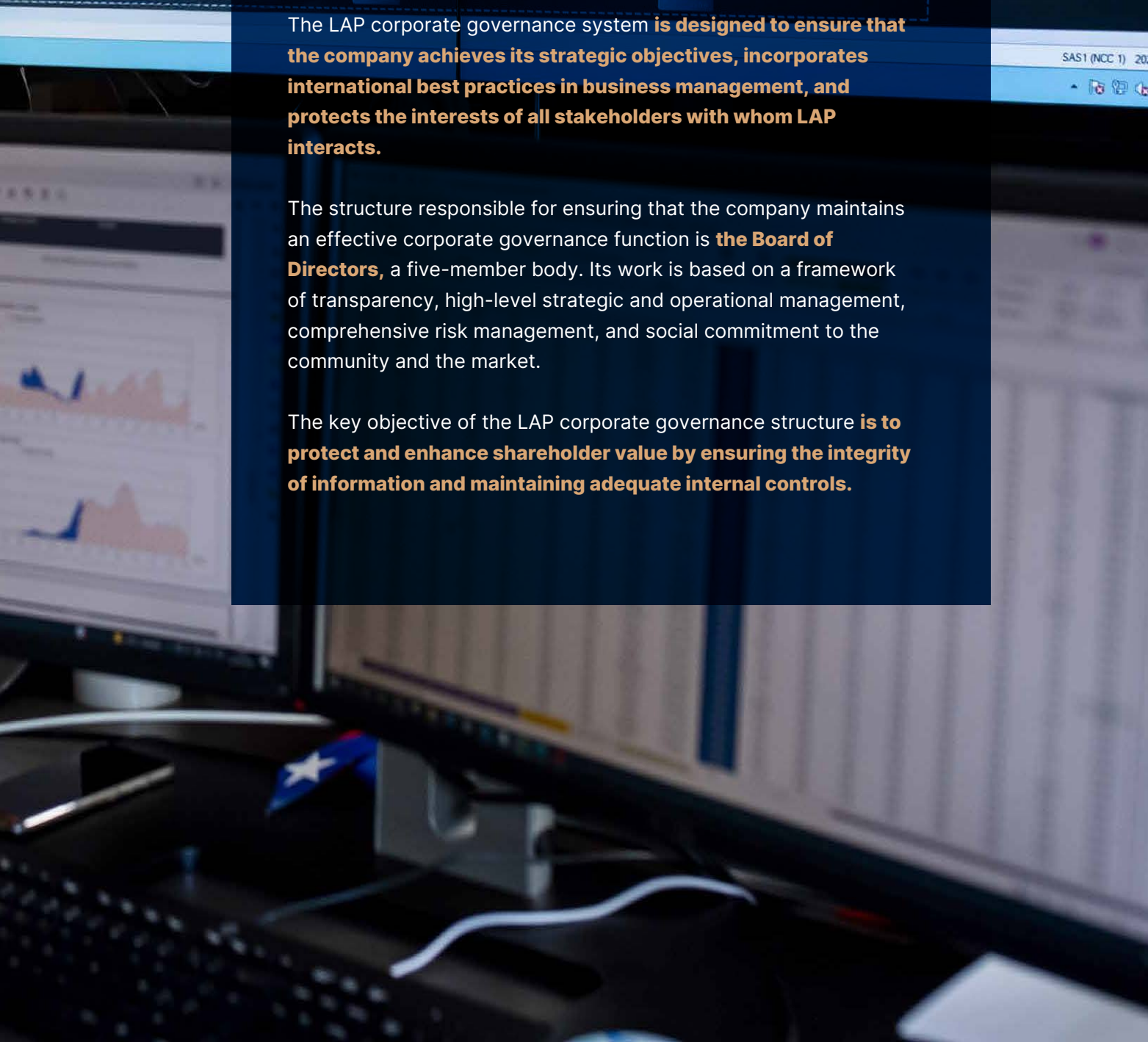
3



The LAP corporate governance system **is designed to ensure that the company achieves its strategic objectives, incorporates international best practices in business management, and protects the interests of all stakeholders with whom LAP interacts.**

The structure responsible for ensuring that the company maintains an effective corporate governance function is **the Board of Directors**, a five-member body. Its work is based on a framework of transparency, high-level strategic and operational management, comprehensive risk management, and social commitment to the community and the market.

The key objective of the LAP corporate governance structure **is to protect and enhance shareholder value by ensuring the integrity of information and maintaining adequate internal controls.**



3.1 Corporate Governance Model

Corporate *Governance* Model



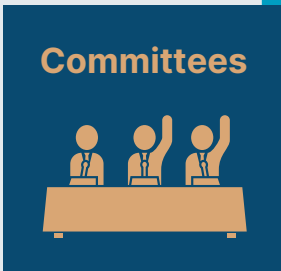
Board of Directors

A group of five active members. Two represent BTG Pactual, two the Patria Group, and one GMR. It is the supreme administrative body of the entity. Its operation is based on a framework of transparency, high-level strategic and operational management, comprehensive risk management, and social commitment to the community and the market.



Legal Department

It is the unit responsible for advising and informing the Board of Directors and General Manager on legal matters.



Committees

Committees are the areas responsible for supporting the Board of Directors in analyzing the main aspects of the company's management. To strengthen control in those matters that, due to their specialization, require dedication and specific knowledge, the LAP Board of Directors created two specific committees. These have the mission of disseminating, in each of their areas, the institutional philosophy that constitutes the company's distinctive seal for its employees, customers, regulators, investors, stakeholders, and the general community.



Finance Committee

Responsible for evaluating the company's financial plans; reviewing the business strategy and its implementation; and analyzing the risks related to the financial structure, the volatility of interest rates and currency, and refinancing.



Operations Committee

Responsible for evaluating the progress of projects from a variety of perspectives (technical, financial, commercial, environmental, etc.), with the goal of aligning strategies across all areas of the company to guarantee that projects are on track to meet their objectives.

3.2 LAP Corporate Structure

LAP *Corporate* Structure

Latin America Power Holding BV, based in the Netherlands, is **the holding company of the LAP Chile and LAP Peru businesses**. Its shareholders are international funds of recognized prestige.

GMR
(Brazil)

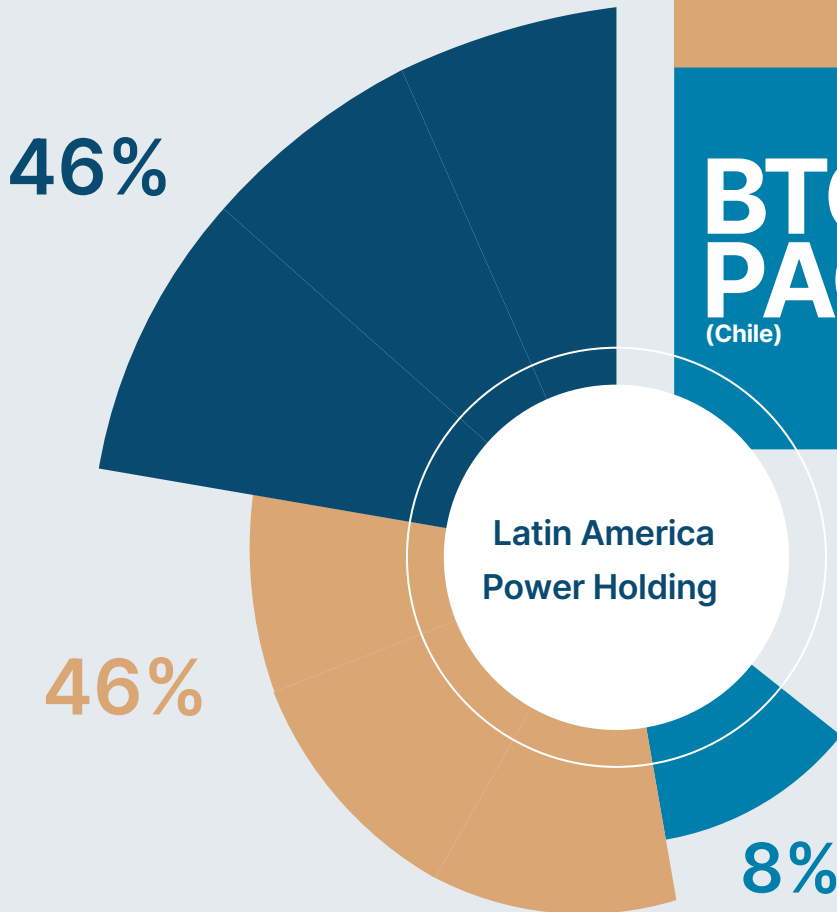
is a holding company with investments in the energy sector worldwide. It has been a shareholder in LAP since the company's inception.

PATRIA
(Brazil)

is an investment management firm with experience in private equity, infrastructure, real estate, and credit.

BTG PACTUAL
(Chile)

is a leading investment bank with a global presence in investment banking, sales and trading, wealth management, asset management, and corporate lending.



- Fondos Patria
- BTG Pactual
- GMR Holdings

3.3 Directorate of Administration & Management

Directorate *of* Administration & Management

The Administration Directorate is the unit responsible for ensuring the proper functioning of the company based on a sustainable model. As part of its main activities, this section is responsible for supporting a framework of transparency, promoting high-standard strategic and operational management, as well as maintaining exhaustive control over risks and social commitment to the community and the market.

Directory
of Administration

Esteban Moraga

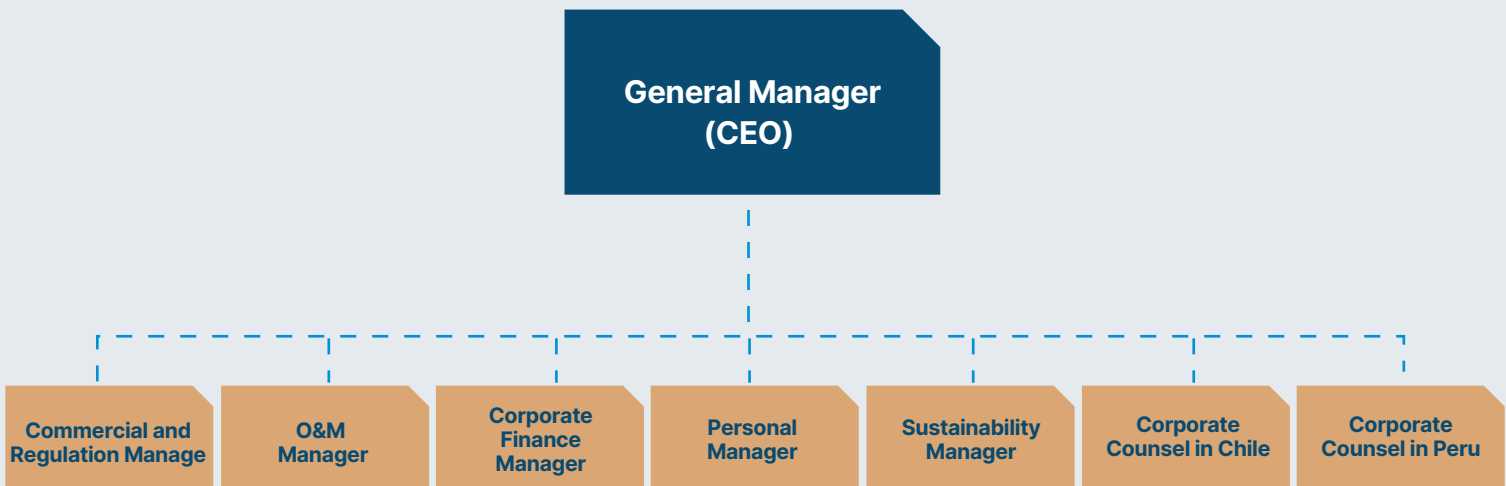
General Manager
(CEO)

Víctor López

O&M Manager

Vicente Orueta

Corporate Finance
Manager



3.3 Directorio de Administración & Gerencias



Esteban Moraga - Chief Executive Officer (CEO)

Commercial Engineer and Master in Finance from the Adolfo Ibáñez University, with nearly 14 years of experience as CFO (Chief Financial Officer) in various industries such as Tobacco, industrial logistics, Construction, Ports, and Energy. He assumed the General Management of Latin America Power in March 2023 after having served as CFO of LAP since 2017, and after a solid career as CFO in companies such as British American Tobacco Chile and Ultramar Group companies (Full-Pak, ATCO Sabinco, Puerto Angamos & TGN).

Oscar Morales - Commercial and Regulation Manager

Engineer with a Master's degree in Electrical Engineering and Power Systems from the Simón Bolívar University and a Master's degree in Electrical and Environmental Economics from the University of Comahue. With more than 25 years of experience in the energy sector, conducting studies related to the design of electricity tariffs, planning of the electricity system, design of the electricity market and its regulation, and technical-economic viability of generation projects. Previously, Project Leader at Systep and Project Engineer at Energética S.A., and Commercial Management Coordinator at "Electrificación del Caroní", the largest electricity generation company in Venezuela.



Víctor López - O&M Manager

Civil Electrical Engineer from the University of Chile and Master of Business Administration from the Adolfo Ibáñez University, with more than 20 years of experience in the Chilean Electricity Market and outstanding performance in areas in renewable energy generators (hydroelectric, wind, photovoltaic) and regulatory entities in the areas of Operation and Maintenance, Commercialization, and in areas in renewable energy generators (hydroelectric, wind, photovoltaic) and regulatory entities in the areas of Operation and Maintenance, Commercialization, and Regulation. He joined LAP in January 2022.



Vicente Orueta - Corporate Finance Manager

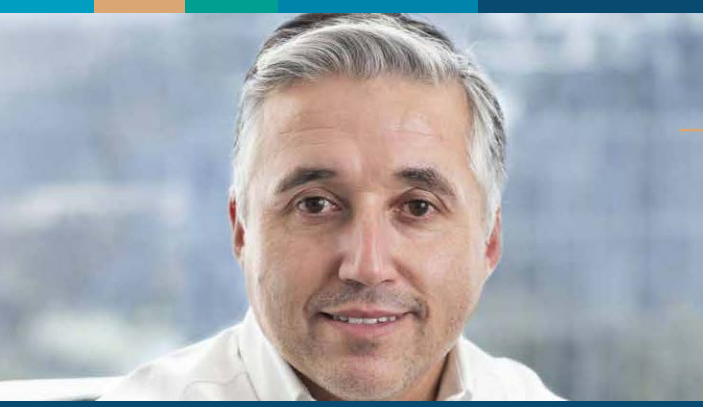
Commercial Engineer from the Pontificia Universidad Católica de Chile, with experience in Corporate Finance achieving a variety of transactions, such as project and business valuation, M&A, structured financing, and key relationships with institutional investors. He assumed the Finance Management of Latin America Power in March 2023 after having served as Submanager of Corporate Finance of LAP since 2021.



3.3 Directorio de Administración & Gerencias

Fabiola Cuello - Human Resources Manager

Psychologist, Graduate in Personnel Management, with more than 15 years of experience leading multidisciplinary teams in the implementation and management of issues related to Human Resources, in companies in the financial, aeronautical, consulting, and energy sectors. She joined LAP in April 2018.



José Salgado - Sustainability Manager

Safety, Occupational Health, and Environment Engineer, who holds a diploma in Socio-Environmental Management and Community Relations, Centre for Business Sustainability from Adolfo Ibañez University. The Sustainability Manager has more than 20 years of experience working in areas related to his profession. Within his experience, he has more than 8 years in the Generation and Energy Projects sector. He joined the Safety, Sustainability, and Environment Management of LAP in the second half of 2018, after having worked in companies such as MASISA S.A. and Duke Energy.

Francisca Pérez - Corporate Counsel in Chile

Lawyer from the Diego Portales University with experience in corporate law, mergers, acquisitions, and financing. Prior to LAP, she was part of the team at Baraona Fischer y Cía, a prestigious law firm in Chile, specializing in tax and corporate matters, and was a lawyer in the internal prosecutor's office of Farmacias Ahumada S.A., a member of Walgreens Boots Alliance. She joined LAP in November 2018.



Sandra Becerra - Corporate Counsel in Peru

Lawyer from the Peruvian University of Applied Sciences (UPC) with a Master's degree in Public Services Regulation. With more than 15 years of experience in various industries, highlighting the regulatory sector, with extensive experience in airport and energy sectors.

3.4 Opinions from the Team

Opinions *from the* Team

Why does LAP do this report on Peru?

In Peru, sustainability reports are only mandatory for companies that are listed on the stock exchange. This makes Latin America Power's work particularly interesting, as its commitment to sustainability is based on its own initiative. This has generated a very positive reception from the company's employees.

What were the main priorities you had at LAP Peru in 2022?

Due to our business model, our focus is more on environmental compliance. This is partly due to the change that Peru underwent in 2019, when the government sought to align the energy sector with what was already happening in other sectors. This meant, primarily, the use of the environmental management instrument PAD (Detailed Environmental Plan), whose procedures had a February 2023 deadline.

In this vein, we were fully committed to developing and submitting these requests early throughout 2022.

How has the LAP Peru transition process been managed?

At LAP, we know that companies are not just assets and furniture, but that it is primarily their employees who make operations possible. In this vein, I appreciate the way the company has handled the transition process with employees, both personally and as the leader of the LAP Peru team. In addition, the feedback we have received from the people is very positive. I have experienced this type of process in other instances, and not always do senior management take the time to worry about transmitting information in a simple language and explaining in detail important aspects of the step-by-step process.



Sandra Becerra _ Corporate Counsel in Peru

Lawyer from the Peruvian University of Applied Sciences (UPC) with a Master's degree in Public Services Regulation. More than 15 years of experience in various industries, especially in the regulatory sector, with extensive experience in the airport and energy sectors.

3.4 Opinions from the Team

Opinions *from the* Team



Gustavo Masman _ Chief Technology Officer

Computer Engineer with 20 years of experience managing technology departments, generating improvements in processes and services, and achieving operational continuity. Adaptable to change, with initiative and the ability to solve problems efficiently, with a focus on services and business continuity.

What were the most important achievements in the technological field in 2022?

In 2022, we were able to implement our Backup Dispatch Center at the Cunco Hydroelectric Power Plant.

This means that in the event of a contingency, the Park will be able to take control of all the parks with access to all the servers and escadas. They will also be able to carry out a monitoring process in the same way as in our Main Center.

This was a very important milestone, as we were able to implement a third phone within the framework of the communication system that we have with the coordinator directly (Hotline). In this way, the goal we achieved was to connect all the parks to each other, allowing them to be protected and to support each other without losing operational continuity.

In addition to this, we improved the backup communication services in the Totoral and San Juan Wind Parks, located in Coquimbo and Atacama respectively, providing them with a

high level of communication availability to ensure the continuity of the processes. These are the most significant achievements in this area, which represented major advances in highly strategic parts of our project, and which will allow us to cover all the areas of interest to us.

3.5 Ethical Management.

Ethical Management

Ethics is part of our corporate philosophy. The value of people and their fundamental rights is the foundation of our actions, and is therefore woven throughout our values and principles. Based on this principle, **our company seeks to strengthen internal policies and instruments that guide the ethical performance of our business,** with measures that are communicated to our teams in a timely manner to prevent events contrary to our thinking and strengthen our corporate reputation. To do this, we have the following tools:

Code of Ethics



The Code of Ethics is a tool that allows our employees to learn about ethical and legal standards. It is a document that seeks to establish clear parameters for a work environment based on corporate values.



To fulfill the points above, the Prevention Officer is responsible for ensuring the proper application of this Code of Ethics and Internal Policies. This means that they must promote the values and behaviors that are promoted in the Code of Ethics and Internal Policies, channel cases to the appropriate authority, update and modify the Code of Ethics and Internal Policies, review requests for clarification from LAP employees and its Subsidiaries, and develop the powers and attributions granted to them by the Model.

Crime Prevention Framework



The Crime Prevention Framework is designed to prevent the commission of crimes within our company and its subsidiaries, as well as to comply with the governance and oversight duties required by law in each country. To build the framework, we identified activities and processes that could generate or increase risks, in order to establish the necessary management and procedures for their mitigation.

Complaint Management Systems and Reporting Channels



We have a reporting procedure applicable to all violations of the Code of Ethics, and there are eight active channels for reporting them, located on the company's website and available to the public.

Complaints can be made through the following channels:

- LAP Complaint Channel
- LAP Peru Complaint Channel
- LAP Services Complaint Channel
- EGE JUNÍN Complaint Channel
- SJU San Juan Wind Farm Complaint Channel
- Empresa Eléctrica Carén Complaint Channel
- Transmisora Valle Allipén Complaint Channel
- Totoral Wind Farm Complaint Channel

3.6 Partnerships and Engagement with other Organizations.

Partnerships and Engagement *with other* Organizations.



**Generadoras
de Chile**

Industry association that represents the main electricity generation companies operating in Chile. It brings together a broad and diverse group of the main renewable energy generation companies and other technologies operating in the Chilean market, and which lead the construction and development of renewable solar, wind, hydro, storage, and green hydrogen projects. **Esteban Moraga, our CEO, is a member of the board of this association.**

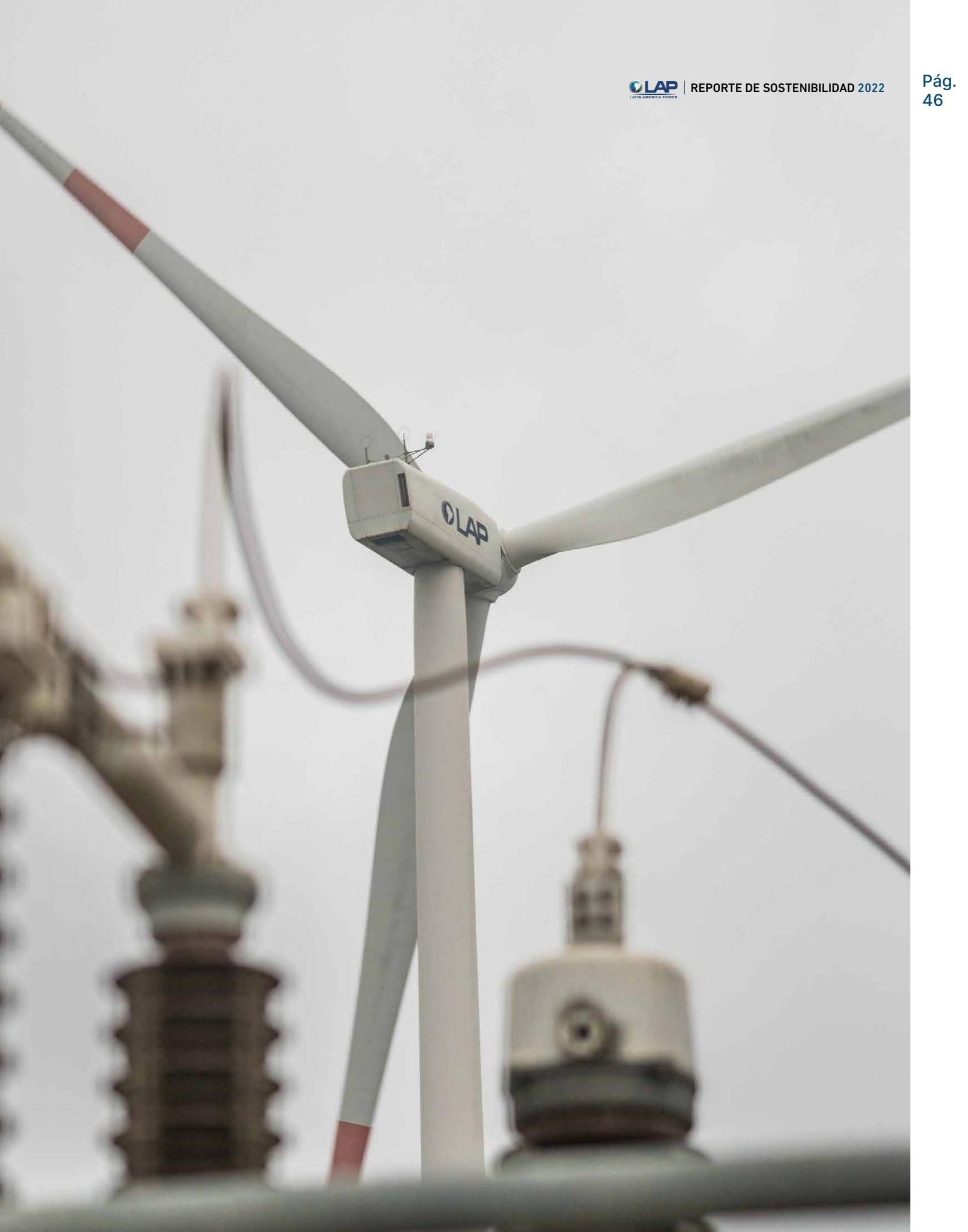


World Energy Council Chile is a platform for open dialogue between high-level leaders from the public, private, and academic sectors, where the most important issues in the country's energy sector are highlighted. It is an open working table where there is an openness to new ideas. It is aware of the changes that are taking place in our environment, and therefore works together with its partners to achieve a sustainable energy system for our country. In WEC, different points of view meet, providing relevant, objective, and transparent content. **Óscar Morales, our Commercial Manager, is a Counselor in this organization.**



The Peruvian Renewable Energy Association (SPR) was founded in 2017. It is a non-profit civil association that brings together companies and organizations that are committed to the development of non-conventional renewable energies, such as solar, wind, geothermal, tidal, biomass, and small hydroelectric power plants, and that participate in some point of their value chain. Its mission is to encourage the development of electricity generation in Peru from renewable sources.











Fabiola Cuello _ Human Resources Manager

Psychologist, Graduate in Human Resources Management, with over 15 years of experience leading multidisciplinary teams in the implementation and management of Human Resources topics in financial, aerospace, consulting, and energy companies.

40-hour workweek and remote work: Beyond legislation



Latin America Power is a company that strives to create a positive work environment for its employees and we believe that performance is enhanced by a better quality of life. Consequently, we have been implementing measures over time to find a balance between a reduced workweek and meeting professional objectives.

When the 40-hour workweek bill was first introduced in Chile, it was easy for us to be ahead of the curve, as we already had shorter workweeks in place. These shorter workweeks were implemented through conversations with managers from each department. The managers discussed the performance of their team, the feasibility of implementing the measure, and the methodology needed to carry it out; they then discussed it with their teams, gathered their feedback, and analyzed any potential complications.

Another topic we had to consider was the implementation of remote work, which was inspired by the situation we were living through during the pandemic. After this measure was implemented and we saw its results in improving quality of life and the opportunities it brought, we decided to keep it permanently.

All of this was achieved through many conversations, the trust relationship we have with our employees, and making it clear the commitment that this entails. In the particular case of Peru, the country does not have the same level of implementation of this 40-hour measure as in Chile. Therefore, for LAP Peru employees, this is a unique benefit that very few companies can offer. In their own words, "they have gained family time thanks to this."

In addition, there are positions that are 100% in-person and teams that have organized their schedules (shifts), which has allowed them to meet operational requirements, but with flexibility in differentiated schedules.

In summary, the key to these policies has been to create a space for "active listening," where people's opinions are taken into account to generate policies that serve and are real for everyone. For this, **"trust and responsibility"** is essential, and the people department has implemented effective supervision with real and controlled norms and policies.

Women, Industry, and Latin America Power

Another important topic for the company is that of women in the industry. From my point of view, over the years, there has been a significant increase in their entry and participation in the sector. **In line with this, Latin America Power has also made contributions in this area by implementing various measures to promote this, which I am quite satisfied with because it is a great contribution to the industry and to the company.** Despite the long and difficult path, we have seen how we have influenced the industry and how we have been part of these changes, which fills us with satisfaction.

Five years ago, we started collaborating with the Energía + Mujer initiative, which focuses on designing and implementing, **on a voluntary basis, a public-private plan that integrates the energy industry and its supply chain to address the barriers and gender gaps that allow for the integration of more female talent into the sector.**

energía
+mujer



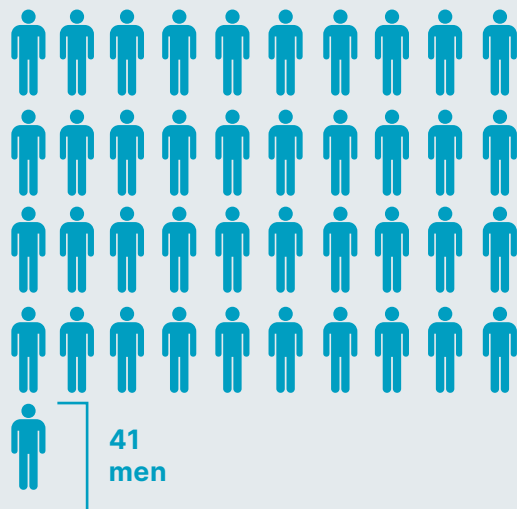
4.1 Our Team, LAP staffing figures 2022.

Our Team, LAP *staffing figures* 2022

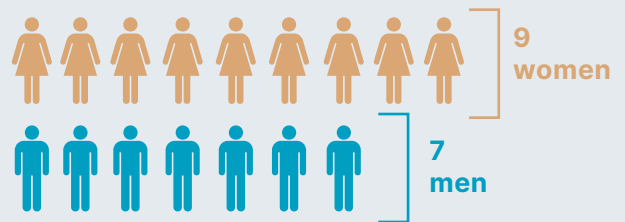
Under the premise that people are at the center of our work, at LAP we understand that, within the framework of sustainable management, promoting a good work environment, enhancing talents, and working hand in hand with our collaborators are essential points to generate a corporate culture of well-being and cooperation.

Our organization is composed of 116 people, distributed in the operations areas of LAP Chile, LAP Peru, and LAP Services. Together with each member of our organization, we strive to position fluid, transparent, and current labor practices as our main value proposition.

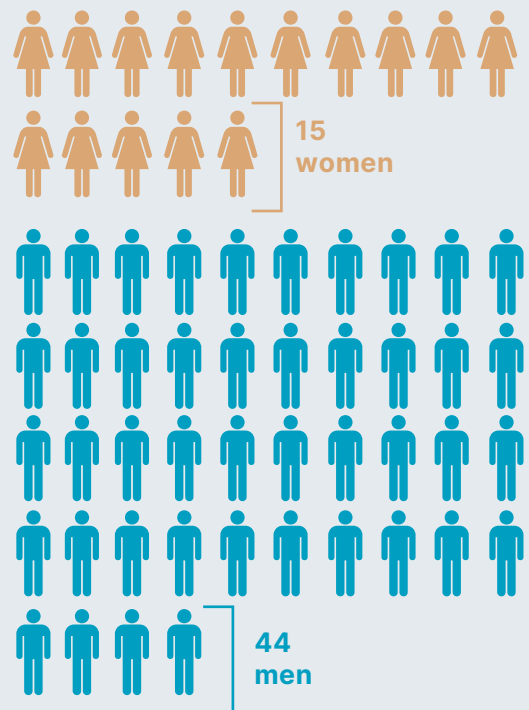
LAP Servicios



LAP Perú

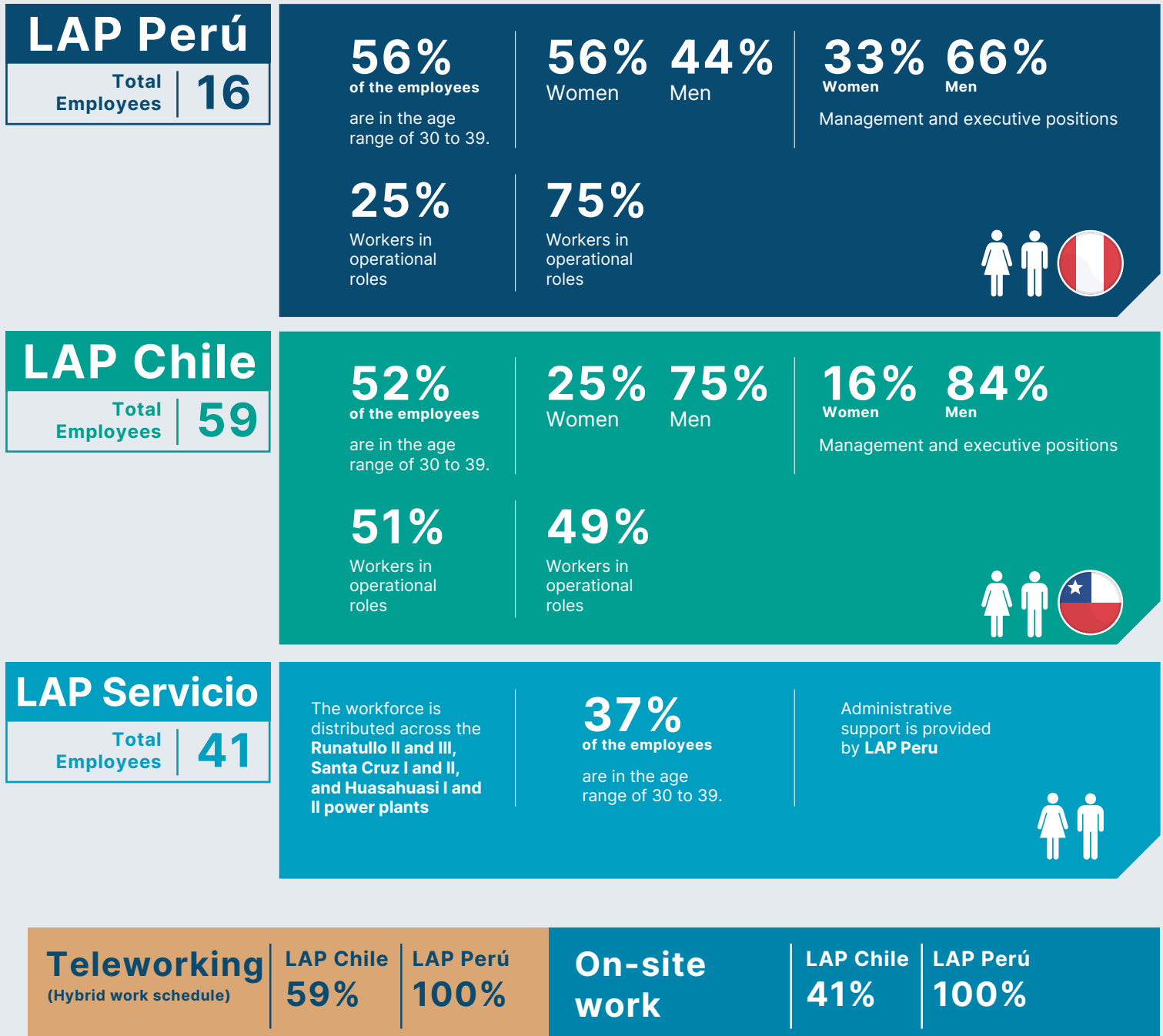


LAP Chile



4.1 Our Team, LAP staffing figures 2022.

Key figures



4.2 LAP culture, work environment, and training

LAP culture, work environment, *and* training

The commitment and trust with our collaborators is vital to the work of our company.

We firmly believe in maintaining a work environment based on open and horizontal relationships, promoting respect for individual and collective labor rights, where each person on our team can actively participate. From this, our company is focused on strengthening.



Horizontal Relationships

We give autonomy to all levels of the organization, driving work teams towards decision-making from responsible management and in coordination with their area management.



Commitment

At LAP, we are committed to the social world, to this end, we work to develop more expert and better prepared teams with the purpose of delivering high-quality service. This commitment also extends to our collaborators, so we strive to generate policies that promote commitment and belonging.



Trust

Trust is vital to the way we operate on a daily basis and is the foundation of our organizational culture, therefore we continuously strive to create instances and measures of transparency both internally and with our stakeholders and the environments where we operate.



Collaboration

It is an advantage to improve efficiency and inter-area relationships, adding significant value to our work.



Responsibility

Our commitment to sustainability leads us to ethical actions to improve the life quality of our teams, communities and environmental care.

4.2.1 Perception Survey 2022

Perception Survey 2022

At LAP, we care about the work environment of our company. To this end, we generate a perception survey among our teams as a tool to evaluate the degree of satisfaction with the company and the way we relate.

This instrument allows us to have a broader perception of the quality of life and expectations of our collaborators, as well as to plan objectives and actions in accordance with the analysis of the results.

Evaluated dimensions

Leadership:

Perception of the direct manager's ability to interact and guide his or her team during the current contingency.

Engagement:

Sense of commitment/dedication present in teams who strive to achieve results.

Senior Management:

Perception about the quality and ability of senior management to lead the company.

Teleworking:

Perception of the implemented work model.

Communication:

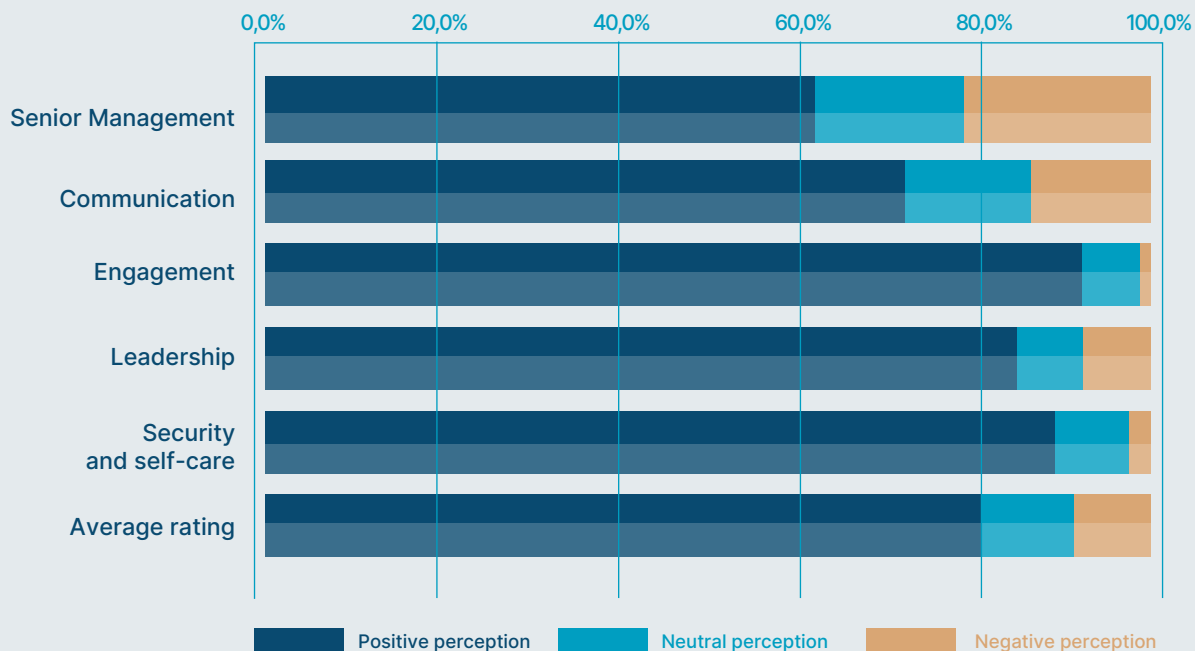
Employee perception of the company's communication effectiveness.

Security and self-care:

Perception of employees regarding the practices and safety conditions in the workplace.

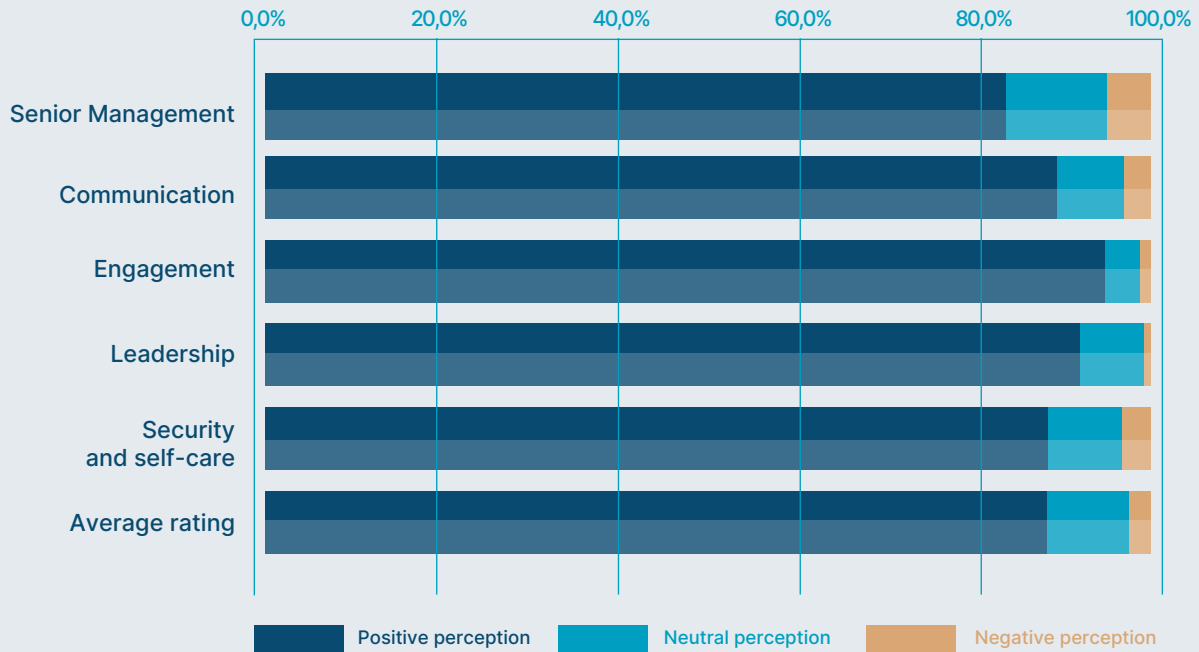
In that regard, the balance of the year 2022 was as follows:

LAP Services



4.2.1 Perception Survey 2022

LAP Chile and Peru



The Survey

In 2020, the company had a **positive perception** of **88%**

This figure **increased in 2021**, reaching **90,8%**

For the year 2022, **the average positive perception** reached **92%**

88%

90,8%

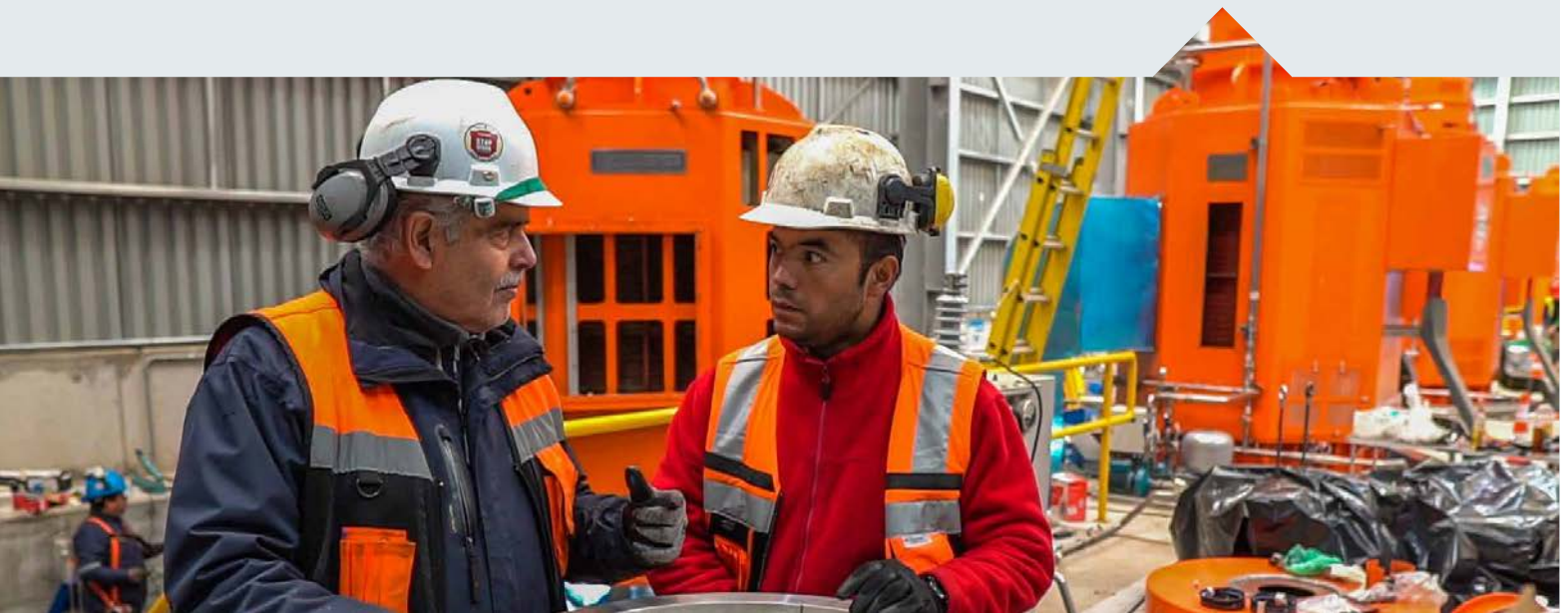
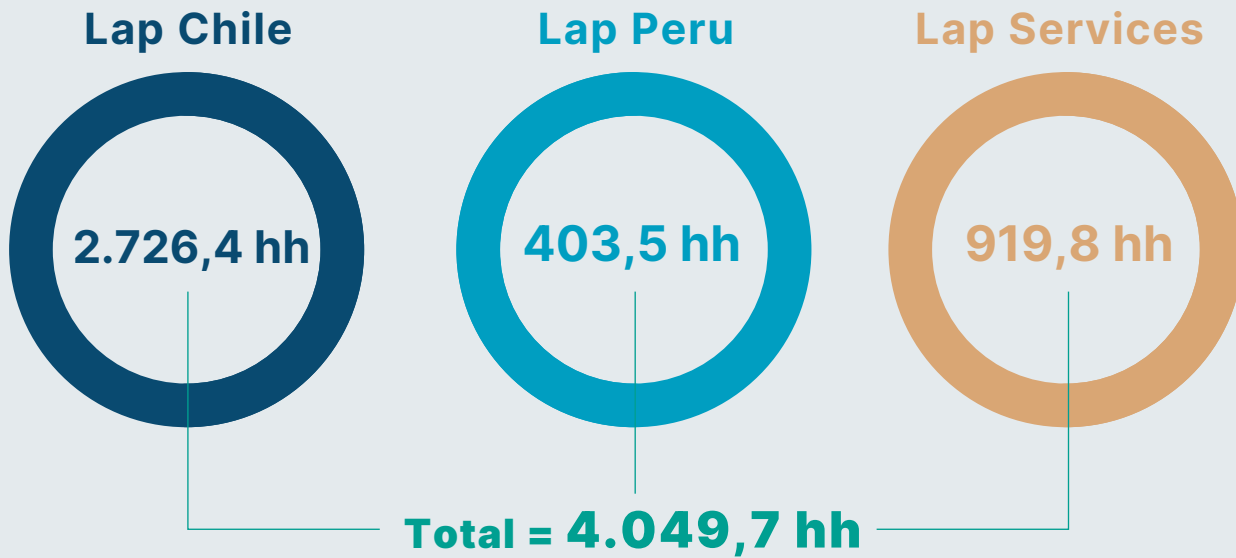
92%

4.2.2 Training

Training

To provide our services to the highest standards and create value, the delivery of tools that facilitate work **plays a fundamental role in enabling our employees to acquire the knowledge and skills they need.**

To achieve this, each management team, together with the human resources department, develops an **annual training plan that covers both technical and soft skills.** In general, trainings are focused on providing tools to people so that they can perform their work better, acquiring updated information so that they can develop better skills and be more specialized in their role.



4.3 Compensation Policies

Compensation Policies

We maintain a **compensation policy that applies to everyone in the company** and that has the following objectives:

1

To define the guidelines that will regulate the compensation of Latin America Power, in order to attract, retain, and motivate its employees, through a system based on internal equity and competitive position in the labor market.

2

To recognize and promote excellence in performance and professional development as a key element for the continuous improvement of processes and the achievement of increasingly demanding objectives and goals.

3

To inform all employees of Latin America Power of the general principles and rules that will be used to administer compensation, within the framework of competitiveness, efficiency, and cost management.

The policy implies that we have up-to-date Job Descriptions, which contain a description of each position in the company. These descriptions are used to conduct the annual review of all employees' salaries. In addition, the performance management process establishes competencies based on job levels and responsibilities, as well as company-wide goals and individual goals. All of this information from the performance management system is evaluated annually, in December of each year. The ratings from this evaluation are considered as variables to be reviewed when evaluating the compensation of LAP employees.

The goals of the general management and the different areas are transferred to the different levels of positions, according to responsibilities and strategic pillars with which they are related.

Based on each job description, which are kept up-to-date on a constant basis, an analysis of the Valuation of the Organization's Positions is carried out, using the Hay - Korn Ferry Methodology, which helps to establish the relative importance of the positions within this organization. This valuation is carried out using shared criteria that allow comparisons and homologations within and outside (market comparison) of the company.

This is how each position is evaluated and is placed in a HAY level for which its salary range is defined and based on which the review of compensation is carried out.

4.4 Sexual Harassment Prevention and Sanction Policy

Sexual Harassment Prevention *and* Sanction Policy

In order to advance ethical and human rights standards in Peru, we have developed this policy.

In this context, the following measures have been implemented:



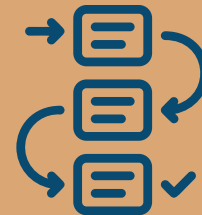
Evaluation and Diagnosis

We conduct annual evaluations to identify potential sexual harassment situations or risks of them happening, within our scope of intervention through a survey, where information was collected to make improvements in the prevention of sexual harassment.



Training

We have developed training on sexual harassment at the beginning of the employment relationship and for all active employees, in order to raise awareness of the importance of combating sexual harassment, identify such situations, and provide information on complaint or reporting channels. We have also conducted annual specialized training for the Human Resources department, the Sexual Harassment Intervention Delegate, and other individuals involved in the investigation and sanction of sexual harassment, in order to inform them about the correct treatment of victims and the development of the procedure.



Procedures

In order to generate a rigorous process, we have developed a system that includes a protection, investigation, and sanction phase, respectively.



Customers
and Suppliers

5





Oscar Morales _ Commercial Manager

Electrical Engineer with a Master's degree in Electrical Engineering and Power Systems from Simón Bolívar University and a Master's degree in Electrical and Environmental Economics from Comahue University. With over 25 years of experience in the energy sector, conducting studies related to the design of electricity tariffs, electric system planning, design of the electricity market and its regulation, and technical-economic feasibility of generation projects.

What motivated you to join WEC Chile? How do you believe your participation contributes to the challenges facing the sector?

WEC Chile is a center for discussing ideas about energy. It is a place where everyone from equipment manufacturers to government officials come together through a cross-cutting participation, where they do not discuss current affairs, but rather talk about other topics, such as what to do to make energy more accessible and, at the same time, greener (sustainable). Another fundamental issue is the transmission of energy, which has been affecting the country lately.

The resource in Chile in the north is solar, we have wind in the north and south, but transmission lines are needed to reach the initial demand. Therefore, we are studying what type of transmission there needs to be, how much money needs to be invested, and how it will be financed.

These types of topics are also discussed at WEC. This is what motivated our company and me personally to participate as a counselor in this type of space, where the main goal is to find solutions to the problems of renewable generation in Chile, so that there is a greater penetration of renewable generation.

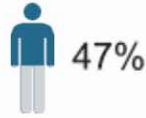
What are the feasible alternatives that your company sees to achieving the 2050 policy and the 2030 agenda?

To achieve these policies, we talk about the 4 Ds: **Decarbonization**, which is a task in which Chile is advanced; **Digitalization**, that is, that the networks offer many products so that the demand can self-manage itself when it does not have coverage; **Decentralization**, which is to install renewable plants at the level of homes or at the level of organizations, for example, solar panels, where homes can also contribute to this supply and demand balance; and finally **Democratization** of energy, in the sense that everyone can have access to energy and everyone can participate in the generation of energy as a co-generator, such as the use of solar panels.

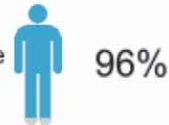
What are LAP's contributions in terms of its products to make energy as clean as possible?

Both in Chile and Peru, we have the certification to commercialize I-REC certificates, which are recognized worldwide and certify that the energy generating company is using renewable sources in its production and, in turn, that the electrical supply of each customer comes from a 100% renewable source. As LAP, we were the first generator in Chile to register for the distribution of this certificate, because we realized that customers were asking us for certificates that we did not issue ourselves, but rather an independent organization. In addition, the certificate has another additional advantage, since it is accepted for ISO audits, where the auditor does not question the supplier's sustainable process.

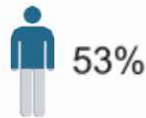
Regulated clients: Distributors that purchase energy to sell it to end users, such as residential and business customers.



State: Through the RER (Renewable Energy Resources) Contract, we provide energy to the Peruvian State, which injects it into the national system.



Free customers: Customers who can negotiate directly with generators. We serve food producers, real estate companies, other generators, and universities.



Regulated clients: We have a single regulated client, Enel Distribución Peru.



Chile

Regulated clients:

Distributors that purchase energy to sell it to end users, such as residential and business customer.



Free customers:

Customers who can negotiate directly with generator. We serve food producers, real estate companies, other generators, and universities.



Peru

State:

Through the RER (Renewable Energy Resources) Contract, we provide energy to the Peruvian State, which injects it into the national system.



Regulated clients:

We have a single regulated client, Enel Distribución Peru.



THE INTERNATIONAL REC STANDARD

International Renewable Energy Certificates (I-RECs) certification for customers

I-REC certificates certify that the energy generating company is using renewable sources in its production and, in turn, guarantees its clients that the electricity supply comes from a 100% renewable source and that its operations or products are carried out sustainably.

Since the electricity injected into the power grid that is generated from renewable sources is indistinguishable from that of another origin, mechanisms have been promoted that allow companies to ensure that the energy they consume is 100% renewable. Since our beginnings, at LAP we have had an intrinsic commitment to the environment, and we know that for our clients, it is also a fundamental aspect of their work. That is why through these certifications, we support them in achieving their strategic objectives and in the pursuit of achieving that their operations come from 100% renewable sources, so that their production is carried out in a sustainable way, minimizing their environmental impact. This type of certification represents a milestone for companies, as it allows them to validate and reaffirm their efforts to ensure sustainable production," explained Latin America Power's Commercial Manager, Óscar Morales.

One of these paths is through obtaining international I-REC certificates that audit the production and consumption of renewable energy in the country. This certification corresponds to a renewable attribute tracking system, I-REC Standard, administered by the International REC Standard Foundation, which is recommended in the Greenhouse Gas Protocol (GHG) - the most widely used carbon footprint accounting standard by large companies worldwide - and certifies that the energy generating company is using renewable sources and, in turn, that the electricity supply of its client comes from a 100% renewable source.

To facilitate the issuance and delivery of these certificates, Latin America Power is registered on the local issuer platform in Chile, which is the SCX, Bolsa de Clima de Santiago, and has established a partnership with Kinect, an international renewable energy trader based in Norway. This collaboration enables LAP to list its renewable energy plants on a recognized platform and effectively market its renewable energy attributes.

By obtaining I-REC certificates, companies will be able to claim that they operate with 100% renewable energy, as well as allowing them to minimize the environmental impact of their operations and know exactly which plant generated the renewable energy consumed during the year.

To request it



5.2 Contractors and Suppliers

Contractors *and* Suppliers

They are an extension of our operations and play a fundamental role in ensuring, promoting, and increasing the sustainability of the business, taking a relevant role in accompanying us in the necessary steps to maintain medium and long-term competitiveness.

This participation in the **supply chain requires a commitment to respect and comply with all our policies and procedures.**

Supplier and Contractor Management Model



A) Management of Excellence

- 1) Supplier Information Record.
- 2) Procurement of Goods and Services.
- 3) Procurement Platform.
- 4) Supplier Evaluation.



B) Collaborative Work

- 1) Encourage the purchase and hiring of services from local suppliers.
- 2) Promote supplier development.
- 3) Policy of payment within 15 days for critical suppliers

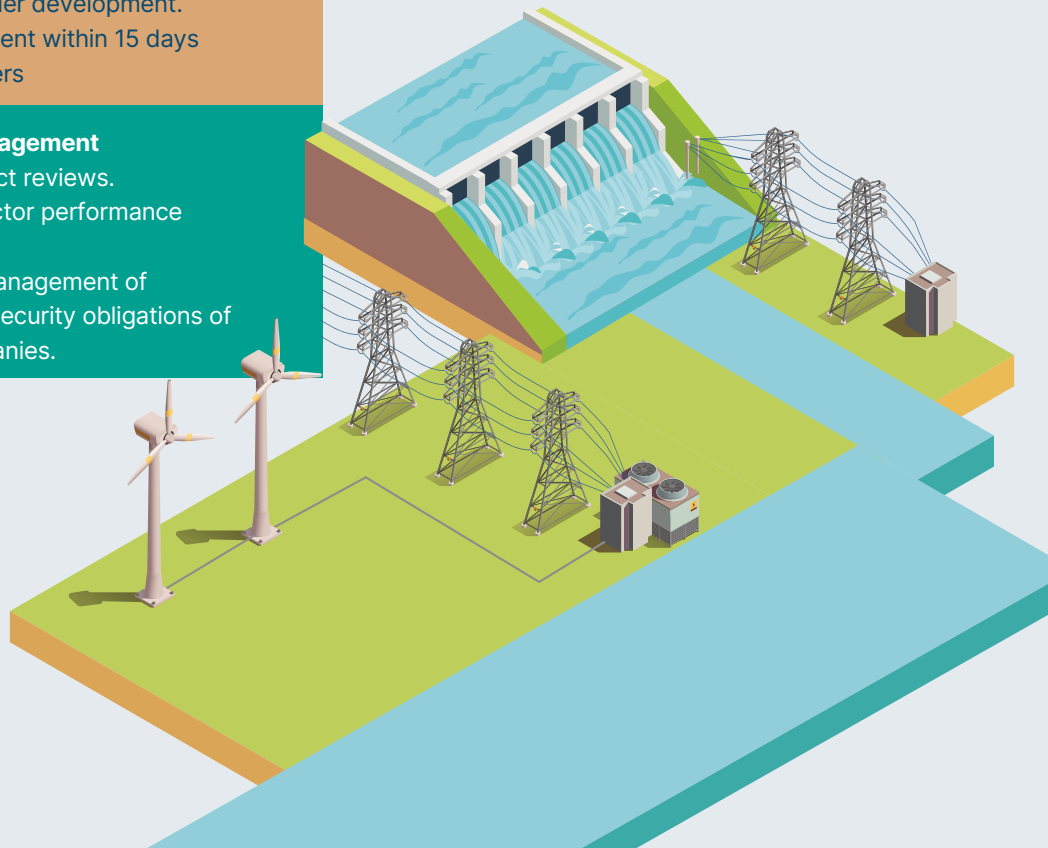


C) Contract Management

- 1) Regular contract reviews.
- 2) Annual contractor performance assessments.
- 3) Control and management of labor and social security obligations of contractor companies.

The pillars of our payment relationship with suppliers are reflected in:

- 1) 100% compliance with the 30-day payment law for SME suppliers.
- 2) For our smaller suppliers, we apply a payment policy of 15 days. These include food suppliers in parks, transportation, and accommodation in both Chile and Peru.



5.3 Contractor and Supplier Management

Contractor *and* Supplier Management

We promote the exchange of best practices with our contractors and suppliers, in the following areas:



Safety standards



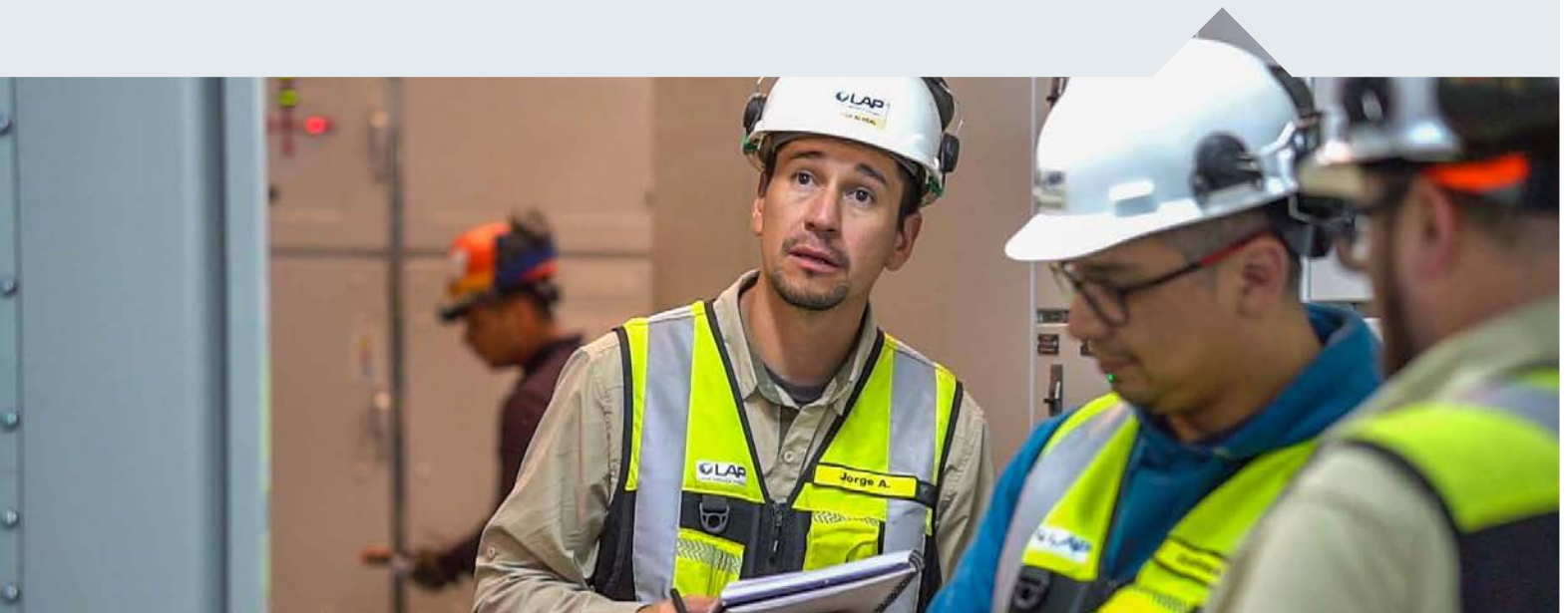
Environmental and social standards



Quality standards

In all our bidding and award processes with collaborating companies, we have incorporated environmental principles along with other labor and occupational safety issues.

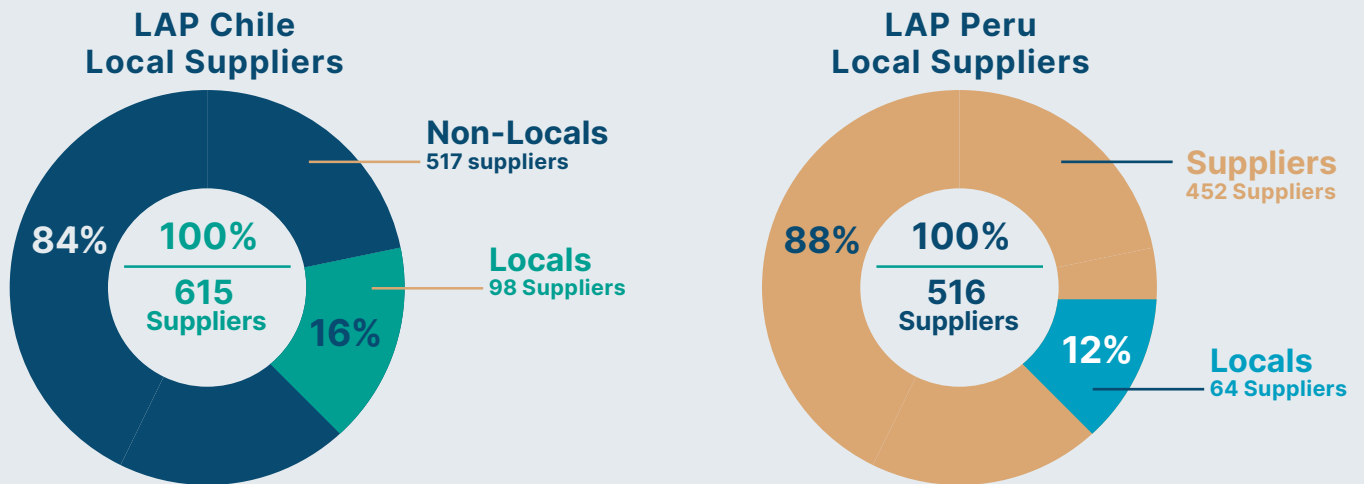
In the selection processes of new suppliers, 100% of national suppliers are evaluated with social criteria, considering aspects such as payment of social laws, DICOM, politically exposed persons, among others.



5.3.1 Contractors and Suppliers

Local Suppliers *in the* LAP Region

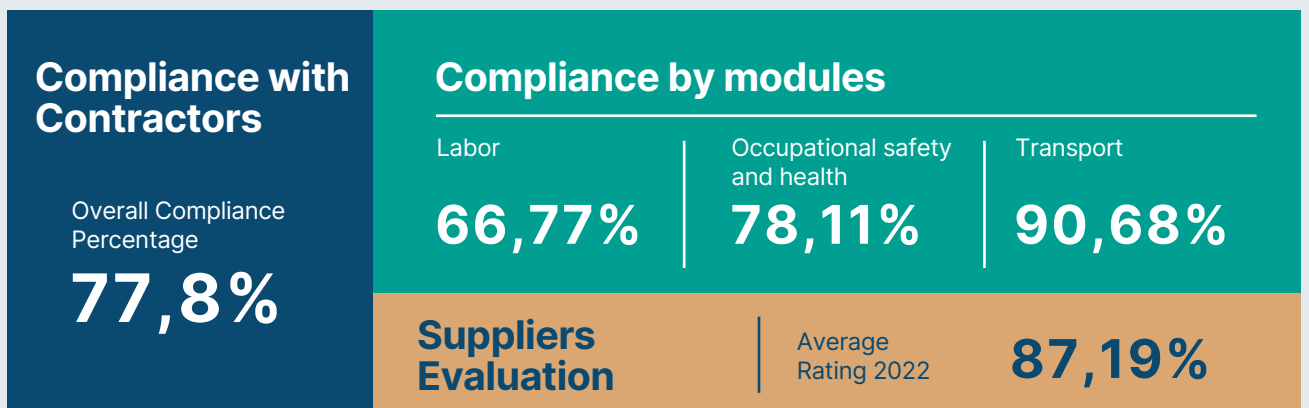
Local suppliers are defined as those who have their commercial operations in the area of influence where our company has its operations.



5.3.2 Supplier Evaluation

Supplier Evaluation

In mid-2020, Chile implemented a contractor management platform under the framework of Law No. 20.123 on Subcontracting. The platform aims to ensure compliance with labor, occupational safety, and health obligations. The services covered by the platform include wind turbine maintenance, transmission line maintenance, security guard services, and operator transportation services.

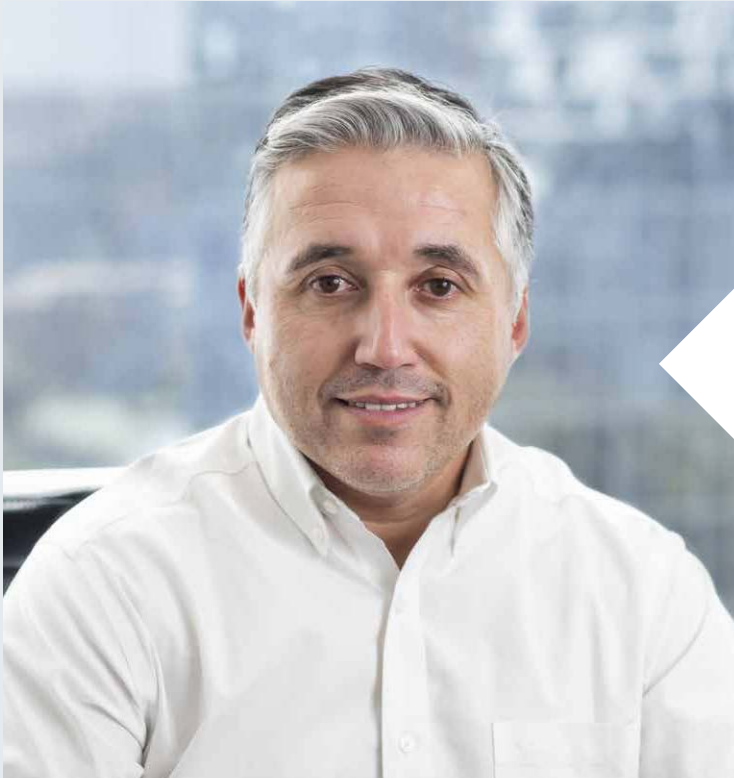




Safety and **Occupational health, Environment and Community**







José Salgado _ Sustainability Manager

Safety, Occupational Health, and Environment Engineer, who holds a diploma in Socio-Environmental Management and Community Relations, Centre for Business Sustainability from Adolfo Ibañez University. The Sustainability Manager has more than 20 years of experience and within his experience, he has more than 8 years in the Generation and Energy Projects sector.

What were the company's most notable achievements in 2022?

For the second time, Latin America Power underwent an assessment of greenhouse gas (GHG) emissions, which determined that the generating company reduced its emissions of these pollutants by 50.2% in 2022 compared to the previous year.

The results concluded that LAP's total emissions fell from 1,503 tons of carbon dioxide (CO₂) in 2021 to 729 tons in 2022, with the main factor responsible for the decrease in emissions being electricity consumption.

In terms of safety, we have managed to maintain zero accidents with lost time, and in 2022 we achieved a 97% compliance rate with the occupational health and safety program. This achievement shows how LAP's commitment and values are present in an effective and real way in our day-to-day activities.

In the particular case of Peru, the country does not have the same level of implementation of the 40-hour work week as Chile, so for LAP Peru workers, it is a benefit that they can find in few places. In their own words, they have "won hours with their families" thanks to this.

What are LAP's main contributions to the community?

In assuming our commitment to the Sustainable Development Goals, we have committed to supporting and developing the communities where we generate our activities. Working cooperatively between the public and private sectors, in the

development of public infrastructure and equipment projects with high social impact, which will directly benefit the inhabitants of the sector. As actors present in the different areas where we develop our energy generation projects, we have always been convinced that public-private partnerships are a fundamental tool for achieving the development of projects for the benefit of communities.

What is the result of LAP's relationship with the communities?

We are proud to continue to strengthen the work we have been doing since 2021 in terms of environmental management, through a ceremony where we held the official signing of "I Join", a management model for Environmental Education that we developed together with the Departments of Education and the Environmental Unit of the Municipality of Melipeuco, and which has included different initiatives such as the SNCAE Environmental Certification Program and projects to promote recycling and composting in the Municipality.

6.1 Integrated Policy of Quality, Safety & Occupational Health, and Environment

Integrated Policy of Quality, *Safety & Occupational Health,* and Environment

In order to establish quality parameters and identify critical points, **we frame our work at LAP within an Integrated Management System (IMS) that addresses the areas mentioned in the previous policy through a set of actions that allow us to define and implement general guidelines and operations.**

All our collaborators are part of the IMS, which is implemented on a daily basis, with biannual review processes that allow us to identify the state of progress, **as well as the specific measurements (KPIs) of each of the processes to be carried out.**

In this way, it is possible to detect critical processes within our value chain and generate support measures that allow us to achieve the previously established objectives. As support for our IMS, **we have ISO certifications that contribute to ensuring quality in our processes.**

The guidelines that make up our policy are as follows:



6.1.1 Recertification Integrated Management System

Recertification Integrated Management System

After an intense teamwork, we obtained the recertification of ISO 9001, ISO 14001, and ISO 45001 Standards, **which validate that we have all the necessary procedures to ensure the quality of our services, fulfill the commitments we have made to society and the environment, safeguard the health and safety of our employees.**

The audit, which involved the participation of our leaders from Chile and Peru, **was carried out by the certification company SGS, whose specialists were able to identify improvement findings that will allow us to continue ensuring excellence in our operational chain. In this context, the team of auditors identified only 2 findings qualified as "Minor non-conformity.**

After the results, Marcelo Silva, SGS auditor, valued the management of the LAP teams: **"I leave with a pleasant impression of the work that has been done and with what we have seen and talked about, since it can be appreciated how they have improved and will continue to improve even more," he said.**

For his part, José Salgado, our Sustainability Manager, referred to these results that fill us with pride: **"I would like to thank all the collaborators of LAP Chile and Peru, for having obtained this important result that demonstrates our management. When we say "We are what we do," it is a statement, a part of our DNA, and it is reflected in everything we do".**



ISO 9001:2015



ISO 14001:2015



ISO 45001:2018

6.2 Seguridad y Salud Ocupacional

Safety *and* Occupational Health

In commemoration of World Safety and Health Day, our operations teams in Chile and Peru, together with permanent and maintenance contractors, participated in a series of activities organized by the HSSE department.

In this sense, we reinforce the importance of the participation of each active agent to build a safety culture, maintaining safe working environments for everyone, in addition to adopting preventive measures.

The following are among the recommended measures:

- To comply with the SGI Policy and Occupational Health and Safety Regulations.
- To maintain good communication with colleagues, the company, and representatives of the safety committee.
- To immediately report any situation with a high potential for danger.
- To carry out activities in accordance with the operating procedures and maintain the respective work permits.
- To keep the work environment clean and tidy.
- To promote risk prevention actions and participate in safety training.
- To continue with COVID self-care measures (mask wearing, hand washing, ventilation of spaces).

During the activity, participants were given a message of recognition and congratulations for their safety management, as thanks to this, incidents have been avoided.

**Compliance
with the SSO
program**

78%
year 2020

90%
year 2021

97%
year 2022

0 lost-time accident
since 2018

6.3 Environment.

Environment.

Latin America Power has an **Environmental Commitment Plan for each plant and park. This plan includes monitoring of wildlife, an annual bird report, reforestation programs, effluent quality, and commitment tracking.** We manage our emissions, control and monitor our water consumption, protect biodiversity in our parks and plants, and maintain an active commitment to reforestation.

Forest



Around 1.6 billion people depend on forests for their livelihoods, including 70 million indigenous people. Forests are home to more than 80% of all terrestrial species of animals, plants, and insects.

Desertification



2.6 billion people depend directly on agriculture, but 52% of the land used for agriculture is moderately or severely affected by soil degradation.

The loss of arable land is estimated to be 30 to 35 times the historical rate.

Due to drought and desertification, 12 million hectares are lost each year (23 hectares per minute). In one year, 20 million tons of grain could have been grown.

74 percent of the world's poor are directly affected by land degradation.

Biodiversity



Of the 8,300 known animal breeds, 8% are extinct and 22% are endangered. Of the over 80,000 species of trees, less than 1% have been studied for their potential use.

More than 80% of the human diet is composed of plants. Only three cereal crops (rice, corn, and wheat) provide 60% of energy intake.

Approximately 80% of people living in rural areas of developing countries depend on traditional plant-based medicines for basic healthcare.

Microorganisms and invertebrates are key to ecosystem services, but their contributions are still poorly understood and rarely recognized.

6.3.1 Commitment to combat climate change

Commitment *to* tackle climate change

The electricity sector can act to reduce emissions related to energy production and, at the same time, promote the electrification of energy demand to support the decarbonization of other industries and services.

In this respect, the central pillars of our Sustainability policy are based on the protection of the environment, natural resources, and the struggle against climate change.

The sustainable strategy developed in recent years and the integrated business model have allowed Latin America Power to create value for all its stakeholders, capturing the opportunities that arise from the energy transition and action against climate change.



ISO 9001:2015



ISO 14001:2015



ISO 45001:2018

After a rigorous teamwork, we obtained the recertification of ISO 9001, ISO 14001, and ISO 45001 standards, **which certify that we have all the necessary procedures to ensure the quality of our services, fulfill the commitments we have made to society and the environment, safeguard the health and safety of our employees.** The audit, which involved the participation of our leaders from Chile and Peru, was carried out by the certification company SGS 1.

6.3.2 Emissions management

Emissions management

A greenhouse gas emissions assessment (GHG) quantifies the total greenhouse gases produced directly and indirectly by the activities of a company or organization. Also known as carbon footprint, it is an essential tool that provides your company with a basis for understanding and managing its impacts on climate change.

The emissions calculation was carried out by the organization Carbononeutral. This assessment has been realized in accordance with the World Business Council for Sustainable Development and World Resources Institute’s (WBCSD/WRI)1 Greenhouse Gas Protocol. This protocol is considered the best standard for reporting greenhouse gas emissions at the corporate or organizational level. Greenhouse gas emissions have been reported for the three scopes indicated by the WBCSD / WRI.

A greenhouse gas emissions assessment is an essential tool in the process of monitoring and reducing the impact of climate change on an organization, as it allows to set reduction targets and formulate action plans.

The results of the GHG can also enable organizations to be transparent about their impacts on climate change through greenhouse gas emissions reports to customers, shareholders, employees, and other stakeholders.

Periodic evaluations allow customers to track their progress in achieving reductions over time and provide evidence to support ecological claims in external marketing initiatives, such as product labeling or CSR reports. Carbonneutral’s GHG assessments are designed to be transparent, consistent, and repeatable over time.

Within the assessment, the emissions from the facilities in Chile and Peru were quantified.

The following installation are considered in Chile:

- San Juan
- Totoral
- Carilafquén Malalcahuello
- Casa Matriz



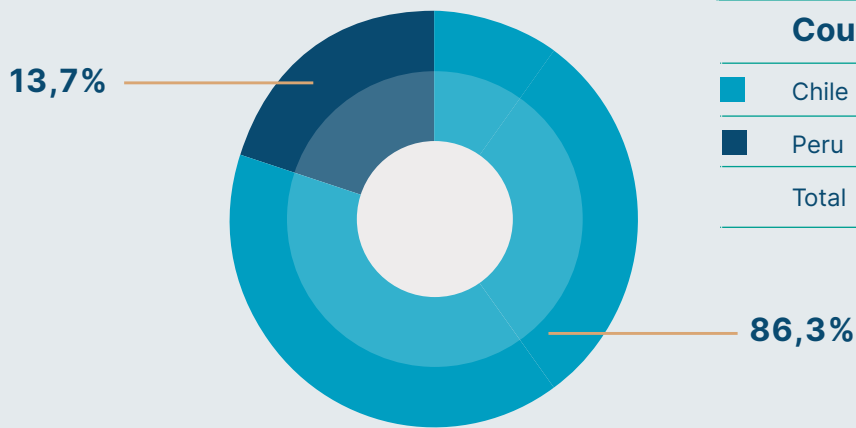
The following installation are considered in Peru:

- Santa Cruz
- Huasahuasi
- Runatullo
- Oficina Lima



6.3.2.1 Emissions Management Results

Emissions Management Results



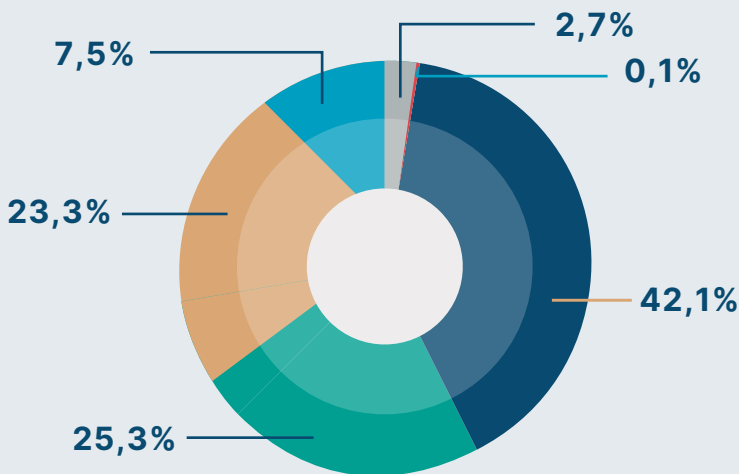
Country	tCO ₂ e	%
Chile	729,88	86,3%
Peru	115,49	13,7%
Total	845,37	100%

Chart 7. GHG emmissions by countries

Latin America Power emitted 845.4 tons of CO₂e during the 2022 period, with the majority of these emissions coming from LAP's operations in Chile (86%).

We are proud of this result, as Latin America Power emitted 1,697.8 tons of CO₂e in 2021, meaning that we have achieved a 50.2% reduction.

Summary of emissions by Activity (based on market-location), tCO₂e:

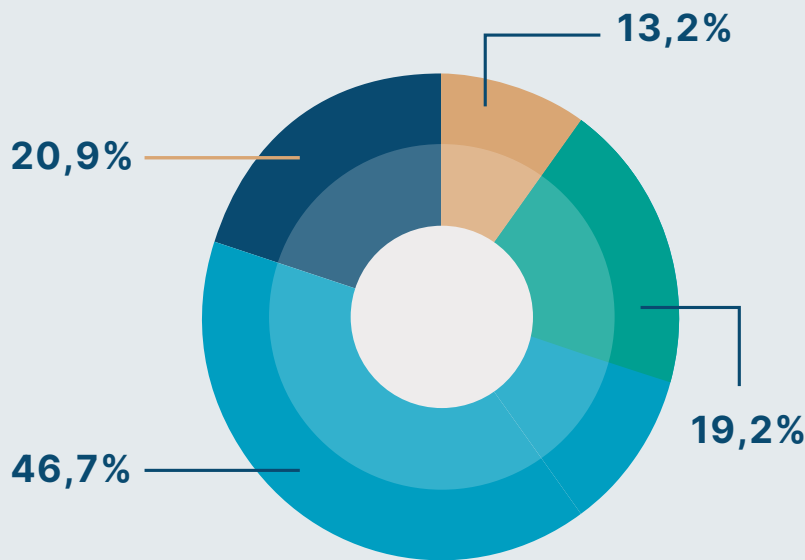


Activity	tCO ₂ e	%
Facilities	356,17	42,1%
Business travel	213,85	25,3%
Organizational vehicles	188,72	22,3%
Home-to-work commuting	63,02	7,5%
Home-based workers	22,82	2,7%
Third-party delivery	0,79	0,1%
Total	845,37	100%

6.3.2.1 Emissions Management Results

Chile

Latin America Power Chile's results are composed of the greenhouse gas emissions from the operations of the San Juan and Totoral wind farms, the Carilafquén Malalcahuello (CMA) power plant, and the Head Office. Chile emitted 729.9 tons of CO₂e during the 2022 period, with the majority of these emissions coming from LAP's operations in Totoral (46.7%).



País	tCO ₂ e	%
Headquarters	152,83	20,9%
CMA	140,22	19,2%
Totoral	340,80	46,7%
San Juan	96,03	13,2%
Total	729,88	100%

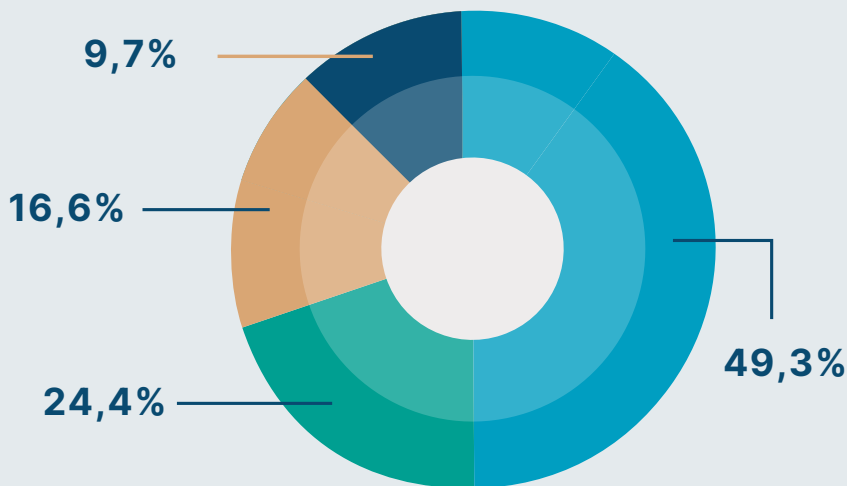


The total emissions of Latin America Power Chile decreased by **51 % in 2022**, from 1.503 tons of CO₂e in 2021 to **729 tons of CO₂e in 2022**.

6.3.2.1 Emissions Management Results

Peru

Latin America Power Peru's results are composed of the greenhouse gas emissions from the operations of the Santa Cruz, Huasahuasi, and Runatullo power plants, as well as the Lima office. Latin America Power Peru emitted 115.5 tons of CO₂e during the 2022 period, with the majority of these emissions coming from LAP's operations in Huasahuasi (49.3%).



The total emissions of Latin America Power Perú decreased by 41 % in 2022, from 195 tCO₂e in 2021 to 116 tCO₂e in 2022.

País	tCO ₂ e	%
Lima's office	28,18	20,9%
Huasahuasi	56,98	19,2%
Santa Cruz	11,21	46,7%
Runatullo	19,12	13,2%
Total	115,49	100%

6.3.3 Water Consumption

Water Consumption

Water use is a key element in the production of hydroelectric power, as it harnesses its potential energy when it is located at a higher elevation than a discharge point.



What happens to the water used by LAP?

Our hydroelectric plants use water in the turbines, which is returned to the source without any alteration; that is, it is not consumed. Our Integrated Management System contains a framework for water use, planning, and control. This contributes to the company's progress in making processes more efficient, minimizing precipitation patterns and changes in flow regimes.

6.3.4 Biodiversity Protection

Biodiversity Protection

Our Integrated Management System has a framework with clear and measurable guidelines for the care of the environment and natural resources, along with an Environmental Commitment Plan for each plant and park.

These commitments include continuous monitoring of wildlife, the development of an annual bird report, wastewater quality, and environmental commitment tracking, among others.

Waste management considers the separation of hazardous and non-hazardous waste, both in Chile and Peru. Hazardous waste is treated according to current regulations, being sent for treatment by specialized companies that certify its proper disposal.



6.3.5 Commitment to Reforestation

Commitment to Reforestation

At LAP, we have acquired reforestation commitments in the areas where we are located, such as the Totoral Wind Farm, the San Juan de Chañaral de Aceituno Wind Farm, and the Carilafquén-Malalcahuello Hydroelectric Power Plant (CMA) in Chile.

6.3.6 2022 Milestones

2022 Milestones

1

The Carbon Footprint 2022 measurement was carried out, which included the offices and operations of Chile and Peru. As part of this, calculations of the Greenhouse Gases (GHG) of the two Wind Farms, Totoral and San Juan, were also developed.

2

The measurement of the Footprint allowed to generate relevant KPIs that achieved a significant reduction compared to 2021.

3

Communication of strategy and performance to different stakeholders.

4

We have made the Detailed Environmental Plan (PAD) file available to the areas of influence of the project "Santa Cruz I and Santa Cruz II Hydroelectric Power Plants" (hereinafter "CH Santa Cruz").

5

In bird monitoring, there are no endangered animal species in the areas where the operations are located. In compliance with environmental commitments, LAP carried out quarterly and biannual bird monitoring in these areas.

6.4 Community

Community

As our General Manager states in his message: “We must not lose sight of the importance of maintaining a good relationship with communities to ensure not only financial-economic sustainability but also sustainability within the framework of community management and relationships, so that we all grow together”.

In order to advance towards sustainable development and address climate change, sustainability must be managed with an inclusive perspective that considers, along with economic variables, social and environmental variables throughout the entire process, with the aim of not leaving anyone behind and ensuring that its benefits reach all the stakeholder groups involved, placing people at the center and understanding innovation and circular economy as its fundamental driving force.

It is essential that communities be the main actors in this transformation, with equitable access conditions to both knowledge and the tools that enable it. Therefore, the main focus of our LAP community relationship strategy has been to accompany local communities on the journey of creating shared value.

Impact on the Sustainable Development Goals	Chile	Peru
 <p>1 END OF POVERTY</p> <p>Investment funds focused on communities.</p> <p>SDG 1</p>	<p>Fondo de Inversión Comunitaria (FIC).</p> <p>Fondo de Operaciones (FOP).</p>	<p>Social Investment Fund.</p> <p>Initiative to support the popular Huasahuasi dining hall.</p>
 <p>2 ZERO HUNGER</p> <p>Management for local development.</p> <p>SDG 1 - SDG 2</p>	<p>Agreement between Fundación Huella Local and Municipality of Melipeuco. LAP participated in the development of 3 local projects.</p>	<p>Potato Seed Improvement Project.</p>
 <p>4 QUALITY EDUCATION</p> <p>Education for sustainable development.</p> <p>SDG 4</p>	<p>Study scholarships: Educational Alternancia Agreement with the Totoral Wind Farm</p>	<p>Support for educational institutions.</p>
 <p>15 TERRESTRIAL ECOSYSTEM LIFE</p> <p>Climate change with a focus on environmental education</p> <p>SDG 15</p>	<p>Implementation of a management model for environmental education in schools with the aim of certifying them according to the program of the Ministry of Energy SNCAE (National System for Environmental Certification of Schools), which seeks to be a comprehensive strategy to address environmental education for sustainability in educational establishments in Melipeuco, Araucanía Region</p>	
 <p>17 ALLIANCES TO ACHIEVE THE OBJECTIVES</p> <p>Celebrations and commemorations of local activities</p> <p>SDG 17</p>	<p>Project “I join” that incorporates different communal and regional actors for the development of social projects, having education in the territory as its central axis.</p>	<p>Christmas campaign Local inauguration: Colcas Celebration of the Day of the Farmer with partners of the potato seed project in Huasahuasi.</p>

6.4.1 Relationship Management Policy

Relationship Management Policy

Principios de Sostenibilidad

En el foco de nuestro relacionamiento también contamos con principios que guían nuestro actuar:

Respect the rights of communities as a global standard of conduct for the company in which it develops projects and operations.

Respect compliance with national laws.

Recognize property rights for the development of economic activities.

Prioritize the prevention and mitigation of the adverse effects of the activity on the environment and communities.

Recognize increasingly empowered communities in the face of investment initiatives.

Use the instruments provided by a neutral third party (mechanisms attached to the State) for the development of dialogue and the achievement of agreements, according to the guidelines of the United Nations, in the implementation of projects and operations.

Promote and support the processes of citizen participation contemplated in the environmental evaluation processes of its projects.

Respect and fulfill the environmental and community support commitments that are established in the respective Environmental Licenses of each project.

Promote collaboration, that is, working together, ideally with communities and local authorities, becoming part of social dynamics, contributing to the improvement of the quality of life, and empowering the vision of local development.




6.4.2 Social Management System (SMS)

Social Management System (SMS)

We have built a Social Management System (SMS) that operates in both Peru and Chile. This system has led to the development of a Community Relations Guide for the company. **The objective of this system is to maintain a conduct of respect for the cultures, values, and traditions of the communities with which we interact, through a management that is sustainable over time and promotes economic and social development projects to have a positive impact on the localities.**

This system is organized around four axes of action:



Operational responsibility

- Communication and management of the Complaints and Concerns system.
- Training on access to the system.



Community engagement

- Relations with stakeholders (assemblies, working groups, agreements, training, etc.).
- Definition of strategic investments.



Community investment

- Community investment funds.
- Execution of social commitments and RCA.



Communication

- Guided tours of operations.
- Media.
- Meetings with authorities.



6.4.3 Community engagement.

Community engagement

At LAP, we have defined four lines of work:



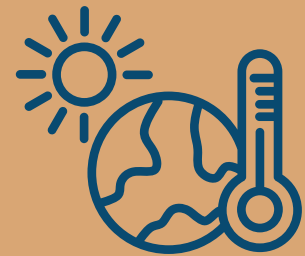
Community-focused investment funds.



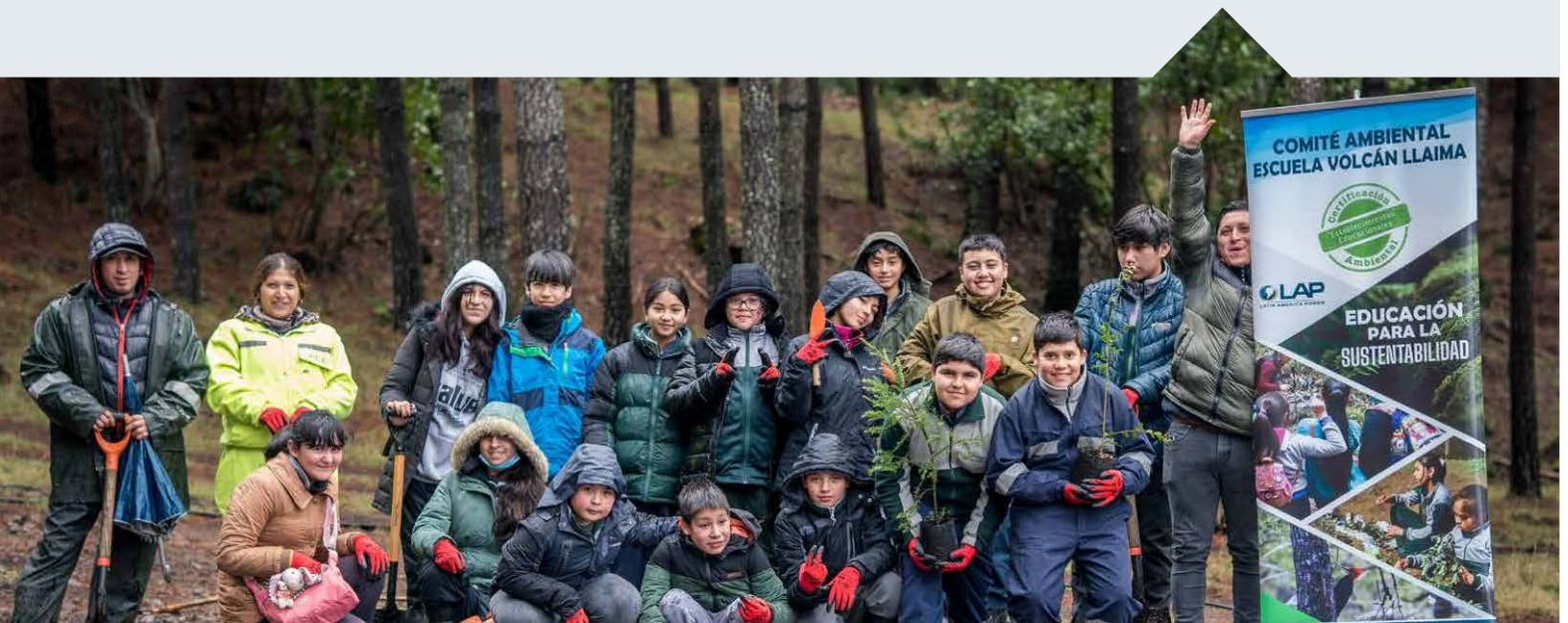
Education for sustainable development.



Local development management.



Climate change with a focus on environmental education.



6.4.3.1 Community-focused investment funds (SDG 1)

Community-focused investment funds (SDG 1)

As part of its community engagement model, LAP has an investment guideline that aims to ensure that its commitment to being a positive contribution to the territory is materialized in concrete projects. At the same time, it is a flexible mechanism that has specific working methods in each place, according to the characteristics and priorities of the different human groups with which the company is involved.

There are two modalities in Chile.

A Chile Community Investment Fund (FIC/Chile)

This fund is a competitive grant and is open to all social organizations in the municipalities where the company has areas of influence. The projects to be funded may address the following areas:

Productive Promotion	Identity and Culture	Community Infrastructure
Community initiatives that promote traditional economic activities (agricultural, forestry, apiculture, livestock, fishing, tourism, among others).	Projects that strengthen traditions, ceremonies, and beliefs that are important to the community, contributing to their identity and sense of belonging.	Construction and improvement of collective infrastructure for organizations, which contributes to the quality of life of people in the social, health, sports, and educational spheres.

The FIC applies to the municipality of Freirina, Atacama Region, giving higher scores to organizations located within the influence area of the San Juan Wind Farm operation. The most relevant activities to carry out are dissemination, support for leadership to develop projects, presentation of projects to the evaluation jury, and delivery of results.

It is essential to highlight that the evaluation committee is not only composed of LAP, but also a professional from the Municipality of Melipeuco appointed by its mayor.

B Operation Fund (FOP) / Esteban Traipe Community Agreement Signing

This fund is associated with the work of Transmisora Valle Allipén in the municipality of Melipeuco. **It is the result of an agreement signed with this Mapuche organization during the construction of the electrical transmission line.**

This agreement is in effect for the entire useful life of the transmission line, and is reviewed every five years for maintenance. The company commits to financing projects or initiatives of each community that subscribes to this agreement, also in the areas of productive promotion, identity and culture, and community infrastructure.

6.4.3.1 Community-focused investment funds (SDG 1)

Peru

With regard to Peru, the following background is available:



Inauguración de primera plazuela
Escanea el código QR para ver más

A Social Investment Fund (SIF)

In 2022, the commitment to deliver Social Investment Funds (SIFs) was continued. In the case of the Alpayayo de Colcas Peasant Community, the delivery of the 2022 FIS was managed in December 2022. This fund is intended for the construction of a multipurpose building for the Colca community. To this end, meetings were held with the community's board of directors to coordinate strategic social support related to the preparation of the technical file for their project linked to the construction of their multipurpose building. External technical advice was also provided for the community's project.

It is important to mention the funds delivered to the Talhuis community, which are intended to prioritize support for the agricultural development of the Talhuis comuneros. The project for the construction of the chapel in the Santa Rosa de Runatullo community, the implementation and rehabilitation of prefabricated classrooms at the José María Arguedas educational center in the community, and the Project to Improve Sports and Recreation Spaces through the Construction of a Synthetic Grass Sports Field in the Alapampa Community are also worth noting.

In addition to all of this, it should be noted that during 2022, a fund was also delivered to the Huasahuasi Peasant Community. This fund was allocated for the acquisition of heavy machinery, a front-end loader for the use of the comuneros in their agricultural activities in the community.

In addition, the project "Improvement of commercial and native potato seed" is being implemented in the Huasahuasi community. The financial support of the 2022 FIS by LAP to the communities in our direct influence area amounts to US\$ 184,185. In this way, we contributed to the development of the communities and the fight against poverty.



6.4.4 Education for sustainable development. SDG 4

Educationn *for* sustainable development. SDG 4

Chile

This line of work fosters access to education, seeking to improve attendance and schooling rates, as well as disseminate knowledge that contributes to a comprehensive education for young people throughout the country.

Scholarship for study

Through a ceremony held outside the Melipeuco Municipality, 50 students from Cumcumllaque, Caren, Volcán Llaima schools, and Los Andes High School received educational scholarships focused on primary, secondary, and higher education, assigned by our Study Scholarship Program. The event was attended by the mayor of the Melipeuco commune, Alejandro Cuminao, the director of the Department of Municipal Education Administration, Johnny Ceballos, the directors, guardians, and students of the different educational establishments, and representatives of our company.

During the event, Mayor Cuminao emphasized the importance of these initiatives for the future of young people in the area, and as a municipality, they hope to continue working to promote and support this type of benefit. **“These scholarships come to collaborate and contribute so that students can continue their studies and move forward with their dreams and careers, which is what we are most interested in”.**

Since 2014, our Study Scholarship Program has benefited more than 300 students from Melipeuco, through a benefit that has as its main objective to promote education in the area. The initiative seeks to help students from elementary, middle, and high school to buy materials, technological implements, books, and various elements, and also has a scholarship of free disposal for high school students, which consists of an incentive that will allow them to cover tuition fees, enrollment, and daily expenses in the cities where they study.

In this regard, Diego Hollweck, CEO of LAP at that time, highlighted the time they have been carrying out this initiative together with the community, which they hope to continue developing in the future.

“The study scholarship program is an example of the work we have done with the communities since we arrived in the area, especially with those that are close to our operation and other sectors of the community.

We believe that anything that comes to improve the levels of education and preparation of our neighbors speaks of building a future, and it is that future in which we want to participate,” he emphasized.

Educational level	2022 beneficiaries
Primary school children	14
High school students	16
University students	20

Peru

Support for educational institution

One of our main areas of support is education. In 2022, we supported the I.E. N°86771 "Virgen de la Asunción" of the Alpamayo de Colcas Community by providing sports equipment for the development of its activities. This benefited 20 students of the respective school.

2022 LAP Melipeuco Scholarships
Scan the QR code for more information



6.4.5 Local Development Management

Local Development Management

In Peru

Delivery of Waste Containers in the Annex of San Juan de Viena - Runatullo Community.

In December 2022, a strategic social support was carried out with the granting of 3 350-liter recycling containers in order to contribute to the community in the care of the environment, which is a priority for EGE JUNIN SAC, which is characterized by being socially responsible.

Workshop for Improving Productive Capacities in the Cultivation of Purple Corn in the Alpamayo de Colcas Community - Ancash.

Within the Colcas Community, there is an interest in receiving technical assistance through training in the production of purple corn. The project is generated as a result of the need to have training in the production of purple corn.

This project has been taken into consideration due to requests from the community members for technical assistance in the production of local crops.

The project lasted for 5 months, divided into 5 training and technical assistance sessions per month during 2022 and was executed in the same Colcas community.

The objective of the training is to optimize the production of local crops, especially purple corn, to generate greater profitability and thus improve the quality of life of the community members interested in technical assistance.

The discussion centered on the following themes

- Analysis of soils.
- Agronomic management of purple corn cultivation.
- Pests and diseases of purple corn cultivation.
- Organic fertilizers.
- Use of certified seed.
- The workshop benefited 15 families of the community members in the direct influence area.

Potato seed improvement project
scan the QR code for more information



6.4.5 Local Development Management

Potato seed certification process

In May 2022, the work started with Sierra and Selva Exportadora, which lasted until June 2022. The work consisted of training aimed at the partners of the Potato Seed Improvement project with the aim of forming a cooperative. During this time, internships were also carried out at cooperatives in Huancayo, and fairs were attended to give the project partners the opportunity to learn about different experiences.

Additionally, in May, for Potato Day, which is celebrated on May 30, the project partners participated in a fair in the district of Huasahuasi, which was organized by the district municipality. In July, the project partners participated in a fair organized in Huancayo on the occasion of the national holidays, where associations exhibit their products.

Regarding seed certification, inspections by SENASA, the authority that certifies native potato seed in modules and fields, continue to ensure continuity. The objective is to have certified seed sales.

It is pertinent to note that during 2022, the first sale of certified seeds was made with an invoice on behalf of the Huasahuasi Management Committee.

It is important to mention that during 2022, there were 42 active modules and a participation of 336 partners from the Huasahuasi district among all the modules.

In 2022, there was a sales production of approximately S/. 79,950 in certified seeds, which benefits the families of the Huasahuasi district.



6.4.6 Climate Change and Environmental Education

Climate Change *and* Environmental Education

SNCAE Environmental Certification Program.

In addition to the scholarship distribution, the event also presented the results of the initiatives developed in 2022, as part of the Environmental Certification Program that we carried out in conjunction with the National Service for Environmental Certification for Students, also known as SNCAE, and the Department of Education of the Municipality of Melipeuco and establishments around the towns.

The distinction seeks to implement an integrated strategy to address environmental education for sustainability in educational establishments in the country, from preschool to secondary education. In the case of Melipeuco, the Volcán Llaima, Cumcumllaque, Caren, and Liceo Los Andes schools were certified during 2022. They also presented a photographic exhibition to give an account of the activities in which they participated during this year.

On the other hand, within the news provided about the initiative, we announce the integration of three establishments into the 2023 environmental certification process, together with the incorporation of the Papageno Foundation project into rural schools in the commune. This organization reaches more than 1,500 children with free musical education, and its implementation will be developed in partnership with the Municipality of Melipeuco.

Regarding the program, José Salgado, the Manager of Safety, Sustainability and Environment praised the collaborative work that has been implemented and invited the community to continue. "For our part, we will continue to support this beautiful project, which is important not only for the municipality of Melipeuco, but for all the schools in the country that are adopting this certification system," he added.

In that regard, the director of the Volcán Llaima School, Monserrat González, highlighted the work that was done during the year and called for the preservation of this type of project. The teacher also stressed that "when there is this collaborative support work, obviously great things are achieved. The important thing now is to project the community to make this work much more effective and that they know all the work that is done within our establishments."

During the event, there were also present various artistic groups and musical ensembles that work together with our company and the Municipality in various projects. These were the "Papageno Cultural Foundation", the "Okinawa Martial Arts Club", which went from having five students to having forty members in less than a year, and the Communal Folklore Ballet, which delighted the attendees with various national dance performances.

SNCAE Melipeuco
 Environmental Certification
 Program 2022
 Scan the QR code
 to learn more



6.4.7 Local celebrations and commemorations.

Local celebrations *and* commemorations

Peru

Traditional popular festivals are a characteristic example of culture and therefore of cultural identity. Festivals express traces of the social fabric they represent and whose interests symbolize and constitute a reflection of the cultural identity of a people according to their tradition, which is important to LAP.

This is why in September 2022, social support was granted for the patron saint festival of "La Virgen Peregrina" in the Alpamayo Rural Community of Colcas, a direct influence area of the CH Santa Cruz I and II. In addition, on the occasion of the anniversary of the Huasahuasi Management Committee, which is integrated by partners of the potato seed improvement project, **LAP was present with the granting of a strategic social support of 20 rolls of hoses and 15 sectorial irrigation sprinklers, which benefited 48 partners for the development of their activities in the modules, since 6 modules were winners of a sporting event that was held on the occasion of the anniversary of the Huasahuasi Management Committee.**

Christmas Campaign.

The 2022 Christmas campaign is a strategic social support that was developed in the communities of our social influence area, in coordination with local leaders. This activity allowed us to benefit our Alpamayo de Colcas community, adjacent to our CH Santa Cruz, as well as the communities of Santa Rosa de Runatullo, Talhuis and Alapampa of the province of Concepción adjacent to our CH Runatullo. Likewise, to residents of the district of Huasahuasi in the province of Tarma, adjacent to our CH Huasahuasi.

During the activity, gifts and surprises were delivered to children, food baskets for raffles during Christmas shows, and panettones for registered community members, strategic partners, and to share at the Christmas show.

The Christmas campaign benefited 816 direct children from the communities in our social area and 1,200 indirect families from our social area.

"Compartiendo Unidos la
Magia de la Navidad"
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para ver más



Linkage with health centers:

In 2022, visits to the health centers of the communities in the direct influence area continued to coordinate strategic social support to improve the care provided by the health centers to the communities.

A total of 7 coordination visits were made to the health facilities located in the communities:

- Alpamayo de Colcas
- Runatullo
- Alapampa
- Talhuis



6.4.8 Communication

Communication

Chile



Please visit our YouTube channel
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Peru

As part of the social engagement where LAP Peru intervenes, 140 visits and meetings were held with residents of the 3 areas of social influence through direct visits by social managers during 2022.

As part of the process of continuing to disseminate relevant content in LAP, a video was released in May 2022 about the Productive Capacity Improvement Program in the Alpamayo de Colcas Peasant Community - Ancash, where members of 15 community families actively participated in training sessions, learning sustainable techniques that directly benefit their health and family economy.

A video about LAP Peru's flagship project, the Potato Seed Improvement Project, located in the Huasahuasi - Junín district, was released on YouTube in September 2022.

The video allows us to know that thanks to the Huasahuasi Management Committee, in alliance with LAP, around 500 potato seed-producing families from Huasahuasi improved their production and seed quality.





Appendices

7 Appendix GRI Indicators – 2

With respect to this annex, the information requested in each requirement will be detailed, where it will also be specified in which section of the report it is located. For the case of points that are not directly found in the text, the information will be presented here.

1. The organization and its reporting practices

Content 2-1

Organizational detail

- A) Latin America Power Holding Bv
- B) The company has a legal form of a Limited Liability Company and its nature corresponds to a public-private partnership
- C) Its headquarters are located in the Netherlands
- D) It operates in the countries of Chile and Peru

Content 2-1

Entities included in the sustainability reporting

The content is exclusively found in this appendix. -

A) The entities included in the sustainability reporting correspond to:

- San Juan RUT 76319883-9
- Norvin SA 76919070-8
- Empresa Eléctrica Carén SA 76149809-6
- Full corporate name: Empresa de Generación Eléctrica de Junín
- Business: Electric Power Generation
- Rut: 20524522871
- Address: Av. Pardo y Aliaga N° 699 Int 701B, San Isidro, Lima, Peru

B) They are the same as those in the 2022 financial statements, which have the same reporting period.

Content 2-3

Reporting period, frequency, and point of contact

The reporting period and frequency of the report are found in the title "About this Report, José Salgado." The publication date is Thursday, November 16.

- A. The report covers the period from January 1 to December 31, 2022. Additionally, the report is annual.
- A. The reporting period of the company's financial statements aligns with that of this report, or from January 1 to December 31, 2022.
- A. sustentabilidad@latampower.com

Content 2-4

Information update

The content is exclusively found in this appendix.

- A) This report consisted mainly of an update of the existing information and, additionally, more information was added regarding its employees, contractors and suppliers, organization policies, working conditions, company participation in certain organizations, events, among others.
 - i. The reasons for these updates were made to review and improve the information corresponding to the period covered in the report.
 - ii. Among its effects is to generate a more complete report that provides greater context of the organization, brings stakeholders closer to the company's human resources, its influence not only in the direct industry but also in employment, social and environmental issues.

7 Appendix GRI Indicators – 2

Content 2-5

External verification

This report has not been subjected to external verification, which can be verified in the title of “About this Report”.

2. Activities and workers

Content 2-6

Activities, value chain, and other business relationships

Most of the content is found in the headings “Chapter 1 - The Company” and “Customers”.

- A) The sector corresponds to renewable energy, where the company’s activity is the generation of energy from renewable sources, also providing customers with confidence that the company has I-REC certification.
- B) With regard to its value chain, it consists of the generation of renewable energy through hydroelectric, wind and solar energy sources. All this energy is obtained with the support of suppliers and contractors and is then sold to the State through the RER contract in Peru and to regulated (distributors) and free (customers who manage directly) clients in Chile.
- C) C) No information is available on this matter.
- D) No information is available on this matter.

Content 2-7

Employees

The information on the total number of employees by gender and region can be found in the title "Our team, LAP staffing figures for 2022." As for the total number by category (permanent employee, temporary employee, etc.), it can only be found in this appendix.

- A) The details on this matter are found in the aforementioned section, but, to summarize, the total number of employees corresponds to 116 collaborators, where 16 correspond to LAP Peru (9 women and 7 men), 41 to LAP Services (all men), and 59 to LAP Chile (15 women and 44 men).
- B) All employees are permanent and full-time, which means that there are no temporary or part-time employees.
- C) No information is available on this matter
- D) No information is available on this matter
- E) No information is available on this matter

Content 2-8

Workers who are not employees

Latin America Power has no non-employee workers.

3. Governance

Content 2-9

Governance structure and composition

The contents for this point are found in the headings “LAP Corporate Structure” and “Directorate of Administration & Management”, and with regard to the committees responsible for decision-making and supervising the management of the organization’s impacts on the economy, environment, and people, it is exclusively found in this appendix.

- A) Its governance structure focuses on having a proprietary structure where its shareholders, management and management directory are located. The highest governing body corresponds to the second, which consists of the management directory composed of the CEO, the operation and maintenance manager, and the corporate finance manager, in addition to the management, which is detailed in the heading “Directorate of Administration & Management”.
- B) The sustainability management is responsible for this point, which was headed by José Salgado during 2022.
- C) he highest governing body is detailed in “Management and Management Directory”. In this heading, the information corresponding to points IV, V, and VII is found; there is no information in the text regarding the rest.

7 Appendix GRI Indicators – 2

Content 2-10

Appointment and selection of the supreme governing body

There is no information on this matter in this report.

Content 2-11

President of the supreme governing body

The contents for this point are found in the titles “Directorate of Administration” and “Ethical Management”, in addition, there is a code of ethics that can be obtained on the company’s website.

- A) The president of the highest governing body also corresponds to a senior executive who holds the position of CEO, a position that in 2022 corresponded to Diego Hollweck.
- B) The CEO is the one who leads the team that is composed of seven other management teams concerned with ensuring the company’s purpose. Conflicts of interest are mitigated through the ethical management of the company, which is governed by a code of ethics that is freely available to the public on its website.
- C) The code of ethics has a section that corresponds to conflicts of interest. The code is supported by the receipt of complaints that can also be made through the website.

Content 2-12

The role of the supreme governing body in overseeing impact management

The contents for this point can be found under the titles “Materiality” and “Directorate of Administration & Management”.

- A) The function of the highest governing body corresponds to the occupation of the Management Directory, which ensures in-depth the proper functioning of the company based on a sustainable model. Within its main actions, this section is responsible for sustaining a framework of transparency, promoting high-standard strategic and operational management, as well as maintaining exhaustive control over risks and social commitment to the community and the market.
- B) In reference to the previous statement, responsibility is delegated to the Sustainability Manager, who in 2022 corresponds to José Salgado. It should be noted that management is supervised by the highest governing body, as is the case with other management positions. Regarding stakeholder participation, as previously mentioned in this section, it is carried out through materiality by the Sustainability team, who review, identify, and map their stakeholders at the national and local levels, maintaining a permanent link with communities, social and governmental organizations, updating a map according to the company’s reality and environment, prioritizing stakeholders according to their relevance to the company.
- C) It is responsible for monitoring the level of progress of projects in all areas (technical, financial, commercial, environmental, among others), with the aim of aligning strategies in a cross-cutting manner in all areas of the company once a month.

Content 2-13

Delegation of the responsibility for impact management

The contents for this point are found under the title “Directorate of Administration & Management”.

- A) The highest governing body supervises and delegates the responsibility of managing the impacts on the economy, the environment, and people, focused on the sustainability of the organization to the Sustainability Manager, who in 2022 corresponds to José Salgado.
- B) All executives participate in a monthly management committee where monthly impacts and decisions are reported. I hope this helps.

7 Appendix GRI Indicators – 2

Content 2-14

Role of the supreme governing body in the preparation of sustainability reports

The contents for this point are located under the title “Administrative and Management Directory”.

- A) The highest governing body supervises and delegates the responsibility of managing the information presented in the sustainability reports and the material topics of the organization to the Sustainability Manager, who in 2022 corresponds to José Salgado.
- B) The highest governing body is responsible for reviewing and approving information related to sustainability reports, including material topics.

Content 2-15

Conflicts of interest

The contents for this point are found in the “Directorate of Administration & Management” and “Ethical Management” sections.

Additionally, there is a code of ethics that can be obtained on the company's website

- A) The CEO leads the team, which is composed of seven other management positions concerned with ensuring the company's purpose. Conflicts of interest are mitigated through the company's ethical management, which is governed by a code of ethics that is freely available to the public on its website.
- B) The code of ethics has a section that corresponds to conflicts of interest. The code is supported by the receipt of complaints that can also be made through the website.

Content 2-16

Communication of critical concerns

We have a Complaints and Concerns System (SQEI) available for each of the LAP operations in Chile and Peru. In order to safeguard the quality of this system, annual training is provided to employees who are in contact with neighbors and communities so that they have the tools to provide timely responses or, failing that, direct concerns through available channels. We do this in three ways: in person, at the guard booths of each operation; by email addressed to local community relations managers; by phone or in person, also with community relations managers. Additionally, the system includes annual training for leaders of social organizations in the area of influence of the operations, so that they can also direct their community partners and access the system. Finally, complaints and concerns are treated and responded to in a timely manner, depending on their nature. There are complaints and concerns related to customary rights, environmental issues, other issues related to operations, and other community issues.

Content 2-17

Collective knowledge of the supreme governing body

This point is covered under the titles “Sustainability Pillars and “Materiality”.

- A) The measures adopted to increase the knowledge, skills, and collective experience of the highest governing body in sustainability matters can be reflected in the organization's four main areas of work, which correspond to:
 - 1) Political participation to promote sustainable development.
 - 2) Environmental responsibility.
 - 3) Social development.
 - 4) Economic development

The activity at this point includes participation in guild organizations, work tables, and spaces of social public impact, alliances, continuous work to improve the rational use of resources, linking with communities, and program implementation, which entails a certain degree of involvement and participation that contributes to the growth of the highest governing body in sustainable development matters. Additionally, there is also work related to materiality related to stakeholders, which includes certain relationship channels and relevant issues, topics that are detailed in the “Materiality” section.

7 Appendix GRI Indicators – 2

Content 2-18

Performance evaluation of the supreme governing body

The title “2022 Perception Survey” mentions that, among other topics, the supreme governing body will be evaluated for the quality and capacity of the senior management to lead the company.

- A) Evaluations are conducted through a perception survey among the teams that make up the company as a tool to evaluate the degree of satisfaction of the company and how collaborators relate to each other.
- B) Evaluations are independent of senior management and are conducted annually.
- C) No information is available on this matter

Content 2-19

The content related to compensation policies is found under the title “Compensation policies”.

- A) The company’s policy on this matter involves updated job descriptors that contain the description of each position in the company and on which the annual review of all employees’ salaries is based. This is reviewed annually, in December of each year.
- B) Based on the description of each position, which is constantly updated, a job valuation analysis of the organization is carried out using the Hay - Korn Ferry methodology, which will help establish the relative importance of positions within this organization. This valuation is carried out using shared criteria that allow for comparisons and homologations both internally and externally (comparison with the market) of the company.

In this way, each position is evaluated and placed in a level for which its salary range is defined, and on the basis of which the compensation review is carried out.

Content 2-20

Annual Total Compensation Ratio

There is no information on the annual total compensation ratio in this report.

4. Strategy, policies, and practice

Content 2-21

Declaration on the Sustainable Development Strategy

The contents of this point are found in the “Context. Message from the CEO, Esteban Moraga” and “Chapter 6. Occupational Safety and Health, Environment, and Communities” sections.

- A) In the title corresponding to the message from the general manager, the importance of sustainable development for the organization and its contribution strategy is expressed, where, among other things, the following is commented:

“In this way, our challenge is to ensure the sustainability of the company in the medium and long term. We must seek methodologies that allow us to manage the new risks that are prevalent in the market, as a result of the changes that have occurred, and that allow the company to remain sustainable over time in order to continue fulfilling its mandate, which is to continue investing in the decarbonization of the Chilean electrical system.

It is important to emphasize that we must not lose sight of everything related to communities and the environments where we are subscribed, because the crisis we are facing is of such magnitude that it can concentrate the work of the entire company on its results, but LAP has to continue operating and functioning properly in the places where it is inserted, in the communities where it is developed.

We must not lose sight of the importance of maintaining a good relationship with the communities to ensure not only financial-economic sustainability but also sustainability within the framework of community management and relations, so that we all grow together.

All of this is complemented by the rest of the content found in the aforementioned title, along with what is found in the occupational safety and health, environment, and communities section, which refers to how the company has contributed to sustainable development and how this is integrated into the company’s policies and strategies.

7 Appendix GRI Indicators – 2

Content 2-22

Commitments and policies

The contents of this point are found in the titles “Sexual Harassment Prevention and Sanction Policy”, “Ethical Management”, “Contractor and Supplier Management”, “Integrated Policy of Quality, Safety & Occupational Health, and Environment”, “Community”, “Commitment to sustainable development goals and work in line with the OD” and “Environment”. The information corresponding to point “f” on communication is found in this appendix.

A) The following policies are included in the organization’s responsible business conduct:

- Sexual harassment prevention and sanction policy.
- Code of ethics
- Contractor and supplier evaluation management
- Integrated quality, occupational health and safety, and environmental policy
- Integrated management system (ISO 9001, 14001, and 45001)
- Social management system
- Relationship policy, which are sustainability principles guided by the organization's actions
- Commitment to sustainable development goals and work aligned with the SDGs
- Environmental commitment plan for each plant and park that considers wildlife monitoring, annual bird report, reforestation programs, effluent quality, and commitment tracking. In addition, emission management, water consumption control and monitoring, biodiversity protection in parks and plants, and maintaining an active commitment to reforestation.

In all, these commitments and policies express the environmental, economic, and social interests of the organization, not only from the internal perspective, but also from the external perspective that the company's activities influence. In addition, the following are relevant:

- i. The commitments and policies are based on and comply with the corresponding intergovernmental instruments that are integrated into Chilean regulations.
- ii. and iii. In terms of due diligence and the precautionary principle, the commitments and policies in their entirety comply with information gathering, subsequent action and/or management, and continuous improvement, which concretize this.
- iv. The commitments and policies are based on and comply with respect for human rights that are integrated into Chilean regulations.

B) In terms of human rights, the commitments and policies are based on and comply with those that are integrated into Chilean regulations. In addition, in terms of community work related to this topic, the organization applies the Sustainable Development Goals (SDGs):

- **SDG 1: End poverty.**
- **SDG 2: Zero hunger.**
- **SDG 4: Quality education.**

7 Appendix GRI Indicators – 2

Also, the organization has a Social Management System (SGS), which aims to maintain a conduct of respect for the cultures, values, and traditions of the communities with which it relates, through management that is sustained over time and promotes economic and social development projects to have a positive impact on the localities.

- C) The commitments and policies are not publicly available; they are only available on the company's internal network. This is because they contain private information about the organization.
- D) The organization has been recertified in its integrated management system, more specifically in ISO 9001, ISO 14001, and ISO 45001, which certify that the organization has all the necessary procedures to guarantee the quality of services, fulfill the commitments we have made to society and the environment, safeguard the health and safety of employees.
- E) The organization mainly has a system to manage the evaluation of contractors and suppliers. Additionally, it has an integrated system composed of ISO 9001, ISO 14001, and ISO 45001.
- F) LAP establishes communication mechanisms that allow different interested parties to be informed about the company's operations, community activities, fund launches, ceremonies, and other areas of interest. The main communication channels are conversations and meetings held during community visits, the company's website, the YouTube channel, and newsletters, among others.

Content 2-23

Incorporation of commitments and policies

The contents of this point are found in the "Management and Management Directory", "Purpose and Values, Corporate Philosophy", "Sustainability Pillars", "Materiality", "Ethical Management", "Management and Evaluation of Contractors and Suppliers", "Integrated Policy of Quality, Occupational Safety and Health, and Environment", and "Training" sections.

- A) In general terms, the incorporation of commitments and policies for responsible business conduct in the organization corresponds to the following:
 - i. In terms of responsibilities, as previously mentioned, the CEO of the company (Diego Hollweck in 2022) is responsible from the highest position, as he leads the team that is composed of seven other management positions, which correspond to the commercial and regulation management, O&M management, corporate finance management, people management, corporate lawyer of Chile, corporate lawyer of Peru, and the sustainability management. In addition to all of the above, the sustainability management (José Salgado in 2022) is mainly responsible for sustainability issues, and for ethical management issues, there is a prevention manager, in addition to an ethics committee.
 - ii. To integrate commitments into organizational strategies and policies and operating procedures, the company aligns all of this through its purpose, values, and corporate philosophy, which governs the company's actions through the basis that the organization seeks operational excellence with a high-level human capital, and for this, the organization's values are transparency, commitment, discipline, austerity, and responsibility, to which the corporate philosophy of operational excellence, safety and sustainability, people and culture, and risk profitability is added. In more detail, the company's sustainability strategy is reflected in the organization's sustainability plan, which has the following work axes: political participation to promote sustainable development, environmental responsibility, social development, and economic development. Finally, to take into consideration the interested parties in all processes, including a record of information for the continuous improvement of the organization and the alignment of strategies and policies, the company has a materiality matrix with which, through the sustainability team, the company reviews, identifies, and maps its stakeholders at the national and local levels, maintaining a permanent link with communities, social and governmental organizations.
 - iii. For this point, what is considered is explained in "A.ii.", in addition to the organization's commitments that cover their actions, commercial relationships, where some examples of these are "Contractor and Supplier Evaluation Management", "Integrated Policy of Quality, Occupational Safety and Health, and Environment", and "Integrated Management System (ISO 9001, 14001, and 45001)", which are detailed in this sustainability report.

7 Appendix GRI Indicators – 2

- iv. Each role is assigned to its respective collaborator in relation to the training they have, but in the case of needing to supplement or directly train for a particular topic of the position, as a solution, each management team, in conjunction with the human resources department, develops an Annual Training Plan, which considers both technical aspects, as well as skills and culture. In general, training is focused on providing tools to people so that they can perform their work in a better way, acquiring updated information, so that they can improve their skills and become more specialists in their role.

Content 2-24

Process for Remediating Negative Impacts

The contents of this point are found in the titles “Materiality”, “Ethical Management”, “Environment”.

- A) As mentioned above, the company has policies and commitments that include the remediation of negative impacts in its actions, as detailed in this sustainability report. However, one example of this is the Environmental Commitment Plan, which operates in each plant and park, where issues such as emissions management are addressed, where an evaluation of GHGs is carried out in order to generate a process for monitoring and reducing the impact of climate change; work with internal water consumption in production, where the Integrated Management System contains a framework for water use, planning and control, which contributes to the company's progress in making processes more efficient, minimizing precipitation patterns and changes in flow regimes; the protection of biodiversity where wildlife is monitored and an annual bird report is produced, effluent quality and monitoring of environmental commitments, in addition, waste management is carried out that considers the separation of hazardous and non-hazardous waste; there are also reforestation commitments, among other measures.
- B) The organization does not have a formal mechanism that focuses solely on complaints and claims.
- C) Other processes that the organization has are the reporting channels available on the website, which are related to the code of ethics and the stakeholder engagement mechanisms.
- D) The organization does not have a formal mechanism that focuses solely on complaints and claims. However, it has the participation of stakeholders through the engagement channels, which are focused on relevant issues according to the stakeholder, which are previously categorized according to their level of relevance in the company.
- E) The organization does not have a formal mechanism that focuses solely on complaints and claims. However, as mentioned above, depending on the tool, its monitoring process is what is detailed in this report. In terms of effectiveness, this can be seen in all the improvement processes that have taken place in the organization and are detailed in the text, such as the work with communities and the progress in the Environmental Commitment Plan, among others.

Content 2-25

Mechanisms for requesting advice and raising concerns

The contents for this point are found in the title “Ethical Management”. In addition, there is a code of ethics that can be obtained on the company's website.

- A) In the code of ethics, there is a section that corresponds to the ethics and compliance committee, which states that this committee has the responsibility to ensure the proper application of the code. This means:
 - i. Promote the values and behaviors that are promoted in the code of ethics and internal policies.
 - ii. Be a consulting body.
 - iii. Channel cases to the appropriate instance.
 - iv. Update and modify the code of ethics and internal policies.
 - v. Review requests for clarification from LAP employees and subsidiaries.

It is important to note that the committee is composed of 3 members, who were appointed by the LAP board of directors. Taking all of this into consideration, individuals can request advice from the ethics committee and can raise their concerns to it, in case they do not fall into the categories corresponding to the reporting channels or have doubts about it.

7 Appendix GRI Indicators – 2

Content 2-26

Compliance with legislation and regulations

There is no information on this matter in this report.

Content 2-27

Membership in associations

The content related to membership in associations is found under the title "Alliances and participation with other organizations".

- A) The associations correspond to Generadoras de Chile, World Energy Council, and the Peruvian Association of Renewable Energy. 5. Stakeholder engagement.

Content 2-28

Approach to participation

Regarding stakeholder participation, it is detailed in the "Materiality" section.

- A) The materiality section details that the company reviews, identifies, and maps its stakeholders at the national and local levels, prioritizing them according to their relevance to the company.
 - i. The categories correspond to "Dependency" and "Influence", which are detailed in the aforementioned section.
 - ii. The purpose of stakeholder participation varies according to the group (employees, shareholders, suppliers and contractors, clients, guilds, authorities, and media), and according to the interested party, the relationship channel and relevant issues to be addressed.
 - iii. The way in which the organization seeks to ensure that participation is beneficial is through prioritization, the establishment of channels and relationships, and determining the relevant issue for each stakeholder.

Content 2-29

Collective bargaining agreements

There is no information on collective bargaining in this report.

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