



Annual Report

Fundación AES Chile
2021



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AES Chile Foundation

2021

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I. Letter from the director:

Dear reader,

This Annual Report is the result of the actions carried out by AES Chile Foundation during 2021, and discloses part of the social investment made in the communities where AES Andes and its subsidiaries in Chile (AES Chile) have their operations and projects.

The mission of AES Chile Foundation is to coordinate and implement social investment programs based on local development.

We consider the needs and concerns of our stakeholders and both national and international agendas in the field of clean energy, which are consistent with our goal to accelerate the future of energy together.

In the second year of the pandemic, AES Chile Foundation has been able to contribute to community sustainability through social investment programs in three areas of action in line with the UN Sustainable Development Goals: technical education and training, development of social infrastructure projects, and local economy and entrepreneurship.

With the experience gained in 2020 and thanks to the advantages of virtuality, we have carried out a new edition of the award of the Alto Maipo Contribution Scholarship, the Pre-University Program and better scores for the PTU (University Transition Test) and Conéctate con la Beca; this latest initiative is developed each year in partnership with other companies of the commune of Puchuncaví.

The three Huasco, San José de Maipo and Puchuncaví Competitive Funds have been further developed, and new calls have been made for the last two.

These programs allow social organizations to develop projects in line with the Sustainable Development Goals (SDGs) of the UN 2030 Agenda, which the Foundation is intending to follow, and at the same time grant financing to entrepreneurs to improve their business or develop a new business based on their ideas, thereby stimulating the local economy.

AES Chile aims to improve the quality of life of people by offering smart and sustainable energy solutions.

As a Foundation, we contribute to this end and we do this with the support of hundreds of social organizations throughout the national territory, schools and secondary schools, and social and territorial leaders, and entrepreneurs who are relying on us to develop projects and continue to grow.

We strive to create a shared value in communities and this is possible through common work, based on dialogue and mutual trust.

In 2022, we will continue to work towards this goal, which is to contribute to the local development of the communities where AES Gener does business.

Paola Olivares Schirmer

Director of Fundación AES Chile

II. History Of The Foundation



1993

Fundación Maitenes, a not-for-profit institution, was established in 1993 to implement outdoor education programs to contribute to the formation of values and the integral development of children, youth and adults.



2008

In 2008, the Foundation diversified its fields of action by incorporating the development of leadership programs, team work, workshops and seminars for various fields and business units of AES Gener. It also serves as a platform for the Company to administer, manage and coordinate social benefits, which are promoted through the Community Relations Policy and other social agreements.



2011

In July 2011, in order to position the work of the Fundación Maitenes among the various stakeholders of the Company, the institution changed its name to Fundación AES Gener, thus consolidating its work in the three areas of action of the Social Responsibility Policy: education, employability and development of community-use infrastructure.



2018

In 2018, the Fundación AES Gener is focusing its social investment programs on activities or programs that benefit local development and, through these activities, it contributes to community growth and sustainability in three fields of action compatible with the UN Sustainable Development Goals: technical education and training, development of social infrastructure projects, and local economy and entrepreneurship.



2021

In view of the change of name and corporate identity from AES Gener to AES Andes and its various subsidiaries in the countries where it operates, Fundación AES Gener changed its name to Fundación AES Chile, maintaining its mission and areas of action.

III. Mission and Vision

Mission

Coordinate and implement the educational and community relations initiatives and programs developed by AES Chile on the sites where its business units are present, providing everyone with the Foundation's values of sustainability, environmental protection and safety.

Vision

Be the organization that leads the continuous process that enables AES Chile to be respected and valued among its stakeholders for achieving a good economic, social and environmental performance, and for contributing to the sustainable development of the communities where it operates.



IV. Our Team

Paola Olivares
Director

Maite Urmeneta
Social Investment

Carolina Contreras
Competitive Funds

Claudia Cuéllar
Competitive Funds

Héctor Durán
Administrative Accounting Assistant

V. Our Estrategy

The AES Andes strategy, Greentegra, measures success through four pillars, one of which is to create value for our stakeholders, including the communities.

Based on Greentegra, which is developing a renewable power matrix that complements existing technologies, we develop the social investment strategy to address the needs and concerns of stakeholders and domestic and international agendas in the field of clean energy. This is consistent with our mission to improve lives by accelerating a safer and greener energy future.

The areas where our programs are developed are linked to local development, and through them we contribute to the growth and sustainability of communities in three areas in line with the Sustainable Development Goals set out in the UN 2030 Agenda: technical education and training, development of community infrastructure projects and local development and entrepreneurship.



Greentegra

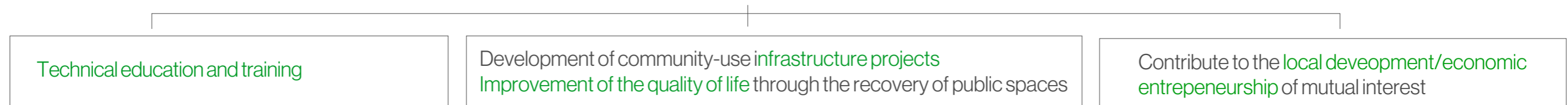
The AES Andes strategy, Greentegra, measures success through **four pillars**, one of which is to create value for our stakeholders, including the communities.

Social Investment Strategy

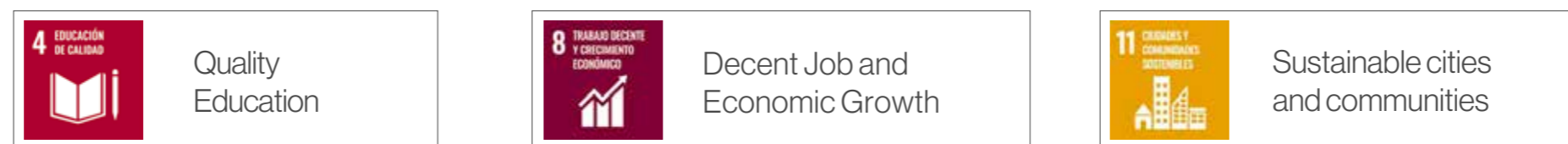
Develop, implement, and deliver social investment projects for the communities within the area of influence of our operations or construction projects based on Local Development as a guiding principle:

Local Development

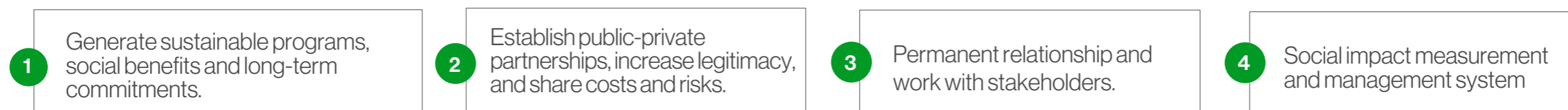
We work in **3 areas of action**:



Our scopes are guided by the **Sustainable Development Goals** set out in the **UN 2030 Agenda**



This is how we meet our goals



VI. Social Investment Programs

Fundación AES Chile is the institution entrusted with the implementation of the AES Chile social investment strategy, and its mission is to coordinate and implement programs in the communes of the area of influence of the Company's operations or construction projects based on local development.

During 2021, we opened three offices open to the community in Huasco, Puchuncaví and San José de Maipo, to the extent allowed by pandemic-related travel restrictions.



Huasco Competitive Funds



Puchuncaví Competitive Fund



San José de Maipo Competitive Fund



Alto Maipo Scholarship Contribution

Huasco

Huasco Competitive Funds



Guacolda Energía SpA, owner of the Guacolda thermal power plant, was a subsidiary of AES Andes until July 2021 and social and environmental commitments have been maintained and met by the end of the reporting year. In this regard, the Competitive Fund, which lasted three years, concluded in December with the results mentioned below.

In the third edition in 2021, the Huasco Competitive Fund allocated a total of 43 projects: 16 to social organizations and 27 to entrepreneurs. The scope of the social organizations was as follows:

- Training
- Social development through culture and tourism
- Community-use infrastructure
- Support to sport in its various disciplines

Meanwhile, the economic industries that have benefited from this edition were: gastronomy, commerce, services, agriculture, olive oil production, among others. The total amount provided for funding and carrying out the projects was CLP \$89,370,179. The fund disbursed CLP \$87,267,300, while the municipality disbursed CLP \$2,102,879 to allocate and fund the 43 initiatives.

From its inception, as part of a partnership with the Municipality of Huasco and the Business Development Center of Vallenar, this Competitive Fund made it possible to make progress in providing tools adapted to the economic and social growth of the inhabitants of the Commune.

The third edition of the Huasco Competitive Fund for Low-Income Social Organizations and Entrepreneurs was declared and approved by the Social Donations Council.

Over the 3 years of the Huasco Competitive Fund, 119 projects were implemented in accordance with the four areas of action it funded. Forty-seven social organizations were reinforced and 50 women-led SMEs received assistance. Social investment over all three years was \$259,543,588.



Puchuncaví



Pre-University Scholarship University Selection Test

The pre-university program has been in place for ten years and involves funding the university education of 30 students, who are in fourth year in one of the two secondary schools of the town of Puchuncaví. These students need to do well in school and be in socially vulnerable conditions. The goal of this program is to support their preparation to get better scores in the University Selection Test (today University Transition Test) and to enhance their chances of access to higher education. The investment for this program in 2021 was CLP \$ 11 million.



Connect With The Scholarship

Since 2012, in order to help young people of Puchuncaví to widen their professional horizons and have access to better quality jobs in the future, together with other public and private companies, we have awarded 200 scholarships a year to young people pursuing higher education. In 2021, a grant of CLP \$250,000 was provided to help offset additional costs incurred by youth and their families to access daily Internet service as many of them have had to continue their education online due to the COVID-19 pandemic.

The investment under this program in 2021 amounts to CLP \$20 million.

During the 10 years we have been implementing the Pre-university Program and Scholarship for Students in Higher Education, we have helped over 2,500 young students from the commune of Puchuncaví, with a total investment of more than CLP \$350 million.

- Community-use infrastructure.
- Social and initiative development to promote culture in the commune.
- Promotion and development of productive activities and/or services that generate local employment and tourism and that enhance the commune of Puchuncaví in the areas where it is particularly strong.
- Support initiatives aimed at promoting healthy living and sport across disciplines.

Puchuncaví Competitive Fund



The Puchuncaví Competitive Fund is the fruit of a joint effort between the municipality of the commune and the company. The standards that govern the program were drafted in 2014 and will be valid for ten years. The amount of this Fund is 4,711 UF per year and is granted to social and territorial organizations of the commune in the following sectors:



At the end of 2020, the seventh annual Puchuncaví Competitive Fund was completed, with 26 projects awarded, and an investment of CLP \$126,031,106 to directly and indirectly benefit approximately 3,370 neighbors.

The projects were carried out in 2021 and, in November of that year, the bases and calendar for the eighth edition of the Puchuncaví Competitive Fund were submitted, whose term of application has been extended to January 21, 2022.



Delivery of Personal Protection Supplies to Health Centers in Puchuncaví

In 2021, we provided the Family Health Centers (Cesfam) of Las Ventanas and Puchuncaví, with personal protective equipment for the 200 employees who provide health care, masks, wet chlorine wipes, quaternary ammonium and sanitizers worth CLP \$3,669,841.

Economic Support

- Provision of cistern trucks and distribution of drinking water in rural and/or isolated areas.
- Food boxes for vulnerable communities.

Economic Undertaking and Reactivation

- Hire local entrepreneurs to make masks that were donated.
- Working inputs and tools for fishers.

San José de Maipo



Alto Maipo Scholarship Contribution

During 2021, we launched the ninth edition of the “Alto Maipo Scholarship Program”. As part of this program, we provide an annual economic incentive for higher education students from San José de Maipo, who have good academic performance and come from households with low income or more vulnerable socio-economic status, according to the Social Register of Households of the Ministry of Social Development.

At that time, 66 students received the benefit, 50 of whom were renewing it and 16 of whom were receiving it for the first time.

Each received CLP \$800,000 to cover education-related expenses such as paying fees, Internet connection, registration, materials and tools.

In 2017, the "Outstanding Athletes" and "Artistic Talent" prizes were incorporated. In 2021, eight athletes and two artistic talents received awards.



At the end of 2021, we awarded 469 higher education scholarships, 58 outstanding athlete scholarships, 10 artistic talent scholarships, a total of 537 scholarships. The social investment amounts to CLP \$368,800,000 in higher education scholarships; CLP \$46,400,000 in outstanding athlete scholarships and CLP \$8,000,000 in artistic talent scholarships, for a total of \$423,200,000.



“Ilumina El Cajón” Educational Program

In 2021, we continued to develop the “Ilumina el Cajón” program, implemented in 2020 to offer digital tools and technology training to eight municipal schools in the commune, to keep their students connected as a result of pandemic lockdown measures. The service of 1,533 WIFI lines was extended until December 2021 due to the fact that many schools continued to offer virtual classes until that date.

The social investment in this project was \$31,377,444.

San José de Maipo Competitive Fund



In 2009, Alto Maipo, AES Andes (at that time, AES Gener), the Municipality of San José de Maipo and the Community Council of Neighborhood Associations started a process of dialog, which resulted in the execution of a social agreement that formed the basis of two programs: the Local Employment Promotion Program and the Social Program.

This Social Program is made up of the San José de Maipo Competitive Fund, which, since 2012 and for 30 years, has been financing and will fund scholarships and projects of social organizations and entrepreneurs with a social investment of 5,807 UF per year.

The areas financed by the Competitive Fund are as follows:

- Education and Training
- Social, Tourism and Cultural Development and Community-Use Infrastructure
- Support to sport in its various disciplines
- Promotion and development of productive activities or services that promote the community in areas where it has particular strengths



In the 9th edition, we awarded the following 54 projects: 14 to social organizations and 40 to entrepreneurs related to the main economic areas characteristic of the commune, including tourism, gastronomy, crafts, and beekeeping, among others.

Throughout its nine editions, the total investment of the Competitive Fund is CLP \$971,872,080, which has been used to fund projects of social organizations and entrepreneurships since 2012.

As of 2021, this fund has been allocated to 434 projects. More than 60% of these are entrepreneurial projects, which are divided into entrepreneurs who started to put a business idea into practice, and entrepreneurs who worked in already established businesses.

AES Chile has a 30-year concession granted by the Ministry of National Assets for a square located on the site of access to the facilities of Nueva Tocopilla power plant. In 2019, a contest was held to give a name to this community square and four social organizations were the winners, all of which agreed in “La Colonia”, the name of a former settlement of workers of an English saltpeter company, “Anglo Lautaro”. The social investment for this purpose was CLP \$1,500,000.



Tocopilla

“Áreas Verdes Fundación AES Chile” Competition

VII. Networks and Alliances

The AES Chile Foundation works directly with the municipalities and local governments of the communes in which AES Chile operates or develops projects, in order to guarantee the legitimacy of what has been done so that the commitment to contribute effectively to local development is honored.

Municipalities

As part of its dialogue process, each initiative is agreed with the local government to define goals, scope, timing and forms of implementation. To that end, in 2021, we partnered with the municipalities of Huasco, Puchuncaví, San José de Maipo and Tocopilla.

Foundations

We seek alliances with not-for-profit institutions specialized in subjects related to our fields of activity.

Educational institutions

According to the scope of our programs, working together with the institutions is essential for their proper implementation.

Government institutions and services

We develop partnerships that improve the outcomes of our programs and make the benefits last over time.



VIII. Financial Statements

As of December 31, 2021

	2021
	CLP
Currents Assets	
Cash and cash equivalents	9,412,679
Other current non-financial assets	0
Trade debtors and other current accounts receivable, net	27,489,517
Accounts receivable from related entities, current	33,688,168
Current tax assets, net	259,069
Total current assets	<u>70,849,433</u>
<hr style="border: 1px solid #0000FF;"/>	
Other non-current financial assets	0
Other non-current non-financial Assets	552,494
Non-current accounts receivable from related entities	0
Intangible assets, net	0
Property, plant and equipment, net	0
Current deferred tax assets, net	0
Total non-current assets	<u>552,494</u>
TOTAL ASSETS	<u>71,401,927</u>

Shareholders' Equity And Liabilities	2021
	CLP
Current Liabilities	
Other current financial liabilities	0
Current trade creditors and other accounts payable	28,344,700
Sundry creditors	191,757,192
Other current provisions	0
Current tax liabilities, net	(385,103)
Provisions for employee benefits, current	0
Other current non-financial liabilities	72,408,904
Total current liabilities	<u>292,125,693</u>
<hr style="border: 1px solid #0000FF;"/>	
Non-Current Liabilities	
Other non-current financial liabilities	0
Non-current trade creditors and other accounts payable	1,886,029
Non-current accounts payable to related entities	0
Other non current provisions	0
Provisions for employee benefits, non-current	2,443,240
Total non-current liabilities	<u>4,329,269</u>
TOTAL LIABILITIES	<u>296,454,962</u>

Shareholders' Equity	2021 CLP
Capital stock	15,000,000
(Deficit)/surplus	(240,053,035)
Otras reservas	0
Other reserves	(225,053,035)
Total shareholders' equity	71,401,927

Statement of deficit and surplus

Revenues	369,358,186
Expenses	(67,703,925)
(Deficit)/surplus	301,654,261
Administrative Expenses	(381,199,543)
Depreciation	0
Financial income	0
Financial expenses	(171,307)
Monetary correction	(63,485)
Exchange gain (loss)	0
(Deficit)/surplus before taxes	(79,780,074)
Other income (losses)	0
Income tax expenses	6,961
(Deficit)/surplus	(79,773,113)

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Chile
2021