



# INTEGRATED R E P O R T 2020

Committed to **Green and Social Reconstruction.**





## AGUAS ANDINAS S.A.

● GRI 102-1, 102-3, 102-53

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**Series A:** "Aguas-A"

**Series B:** "Aguas-B"

# Integrated report 2020

● ODS 6, 12

By means of this document, Aguas Andinas makes available to its various stakeholders its 2020 Integrated Report, a document that for the third consecutive year is created under the model of the International Integrated Reporting Council (IIRC) and also considering the latest standards established by the Global Reporting Initiative (GRI).

It also complies with the regulatory framework defined by the Financial Market Commission (CMF), in accordance with the legislation in force in Chile on this matter.

The externally verified report provides detailed information about the financial results of the company for the period from January 1 to December 31, 2020, together with the progress of its strategic plan and commitments related to environmental, social and corporate governance (ESG) management.

The content, although structured on the basis of the six capitals of the IIRC, is deployed and developed according to the results of a materiality study conducted in 2020, which considered consultations with all stakeholders of Aguas Andinas. It also integrates in a cross-cutting manner the advances regarding financial risks and opportunities arising from climate change.

The acronyms that accompany some titles correspond to contents established by the GRI and the Sustainable Development Goals (SDGs), which are referred to in this report.

It should be noted that the ESG Indicators chapter provides details on the company's **Sustainability Roadmap 2018-2022**, while the contents of the Financial Capital chapter provide a follow-up of the placements associated with sustainable finances carried out with the **Green and Social Bond, series AC, and the Green and Social Bond, series AE.**



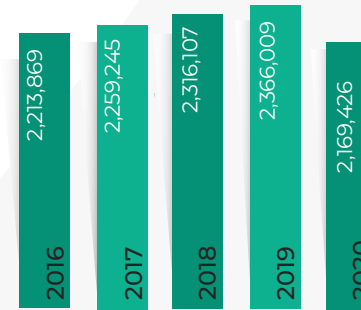
## #PAPELCERO

*As in previous years,  
this Integrated Report is  
available in digital version,  
in accordance with Aguas  
Andinas' commitment  
to the sustainable  
development of the planet.*

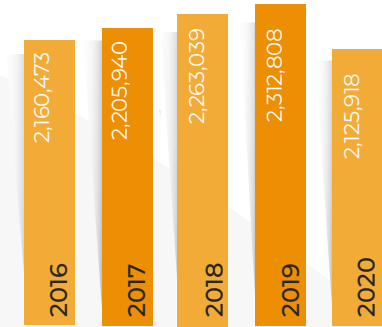
*Protecting the environment  
is a shared responsibility;  
we thank you for your  
understanding and support.*

# Company evolution

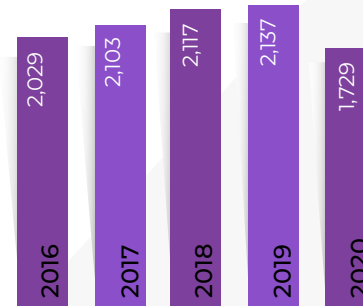
● GRI 102-7 ● ODS 6



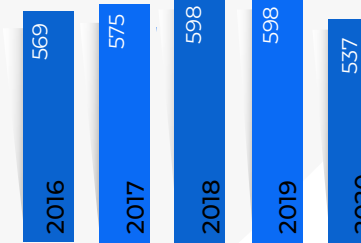
**POTABLE WATER CUSTOMERS**



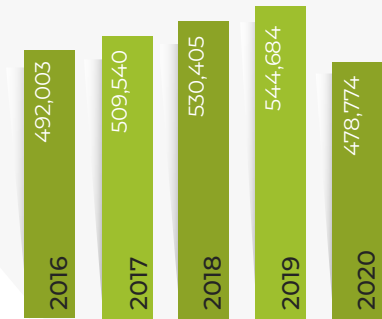
**SEWAGE CUSTOMERS**



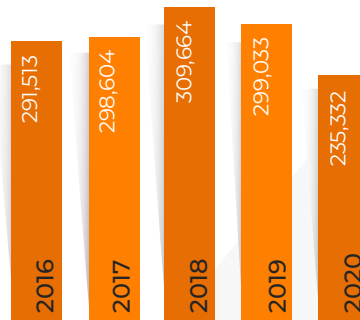
**NUMBER OF EMPLOYEES**



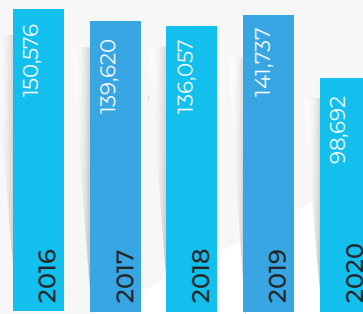
**BILLED WATER**  
(millions of m3)



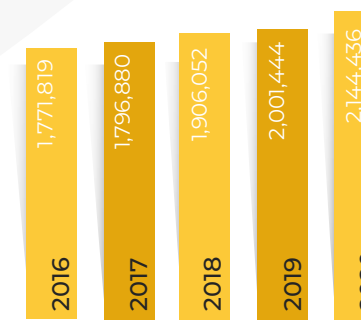
**REVENUES**  
(millions of pesos)



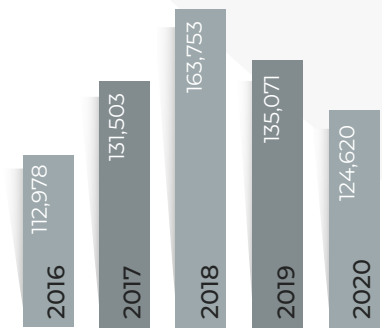
**EBITDA**  
(millions of pesos)



**NET INCOME**  
(millions of pesos)



**ASSETS**  
(millions of pesos)



**INVESTMENTS**  
(millions of pesos)

Data up to 2019 include ESSAL S.A.

## 2020 Agua Andinas at a glance

### OPERATION



**774**

**million m<sup>3</sup>**  
of total potable water  
production



**13,408**

**Kms. of potable**  
water distribution  
network



**10,875**

**Kms. of sewage**  
collection network



**100%**

**sewage treatment**  
plants



**508**

**million m<sup>3</sup>**  
of clean water returned  
to watercourses

### SOCIAL IMPACT



**1,729**

**employees**



**85,7%**

**of unionization**



**37%**

**of the professional**  
staff are women



**2,428**

**million pesos**  
in debt forgiveness



**1,177**

**million pesos**  
in social investment

### ENVIRONMENTAL CONTRIBUTION



**73%**

**of biosolids**  
are reused as fertilizer  
for agriculture



**100%**

**of construction**  
site waste are valorized



**59,9**

**GWh of self-generated**  
electricity in the Greater  
Santiago biofactory



**86%**

**of the energy**  
consumed by the Mapocho  
Trebala biofactory is renewable  
and self-generated.



**65,068,969**

**m<sup>3</sup> of biogas**  
produced in the Biofactories of  
Greater Santiago



# Committed to **Green and Social** Reconstruction

*Comprehensive water management entails a deep commitment by Aguas Andinas to care for the environment, sustainability and citizens, and also implies making available to the country all its material and human capacities when difficult circumstances such as those imposed in 2020 by the Covid-19 pandemic occur.*



As in the rest of the world, the pandemic that hit Chile in 2020 had dramatic consequences for the health of many people and for the local economy. The measures adopted by the authorities to curb contagion using restrictions on mobility, particularly quarantines and curfews, had a strong impact on activity, with a massive loss of labor opportunities and, consequently, of jobs.

In the case of Aguas Andinas, this sanitary crisis occurred in the midst of the development of a global strategy aimed at transforming the organization into an environmental services provider capable of responding adequately to the complex challenges imposed by the national and global context. To this end, large investments have been made in technology and innovation, initiatives to promote sustainability and fight climate change have been prioritized, and a relationship model based on fluid communication and shared value has been developed with all stakeholders.

Thanks to these plans, the company was in a good position to react to the unprecedented circumstances caused by CoV-SARS-2 in an economy that had already been weakened by the social movement that began in October 2019. Thus, in 2020 Aguas Andinas was able to respond and adapt to a scenario of generalized uncertainty, providing a service of primary necessity and safeguarding the health of workers, customers and suppliers. In this context, there was the challenge and commitment to contribute to a Green and Social Reconstruction of the country, creating jobs, protecting the environment and working for the benefit of broad sectors of society.

Based on the foregoing, specific actions were carried out throughout the year in response to the pandemic, with a strong relationship with the communities and working to adapt to the water crisis suffered by the central region. By means of this contribution, Aguas Andinas seeks to be an active agent in the early recovery of the country.



*As shown throughout this report, in addition to the economic, environmental and social sustainability objectives that are permanently present in its management, Aguas Andinas is currently focusing all its efforts to support the Green and Social Reconstruction of the country.*

# Response to Covid-19

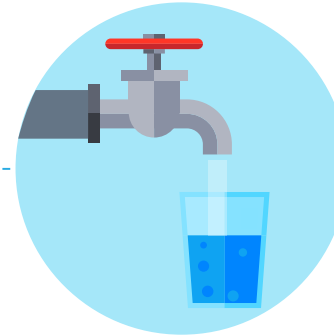
In line with the corporate purpose of contributing to the green and social reconstruction of the country, the company took all necessary measures to ensure people a normal supply of drinking water in the midst of the Covid-19 pandemic, a factor that has been fundamental in reinforcing hygienic measures and helping to combat the effects of the health emergency. To fulfill our commitment to ensure that no one goes without water in this pandemic, the following priorities were defined:



**Safeguarding the health of all workers**



**Helping to contain the spread of the disease**



**Ensuring supply continuity in the city**



**Empathize with customers, suppliers and communities**



## EMPLOYEES



Medical team for worker consultations, symptom tracking and case traceability.



Daily health surveys for symptom detection.



Adoption of biosecurity measures.



More than 300 workers in voluntary confinement program.



more than 700 teleworkers.



## CUSTOMERS



Support for vulnerable customers



more than 8 million visits through digital channels.



Suspension of supply cut-off. New debt regularization agreements.



## SUPPLIERS



Signing of payment continuity agreement for employment protection.



## COMMUNITIES



Campaña vacunación a comunidades (influenza)



Campaign to help Fundación Las Rosas



Collaboration agreement with Fundación Techo-Chile that allowed us to bring water to different camps in the Metropolitan Region of Chile. #ChileComparteAgua ("ChileShareWater")

# Integrated report 2020

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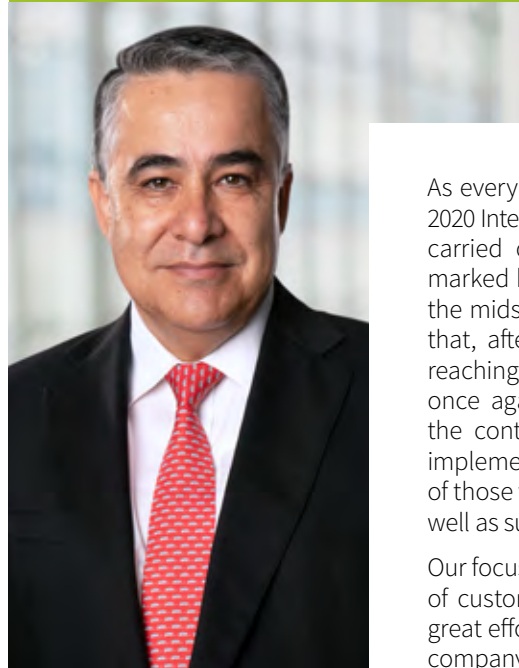


# VISION corporate

- 09** Message from the Chairman of the Board of Directors
- 10** Message from the CEO



# Menssage from Claudio Muñoz



● GRI 102-14

## 2020

**“From a perspective we have called Green and Social Reconstruction, we continue to pursue a robust investment plan”.**

As every year, I am pleased to present the Aguas Andinas 2020 Integrated Report, which accounts for the management carried out for our stakeholders in a period that was marked by the global pandemic and, at the same time, in the midst of the mega drought caused by climate change that, after several periods, gave us clear signs that it is reaching a critical level. Faced with this scenario, we once again set ourselves the firm objective of ensuring the continuity of potable water supply to the city and implementing all necessary measures to protect the health of those who are part of the company and their families, as well as subcontracted personnel.

Our focus has been to respond adequately to the demands of customers and citizens in this new context, making a great effort to manage the processes and operation of the company, which made it necessary to further deepen the commitment of Aguas Andinas to sustainability.

Complementarily, and from a perspective that we have called Green and Social Reconstruction, we continue to carry out a robust investment plan for the development and execution of large infrastructure works aimed in the medium and long term to mitigate the profound effects of climate change, as well as to develop value for our customers and communities. In the short term, these have generated new jobs, and will continue to do so, for a population especially in need of employment opportunities, given the complex post-pandemic situation we are experiencing.

The truth is that, in spite of everything, Aguas Andinas continued working-with all the necessary health and safety measures- to carry out major works that will make Santiago an increasingly resilient city, prepared to face climatic emergencies. After more than two decades of drought, it is necessary to move forward to have a more redundant infrastructure that strengthens the supply and is capable of mitigating the effects of global warming. We have intensified our drought plan, which includes the construction of

new facilities and the modernization of existing plants, we are exploring new water sources, increasing hydraulic efficiency and implementing awareness campaigns aimed at the public. We have also evaluated projects that include, among other initiatives, the reuse of reclaimed water to give water a double life, transforming it into a strategic reserve for the city in the midst of the current dramatic water stress.

These actions are in line with a business model based on the circular economy that in recent years has allowed us to carry out, for example, successful initiatives such as our biofactories. Their results have been a clear contribution to the environment, generating energy and natural gas, reducing the environmental impact, in addition to providing treated biosolids that are used in the fertilization of more than 30,000 hectares, becoming a factor in the development of agriculture in the central area of the country.

Our desire is to further embed this approach within the Chilean business system. Therefore, we seek to encourage the rest of the national industry to adopt circular economy models in their production processes. In this line, we call to continue with the responsible and conscious use of water, especially in a context of profound water scarcity and the health emergency caused by Covid-19.

We are convinced that climate change is a challenge that we must face as a country, where the business sector has a fundamental role, but also needs the participation of all sectors involved. Only in this way will we be able to overcome the current climate emergency in a better way.

All of the above would not have been feasible without a profound digital transformation and the introduction of new technologies. The continuity of the operation, the new ways of working that we are implementing and the support to the communities were largely possible thanks to these adaptation and development processes. Indeed, the moment may seem adverse, but we are optimistic and

see many opportunities for further improvement through technology and the circular economy.

We know that the most pressing risks to our operation are water availability and the possible turbidity produced in our water catchment sources, as the main effects of climate change, but fortunately we have the experience of a global business group that has already gone through situations of profound water stress in other areas of the planet.

We cannot leave out the important role of our stakeholders. Today it is not possible to start a project without involving the surrounding communities and, consequently, the company seeks to provide environmental and social benefits with the necessary returns to ensure operational continuity, executing projects that seek the common good by means of sustainable development.

This approach, consistent with sustainable development, led Aguas Andinas to be recognized again at the international level. This was the case of the ALAS20 award, Agenda Líderes Sustentables 2020, where it won first place in three categories: Grand Prix Company, Latin America; ALAS20 Company, Chile; and Leading Company in Corporate Governance. Distinctions such as these are proof that we are on the right path.

Throughout this report we detail all the initiatives we implemented during 2020, including the progress of the commitments associated with our 2018-2022 Strategy and the UN Sustainable Development Goals (SDGs). It also constitutes our Communication on Progress regarding the UN Global Compact.

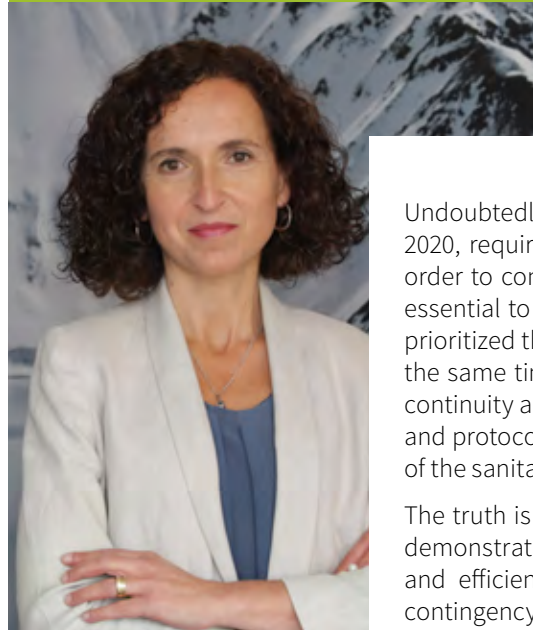
We invite you to read this report and to be part of our strategic vision to contribute to the development and progress of Chile through a Green and Social Reconstruction.

**Claudio Muñoz**   
Chairman of the Board





# Mensaje from Marta Colet



● GRI 102-14

## 2020

**“A fundamental aspect of management is to respond and adapt to the immense challenge posed by climate change”.**

Undoubtedly, the Covid-19 pandemic marked our work in 2020, requiring us to undertake a great effort to adapt in order to continue supplying the public with a resource as essential to life as water. To respond to this challenge, we prioritized the health and protection of our workers and, at the same time, of our customers, along with ensuring the continuity and quality of the service, implementing actions and protocols to reinforce supply and minimize the impact of the sanitary crisis.

The truth is that the response of our teams was excellent, demonstrating, once again, their ability to react quickly and efficiently to the great challenges imposed by this contingency, always taking the necessary measures to modify processes and organize ourselves in the face of the changing challenges of these times. We were able to anticipate the crisis in order to face it successfully, reinforcing the conviction that working together is the only way to overcome the new challenges that arise in a world in constant evolution and change.

As a company, we follow the evolution of approaches in this new context and of the decisions that have been adopted with the natural interest of an organization closely linked to its social environment and deeply involved and committed to contribute to a better quality of life for citizens.

In this scenario, sustainability remains, today more than ever, a key aspect of our management for 2020. In fact, it is one of the company's pillars and, as such, we will continue to make firm progress in our 2018 - 2022 strategy, which is based on circular economy solutions with indexes, goals and standards that, as a whole, contribute to Aguas Andinas fulfilling its commitment to be an active agent in the

struggle against climate change, helping to limit the increase in global temperature to no more than 1.5°C.

A fundamental aspect of management is to respond and adapt to the immense challenge posed by climate change, the effects of which we have experienced up close during the mega-drought that has been impacting the availability of water resources for the last 12 years. And future projections are no more auspicious: it is estimated that between 2030 and 2060 we will suffer a 40% drop in the availability of raw water in our region, and an approximate 75% decrease in the contribution of glaciers to the surface flow. Moreover, in the last year we have redoubled our efforts to find alternative sources of supply, carrying out important work to increase water reserves and make the processes of production and distribution of potable water more efficient.

We are implementing a series of infrastructure investments, such as the modernization and expansion of the Padre Hurtado potable water plant in the eastern sector and the construction of the Cerro Negro-Lo Mena wells to support the supply in the southern part of the city. Also, a key aspect was the entry into operation of the Pirque Mega Ponds, a key work that increased the autonomy of our water system from 11 to 34 hours in cases of extreme turbidity.

Despite the great challenge, we can affirm that Aguas Andinas has forged a spirit of resilience, gathering experiences that today allow us to invest and implement projects that contribute to mitigate this new scenario. With the Sustainable Development Goals (SDGs) established by the UN as a framework for action, to date we have invested approximately US\$ 150 million to build works to address the effects of climate change, and other investment

opportunities have been identified for approximately US\$ 500 million to address water scarcity.

As a company, we have the responsibility to detect risks and opportunities related to climate change, in addition to safeguarding the environment with a view to sustainability. This vision crosses the company's entire operation and, of course, is also present in the management of the biofactories and their role in giving a double life to the resources obtained from sewage treatment, promoting a paradigm shift that manages to generate a positive environmental impact, a contribution to public health and a responsible and conscious use of a resource that is increasingly scarce.

None of the above would have been possible to implement without the collaborative work carried out with various areas of society. For this reason, we must continue to be able to communicate with our counterparts with transparency and empathy, responding to their expectations. Today more than ever, this relationship, together with the efficient use of technology and innovation, must guide a path that will strengthen our leadership in the provision of services of excellence, with growth in tune with the transformations of the social and environmental surroundings.

Consequently, we are confident that Aguas Andinas has sound foundations to continue to fully comply with its role as an environmental services provider, also responding to the challenge of turning the company into a mobilizing factor for the Green and Social Reconstruction that Chile and its citizens need in the midst of an international and local context as complex as the one we have experienced.

**Marta Colet**  
Chief Executive Officer 





# Introduction

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- 13** Vision, misión and values
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- 15** Coverage and operational territory
- 16** 2020 Awards and recognitions



# Our history

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INTRODUCTION

The origin of Aguas Andinas dates back to 1861 with the founding of Empresa de Agua Potable de Santiago.

Under this umbrella, emblematic works were executed for the current Metropolitan Region, among them the Laguna Negra aqueduct (1917), the Las Vizcachas plant (1946) and the El Yeso reservoir (1967).

In 1977 the company became Empresa Metropolitana de Obras Sanitarias (EMOS) and, twelve years later; it was transformed into a joint stock company, a subsidiary of Corfo. A decade later it was privatized,

and Inversiones Aguas Metropolitanas (IAM), a company formed at that time by the Suez Environnement Group and the Agbar Group, with 50% each acquired control. IAM currently holds 50.1% of the shares of the company.

Since its inception, the company has promoted large-scale projects and deployed a team of excellence to ensure potable water supply and sewage treatment for the inhabitants of the Metropolitan Region, with the commitment of generating social and environmental value for its stakeholders.

Implementation of measures to ensure operational continuity and people's health in the context of the Covid-19 pandemic.

Inauguration of the Pirque mega-tanks with a capacity of 1,500 million liters of water, which allows for an autonomy of 34 hours of potable water supply for the for Greater Santiago.

Winning first place in Latin America in the 2020 edition of ALAS20 (Agenda Líderes Sustentables) (Sustainable Leaders' Agenda), in the following categories Grand Prix Company, Latin America; ALAS20 Company, Chile and as a Leading Company in Corporate Governance, Chile.

Sale of 100% of its direct and indirect shareholding in Empresa Sanitaria de Los Lagos S.A. (ESSAL).

Premiere of the most advanced Operational Control Center in the country and the region.

Opening of one of the major environmental breakthroughs of the country: Mapocho Urbano Limpio (Clean Urban Mapocho), a project that decontaminates the river flowing through the city of Santiago.

Joined the Dow Jones Emerging Markets Sustainability Index and the Dow Jones Sustainability Index Chile.

Placement of the first Green and Social Bond issued in the Chilean equity market.

The Gran Santiago Biofactory obtains the "Impulse for Change" recognition at COP24 for its contribution to planetary health.

Science Based Targets Initiative (SBTi) approves the company's science-based greenhouse gas reduction targets with a 1.5°C target.

2001

EMOS changes its name to Aguas Andinas S.A.

2002

Operation of the La Farfana sewage treatment plant begins

2003

2010

The Metropolitan Region reaches 100% sewage treatment. This places Santiago among the capitals with the best sanitary services in the world.

2013

2015

Aguas Andinas introduces an innovative concept in the global sanitary industry: biofactories, facilities capable of transforming wastewater into electricity, natural gas and fertilizer for agricultural use.

2017

2018

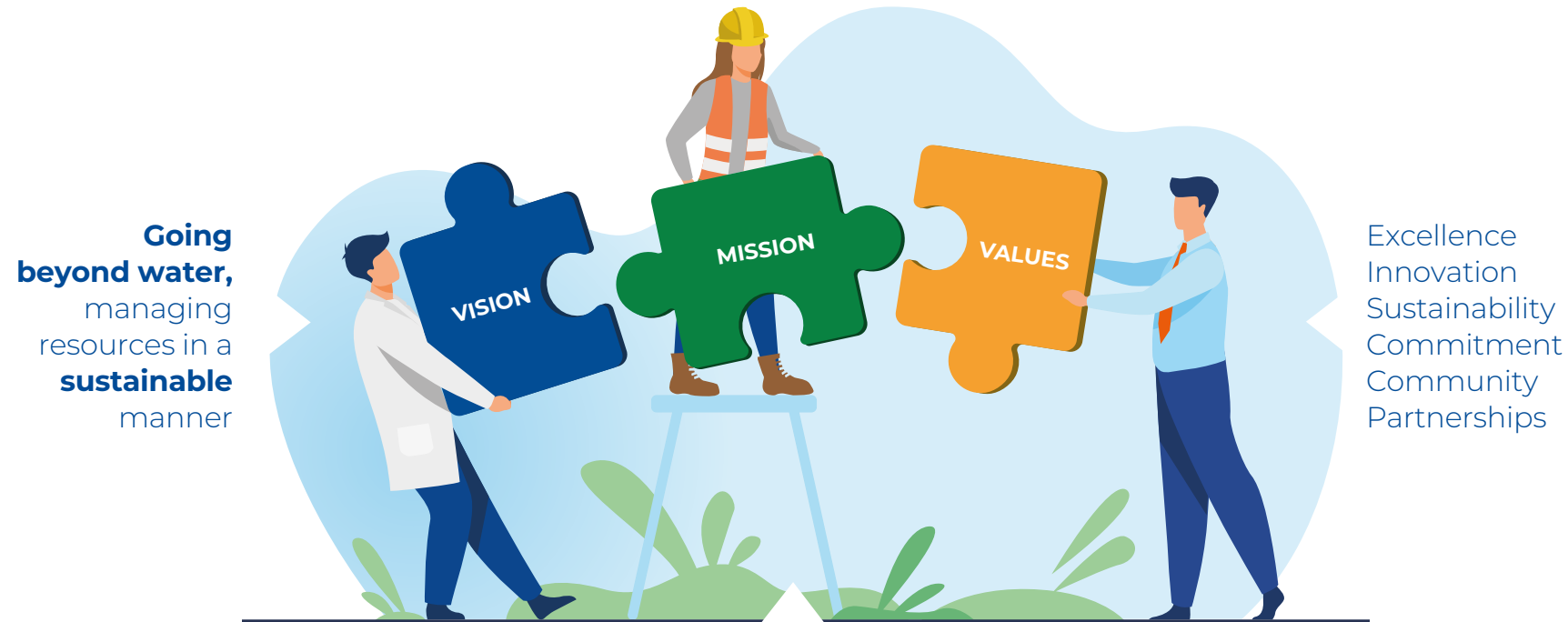
2019

2020



# Vision, mission and values

● GRI 102-16



Going  
beyond water,  
managing  
resources in a  
**sustainable**  
manner

Excellence  
Innovation  
Sustainability  
Commitment  
Community  
Partnerships

We are dedicated to **our customers**  
124 hours a day

We manage the **subterranean city** to guarantee  
the **continuity** of our services

We deliver **quality water** and transform  
**waste into resources**

We create **shared value** with  
**our environment**

We are committed to the **quality of life** of people  
and the **development** of the country





# Aguas Andinas and its companies

● GRI 102-2, 102-4, 102-6, 102-7, 102-45  
● ODS 6

Aguas Andinas is made up of a group of companies that integrally provides **environmental and sanitary services** in a context that has become challenging for the management of water resources.

## Sanitary subsidiaries

Their objective is the production and distribution of potable water, completing the cycle with the collection, treatment and final disposal of sewage and generation of resources that are by-products of the treatment.



## Environmental services subsidiaries

The function of these companies is to support the main management of the Group, by means of complementary services to the sanitary activity: treatment of liquid industrial waste, commercialization of materials and non-conventional renewable energies, laboratory analysis and development of energy projects related to sanitary companies, among others.





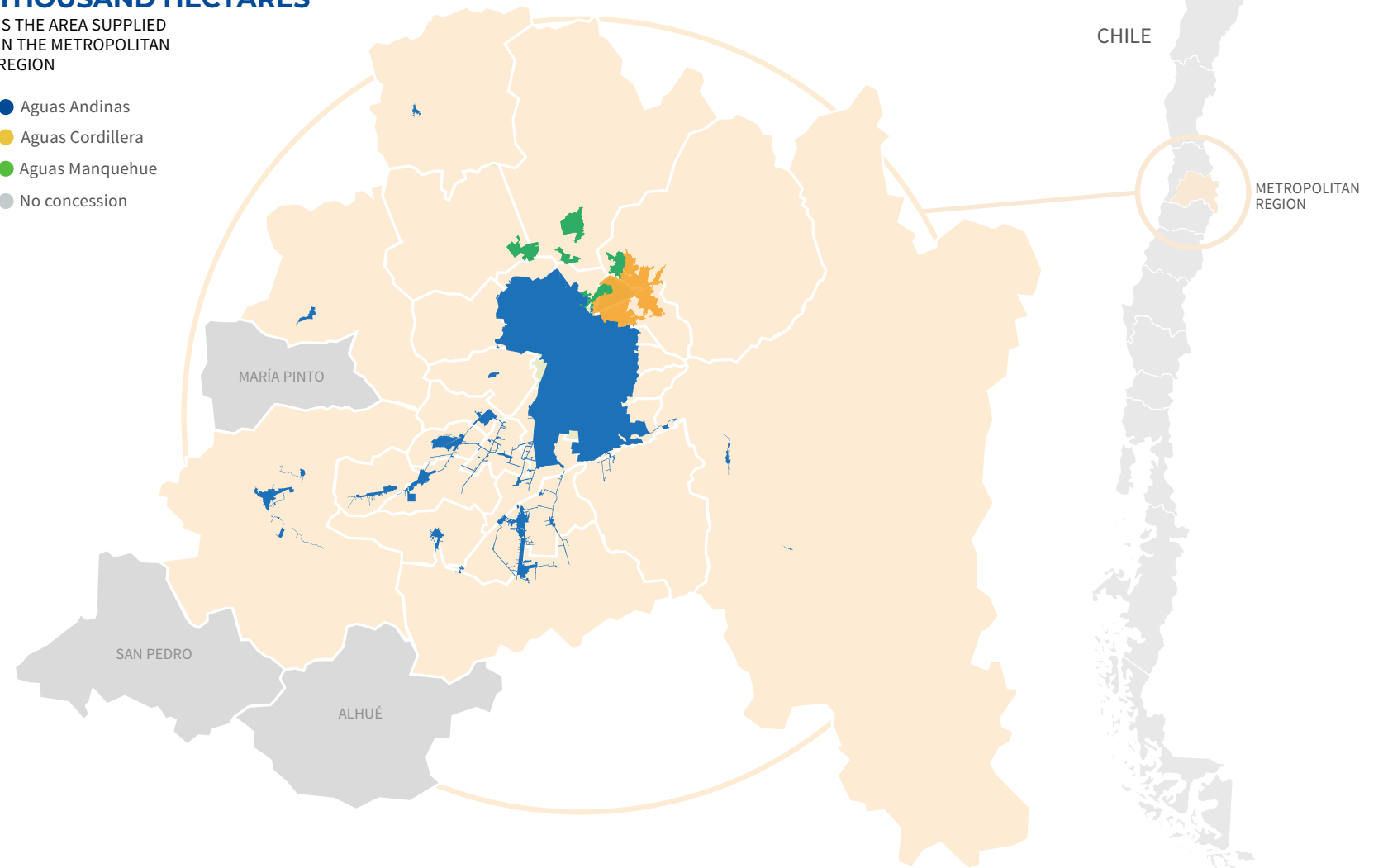
# Coverage and operational territory

## Concession area

● GRI 102-4, 102-6 ● ODS 6

**71 THOUSAND HECTARES**  
IS THE AREA SUPPLIED  
IN THE METROPOLITAN  
REGION

- Aguas Andinas
- Aguas Cordillera
- Aguas Manquehue
- No concession



01 The Metropolitan Region of  
02 Santiago is one of the sixteen  
03 regions into which Chile is  
04 divided. Its capital is Santiago,  
05 which is also the national  
06 capital. The concession areas of  
07 Aguas Andinas, Aguas Cordillera  
08 and Aguas Manquehue cover  
**49 municipalities of the  
Metropolitan Region.**

Outside its concession areas,  
and from a point of transfer,  
the company provides water  
collection and treatment  
services to the sanitary  
companies Smapa, in Maipú;  
Sembcorp Aguas Santiago, in  
Lo Barnechea; and Santa Rosa  
del Peral, in the El Peral sector,  
in the municipality of La Florida.  
The services provided by Aguas  
Andinas and its subsidiaries  
in the areas where it  
operates mean

**100% of potable water supply,  
98.8% of sewerage and 100%  
of sewage treatment.**



# Awards and recognitions

## Aguas Andinas 2020



Selected for the sixth consecutive year to join the DJSI Emerging Markets Sustainability Indexes.



Included for the second year in The Sustainability Yearbook 2021, a true statement of excellence in corporate sustainability considering the more than 7,000 companies evaluated for inclusion in the yearbook.



3rd place among Energy and Distribution companies and 41st place overall, improving its position for four years in a row. Chile ranked 30th in the Corporate Responsibility and Governance measurement.

Among the most recognized executives, highlights Marta Colet, general manager, ranked 33rd, third in the ranking of female executives. Claudio Muñoz, Chairman of the Board, ranked 37th.



PHA highlighted biofactories as a global example of contribution to planetary health, due to their model based on circular economy.



The Innovation and Technology Manager, David Hernández, was highlighted by the UC Center for Information Technology Studies (CETIUC) for his contribution and leadership in the area.



The Farfana and Trebal - Mapocho Biofactories obtained in 2020 the zero waste to landfill stamp from the Ministry of the Environment.



For the second consecutive year, the company obtained an "Agrade" in the evaluation of its climate change performance and an "A grade" in the Supply Chain program, "Leadership" category.



Awarded as "The best of the best" in the Grand Prix Company, Latin America category, the most relevant recognition given by this organization to only one company in the region that stands out for its leadership, consistency and excellence in the public disclosure of information on investor relations practices, sustainable development and corporate governance.



First place in the category "Leading Company in Corporate Governance", recognizing transparent informative practices towards stakeholders in matters related to control and sustainable management.



### Other ALAS20 recognitions:

- Second place as "Leading Investor Relations Company - Chile" for the quality of the information provided to the capital markets for investment decisions and recommendations to third parties.
- Second place as "Leading Company in Sustainability Chile" for the company's environmental, social and economic practices and for providing information to stakeholders on its actions in favor of sustainable development.





# 03

## OUR raison d'être

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- 23** Strategy and commitments
- 24** Contribution of Aguas Andinas to the Sustainable Development Goals



# Sustainable Business Model

● GRI 103-1, 103-2, 103-3

Aguas Andinas has evolved towards a value creation model that prioritizes sustainability and the well-being of people and their environment, becoming an organization that currently provides environmental services in a comprehensive manner.



*The company is managed in accordance with the guidelines of the circular economy, with goals aimed at achieving an operation that generates zero waste and emissions, while ensuring the continuity of potable water supply. This focus fulfills a third purpose:*

***adapt to and contribute to mitigate climate change.***

*In this sense, Aguas Andinas develops its operations with the mandate to manage the use of resources efficiently, promoting a head-on battle against global warming as well as the environmental and social mitigation of its effects.*

The company operates under strict adherence to the legislation and regulations that enable its operation and sustainability; good governance and management practices that ensure confidence in decision-making; and a long-term strategic definition based on corporate values.

## Framework of trust

Aguas Andinas builds the best practices of its corporate governance and management from a culture based on ethical behavior, shared by the entire organization, and management aimed at preventing risks and seeking opportunities. This architecture supports the decision-making process that guides the company.

## Regulatory framework

Aguas Andinas is governed by the General Law of Sanitary Services (DFL 382-88) and its respective regulation (DS 1199-04). The SISS oversees its operations and acts as a counterpart in the tariff regulation process. Tariffs are updated every five years.

In line with the measures adopted to address the drought, the company took important steps during the year that led to the signing of agreements with organizations of users, the Ministry of Public Works and the Directorate General of Water, which allowed the application of water scarcity decrees.





## Contribution to public debate and adaptation to regulations

The current scenario of constant climatic and social uncertainty has brought additional challenges to the regulatory framework for the sanitary industry. Faced with this situation, Aguas Andinas maintains a proactive role, bringing its vision to the local and global regulatory discussion aimed at finding answers to a context marked by the effects of climate change, the Covid-19 pandemic and the social crisis.

The following were the most relevant legal issues included in the agenda of the company during 2020:

- *Law on Basic Services Projects related to Covid-19.*
- *Participation in the discussion of the Water Code and associated norms.*
- *Bill of Modification of the Sanitary Division.*
- *Project for the installation of free drinking fountains in squares in Greater Santiago.*



## WATER SHORTAGE DECREES

*The current scenario of constant climatic and social uncertainty has brought additional challenges regarding the regulatory framework for the sanitary industry. Faced with this situation, Aguas Andinas maintains a proactive role, contributing its local and global regulatory discussion aimed at finding answers to a context marked by the effects of climate change, the Covid-19 pandemic and the social crisis.*

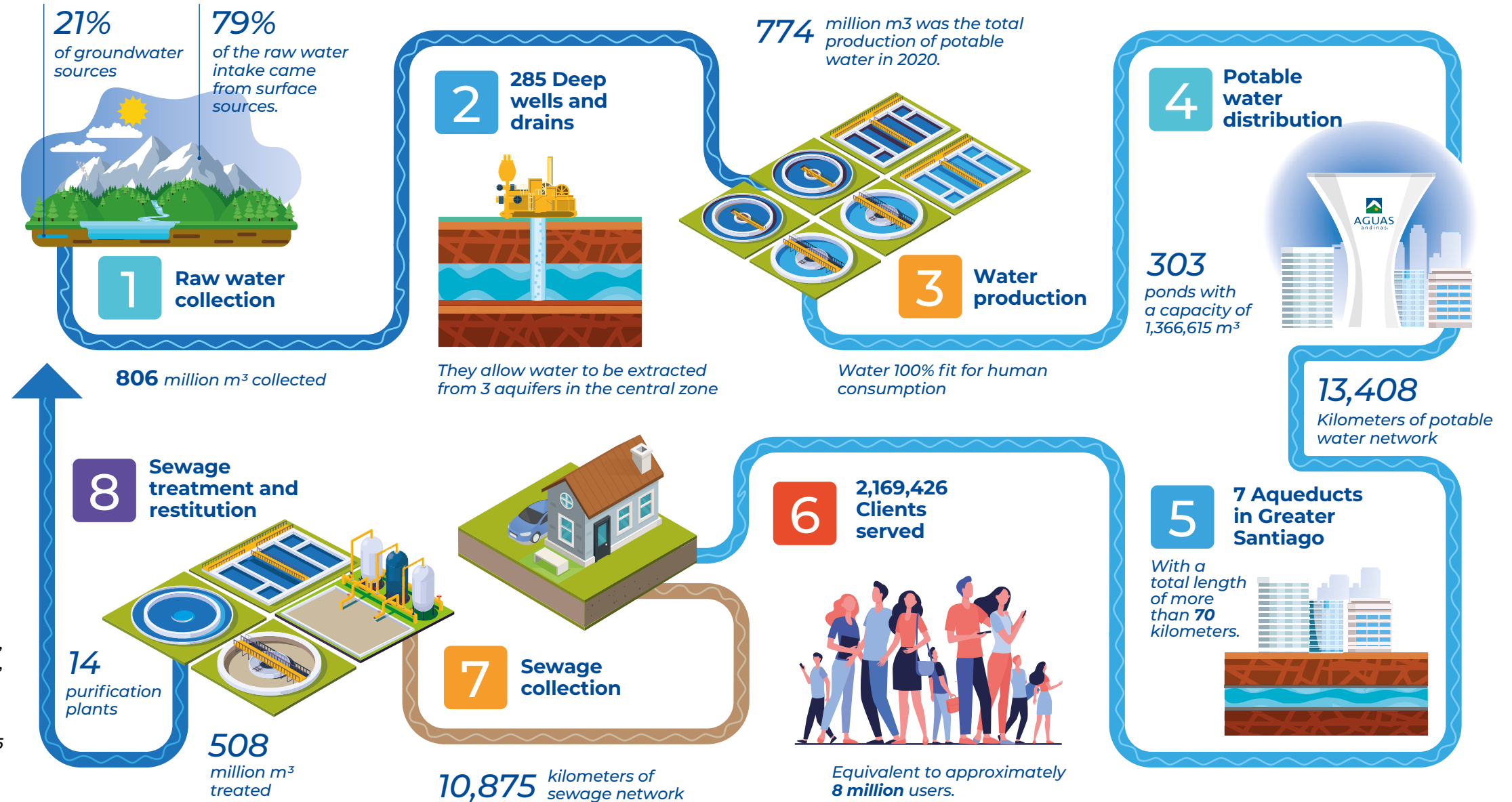






# Value chain and circular economy

The application of the circular economy model allows maximizing efficiency in the use of water resources and by products obtained from the water treatment and sanitation process, being one of the main responses of Aguas Andinas to the challenge imposed by climate change and drought affecting the Metropolitan Region. This model involves a collaborative and interactive management with all stakeholders present in the concession area.



● GRI 102-7, 303-1, 303-2, 303-3, 303-4, 303-5

● ODS 3, 6, 7, 11, 12, 13, 15



## Context and challenges

- GRI 102-7, 303-1, 303-2, 303-3, 303-4, 303-5
- ODS 3, 6, 7, 11, 12, 13, 15

### CONTEXT



**Drought**  
of more than 2 decades



**Covid-19**  
Pandemic



**Social crisis**



**Regulatory risks**



**Demographic expansion**  
of more than 8 million inhabitants approximately.

### CHALLENGES



**Adaptation to climate change**  
and its effects on service: water availability and turbidity



**Understanding of the work**  
of Aguas Andinas and the social and environmental contribution of the operation.

### HOW THEY ARE APPROACHED



**Infrastructure investments**



**Studies**  
on climate change



**New supporting technologies**



**Covid-19 measures**  
to operate in the current context

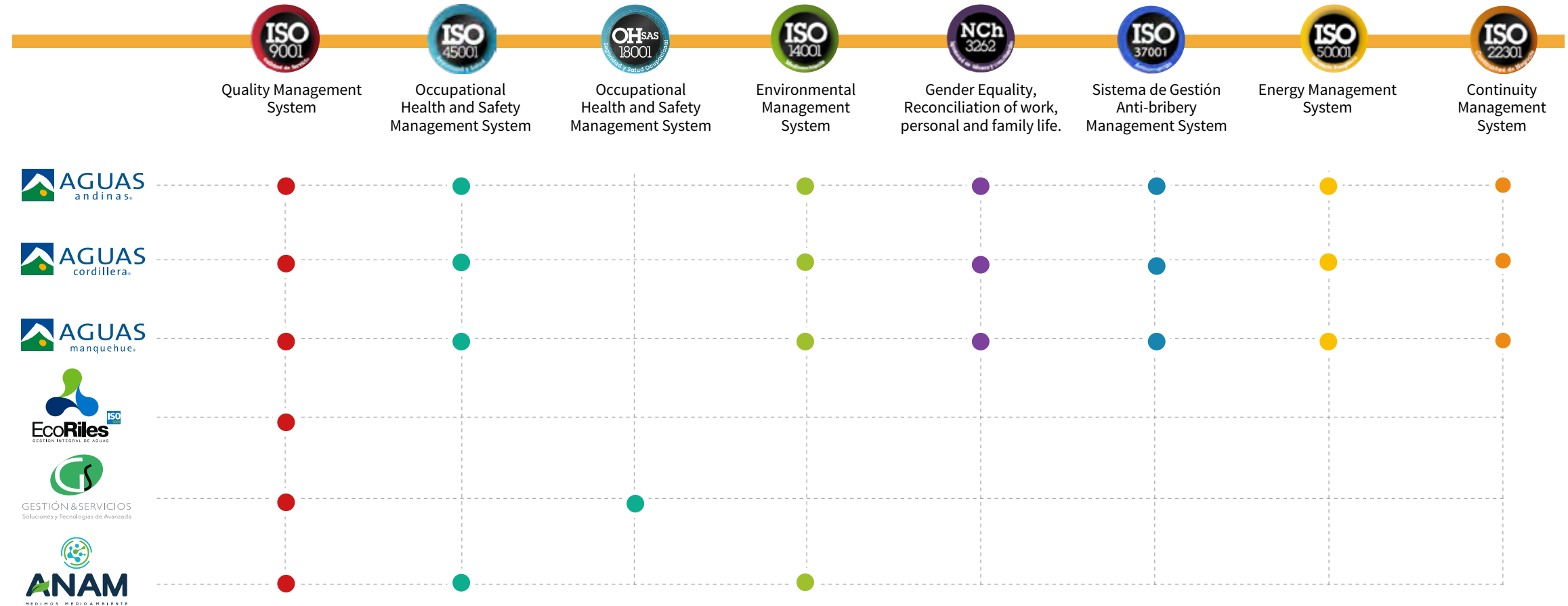


**Communication plan**



# Integrated Management System

● GRI 403-8



The Integrated Management System (IMS) manages, on the basis of international and national certifications, the supervision of specific processes associated with: quality; health and safety; environment; energy efficiency; business continuity; equality; work-life balance; and anti-corruption matters. Its application allows the company to ensure high standards in quality systems and support a global management of operations and processes. It also guarantees the competitiveness of its business model. To ensure a reliable operation and share best practices, certifications are permanently reviewed and updated.





# Strategy and commitments

Aguas Andinas has designed a long-term strategy that reinforces its commitment to the sustainable development of the city, its inhabitants and the environment. The specific goals established for 2030 in the 17 Sustainable Development Goals (SDGs) defined by the UN were incorporated in its development. This strategy is based on seven pillars that guide the company's daily management and are in line with the Sustainability Policy and Strategy. Its specific goals and purposes are specified in the Roadmap 2018-2022, which directs the company's steps towards greater sustainability, fulfilling the role of controlling that its progress is in line with the fulfillment of the commitments made by Chile in environmental matters through the COP21 agreement proposed by the United Nations.

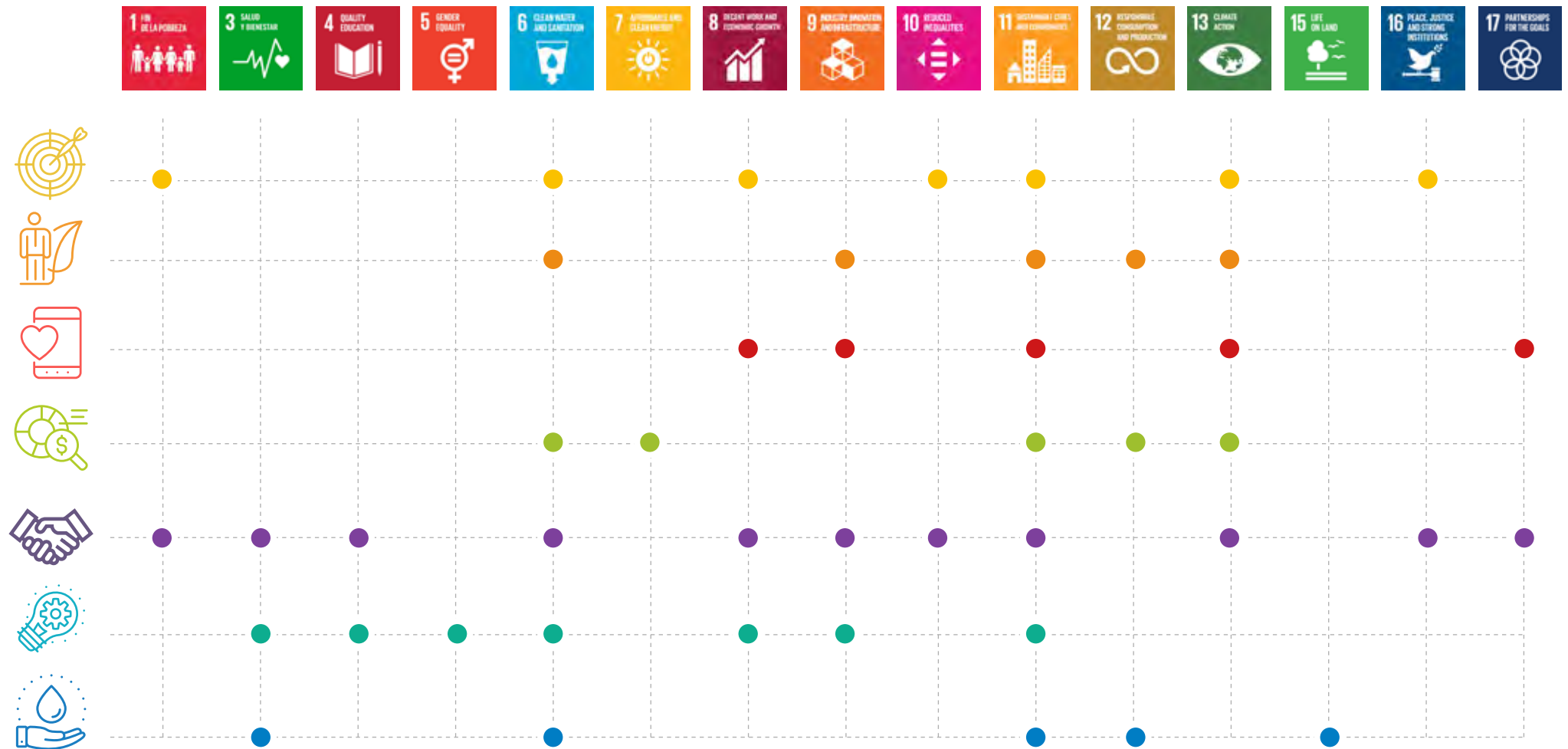
Business Model	Resilience	Digitization	Circular economy	Social legitimacy	Innovation and people	Water and quality of life
<p><b>Commitment:</b></p> <p>To be a profitable, responsible and transparent company.</p>	<p><b>Commitment:</b></p> <p>Guarantee supply under conditions of drought and climate change, preserving water as a source of life.</p>	<p><b>Commitment:</b></p> <p>Accelerate the digital revolution in the service of citizens, operations and internal culture.</p>	<p><b>Commitment:</b></p> <p>Leading the fight against climate change, contributing to the global objective of limiting global temperature increase to 1.5°C.</p>	<p><b>Commitment:</b></p> <p>Increase stakeholder satisfaction with the company, strengthening dialogue and promoting shared value.</p>	<p><b>Commitment:</b></p> <p>Promote diversity and wellbeing in the workplace, guaranteeing occupational health and safety, encouraging the development and promotion of talent and fostering a collaborative and innovative culture.</p>	<p><b>Commitment:</b></p> <p>To favor the improvement in the quality of life of citizens and promote the creation of healthy environments.</p>
<p><b>Objectives:</b></p> <ul style="list-style-type: none"><li>• To be an economically sustainable company.</li><li>• To be leaders in good Corporate Governance.</li><li>• Support the development of socially and environmentally responsible suppliers.</li><li>• Promote a business model that is responsible with the climate and has a positive social impact.</li></ul>	<p><b>Objectives:</b></p> <ul style="list-style-type: none"><li>• Implement a climate change adaptation strategy by strengthening operational resilience.</li><li>• Protect and restore waterrelated ecosystems, including glaciers, mountains, wetlands, riparian forest, rivers, aquifers and lakes.</li><li>• Promote the use of alternative sources for uses that do not require potable water quality.</li><li>• Systematically propose climate change resilience plans to our customers.</li></ul>	<p><b>Objectives:</b></p> <ul style="list-style-type: none"><li>• Lead the digital connection with citizens.</li><li>• Automate the operation.</li><li>• Implement the AGUA 4.0 internal culture.</li></ul>	<p><b>Objectives:</b></p> <ul style="list-style-type: none"><li>• Achieve zero climate impact through the reduction of Greenhouse Gas emissions and the Water Footprint.</li><li>• Achieve energy sustainability by reducing energy consumption in processes, self-generating renewable energy and maximizing the renewable component in the energy matrix.</li><li>• Achieve zero waste, favoring the reuse and valorization of waste, which are turned into secondary raw materials.</li></ul>	<p><b>Objectives:</b></p> <ul style="list-style-type: none"><li>• Increase stakeholder satisfaction with the company, maintaining a proactive, permanent and regulated relationship.</li><li>• Strengthen the figure of Customer Counsel.</li><li>• Contribute to local development.</li><li>• Guarantee water to all people in vulnerable situations.</li></ul>	<p><b>Objectives:</b></p> <ul style="list-style-type: none"><li>• Ensure good health and safety in the workplace, committing ourselves to the challenge of 0 occupational accidents.</li><li>• Attract and retain talent.</li><li>• Promote well-being and equal opportunities by creating inclusive and diverse environments.</li><li>• Encourage collaborative and globalized ways of working.</li><li>• Promote open innovation for the development of sustainable solutions.</li></ul>	<p><b>Objectives:</b></p> <ul style="list-style-type: none"><li>• To favor the improvement of the quality of life of citizens.</li><li>• Preserve the biodiversity of ecosystems.</li></ul>



# Contribution of Aguas Andinas to the SDGs

Sustainability has been an essential part of the company's management since it signed the United Nations Global Pact in 2006. Since that date, Aguas Andinas operations contemplate the ten principles defined by that agreement in the areas of human rights, labor relations, environment and anticorruption.

In addition, fifteen goals linked to the company's operation have been identified, three of which are directly addressed in the strategic plans: "SDG 6 Clean Water and Sanitation", "SDG 13 Climate Action" and "SDG 11 Sustainable Cities and Communities".



FOCO:



During 2020 Aguas Andinas has led the SDG 6 working group of the Global Compact Network Chile, whose objective is to generate initiatives that mean a more efficient management of water resources.

## Main achievements of Aguas Andinas contributing to the SDGs in 2020

OUR  
RAISON D'ÊTRE

**1,729**  
Employees.  
Aguas Andinas  
minimum wage is  
**77%**  
higher than the legal  
minimum wage.



**0**  
occupational  
diseases  
**0**  
fatal  
accidents.



**82,263**  
total hours  
of training.  
**\$204**  
million invested  
in training



**22.4%**  
of the total workforce is  
made up of women.  
**37%**  
of the total number of  
professionals in the  
organization are women.



**100%**  
potable water  
supply reach  
**100%**  
sewage treatment.



**62%**  
of energy consumed  
comes from  
renewable energy.



**96.5%**  
of the total number  
of employees with  
permanent contracts.  
**85.7%**  
of the workforce  
is unionized



**\$1,112**  
million invested  
in R+D+i.  
**34 hrs**  
of autonomy in case  
of extreme turbidity  
events with the Pirque  
Mega Ponds.



**\$124,620**  
million invested  
in infrastructure  
works.



**\$1,177**  
million in social  
investment with  
more than  
**387,000**  
people benefited.



**73%**  
of biosolids were used  
on agricultural land.  
**86%**  
of the energy consumed  
by the Mapocho Trebal  
biofactory is renewable  
and self-generated.



**186,074**  
**tCO<sub>2</sub>**  
emitted during  
the period.  
**15%**  
less than in 2019.



**\$120**  
million in biodiversity  
conservation  
initiatives.



**0**  
allegations  
of corruption



**100%**  
of stakeholders was  
consulted in the materiality  
assessment process.  
**18**  
affiliations or  
memberships  
to associations.





## CREATION Value

- 28** Financial capital
- 35** Natural capital
- 44** Human capital
- 55** Intellectual capital
- 61** Social and relational capital
- 70** Industrial Capital



# Pillars of value creation

For this integrated report and following the guidelines of the International Integrated Reporting Council (IIRC), the relationships that allow the company to create value among its various stakeholders, classified in the categories of financial, natural, human, intellectual, relational, industrial and social, have been called "Capital", understanding that these are the various resources used and eventually affected by Aguas Andinas.



## Financial capital

This groups together the economic resources available to the company to be able to create and provide services.

### Pillars of value creation

Stable financial management.  
Tariff system.  
Sustainable financial opportunities.  
Responsible financing.  
Economic impacts of the Pandemic.



## Natural capital

Corresponds to the natural resources used and/or affected by the organization's operations.

### Pillars of value creation

Adaptation to climate change.  
Fight against drought.  
Turbidity.  
Environmental management.  
• **Energy sustainability**  
• **Decarbonization plan**  
• **Waste management**  
• **Water management**  
• **Biodiversity and ecosystem services**



## Human capital

These are the competencies, capabilities, experiences and motivation to innovate provided by the people who work in the organization.

### Pillars of value creation

Staffing.  
Working in times of pandemic.  
Diversity and Equal Opportunity.  
Talent management.  
Well-being, health and safety at work.  
• **Safety and health in the company.**  
• **Benefits, occupational health and safety.**  
New ways of working.



## Intellectual capital

Pertains to intangible assets based on knowledge, including intellectual property and organizational capital.

### Pillars of value creation

Innovation management.  
• **Innovation 2020 projects.**  
• **Cetaqua.**  
Digital transformation.  
• **Digital simplification projects.**



## Social and relational capital

This applies to the links created within and between stakeholders and other networks, and the ability to share knowledge to improve individual and collective well-being.

### Pillars of value creation

Customer expectations and service quality.  
Customer satisfaction.  
Generation of positive social value.  
Suppliers as allies.  
Relationship with stakeholders in 2020.



## Industrial capital

It relates to the tangible assets used by the organization to provide services, including buildings, equipment and infrastructure.

### Pillars of value creation

Assets for the production of potable water.  
Assets for sewage treatment.  
Other assets.



# Financial capital

*Aguas Andinas manages its financial resources with policies that allow driving its corporate strategy and fulfilling its commitment to create value for its stakeholders, ensuring the solvency and sustainability of the business.*

*In a context of pandemic and given the company's purpose of contributing to the Green and Social Reconstruction of the country, these objectives were adapted to the need to sustain investments and operational continuity from the financial point of view. Considering that the crisis broke out in Europe weeks before it did in Chile, the controlling shareholders shared their experience with the sanitary emergency, providing information that allowed them to make decisions to anticipate and react in a timely manner to an uncertain scenario.*







# Stable financial management

● GRI 201-1 ● ODS 8, 9, 10, 13

The health crisis generated by Covid-19 at the global level implied relevant challenges for the financial management of the company, as evidenced by the results of the 2020 fiscal year. The context, however, did not change the long-term vision of the company, nor its focus on sustainability and the generation of economic value for stakeholders.

Therefore, during the year the main concerns were to maintain the financial soundness of Aguas Andinas, its investment plans and to carry out a management that would allow maintaining the good financial performance that has characterized the company, without neglecting a fluid contact with investors.

In an effort to take preventive measures against the possible impact of the sanitary emergency on the financial ratios of Aguas Andinas, one of the first actions was to manage the availability of the necessary resources to face the looming scenario.

This was a relevant point, considering that, in March 2020, the company was the least liquid of all the companies listed in the IPSA, with an AA+ credit rating, due to the fact that until that time it was estimated that it was not necessary to have this type of reserves. To reverse the situation, a bank loan of Ch\$ 90,000 million was arranged.

In addition, and as a way of being consistent with the sanitary and economic crisis experienced in the country and globally, at the Ordinary Shareholders' Meeting held in April 2020, it was agreed not to distribute additional dividends, an agreement that entailed a significant communication effort with shareholders (see box).

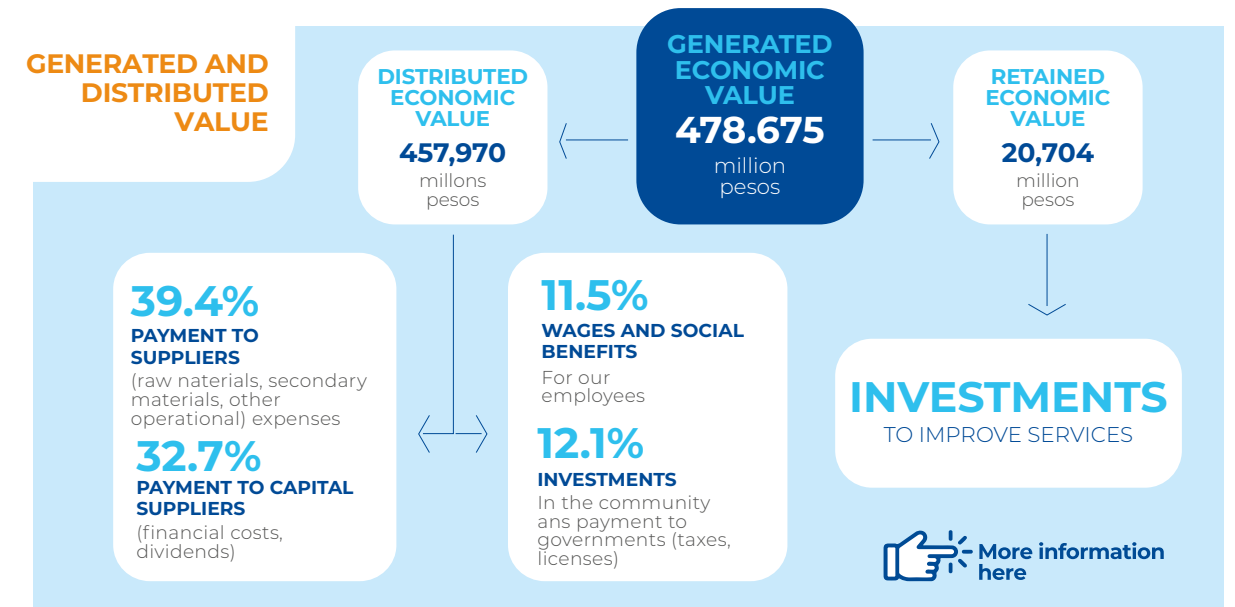
Among the events attributable to the effects of the pandemic, it should be noted that throughout the year there was lower consumption by customers compared to financial year 2019, as well as an increase in uncollectible ranges and a drop in revenue.



## Financial measures to address the pandemic

As part of the extraordinary measures adopted to face the Covid-19 pandemic, at the Ordinary Shareholders' Meeting, held during the month of April 2020, it was agreed not to distribute 70% of the profits corresponding to the 2019 financial year, distributing only the legal minimum. Notwithstanding the above, it was also decided that as long as the prevailing circumstances allowed it, the distribution of a dividend would be evaluated and submitted for approval to the respective corporate governance bodies. In December, it was decided to pay an interim dividend out of 2020 earnings.

## VALUE CREATION AND IMPACTS OF OUR BUSINESS





## Extra-financial ratings

The inclusion of sustainability in the business model is reflected in the financial management of the company, as evidenced by the results obtained by Aguas Andinas in rankings and indexes in which it participates annually, which are independently evaluated by extra-financial rating agencies.


Among the international indicators focused on sustainability where the company has obtained outstanding results, the following stand out:

- Dow Jones Sustainability Index of Emerging markets.
- FTSE4Good Emerging Index.
- Vigeo Eiris Emerging Markets.
- ISS-oekom.

These results become a relevant input to design and implement action plans to maintain high sustainability standards, in a process of continuous improvement throughout the company.

### AA+ Risk Rating

In 2020, the risk rating agencies Feller-Rate and ICR maintained the rating of the debt securities of Aguas Andinas in "Category AA+", "Stable" trend. The Series A shares were classified as "First Class Level 1" and Series B as "First Class Level 4".

N°	RATING AGENCY	INDEX	SCORE				
			2016	2017	2018	2019	2020
1	<b>SAM</b>		67	67	65	71	70
2	<b>FTSE4Goog</b>		N/A	N/A	3,2	3,8	3,7
3	<b>VigeoEiris</b>		38	52	53	58	57
4	<b>ISS-oekom</b>		N/A	N/A	N/A	B-	B-

**Sustainability Yearbook**  
Member 2021  
**S&P Global**

For the second consecutive year, Aguas Andinas is part of the Sustainability Yearbook 2021, an annual publication where Corporate Sustainability Assessment (CSA) S&P Global presents the companies with the best rating in ESG performance.

This recognition is linked to being ratified in the Dow Jones Sustainability Index for Emerging Markets.



# Tariff system

The rates for potable water distribution and sewage treatment that the company applies to the consumption of its customers are regulated by the regulations in force for the Chilean sanitary sector. In the procedures for calculating monthly charges, the company strictly follows the existing legal provisions in this regard.

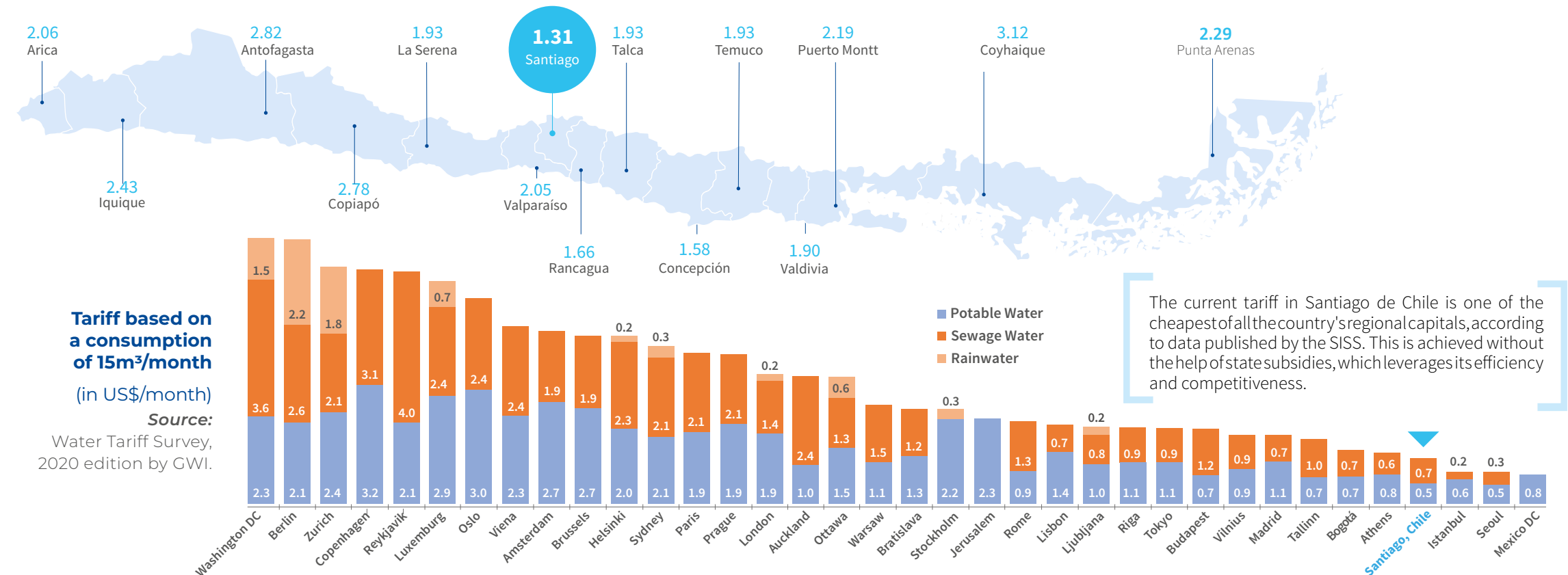
According to data published by the SISS, the current tariffs for Santiago de Chile are lower than those applied in almost all of the country's regional capitals and also lower than those observed in most countries in the world. Also, they include 100% of the treatment service. These achievements are obtained without state subsidies, which leverages the efficiency and competitiveness of Aguas Andinas.

During 2020, this key factor in the company's results was subject to the "Seventh Tariff Process 2020-2025", which established a 3% reduction in the tariff applied by the company for the provision of potable water and sewage treatment. In the case of the subsidiaries Aguas Cordillera and Aguas Manquehue, the adjustment was -1.5%.

It also determined that new investments should be made in infrastructure that would lead to a progressive increase in the storage capacity of potable water in the event of episodes of extreme turbidity that would halt production, allowing Santiago to be supplied for 48 hours instead of the 34 hours that the

Pirque ponds ensure. In addition, works were defined to face the effects of drought and global warming.

Aguas Andinas believes that the possible modification of the industry's regulatory framework is an opportunity to adapt the current tariff structure to the reality imposed by climate change; for example, with the incorporation of social tariffs defined according to progressive segments, differentiated by consumption level, generating incentives to reduce water use and disseminating a message of resource protection.







# Sustainable financial opportunities

● GRI 203-1 ● ODS 6,9,10,11,13

Financing investments that ensure the delivery of a service of excellence while minimizing potential business risks is a major challenge for the company,

This effort, which involves adequately communicating the characteristics of the company, its leadership, social contribution and high service standards, includes a risk map where, on the one hand, the non-continuity of service and the mega-drought faced by the country, and the financial and operational risk, on the other, stand out.

With this frame of reference, Aguas Andinas is executing an investment plan that considers all the variables described above, maintaining sustainable levels of debt in the long term.

The objective is to be an organization capable of maintaining the continuity of its projects in a sustainable manner.

*The company historically exceeds the investment amounts committed to the Superintendence of Sanitary Services (SISS) in the context of the development plans for sanitary companies.*

## The impact of the pandemic did not slow the pace of investments of the company.

In fact, four projects were submitted to the SISS in 2020, aimed at increasing production capacity to ensure a continuous supply of potable water in a drought scenario. These works will be included in the company's updated Development Plan after approval by the regulator, which includes the reuse of treated water, the expansion of the La Florida Potable Water Production Plant as well as investments to reduce losses in the network.

**\$124,620**

million invested during 2020

**59%**

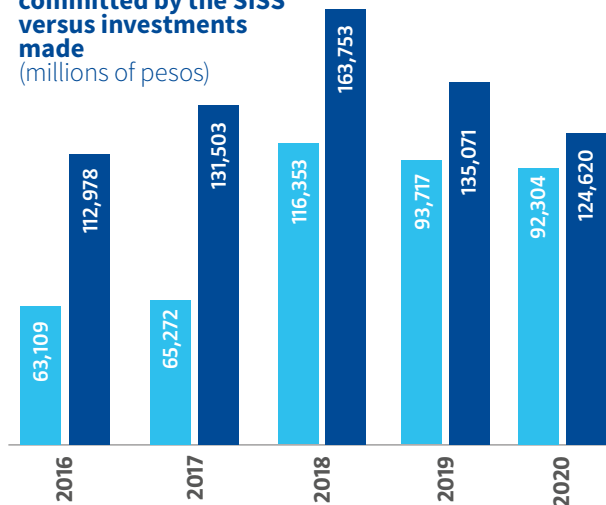
allocated for potable water production and distribution

### Sale of ESSAL

● GRI 102-10

In 2020, Aguas Andinas sold 100% of its direct and indirect participation in Empresa Sanitaria de Los Lagos S.A. (ESSAL) to the Canadian company Algonquin Power & Utilities Corp. (APUC). The company received US\$ 92.3 million for this transaction.

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



● Investment committed by the SISS  
● Total investment made by the company

Main investments in 2020 (million pesos)

Total investment budget (million pesos)

Nitrate treatment at the Mapocho - Trebal biofactory

**12,363**

**19,908**

Lo Mena and Cerro Negro wells

**7,800**

**31,000**

PTAP Padre Hurtado expansion

**4,582**

**19,000**

Del Oficio / Santa Blanca road reinforcement

**4,050**

**4,159**

Expansion of arsenic plant Quilicura

**3,470**

**4,404**

Toro Mazotte reinforcement

**2,608**

**2,866**

Potable water transfer from Arrayán to Lo Barnechea

**2,194**

**2,274**

Quilicura 3 tank

**2,108**

**2,546**

Water efficiency plan

**1,763**

**42,194**

San Enrique Safety tank

**1,549**

**3,549**

San Antonio safety tank

**919**

**2,979**



# Responsible financing

GRI 203-1 • ODS 10

Aguas Andinas defined to finance its investments in new infrastructure by placing green and social bonds. In 2018, the company was a pioneer in using this financing strategy by completing the first operation of this type in the Chilean equity market, which was reinforced the following year with a second issue. In this way, the company raised the resources that during 2020 allowed it to carry out its projects associated with the green and social reconstruction of the country.



## Main projects financed

01

02

03

04

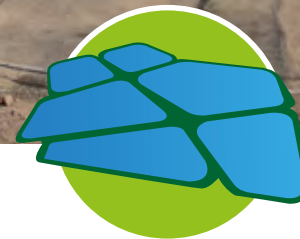
CREACIÓN  
DE VALOR

05

06

07

08



Pirque Mega  
Tanks



Expansion of AS  
Treatment Plants



Mapocho-Trebal  
Biofactory  
Cogeneration



Responsible waste  
management



Installation of a  
nitrate treatment  
system Biofactory



# Economic Impacts of the Pandemic

The financial results for the year showed a net profit of Ch\$98,692 million, which represents a drop of 30.04% compared to the previous year. Meanwhile, Ebitda fell by 17.5%.

As of December 31, 2020, an overall impact of Ch\$36,949 million is estimated for the direct and indirect effects presumably derived from the exceptional situation due to Covid-19, which are explained below:

- A decrease in sales volumes of Ch\$16,759 million, associated with lower sales to residential customers by 0.3% and to non-residential customers by 13.4%.
- A lower collection of regulated customer accounts, which increased the aging of the accounts receivable balance, requiring the recognition of an allowance for doubtful accounts in the amount of Ch\$20,172 million, generating a higher bad debt expense of Ch\$16,151 million when compared to the previous year.







# Natural capital

*The business model of Aguas Andinas has as a fundamental aspect the guidelines of the circular economy, which implies generating a harmonious relationship with the environment, through operations based on circular economy and emissions reduction, which also involves taking charge of the risks and opportunities arising from climate change.*

*Investment plans of the company permanently contemplate sustainability, mitigating the effects of climate change associated with drought and maintaining the continuity of supply in the face of extreme turbidity events, a context that did not change in the midst of the crisis experienced in 2020; on the contrary, it was strengthened in terms of the purpose of contributing to the Green and Social Reconstruction of the country.*



# Adaptation to climate change

*Aguas Andinas seeks to protect its natural capital and, consequently, the environment, through active and innovative environmental management that directly benefits the planet and society, highlighting water as a vital resource for the survival of ecosystems and the proper functioning of the urban fabric.*

● GRI 201-2 ● ODS 6,7,12,13

The changes experienced by the climate due to global warming exert enormous pressure on the availability of water resources, a situation that naturally entails a huge challenge for Aguas Andinas. For this reason, the company is making a great effort to adapt to this context, promoting strategies that involve significant investments in sustainable solutions for better interaction with water and an in-depth analysis of each variable that may impact this element.

The ultimate goal is to ensure the potable water supply to the inhabitants of Greater Santiago through the implementation of infrastructures and operational measures designed according to an Environmental Value creation approach that leads to the development of a circular economy.

## Drought

● ODS 6,12,13

Chile is currently one of the thirty countries with the highest water risk on the planet, a circumstance aggravated by more than two decades of uninterrupted drought that have affected the country and especially the central zone of Chile, where Aguas Andinas' concession areas are located. As a result, the fresh water availability has shown a continuous decline. The company deals with this scenario by developing projects that translate into infrastructure and technologies that have allowed, despite the circumstances, to maintain a high rate of continuity in the supply and, at the same time, to develop advanced treatment systems for a complete sewage purification, being able to reintegrate into the water cycle as a strategic reserve for the city in the midst of water stress, thus advancing in giving a double life to the resource.

## Turbidity

Another effect of climate change, in addition to drought, is the increase in intense, but short intense but brief rains that occur in the mountain range area, causing high turbidity in the Maipo and Mapocho rivers, affecting the production of potable water at the company's plants.

To counteract this scenario and reduce the associated risk, Aguas Andinas is promoting significant investments to increase the operational and supply autonomy up to 48 hours.

## Indexes

The potable water supply continuity indexes disclosed in this integrated report correspond to official data provided by the company as of December 2020 and information provided by the SISS as of December 2019, highlighting that the performance of Aguas Andinas, Aguas Cordillera and Aguas Manquehue Aguas Andinas, Aguas Cordillera and Aguas Manquehue present an index above the average of the sanitation sector.

**0.9985**

Aguas Andinas' supply continuity index

**0.9993**

Aguas Cordillera's supply continuity index

**0.9994**

Aguas Manquehue supply continuity index

**0.9951**

Continuity index average for the sanitary sector to 2019



01

02

03

04

CREATION  
VALUE

05

06

07

08

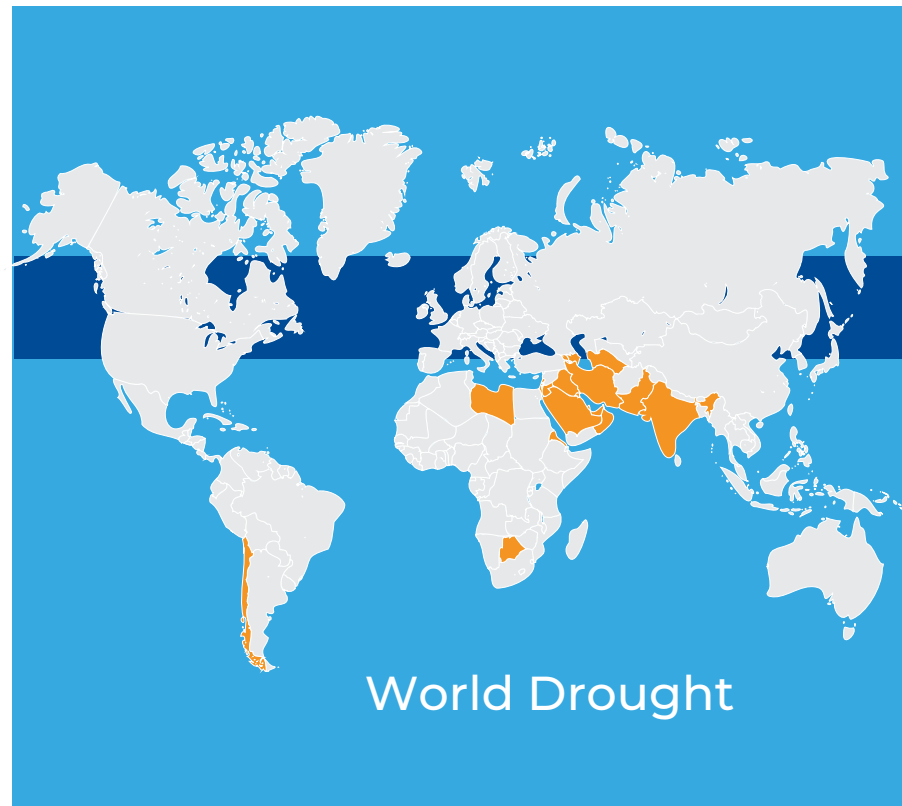


# Fight against drought

GRI 201-2

ODS 6, 12, 13

Climate change poses a huge challenge for Aguas Andinas. Adapting to this context and its effects on the service, such as the availability of water resources, implies the implementation of measures in operations that lead to guarantee the quality and continuity of supply. This scenario opens the opportunity to take advantage of technology to transform the business model, with a positive approach to the development of a circular economy.



## World Drought

Chile among the 18 countries with the highest water stress

- |            |                           |                 |
|------------|---------------------------|-----------------|
| 1 Qatar    | 7 Kuwait                  | 13 India        |
| 2 Israel   | 8 Arabia Saudita          | 14 Pakistán     |
| 3 Líbano   | 9 Eritrea                 | 15 Turkmenistán |
| 4 Irán     | 10 Emiratos Árabes Unidos | 16 Omán         |
| 5 Jordania | 11 San Marino             | 17 Botsuana     |
| 6 Libia    | 12 Baréin                 | 18 Chile        |

### WATER CONSUMPTION BY INDUSTRY IN CHILE

Agriculture  
**72%**

Potable water  
**12%**

Industrial  
**7%**

Mining  
**4%**

Livestock and power generation  
**5%**



### WATER RESOURCE SCARCITY IN THE METROPOLITAN REGION



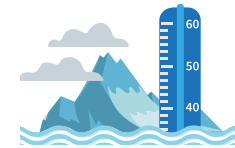
59% less rainfall (\*)



Glacier melting



Lower flow in the rivers  
Mapocho -70%, Maipo -65% (\*)



Reservoir level (\*) - 22% historical annual average.

(\*) compared to annual average 1981-2010

### MAIN ACTIONS

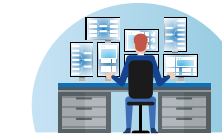
#### Sinergia



Water shortage decree prioritizing human consumption



Study of glaciers

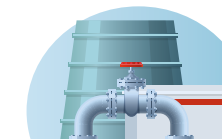


Regional hydrological model

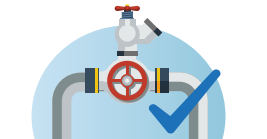


Water fund

#### Ongoing actions



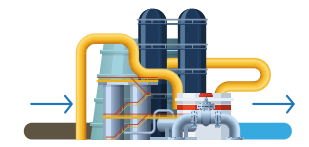
investments of approximately **US\$500 million**



Advanced network management.



Awareness



Advancing in giving a double life to water





# Turbidity

• ODS 6, 12, 13

## Increased hours of autonomy

The year 2020 was another period of extreme drought in central Chile, a phenomenon that has been going on for two decades and which, according to projections, will continue to be present in the coming years.

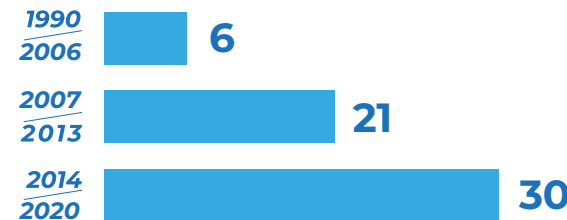
In addition to the foregoing, there has been an increase in intense but short-lived rains in the mountainous zone, which cause displacements of materials that, when

falling into the watercourses cause high turbidity in the Maipo and Mapocho rivers, affecting potable water production at the company's plants.

To counteract this scenario and reduce the associated risk, Aguas Andinas is promoting important investments in new reservoirs, together with new pipelines and wells, in order to increase the hours of autonomy of the operation and supply

*Number of events with a duration of more than 12 hours over 3,000 UNT with peaks higher than 5,000 UNT.*

### N° of turbidity events



The nephelometric turbidity unit (NTU) is used to measure turbidity.

5,000 NTU means that for every liter of treated water, 3.8 grams of sludge or mud is removed from the water.

5,000 UNT of turbidity at the Las Vizcachas plant, with a treatment flow rate of 20 m<sup>3</sup>/s, means that 6,566 tons of mud per day enter the plant.

### Hours of Autonomy



## Pirque Mega Ponds

*In November 2020, the six mega ponds of Pirque were inaugurated, an enormous infrastructure project that covers an area equivalent to 50 soccer fields and can accumulate approximately 1,500 million liters of reserve water. With the materialization of this project, the Greater Santiago reached 34 hours of water autonomy for situations of high turbidity in the Maipo River, allowing us to move towards a city that is increasingly resilient and prepared for climate emergencies..*



## El Manzano-Toma Independent Project

*The Independent El Manzano-Toma project is part of the third phase of the Resilience Plan, validated by the SISS- which seeks to provide a city that is increasingly prepared for climatic emergencies, drought and episodes of turbidity, carrying out works that ensure an increase in the autonomy of potable water supply for up to 48 hours.*

*With an investment of close to Ch\$35,000 million, it will consist of a new raw water intake from the El Yeso river, 5.7 kilometers upstream from the current independent intake of the Maipo river. From there, the flow will be conducted avoiding the riverbed by means of a pipeline to the Las Vizcachas production plant, thanks to which the water will arrive without the heavy sediments that it carries in times of convective rains and floods.*



# Environmental Management

## Energy sustainability

● GRI 302-1, 302-3, 302-4, 302-5 ● ODS 7, 13

*Aguas Andinas' long-term strategy contemplates an increasing use of non-conventional renewable energy (NCRE) in its matrix. This objective must be harmonized with the need to increase the number of wells to extract potable groundwater in order to alleviate the water crisis, which implies intensive use of elevation and production facilities that are highly energy-demanding to operate. To counterbalance this situation, the company has implemented a series of projects aimed at achieving increasingly efficient energy consumption.*

### Actions completed during 2020

Start-up of the new contract for Free Customers with Official Declaration of Redemption of I-RECs (Guarantee of Origin, NCRE) certificate at the Mapocho Trebal and La Farfana biofactories: Between April and May 2020, both facilities began to receive a 100% energy supply certified with Guarantee of Origin under the international I-REC standard. For the company this meant reaching 44% of total power consumption with Non-Conventional Renewable Energy certification.

The company increased by 30% the number of facilities that went from being regulated customers to free customers, allowing the respective operating units to directly negotiate their energy supply, favoring suppliers with NCRE origin certification.

### Ongoing actions

Updating the energy management system (EMS) to the ISO 50001 version 2018 standard. Based on internal audits and periodic reviews of the EMS, we have worked on improvements to recertify under the new standard.

### Actions to be carried out

Under the framework of the new Energy Efficiency Law, soon to be enacted in Chile, Aguas Andinas has implemented action plans to comply with the obligation to have a SGE provided by the new regulation.

The new regulation of the Netbilling Law will allow new opportunities for self-generation in the area of photovoltaic panel projects, adding more renewable energy generated on the sites themselves for self-consumption. To this end, long-term studies are being carried out with varying degrees of progress.

86%

### Renewable Energy Self-Generation

The energy demand of the Mapocho Trebal Biofactory was supplied by the biogas generation engines, 5% more than in 2019.

44%

### NCRE in the company's energy matrix

The energy consumed comes from certified renewable sources.

63%

### Increase in renewable energy purchases in 2020,

from 80 GWh in 2019 to 130 GWh in 2020



 More information here



# Decarbonization Plan

● GRI 305-1,305-2,305-3,305-4,305-5 ● ODS 7, 13

## Milestones 2020



A Rating, Leadership  
Category at  
CDP Supply Chain.  
A Rating, Leadership  
Category in  
CDP Climate Change.



Biofactories in Greater  
Santiago 100% supplied by  
renewable energy

Aguas Andinas has an emissions reduction target for 2030 approved with a scientific basis and ambition of 1.5°C by The Science Based Targets Initiative (SBTi) in 2019, being the only company in the Water Utilities sector.

## What were our GHG emissions during 2020?

Total  
tCO<sub>2</sub>e  
2020

186,074



25%

Direct emissions  
(Scope 1)



27%

Indirect emissions related to  
electricity consumption  
(Scope 2)



48%

Other indirect  
emissions  
(Scope 3)



## What are we doing?



1 Generate  
renewable energy



2 Increase the purchase  
of renewable energy



3 Promoting the  
circular economy



4 Making our  
processes more  
efficient



5 Engaging our supply  
chain (CDP Supply  
Chain)



6 Promote  
electromobility

## 2030 Goal



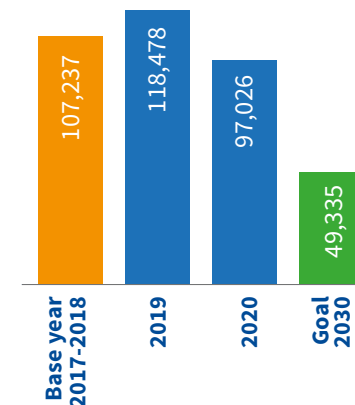
REDUCE  
54%

Scope 1 and 2 CO<sub>2</sub> emissions  
considering as base year the  
average between  
2017- 2018

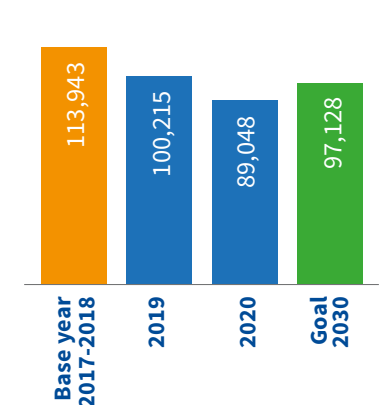
REDUCE  
16%

Scope 3 CO<sub>2</sub> emissions,  
considering as base year the  
average between  
2017- 2018

Scope 1 and 2 emissions  
evolution (tCO<sub>2</sub>)



Scope 3 emissions evolution  
(tCO<sub>2</sub>)







# Waste management

● GRI 306-1, 306-2, 306-3, 306-4, 306-5  
● ODS 6, 11, 12, 13

Under the circular economy model, Aguas Andinas promotes the reduction, reuse and revaluation of its waste. A successful example of this worldwide are the biofactories, which work at the end of the product cycle, allowing the resource to be returned to nature and generating value-added by products such as biosolids for fertilizing agricultural land.

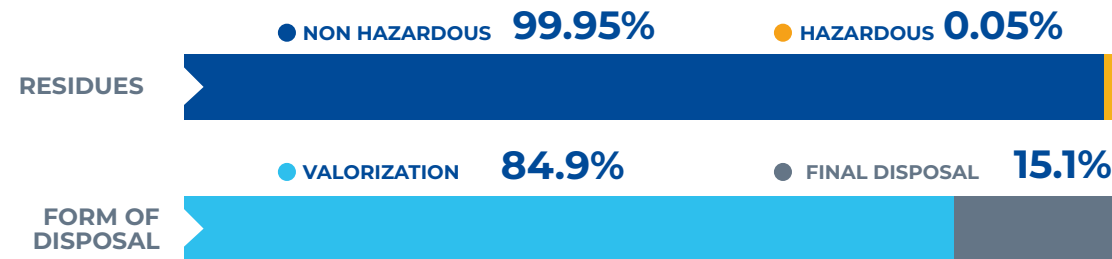
**73%** of biosolids were used as Zero waste to landfill stamp fertilizer on agricultural land **4% more than in 2019**

**100%** of construction surpluses were allocated as landfill to environmental liabilities **18% more than in 2019**.

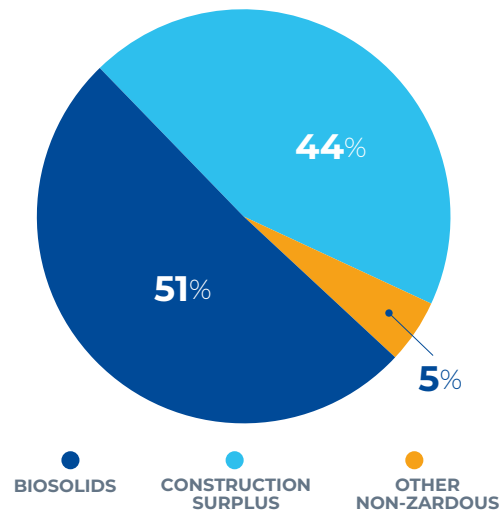


## Zero waste to landfill stamp

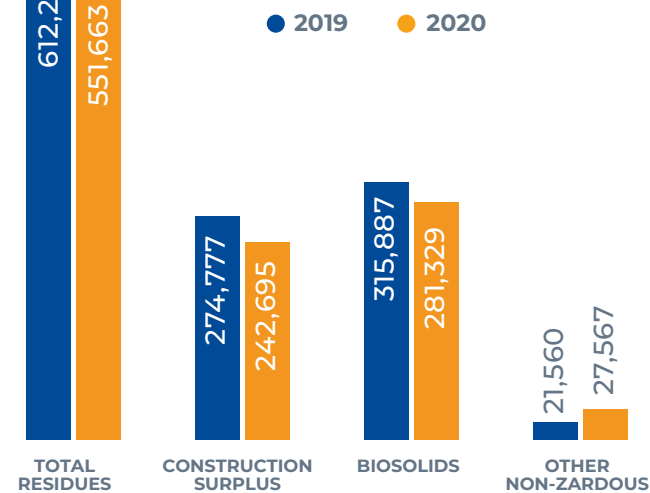
The Farfana and Trebal - Mapocho Biofactories obtained in 2020 the Zero Waste to Landfill Stamp from the Ministry of the Environment, this stamp is a recognition of the organization's commitment to the circular economy and the management of biosolids. This recognition is part of the Clean Production Agreement "Zero Waste to Disposal" of Acción Empresas and the Sustainability and Climate Change Agency of which Aguas Andinas has been part since 2018.



## COMPOSITION OF NON-HAZARDOUS WASTE



## NON HAZARDOUS WASTE (Tons)



## Operational process

## Support



PRODUCTION AND DISTRIBUTION OF POTABLE WATER



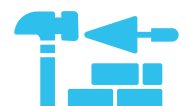
SEWAGE COLLECTION AND TREATMENT



MAINTENANCE



LABORATORY



WORKS

	PRODUCTION AND DISTRIBUTION OF POTABLE WATER	SEWAGE COLLECTION AND TREATMENT	MAINTENANCE	LABORATORY	WORKS
Biosolids	●	●	●	●	●
Pre-treatment	●	●	●	●	●
Construction surplus	●	●	●	●	●
Domestic Consumables	●	●	●	●	●
Used Oils	●	●	●	●	●
Laboratory reagents	●	●	●	●	●
Hazardous substance spill	●	●	●	●	●
Empty hazardous substances containers	●	●	●	●	●



# Water Management

## ODS 6

In 2020, the company once again measured the water management of the integrated cycle of the potable water and urban sewage service in the Metropolitan Region under the Water Footprint Network (WFN) Water Footprint (WF) methodology, registering a Total Water Footprint of 1.31 liters for every 1.0 liter of water produced and treated.

The Water Footprint is broken down into:



At Aguas Andinas, the Blue Water Footprint is measured with direct and indirect consumption. Direct Blue Water Footprint corresponds to the extraction of water from rivers and aquifers to produce potable water. This is reduced thanks to the return of treated wastewater from the Biofactories that allow giving water a new life.

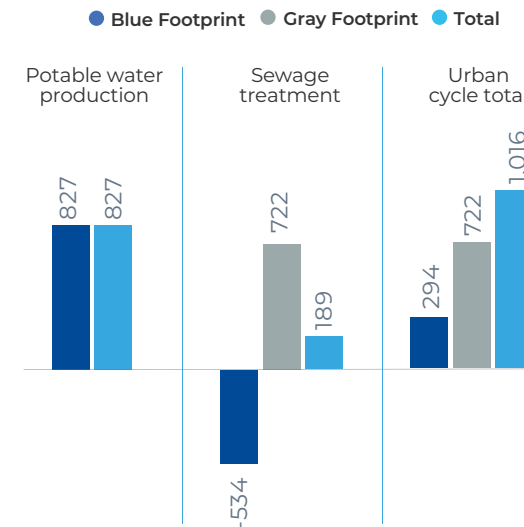
Indirect Blue HH corresponds to the consumption of reagents, energy, waste and others.

The Gray HH is related to the amount of water necessary for the flows returned to the watercourses to have the same original catchment quality.

By regulation, the treatment of sewage water reaches a quality compatible with the subsequent uses of the water and the environmental quality of the rivers.

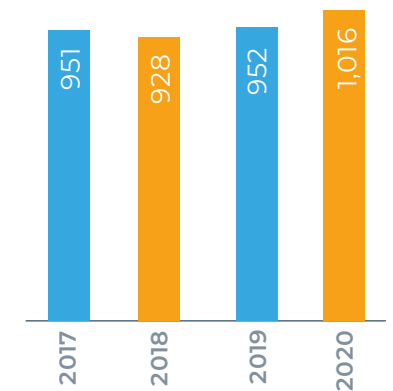
The Green HH is related to the direct use of rainwater, mainly in agriculture, and does not apply to Aguas Andinas.

## Water Footprint 2020 (Hm³)



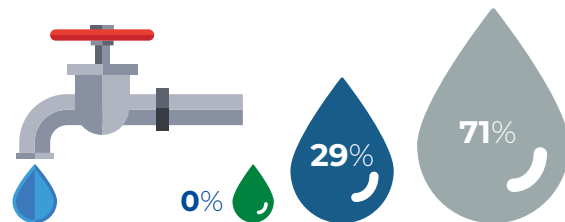
The company's water footprint is positively affected by the water regenerated from wastewater treatment, which reduces the total footprint by 534 Hm³.

## Water Footprint Evolution (Hm³)



**AGUAS ANDINAS**  
WATER  
FOOTPRINT OF  
1 LITER OF PRODUCED  
AND TREATED WATER

**1.31** LITROS



WATER FOOTPRINT OF  
**1 CUP OF COFFEE.**  
132 LITERS PER 125 ml CUP  
(which corresponds to 1,056  
liters per liter of coffee).

**1,056** LITERS



**Aquí más información**



# Biodiversity and información ecosystem

● GRI 304-1, 304-2, 304-3, 304-4 ● ODS 6, 15

Aguas Andinas carries out projects aimed at the conservation and protection of different species of flora and fauna that form an integral part of the natural environment of the ecosystems in its areas of operation.

## Book "Discovering the ecosystem of El Rutal and Estero El Canelo"



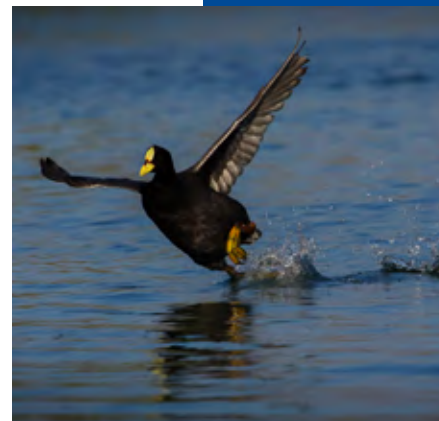
Between 2015 and 2018 Aguas Andinas promoted the study of the natural environments found inside several of its properties. The research, carried out by leading specialists and supported by the Comité Nacional Pro Defensa de la Fauna y Flora (CODEFF), gathered valuable information on the various species that inhabit the El Rutal and Estero El Canelo areas, confirming their enormous wealth of fauna and terrestrial flora. To highlight this work and given the growing public interest in the care of ecosystems and biodiversity, the company funded the publication of the book

"Descubriendo el ecosistema de El Rutal y el Estero El Canelo" (Discovering the ecosystem of El Rutal and the El Canelo Estuary), a publication that helps to disseminate the existence of almost unknown corners of the Metropolitan Region that are home to extraordinary natural habitats. In this way, we hope to strengthen the conviction within the organization, and in the community in general, about the great value of ecosystems in a fragile and ever-changing planet, contributing, in definitive, to their conservation.



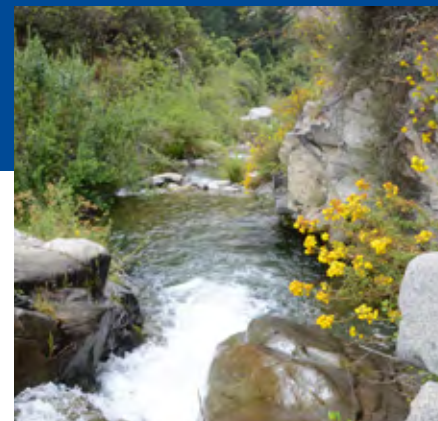
### Aguas de Ramón Natural Park

The company has had a cooperation agreement with Conaf since 2002 to protect the biodiversity of the 3,600 hectares of the Aguas de Ramón Natural Park. The company contributes to the maintenance of infrastructure (perimeter fences) and the management of forest fire prevention measures



### La Farfana Environmental Lagoon

The 15 hectares where the La Farfana Biofactory operates include a sector called Laguna Ambiental (Environmental Lagoon), consisting of a forest and a water body, an ecosystem that is home to various species of flora and fauna that have been protected since 2003 by an agreement signed between Aguas Andinas and the Chilean Ornithologists' Union (UNORCH).



### El Canelo Basin

Aguas Andinas has been working since 2015 to identify the plant and birdlife richness of the 2,000 hectares of the Estero El Canelo basin, located in the Cajón del Maipo, in order to have a protection plan for this valuable ecosystem.



### Melipilla Environmental Lagoon

On the grounds of the now defunct Melipilla Sewage Plant, seasonal bird monitoring is being carried out on the 4.3-hectare artificial reservoir.



### El Rutal Biosolids Integral Management Center

In the 1,886 hectares of the El Rutal Biosolids Integral Management Center, located 59 kilometers north of Santiago, ecosystem characterization studies are being carried out to gather information on the components of a semi-arid Mediterranean climate zone.





# Human capital

*Given the fundamental importance of people for the strategy and objectives of Aguas Andinas, the company develops constant efforts to ensure the health, safety, development and welfare of its human capital.*

*In 2020, and due to the context generated by the Covid-19 pandemic, this focus was oriented to make timely decisions and execute actions aimed at maintaining operational continuity, always ensuring working conditions that prioritized adequate protection of the health and safety of workers. This approach, together with the continuity of the infrastructure works program and other investments, became one of the pillars for the contribution of the company to the Green and Social Reconstruction of the country.*



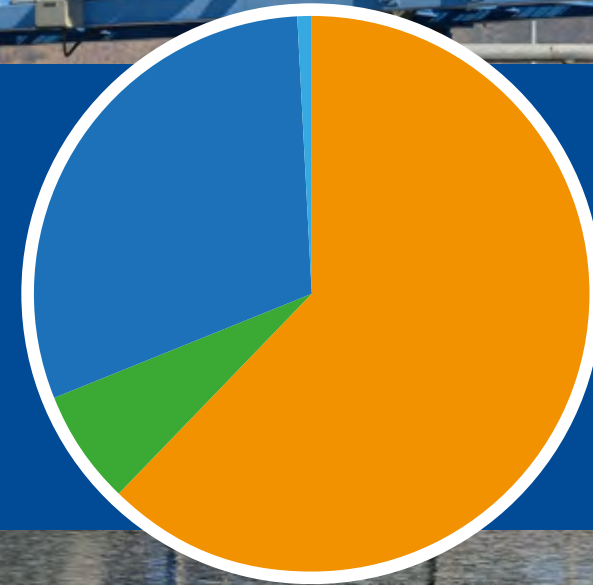
# Staffing

● GRI 102-8 ● ODS 5, 8



The Aguas Group is made up of people who enable the company to fulfill its strategic plan and to generate social and environmental value, contributing to improving the quality of life of the inhabitants of the Metropolitan Region. value, contributing to improving the quality of life of the inhabitants of the Metropolitan Region.

*Percentage of employees per company*



- Aguas Andinas **62.5%**
- Aguas Cordillera **6.7%**
- Aguas Manquehue **0.8%**
- Filiales ambientales **30.0%**

## Staffing per company

Aguas Andinas	1,080
Aguas Cordillera	115
Aguas Manquehue	14
EcoRiles	235
Gestión y Servicios	33
ANAM	250
Aguas del Maipo	2

**1,729**

**96.5%**

**85.7%**

*people work in Aguas Andinas and subsidiaries.*

*of the total staff has an indefinite contract.*

*is the proportion of unionization over the total workforce in the Aguas Group.*



# Working in times of pandemic



01

02

03

04

CREATION  
VALUE

05

06

07

08





# Diversity and equal opportunity

● GRI 102-8, 102-36, 405-1, 405-2 ● ODS 5

Aguas Andinas promotes diversity and equal opportunities in the organization. This way of doing business involves building committed, creative and empathetic work teams, able to better understand and meet the needs of its customers. To this end, protocols have been designed to establish an organizational culture respectful of inclusive criteria that are currently key to the company's business model.

## The company has a Diversity and Inclusion Policy, the pillars of which are the following:

- Gender equality
- People with disabilities
- Cultural diversity
- Sexual diversity



*For Aguas Andinas, inclusion involves promoting work environments that respect, accept and value diversity, and reject any offense, harassment, abuse of authority or other form of hostility and/or aggression triggered by attitudes of discrimination and non-acceptance of differences, both among and towards employees and customers, and in general to all its stakeholders, also complying with the legal and regulatory provisions in force in these matters.*

## Water Group personnel, by gender



	261	AGUAS ANDINAS	819
	13	AGUAS CORDILLERA	102
	2	AGUAS MANQUEHUE	12
	16	ECORILES	219
	9	GESTIÓN Y SERVICIOS	24
	87	ANAM	163
	0	AGUAS DEL MAIPO	2
	388	TOTAL	1,341

## Gender equality

Aguas Andinas has an **Annual Diversity Plan that addresses**, among other issues, issues related to wage gaps, work/home balance and flexible hours. It also establishes selection processes for executive positions with shortlists that include women, in order to enhance their role in the organization by increasing their promotion to leadership positions.

**22.4%** of the total workforce is made up of women. .

**37%** of the total number of professionals in the organization are women.

## Wages

To establish fair and equitable salaries, the Compensation Policy of Aguas Andinas considers the skills and performance of its employees as a whole, defining annual procedures for hiring, promotion and evaluation according to criteria based on equality and non-discrimination. This protocol applies to the entire organization, including directors and senior executives.



## People with disabilities

The Diversity and Inclusion Policy considers it very important to provide integration and development opportunities for people with disabilities, implementing initiatives that go beyond what is established by the regulations in this regard. Law No. 21,015 on Labor Inclusion states that at least 1% of the staff must be composed of people with disabilities. Aguas Andinas, however, established as a goal for 2022 that 2% of its positions must be filled by employees with disabilities.

In 2020, the company continued to advance in the implementation of measures to eliminate social and material barriers that hinder progress in this goal. Aguas Andinas closed the year with 1.4% of its total staff consisting of people with disabilities.



## Gender identity

Through different policies that translate into specific actions, the company also promotes work environments where workers can express themselves freely, regardless of their sexual orientation or gender identity.

This vision is also reflected in corporate communication policy, disseminating messages on its social networks highlighting relevant holidays, including LGBT+ Community Day, and participating in discussion forums on the recognition of gender diversity and sexual orientation.

## Initiatives developed in 2020

### Unconscious bias workshops:

The company conducted training sessions aimed at raising awareness of prejudices or paradigms that affect gender equity and acceptance of diversity. Aimed at the Steering Committee and first-line managers, it sought to help break down psychological barriers that often hinder the professional development of women or those who are part of a minority group.

### International Women's Day:

This festivity was commemorated with a day of sharing experiences and reflections. The event was attended by the general manager of Aguas Andinas, Marta Colet, the general manager of Anam and EcoRiles, Paola Arata, and the head of the Gender Equality Policies Division of the Ministry of Women and Gender Equity, Loreto Cornejo.

In 2020, **93** foreigners worked at Aguas Andinas, equivalent to, of the total workforce **5.4%**

## Cultural diversity

The Diversity Policy also promotes instances to promote the ethnic, social and value multiculturalism that is currently observed in the company. Consequently, the selection processes use the blind résumé system, so that applicants are qualified exclusively according to their work experience and not by other types of variables.

### Women mentoring program:

Aimed at high-potential female executives and employees, the program strengthens leadership skills, strategic networking and career development, identifying specific facilitators and hindrances to a career path.

### Management skills program for female executives:

Provides practical tools to strengthen the capabilities and skills of high-potential women to perform successfully in the top management of companies.



# Gestión del Talento

● GRI 404-1, 404-2,  
● ODS 4, 8

*Enhancing the development of talent and competencies is essential in the management of human capital. To this end, Aguas Andinas has different instances and training platforms, which, in the 2020 scenario, were reoriented to strengthen remote work, with a focus on the development of digital skills.*



**\$112,137**  
AVERAGE  
investment  
per worker

**45**  
AVERAGE HOURS  
of training  
per person

**82,263**  
TOTAL HOURS  
of training  
during 2020

**\$204**  
MILLION  
INVESTED  
in training

## Training programs in 2020

### New Challenges for Leaders Program

Aimed at providing team leadership tools to managers and supervisors of the Aguas Group in the context of health and social contingencies.

### Potencia Program

Through training sessions, it seeks to generate an internal knowledge network and strengthen ties between professionals from different areas. It provides the opportunity to explain projects, processes and the work of the different units.

### Training in the use of Office365 tools.

Training related to telework and management by objectives.

### Master in Water Management and Technology

The Escuela del Agua, together with the Universidad Adolfo Ibáñez and the Universidad Politécnica de Cataluña, launched an academic program with the participation of 18 workers from sanitation, mining and industrial companies.

### Training and awareness workshops

Use and opportunities of reclaimed water in the context of water scarcity in Chile.

### Technical courses in the world of water

Taught through virtual classes and available to all company personnel.

### Continuous training

Regulatory compliance and implementation of regulations related to compliance, energy efficiency, environment and operational risks.

### Impulsa Program

Related to ChileValora's certification of labor competencies, it focuses on expanding and formalizing the technical knowledge of operators and supervisors of potable water and sewage networks and plants. During the fiscal year, 88 potable water plant operators received their certification and 15 potable water plant supervisors began the corresponding process.

### Family Programs

The company offered courses on the use of Microsoft Office and learning trades, among other subjects, with the purpose of training workers' families in subjects that help them improve their personal, family or work quality of life.





# New programs in pandemic

*In the area of work-life balance, Aguas Andinas promoted specific initiatives to address the challenges imposed by the pandemic.*

## Estar Bien (Be Well)

Physical and emotional wellness program, designed to accompany employees from an emotional perspective, through various training capsules: yoga classes, meditation, healthy nutrition, among others. It also included support groups covering topics such as mindfulness, parental burnout and selfcare, among others, giving staff the opportunity to share experiences.

## Digital Coach

Implemented to support the new forms of remote work. It operates on the basis of coaches that facilitate the dissemination of digital knowledge to each management of the company, facilitating the development of digital skills among workers.

## Internal mobility:

*Encouraging the professional growth of Aguas Andinas' employees*

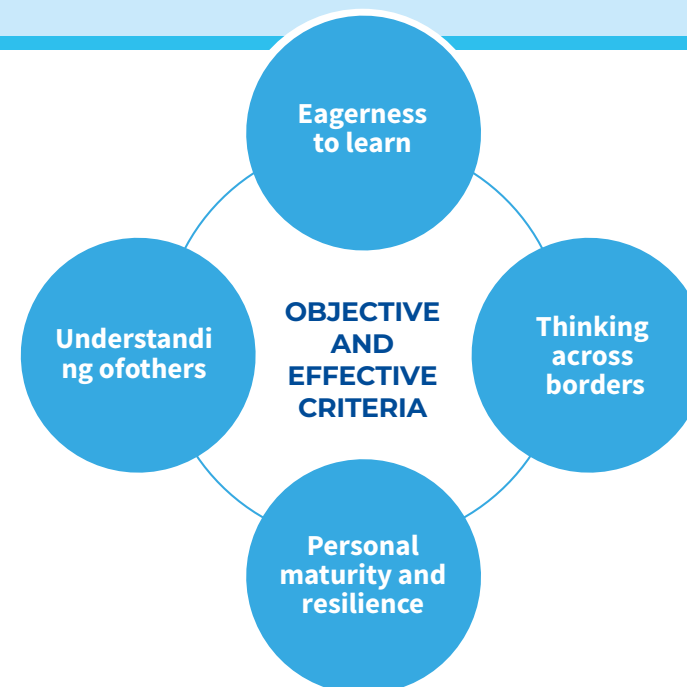
**38**  
*position promotions  
and 13 horizontal  
movements in 2020.*



## The performance evaluation

● GRI 404-3

The performance evaluation is applied annually to all of the organization's personnel. The process makes it possible to determine, according to objective and effective criteria, the career potential of each employee of the company, making measurements in the following areas:



Part of the 2020 evaluation included an update of the professional experience, motivations and achievements of employees. Additionally, the preparation of the Development Plan was unified through the Training Needs Detection, a process that seeks to determine the strategic guidelines according to the individual training needs in the 2021 development plans.

During 2020 **100%** of Aguas Andinas employees participated in the performance evaluation process.



# Well-being, health and safety at work

● ODS 3,8

## WORKPLACE CLIMATE



## LABOR RELATIONS



## COLLECTIVE NEGOTIATIONS



In September 2020, Aguas Andinas applied for the first time the SSIndex-Stakeholder Sustainability Index survey, an instrument that measures the perception of employees regarding the work climate in various dimensions. A total of 887 workers participated in the measurement, showing an average satisfaction of **75%** with the company's risk management and sustainability. The most highly rated topics were Labor Policy, Commitment, Benefits and Diversity and Inclusion, with satisfaction levels above 77%.

Questions regarding Training and Development, Recognition, Compensation Structure and Work-Life Balance, among others, were also included.

Providing excellent service requires cultivating good labor relations. To this end, the company, through its different levels, is concerned with maintaining permanent communication with its personnel, aimed at generating strong bonds of trust in an environment of respect and mutual growth. For these purposes, the company also actively promotes various instances of dialogue with the company's unions, in which workers' concerns are addressed, as well as proposals for joint work. In the Aguas Group and non-regulated subsidiaries there are currently 8 labor unions, representing 85.7% of the employees.

Demonstrating the company's relationship capacity with its workers, and specifically thanks to a relationship model based on greater proximity and trust, during 2020, collective negotiations were successfully concluded during a particularly complex period due to the health emergency caused by the pandemic.

**May 2020:** Closing of collective bargaining process with Eco Riles Union.

**October 2020:** Closing of collective negotiations process of Aguas Andinas Workers Union N°1 and Aguas Andinas Professional and Technical Union.

The main employee representation bodies are listed below:





# Health and safety in the company

● GRI 403-1 ○ ODS 3

The continuous improvement of working conditions and health protection is a permanent concern at Aguas Andinas. Although 2020 was marked by a pandemic, the guidelines in this regard did not change and, on the contrary, were reinforced and constantly updated, with a focus on achieving a zero accident rate and a reduction in the number of days lost from work. In addition, all necessary adjustments were made to address the risks involved in working during the Covid 19 crisis.

*The health and safety initiatives of Aguas Andinas, Aguas Cordillera, Aguas Manquehue and ANAM are certified under the ISO 45001 Occupational Health and Safety standard, and under the OHSAS 18001 standard in the case of Management and Services. This represents 100% of the employees of these companies.*

## Diagnosis of the occupational health and safety culture

● GRI 403-3

With the information recorded on errors and incidents, Aguas Andinas performs a diagnosis based on a self-assessment of its safety culture that allows proactively correcting deviations in processes that could result in accidents or lead to serious impacts on the operation. This exercise seeks to strengthen the following pillars:

- **A positive approach to safety and health.**
- **Encouraging spontaneous reporting of events.**
- **Not tolerating transgressions and adapting sanctions to levels of responsibility.**

● GRI 403-9, 403-10

**0 fatalities and 0 occupational diseases** in the company during 2020.

**14 occupational accidents** involving our own workers, **9 accidents less** than in 2019.

**125 days lost** due to occupational accidents, **170 days less** than in 2019.

## Joint committees

● GRI 403-4

The Joint Health and Safety Committees are made up of representatives of the workers and the company. Their task is to work together with the management in the design of better occupational health and safety protocols in operations, in order to ensure adequate working conditions and prevent risk situations.

**100%** of the staff of Aguas Andinas is represented in the Joint Health and Safety Committees.

## Main Risks

● GRI 403-2

The identification of hazards and risk assessment allows the determination of the necessary controls for each activity, with work in confined spaces being the main risk identified to which the workers of Aguas Andinas and its subsidiaries are exposed. This risk is below the maximum limits established by Supreme Decree 594 on basic sanitary and environmental conditions in the workplace. Workers can report hazardous acts and conditions by communicating with their joint committees and/or management.

## Trainings

● GRI 403-5

During 2020 the original planning was modified to include topics related to Covid-19 and Telework Ergonomics.

## Health and Safety in contractor companies

● GRI 403-2, 403-7 ● ODS 3, 4, 8

The health and safety standards of Aguas Andinas can also be extended to those who work as external workers of the company. To this end, the criteria used during the tender process consider specific health and safety requirements and clauses for non-compliance in this regard.

During the term of the contracts, Aguas Andinas and its subsidiaries permanently monitor the compliance of contractors with labor laws and transparency and social security protocols, ensuring that they are free of legal problems.

Additionally, to minimize the risk of accidents, communication channels have been strengthened with contractors and intensified controls in higher risk activities, emphasizing the use of existing prevention tools.

Aguas Andinas has registered more than 100 companies in its value chain, on which about 2,308 workers depend, recording their risks.

**0 fatalities and 0 occupational diseases** in contractor workers.

**39 occupational accidents** of contractor workers, **1 accident less** than in 2019.

**279 days lost** due to occupational accidents, **33 days more** than in 2019





# Benefits, Occupational Health and Safety

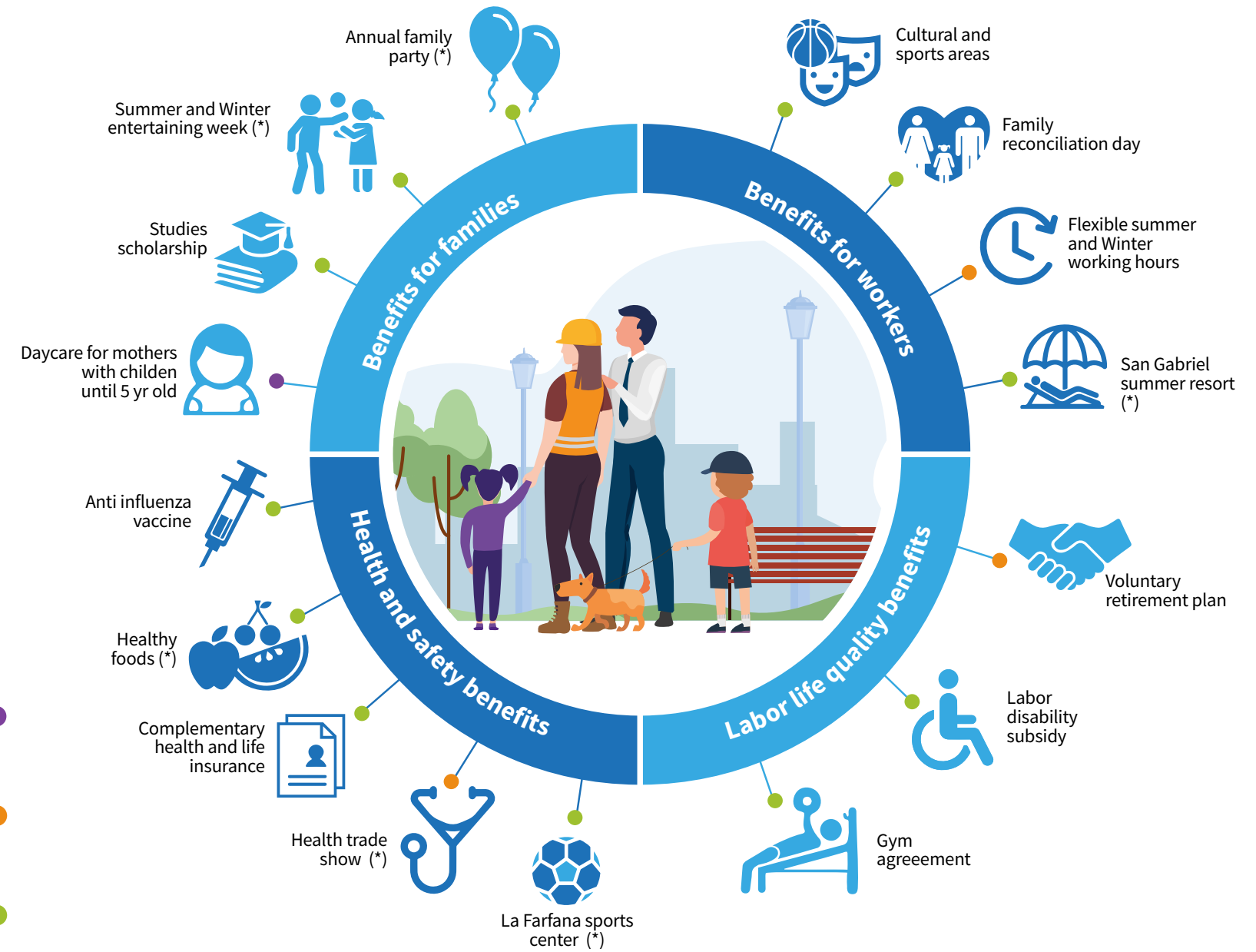
● GRI 401-2, 403-6 ● ODS 3

In order to promote the well-being of its employees and their families, Aguas Andinas offers a series of benefits that have a direct impact on the quality of life, health and general well-being of its employees, most of them are granted or agreed upon by collective bargaining agreements established and have no distinction by type of contract.

Aguas Andinas

Aguas Andinas  
Aguas Cordillera  
Aguas Manquehue

Aguas Group



(\*) Benefits partially suspended during 2020 due to the effect of Covid-19



# New ways of working

*Due to the massive adoption of home office or teleworking as a preventive measure against the Covid-19 pandemic, there was a boost to the digitalization process that was previously taking place in the company, accelerating new methods of administrative and operations management.*

The digital work culture is an area that Aguas Andinas will continue to develop in aspects such as governance, organizational systems and shared leadership, seeking more fluid feedback within the organization and moving towards a less hierarchical decision-making process.

The company has called this process "Digital Simplification" and its focus is to implement digital tools that facilitate daily work. To this end, among other actions, digital ambassadors have been appointed to support the promotion of the use of technology within the company.





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# Intellectual capital

*During the Covid-19 pandemic, Aguas Andinas reinforced its commitment to a process of digital transformation and innovation whose results are at the service of society, the operation and the internal culture. As a strategic axis of the company, in 2020 it proved to be a fundamental factor for business continuity, the necessary proximity to customers and as a support for the actions derived from the Green and Social Reconstruction.*

*In these circumstances, throughout the year the company focused its objectives on simplifying processes and seeking greater efficiencies to maintain, and hopefully improve, the quality of life of users and workers during the health emergency.*



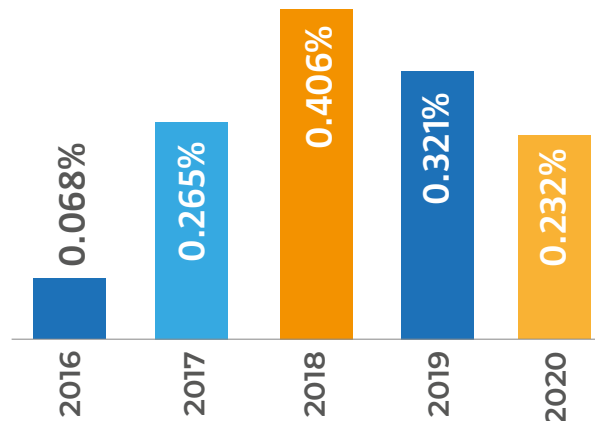


# Innovation management

Pillars for generating new innovation opportunities

During the year, the company implemented an innovation management system, formalizing an effort that has been in place for many years. The purpose of this step was to lay the foundations for promoting innovations that will help to develop and consolidate a sustainable society, thereby contributing to the efficiency of sanitary services and generating new sources of income and a socially profitable organization in the process.

**In 2020, Aguas Andinas' investment in R+D+i amounted to \$1,112 million, equivalent to 0.232% of sales.**



## Resilience

Implements a strategy for adapting to change by strengthening resilience



## Customer experience

Improve customer satisfaction



## Circular Economy

Achieving zero waste and energy sustainability



## Social Legitimacy and Quality of Life

Contribute to local development

## AguasLab

AguasLab is an initiative created by Aguas Andinas in 2017 that seeks to connect the company's capabilities with Santiago's innovation ecosystem.

Its objective is to promote a collaborative workspace, with poles located in the communes of Recoleta and San Joaquín, in order to incubate projects with sustainable value. It integrates the contribution of workers, entrepreneurs, academics and public and private actors, building support networks to generate effective responses to environmental or social problems, including business opportunities and project design focused on specific communities.

With this model, AguasLab has contributed decisively to the innovation and digital transformation of the sanitation and environmental sector, becoming a knowledge management platform that delivers concrete, scalable and even exportable answers to a relevant part of the challenges faced by the company in its goal of contributing to the development and quality of life of Greater Santiago.



# Innovation projects 2020



## Support from Corfo for Innovation Management

*In November 2020, Corfo, through the InnovaChile program, approved the technical milestone for the continuity of the project "Innovation management capabilities as a sustainable growth strategy for Aguas Andinas". To reach this resolution, the agency carried out an analysis and review process, in which the company was evaluated above the average of the rest of the applicants in terms of innovation systems.*

*Following the evaluation, the second installment of cofinancing, amounting to an **additional \$225 million**, was approved.*

*Thus, Corfo contributes 40% of the amounts allocated by Aguas Andinas to investments in open innovation. The ultimate goal is to consolidate an innovation management system and accelerate the execution of a portfolio of projects that will enable the company to respond to relevant problems with quantifiable results, through key external capabilities to solve them.*

### Inspection of aqueducts

Project developed with Maquintel -a company of the innovation ecosystem- for the design of a robotic device that can move in the flow of aqueducts, allowing their inspection to determine possible requirements of actions in this infrastructure. In this way, their condition can be diagnosed without resorting to service interruptions.

### Remote leak detection

Leak detection in the water distribution network is a global challenge for companies that manage the water cycle. In the case of the company, given the extension of its network and urban presence, initiatives to improve diagnosis are constantly being evaluated, and progress has been made in the feasibility of detecting leaks using radar satellite images.

### Covid-19 City Sentinel

Monitoring campaigns designed on the basis of expert knowledge of sewage basins and epidemiological criteria, defining sampling points in the sewage network, which are analyzed by measuring 4 genes in order to quantitatively determine the SARSCOV-2 genetic material present in wastewater. This information is managed on the Covid-19 City Sentinel platform, a digital observatory that displays infection levels on geographical scales.

In 2020, a pilot project was carried out in the northern part of the capital, which was later scaled up to a larger project in the entire urban area of the Greater Santiago, contributing to environmental surveillance for epidemiological purposes.

### Agricultural service from dry biosolids

Project that analyzes the quality of dried biosolids resulting from the complete purification and drying process, for their use in agricultural applications. It involves characterization campaigns based on a "Class A" composition, developing a model for placing the biosolids on agricultural land, thus contributing to the circular economy.



# Cetaqua

Another one of the key initiatives of Aguas Andinas was the creation in 2018 of the Chilean Water Research Corporation, Cetaqua, a non-profit body supported by Suez, the Federico Santa María Technical University and the Higher Council for Scientific Research (CSIC) of Spain. Its objective is to generate research projects that lead to technological solutions and developments that help to advance towards comprehensive management of water and the environment, providing answers to local needs and to business and social problems. Its work focuses on four main topics:

## 1 Water resources management

### Study of the glacier contribution to the Maipo river basin.

Chile is ranked as one of the 30 countries in the world -and the only one in Latin America- with the highest risk of suffering water scarcity. The reasons for this scenario include poor management of the resource, increased demand, contamination, reduced availability and environmental damage to ecosystems.

In the specific case of the Maipo River, this problem is compounded by the impact that climate change is having on the glaciers located in the high mountain range of the central zone, from which the water courses that make up its basin are formed and fed. For this reason, and given their relevance, the Maipo River Supervisory Board, Aguas Andinas and the Sociedad de Canalistas del Maipo commissioned a study to Cetaqua Chile to estimate the future scenario of these ice masses.



## 2 Resiliency and operational efficiency

### Turbidity meter on the Independent Uptake

Given that the equipment currently available on the market to measure turbidity offers low detection ranges and must be in contact with the water (running the risk of being seriously damaged by debris dragged along the riverbed), Cetaqua and the AC3E center of the Universidad Técnica Federico Santa María are working together to develop a device to measure high turbidity in the field.

Based on processing images of the river, the objective is to have a system that provides a timely and robust remote detection of sudden and substantial turbidity increase events and that also allows knowing the evolution of turbidity once the climatic event is over, in order to have information that helps to reliably determine the right moment to restart the river water uptake for its potabilization.

Preliminary results have been positive. In laboratory tests, the sensors more accurately estimated turbidity, a key variable for managing critical uptake infrastructure in extreme turbidity events, and adjustments were also made to measurements under real conditions, and a prototype has already been installed in the field.

## 3 Circular economy of water

### Use of microalgae in sewage

Cetaqua Chile, together with the Pontificia Universidad Católica de Valparaíso and the Universidad de Valladolid, Spain, is conducting a study on the use of microalgae as a sustainable alternative for wastewater management and treatment in small communities.

The project seeks to analyze the capacity of microalgae to process sunlight and remove elements such as nitrogen and phosphorus, to design less energy-intensive sanitation technologies, with the potential to recover water for irrigation purposes and to generate biosolids that can be transformed into fertilizer for agriculture.

## 4 Sustainable development

### Reveal/Cetaqua study on Covid-19 in sewage

Cetaqua, with the support of the company, promoted in 2020 the Reveal Study, research aimed at achieving early detection of Covid-19 in sewage, an action related to the strategic pillar of contributing, from innovation, to the social environment.

Its objective is to prevent the potential risk of exposure to the SARS-CoV2 virus in certain areas, based on an analysis of sewage samples taken at biofactories and sewage treatment plants in the Metropolitan Region. The study estimates the viral load, quantifies the presence of the pathogen to facilitate the traceability of infections.

At the end of the project, it is expected to provide valuable information to health authorities regarding the variation in the presence of the virus and to provide a tool to better monitor outbreaks and new cases.



# Digital transformation

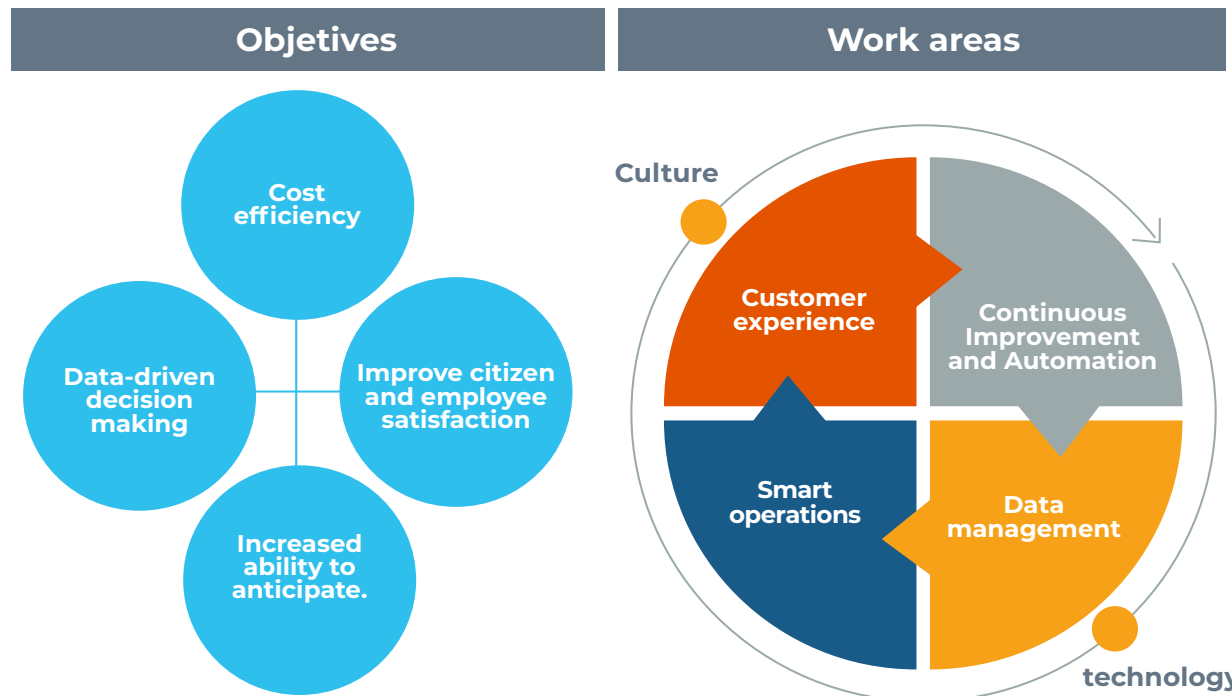
The cultural change that the organization is undergoing as a result of its digital transformation includes the implementation of digital tools that make daily operations simpler and more efficient. To carry out this task, and in line with the company's purpose, a strategic route was defined based on the following objectives:

- Evolve towards a green and social organization.
- Improve employee satisfaction with the company as a workplace and community satisfaction with the services it provides.
- Improve resilience by increasing anticipation capacity and optimizing decision making through adequate data analysis.

The technological change associated with this process is addressed around four objectives that, in turn, contemplate six areas of work, two of which are cross-cutting:

## Technology and Digital Culture

The digitalization strategy of Aguas Andinas was key to quickly and efficiently implement measures that allowed maintaining operational continuity and the care of people during the Coronavirus pandemic. Its different work axes allowed a series of technological solutions related to the operation and facilitate, in definitive, the work of those who work in the company.



Benefits of the process			
Aguas Andinas	Employees	Customers	Environment
Greener and more social company. Lower fixed costs. Better decision making and greater strategic vision.	Facilitating, streamlining and simplifying work. Reconciliation of personal and family life. Development of new competencies for professional development.	More and better communication channels. Better service. Better response times. Transparent and immediate information. Less travel, better quality of life. Differentiating experience.	Lower CO2 emissions.



# Digital simplification projects



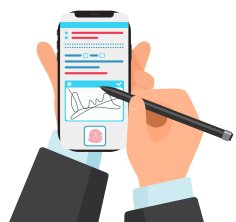
## New form of attendance marking

During 2020, a new platform was developed that allows workers' daily attendance to be recorded through a phone call, a mobile application, the website or a facial recognition system, helping to keep all the information associated with the people who work in the company secure, online and always up to date.

The Labor Directorate validated the mechanism, which will replace fingerprint marking, avoiding physical contact, and it is expected to be fully operational during the course of 2021.

## Single Regulatory Repository

The company took important steps towards the development of a Single Regulatory Repository, a tool that will create a single database that will automate, in a first stage, 163 reports that are sent periodically to the SISS. This will provide a single access to consolidated information and facilitate the search for corporate data.



## Enabling electronic signature

In 2020, the extensive use of the electronic signature mechanism enabled remote transactions to be carried out and expedited legal processes that would otherwise have had to be executed in person. Electronic expense reporting was also enabled through an application, along with mobile tools for approving transactions, such as the SAC Fiori app, which allows tracking purchase orders and approving them through tablets and smartphones.

## SAP implementation and robotization

With the implementation of the SAP Ariba system, the company was able to execute contract modules and electronic bids, avoiding direct contacts, and by means of bots associated to an RPA (Robotic Process Automation), it could start to automatically execute tasks such as bank reconciliations or issuance of purchase orders.



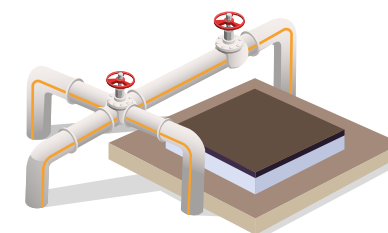
## Operations management software

During 2020, the development of software for the management of field operations involving direct contact with customers began. The program helps to improve coordination between the parties, reporting the actions performed and reporting the resolution and final results. This tool will allow, among a series of actions, the management and follow-up of:

- *Customer requests, such as minor network or household breakdowns.*
- *Organize the work of the territorial agents who come to the site for operations, both for*
- *the maintenance of the network and of the company's premises.*
- *Coordinate the attention to the general public.*

## Advanced well management

The drought-driven need to find new sources of water supply has stimulated an advanced algorithmic project to maximize well production. The plan is part of the Smart Water program and is expected to achieve annual increases of between 20% and 30%, a relevant volume in times of water scarcity.

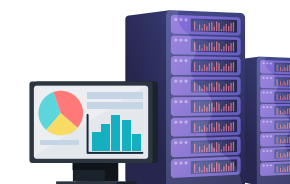


## Digital Channels

In 2020, digital service channels doubled their capacity, from supporting a volume of 4 million visits per year to 8 million. This increase occurred at the height of the Covid-19 pandemic without impacting the quantity or quality of services.

## Data Governance

Aguas Andinas is committed to becoming a data-driven company, transforming information into an asset that adds value to the organization. To this end, it has worked on a set of mapping initiatives that will determine where the data is and who its owners are, streamlining processes and facilitating data-driven decision making.





# Social and relational capital

*Aguas Andinas carries out policies aimed at encouraging instances of dialogue and cooperation that offer shared value and raise the satisfaction levels of its stakeholders.*

*The importance of this approach, essential to obtain the Social License to Operate of the company, became evident in the context of a health crisis that throughout 2020 demanded great material and human efforts, being the foundation of the investment projects related to the plans of the Green and Social Reconstruction that allowed guaranteeing the population the continuity of an essential service, maintaining the water supply to customers with economic difficulties triggered by the pandemic and providing opportunities to communities in general.*



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# Customer expectations and service quality

## Customer centric

● GRI 416-1

● ODS 11

Beyond contingencies, during the last five years the Aguas Andinas Customer Strategy has considered multiple initiatives. The implementation of new protocols, the improvement of the level of service of executives in commercial agencies and the development of virtual customer service channels, among other actions, have resulted in progress in the service quality for the inhabitants of the Metropolitan Region.

Looking ahead to the next five years, the purpose of this strategy is to achieve excellent evaluations in satisfaction surveys, with a focus on generating instances that allow us to know and meet the needs and requirements of the communities in a timely manner. This approach takes into account the value of the customers in the decision making process regarding the works to be executed.

### Our service and assistance in pandemics

Considering that the normal functioning of more than two million homes, institutions and companies in the Metropolitan Region depends on the continuity of potable water supply and sewage treatment -a fundamental factor in the containment of Covid-19 infections- Aguas Andinas implemented a series of measures aimed at sustaining operations under total quarantine conditions and serving customers

without major inconveniences. The decisions adopted to maintain the processes of meter reading, collection and assistance through remote channels proved, in the end, to be effective.

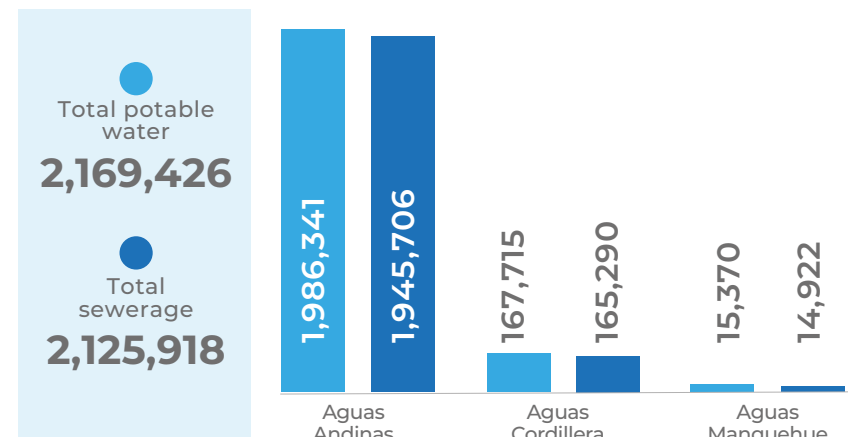
### Contact Center

The Aguas Andinas Contact Center is one of the main contact channels for customer service. Given its relevance, and in order to maintain its operation during the pandemic without affecting the health of its staff or the quality of service, an extensive logistical deployment was made to successfully implement the remote work mode for its employees and thus continue to provide satisfactory service. The monitoring carried out in this regard corroborated the success of this measure, with an overall customer satisfaction rate of around 60% for the year, very close to a normal year.

### Face-to-face service in agencies

The agencies of the company, distributed in different parts of the Greater Santiago, remained closed during the total shutdowns applied in the Metropolitan Region. Once the health authority adopted reopening measures, in-person service was resumed under strict health and safety protocols for workers and customers.

### Number of customers in 2020



## Mobile agency

An innovative solution adopted during the Covid-19 contingency to provide service to customers who do not have an Aguas Andinas office near their homes was the implementation, starting in September, of a Mobile Agency. The initiative consists of a vehicle that goes to underprivileged areas of the city, with a schedule coordinated with the respective municipalities. The measure was a success, becoming during certain days one of the first three branches with the highest number of customer service visits in a day (approximately 70).





Field assistance

With an investment of close to Ch\$35,000 million, it will consist of a new raw water intake from the El Yeso river, 5.7 kilometers upstream from the current independent intake of the Maipo river. From there, the flow will be conducted avoiding the riverbed by means of a pipeline to the Las Vizcachas production plant, thanks to which the water will arrive without the heavy sediments that it carries in times of convective rains and floods.

Lectura de medidores y recaudación

During the sanitary contingency Aguas Andinas maintained the processes of reading meters and distribution of bills, avoiding the estimation of consumption and the accumulation of bills, procedures that were carried out safely, i.e., without contact with customers; for this reason, the effectiveness of the lowest reading was 57% in May 2020.

In order to ensure the safe distribution of bills, it was decided, among other measures, to proactively subscribe to the system of sending the bill by email to the users of the Virtual Office in the municipalities that declared themselves to be in lockdown, and informing them of this situation via SMS.

It should be noted that the quarantines boosted the use of remote platforms by customers to pay their bills, rising from an average of 60% pre-pandemic to a peak of 80% in the midst of the contingency. This massive use of digital channels continued after the reopening, stabilizing around an average of 75%. The measures adopted by the company were complemented by the signing of an agreement with the contractors, through which they were assured the payment of at least 85% of the invoicing - regardless of the effectiveness of the readings - under the commitment not to dismiss any of their workers as a result of the crisis. As a result, the average effective reading levels remained above 60%.

Customers subscribed to electronic electronic bill dispatch

197,708 in 2019 557,489 in 2020  
9.9% the customers of the company 25.7% the customers of the company



345,803 Meter readings reported by customers from March through December

In the period of the pandemic, the company carried out campaigns to encourage the same customers to be in charge of reviewing and reporting their meter reading. This measure sought to generate confidence in collections and reduce claims for estimates.

Flexibility in payments

GRI 203-2 ODS 1, 11

For years, Aguas Andinas has had programs aimed at providing support to customers who have difficulties in paying their bills. In 2020, considering the adverse economic effects that the pandemic triggered in the inhabitants of the Metropolitan Region and the country in general, the company deepened its commitment to the most vulnerable families by establishing payment plans for those who had difficulties to pay the potable water and sewerage service, ensuring the continuity of supply.

To this end, and in anticipation of similar governmental provisions, two aid mechanisms were implemented, complementary to state subsidies:

A debt write-off for non-payment, in installments and without interest.

The option of establishing new regularization agreements.

Debt write-off figures

	2017	2018	2019	2020	Variation 2020 vs 2019
Number of customer write-offs	2,248	2,337	4,632	3,802	-18%
Total amount of write-offs (millions of pesos)	1,017	1,174	3,019	2,428	-21%

Aguas lends a hand

Until January 2020, the company kept the Cuenta amiga program active, which reached four social agreements during that month. Since then, the company addresses the economic problems of users through a much simpler and more appropriate tool to meet the needs of its customers: Aguas Andinas lends a hand.

With this program it is possible to regularize the situation of those who have 22,469 accumulated debts equal to or greater than \$200,000, from 24 unpaid agreement balances and cannot access conventional repayment systems. The plan establishes a minimum down payment of \$5,000 and a fixed installment of \$2,500 subscribed for 24 months, after which the balance of the debt is extinguished.



22,469 social agreements signed during the year.





## Complaint management

● GRI 416-2 ● ODS 11

Complaint management is an indicator that allows us to provide an adequate, expeditious and efficient response to customer concerns. Throughout the year, the company managed various requirements related to problems with the service, notices of reading dates or emergency outages and increases in consumption in its billing, among other situations, registering a total of 159,983 claims, 2.7% less than in 2019.

The main reason for customer requests during the year was the proactive steps taken by the company with respect to notifications related to meter readings and water consumption.

**74,4%**  
of the complaints  
were due to  
problems with the  
networks and

**25,6%**  
for commercial  
reasons.



## Customer Protection

● GRI 416-2 ● ODS 11

The Customer Protection Office (or Customer Counsel) acts as an impartial intermediary when a user disagrees with the solution provided by the company in response to a complaint, or if no response was received. Its resolutions are binding for the company and voluntary for customers. It also makes recommendations for the continuous improvement of service quality and, as an independent figure from the operational areas of Aguas Andinas, safeguards the objectivity of the mediation process and its resolutions, ensuring transparency and confidentiality in management.

Due to the health situation, in 2020 the Customer Counsel and Customer Experience management agreed on a support plan for the customer service areas that made available the Customer Protection platform to attend first instance cases and meet the high demand existing in all remote service channels.

The figures reported during this period are global and involve all the services provided by this office.

**547** resolution  
in 2020, **93%**  
satisfaction



## Water quality

● GRI 307-1, 416-1, 416-2 ● ODS 6

The company applies strict internal standards to ensure the quality of the potable water supplied to its customers, by means of a hardness map (a factor related to calcium content), in addition to complying with all the parameters required by current regulations (NCh 409) in this regard.

It also plays a leading role in disseminating and researching the benefits of water, both for the biodiversity of the environment and for human consumption and development. The monitoring of sewage discharges is carried out in accordance with the provisions of Supreme Decree 90 (DS90).

**99,5%**  
compliance in  
potable water  
parameters for  
Aguas Andinas vs.  
99.2% in 2019.

**98,8%**  
compliance in potable  
water parameters  
for Aguas Cordillera  
vs. 99.2% in 2019.

**100%**  
compliance in  
potable water  
parameters for  
Aguas Manquehue  
vs. 99.3 in 2019.

In the Metropolitan Region, 38 non-compliances were generated during the year in discharges from biofactories and sewage plants, 15 of which corresponded to the total nitrogen parameter, 95% less than in 2019.



## Protection of personal information and personal data

● GRI 418-1 ● ODS 9

Aguas Andinas has a Comprehensive Security Policy that safeguards customer information, using monitoring systems for all channels that provide data and conducting internal awareness campaigns.

During 2020, there were no reports of privacy violations or loss of customer data; nor were there any information leaks.





# Customer satisfaction

The company annually uses a series of studies to monitor its customers' perception of its services. Some correspond to internal management measurements and others are carried out by public institutions.

## SISS perception survey

Conducted by the regulatory body of the sanitary sector in Chile, it assesses the perception of users about the quality of the services provided by the sanitary companies at the country level. Last survey conducted in 2019.

**50.0%** overall level of satisfaction (Vs 46.2% in 2018)

**21.5%** Dissatisfaction level (Vs 46.2% in 2018)

**1<sup>er</sup>** Metropolitan Place Region for Aguas Cordillera in the (2<sup>nd</sup> in the national ranking)

Aguas Andinas ranks 12th in the national ranking, with satisfaction percentages of:

**82.1%** bill payment

**59.8%** readings **48.6%** bill

**46.1%** restarting interruption of service

Aguas Manquehue is ranked **20**.



## ProCalidad National Customer Satisfaction Index (INSC)

This joint initiative between the Praxis consulting firm and the Universidad Adolfo Ibáñez has become the independent benchmark of reference in Chile in terms of user satisfaction. Its objective is to strengthen and gradually increase the level of competitiveness of companies in Chile based on the perception of their customers.

### 41 points

was the net satisfaction of **Aguas Andinas** in INSC during the second half of 2020, the same value as that obtained on the same date of the previous year.

### 84 puntos

was the net satisfaction of **Aguas Cordillera** in INSC during the second half of 2020, 12 points higher than the result obtained on the same date of the previous year.

## Global Satisfaction Survey - Activa

Monthly quantitative telephone survey applied among residential customers with potable water and sewerage services, who may or may not have submitted a request in a period of at least six months prior to its application. It explores the users' experience with the basic services and other associated services, and their image of the company.

**5,710**

customers were surveyed during 2020.

**1,128**

customers more than during 2019.

**67%**

qualified the services provided with a grade of "excellence", decreasing by 3% compared to 2019.

## Customer Satisfaction Survey with Requirements - Activa

Quantitative study that measures the experience of users through monthly telephone surveys, applied to residential customers with potable water and sewerage services, who submitted a request that was solved or completed during the period prior to the execution of the study.

On a monthly basis, **1.1%** of customers file a complaint.

**71.3%** of customers rated the service with a score above 6.0\*, a decrease of **0.4%** compared to 2019.

**13,673** customers were surveyed in **2020**, representing a **9%** decrease from **2019**.

**18.3%** stated a qualification equal to or lower than **4.0\***, increasing by **0.5%** over **2019**.

\*Scale from 1 to 7 (7 being the maximum grade).

## Post-Attention Survey (EPA)

Survey carried out automatically (IVR) within **48 hours** after a contact made in commercial agencies or through the Contact Center. Seeks to measure the quality of customer service received.

**91.3%**

of customers said they were satisfied with the service, up **2.3%** compared to **2020**.





# Generation of positive social value

● GRI 413-1

## Social Investment

Aguas Andinas applies protocols that allow it to deal early with problems that may affect communities, increase the safety of daily management and improve education on water and environmental care in general. Thanks to this perspective of collaboration with its stakeholders, the company is able to create social and environmental value.

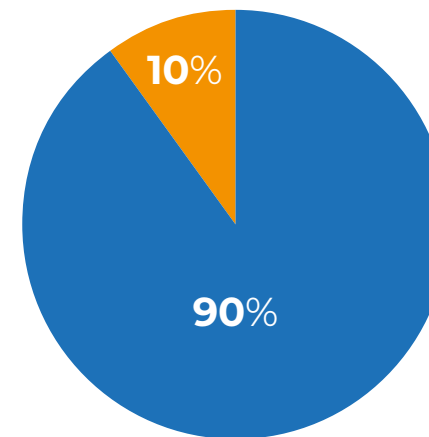
**\$1,177**  
million pesos

in social investment  
during 2020



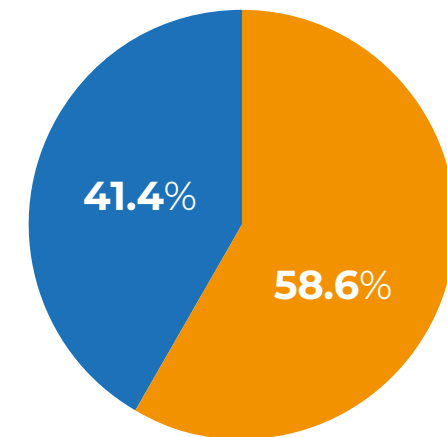
### LBG Frame - B4SI

The company uses the conceptual London Benchmarking Group (LBG) framework, a model that provides a structure that facilitates the management, measurement and communication of those activities aimed at contributing to society and the environment. Thus, Aguas Andinas creates strategies based on its own capabilities and responsibilities, seeking to make them unique and scalable, and to enhance its reputation, commitment, relationship and positive impact..



Percentage of social investment by type

- Community investment
- Donations



Percentage of social investment by form

- Cash
- Goods

# Pillars of social investment of Aguas Andinas



## Local development

Based on the concept of shared value, a relationship model is generated with neighbors that aims to achieve fluid communication, increase trust, promote joint work around common interests and local development.

### Main actions in 2020

- 1 Annual plan of local development activities.
- 2 Competitive funds.
- 3 Fund for start-up and house connection subsidies.
- 4 le shares water.
- 5 Support initiatives to face the difficulties of Covid-19.



## Sustainable use of water and conservation of biodiversity in ecosystems

Aguas Andinas promotes campaigns, educational workshops and programs for school children and communities neighboring its operations, to promote leadership skills, environmental education and care for water and the environment. In this manner, it disseminates habits of sustainable use of the resource in the context of water scarcity and continuous growth of the city.

At the same time, it supports initiatives to conserve biodiversity in ecosystems, seeking to improve the quality of life of citizens and promote the creation of healthy environments. These types of actions with environmental connotations also contribute to making the conservation of the natural wealth of protected areas more visible among the communities and are aligned with the long-term sustainability strategy of the company.

### Main actions in 2020

- Parque Mapocho Río (Quinta Normal-Cerro Navia)
- Conservation of sites



## Donations

Aguas Andinas contributes to initiatives related to water care, charity, commitment to social, environmental and cultural interests, sustainable development and the progress of local communities.

### Main contributions in 2020

- Cultural Corporations
- Fire Brigades
- Foundations

## Figures for 2020

\$ **770,1**  
million in local  
development

\$ **285,7**  
million in sustainable  
water use and  
biodiversity

\$ **121,6**  
million in donations

+ over **387**  
people benefited

+ **150**  
organizations  
benefited





# Suppliers as allies

● GRI 102-9, 204-1 ● ODS 1, 8, 10

## The role of our value chain

During the pandemic, Aguas Andinas suppliers proved to be, once again, a vital part of its value chain, contributing to the proper maintenance of the potable water and sewerage network, caring for the environment and supporting contact with customers and communities. Throughout the emergency, they also played a key role in the work in the field and in the telephone service to users.

**1,594**  
N° of suppliers

**98.37%**  
Local

**53.25%**  
SMEs

## Supply chain

● GRI 308-2, 412-3, 414-1 ● ODS 1, 8, 10

Aguas Andinas applies a sustainability questionnaire to all suppliers who register as contractors and consultants. Additionally, during 2020 it conducted a monitoring and evaluation of critical suppliers, with these processes the company seeks to ensure a supply chain aligned with its principles on sustainable business management, which considers the following areas:

- *Supplier performance principles.*
- *Corporate ethics.*
- *Environmental management and energy efficiency.*
- *Occupational health and safety management.*

- *Operational continuity management.*
- *Management of labor inclusion, gender equality, human rights, conciliation, work, family and personal life.*



## SSIndex

In 2020 Aguas Andinas took part for the first time in the Stakeholders Sustainable Index (SSIndex). Based on a survey of the company's suppliers, a view was obtained from the value chain about the company's management in terms of environmental culture, commitment, health and safety, selection, operation, payments, customers, integrity, anti-corruption and general trust. It should be added that this stakeholder group recorded a satisfaction rate of **83%**

## Climate change performance disclosure program. ● ODS 13

**In 2020 and for the second consecutive year, Aguas Andinas obtained an A rating in the Leadership category in the CDP (Carbon Disclosure Project) Supply Chain program.** The focus of this initiative is to contribute to the sustainable development of the supply chain through a survey that addresses risks and opportunities associated with climate change and the management of greenhouse gases (GHG).

In this second year, 69% of the suppliers that responded to the questionnaire stated that they have a system in place to identify risks (28) and opportunities (34) associated with climate change, as well as emissions reduction initiatives (37 in total), 60% for energy and 14% for the circular economy, among others.

**Suppliers of Aguas Andinas reported a decrease in their emissions of**

**50% between 2019 y 2020, Equal to -4,4 million de tCO<sub>2</sub>e**

## Suppliers and continuity of supply

The suppliers of Aguas Andinas perform several essential tasks for the operation of the company:

- *Maintenance of networks and civil works.*
- *Customer service: meter reading, call center and distribution of bills.*
- *Supply of network products and chemical supplies.*
- *Support tasks.*

## Tender and contract platform

In 2020 began the implementation and use of a new digital platform for tenders and contracts, which seeks to contribute to a more efficient and secure management of this type of operations, in addition to improving the user experience. Its benefits include:

**Purchasing:** Workflow of bidding and contract processes, electronic communication with internal users and suppliers, online reporting and traceability of historical data.

**Suppliers:** 100% electronic communication, single point of contact for purchasing and contract processes, visibility of your tendering and contract processes online.

**Contracts:** Integrated platform with electronic signature in the subscription of contracts, single repository of contracts, library of clauses and templates.



# Stakeholder engagement during 2020

## Territorial Agreement

In December, Aguas Andinas and the Municipality of Lo Barnechea signed a Territorial Agreement on Water Efficiency, framed within the voluntary agreements of the Climate Change Sustainability Agency, which establishes a public-private roundtable with all relevant stakeholders of the municipality to agree on water consumption savings goals.

### Focus of Action

- 1) Survey of stakeholders in the municipality and invitation to participate in the Agreement.
- 2) Joint elaboration of the water diagnosis of the commune.
- 3) Joint elaboration of the agreement (Document).

## Stakeholders Sustainability Index



In order to promote and consolidate the commitment to its interest groups and promote a culture of sustainability, Aguas Andinas has joined the group of leading companies for the first year that implement the **STAKEHOLDERS SUSTAINABILITY INDEX** (SSIndex), which allows you to define an integrated strategy on your stakeholders, through a cross-risk analysis to then set management focuses, by group.

EMPLOYEES

CUSTOMERS

SUPPLIERS

COMMUNITIES

## Santiago Maipo water fund

Aguas Andinas takes part as a founding partner and member of the Board of Directors of this public-private partnership that seeks to contribute to safeguarding water security in Santiago and protecting the Maipo River. The fund has the participation of the regional government and representatives of social and environmental institutions and various companies.

### Goals

- Contribute to maintaining/increasing the availability of surface and groundwater in quality and quantity
- Contribute to risk management associated with extreme climate events by preventing and mitigating impacts.
- Contribute to the development of a sustainable demand by the various uses.
- Contribute to integrated water resource management (IWRM) in the Maipo River basin.



FONDO DE AGUA  
SANTIAGO - MAIPO

### Lines of action:

- 1) Information management.
- 2) Protection of water bodies and aquatic ecosystems.
- 3) Efficiency in the use of human resources.
- 4) Risk management.
- 5) Water culture.
- 6) Land use planning.



*The average result of the SSIndex 2020 in Aguas Andinas was 60% satisfaction on Environmental, Social and Governance (ESG) variables, all of which impact the future value of the company and the commitment of its stakeholders.*

## DEFINED MANAGEMENT FOCUSES

- 1 Shared value with the Environment
- 2 Product / Service Quality
- 3 Human Capital Development
- 4 Ethics and Transparency



# Industrial Capital



*The company has facilities that allow it to manage large volumes of potable water and sewage, ensuring the tasks of supply and treatment to users in the Metropolitan Region. However, both to ensure the normal continuity of operations and the sustainability of the business, as well as the challenge presented by climate change, Aguas Andinas is constantly allocating resources for new infrastructure and solutions.*

*Under the current drought scenario, and even more, considering the health emergency of 2020, the company not only maintained but reinforced its investment plans, including technological innovation and digitalization programs, in order to help create the conditions that Chile needs for a Green and Social Reconstruction, generating economic activity and jobs.*



# Assets for potable water production

● GRI 203-1, 303-1, 303-3, 303-5  
● ODS 6, 9

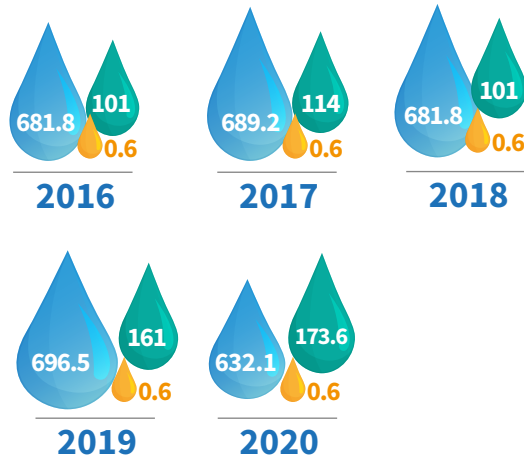
The potable water production process considers the securing of water reserves, the collection of raw water and the potabilization processes for its subsequent distribution to each of the company's customers. This is only possible with a robust infrastructure that includes production plants and a large distribution network, as well as strategies and processes focused on hydraulic efficiency, with state-of-the-art technology that allows the company to fully comply with its role as a provider of environmental services.

## Captación

### Storage capacity

- El Yeso reservoir **220** million m3 capacity.
- Laguna Negra **600** million m3 capacity.
- Laguna Lo Encañado **7** million m3 capacity.
- Pirque Ponds **1,500** million liters of capacity.

### Aguas Andinas, Aguas Cordillera and Aguas Manquehue (millions of m3)



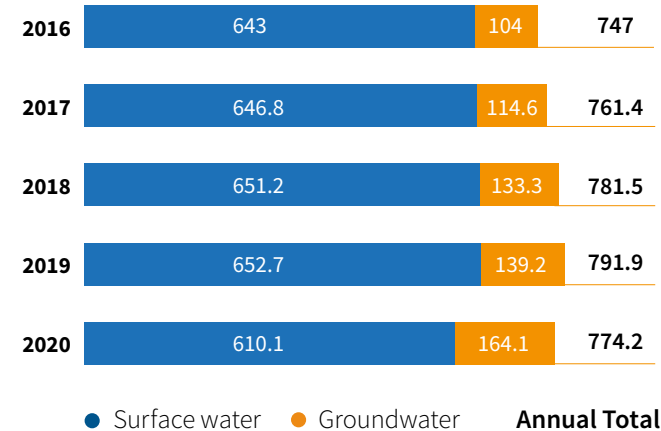
- Surface water
- Groundwater
- Municipal water supply or from other water companies.

## Production

Potable water production is carried out in the following facilities:

- Las Vizcachas Complex, including the Vizcachas, Vizcachitas and Antonio Tagle plants.
- La Florida potable water production plant, Chamisero potable water plant.
- Other 15 smaller facilities, including those belonging to Aguas Cordillera and Aguas Manquehue.

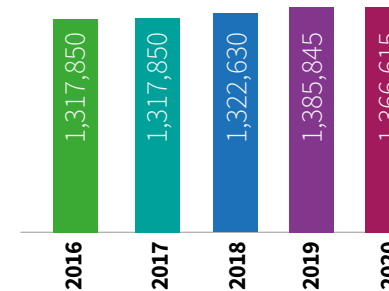
### Potable water production by type of source (million m3)



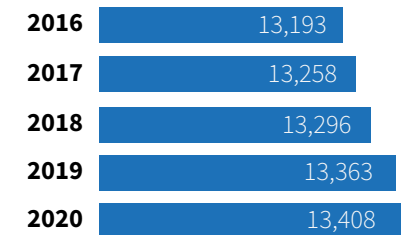
● Surface water ● Groundwater Annual Total

## Distribution main features

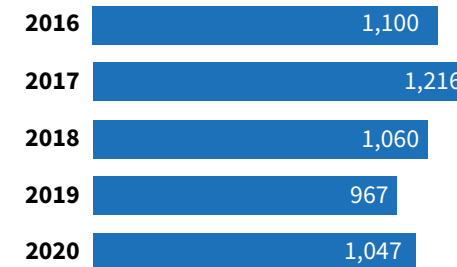
### Pond volumes (m3)



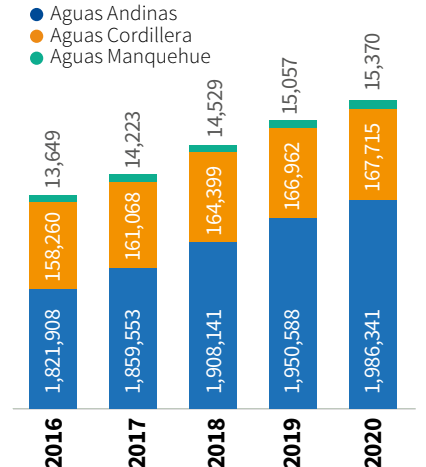
### Length of the network (Kms)



### Number of unprovoked ruptures resulting in supply interruption for the customer



### Potable water customers





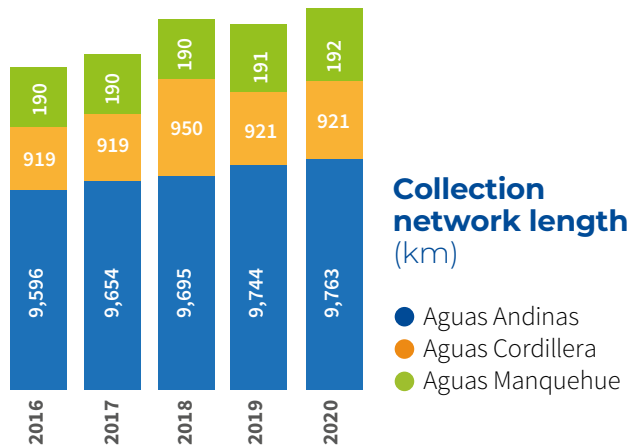


# Assets for sewage treatment

- GRI 203-1, 303-2, 303-4
- ODS 6,9,12,13

As part of its circular economy model, Aguas Andinas is a pioneer in the development of sewage sanitation, which allows it to take advantage of the resulting sanitary waste. To implement this world-class practice, the La Farfana biofactories and the Trebal Mapocho complex are a key factor in the recovery of waste, generating a positive contribution to the environment and society in general.

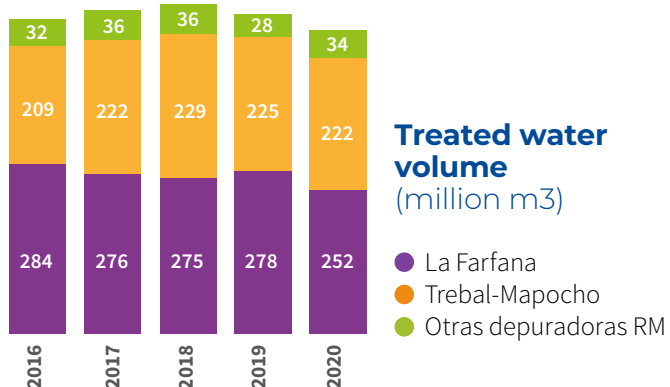
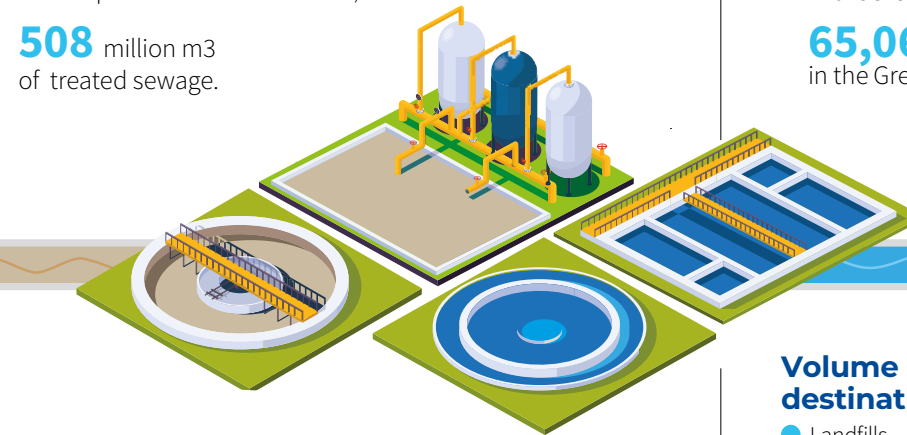
## Collection



## Sewage treatment

**14** treatment facilities in the Metropolitan Region (2 biofactories and 12 plants in other locations)

**508** million m<sup>3</sup> of treated sewage.

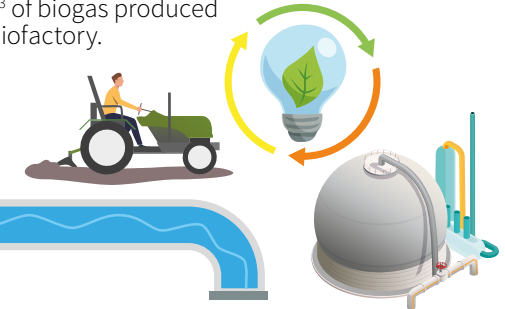


## Biosólidos / Energía / Biogás

**73%** of biosolids are reused as fertilizer for agriculture.

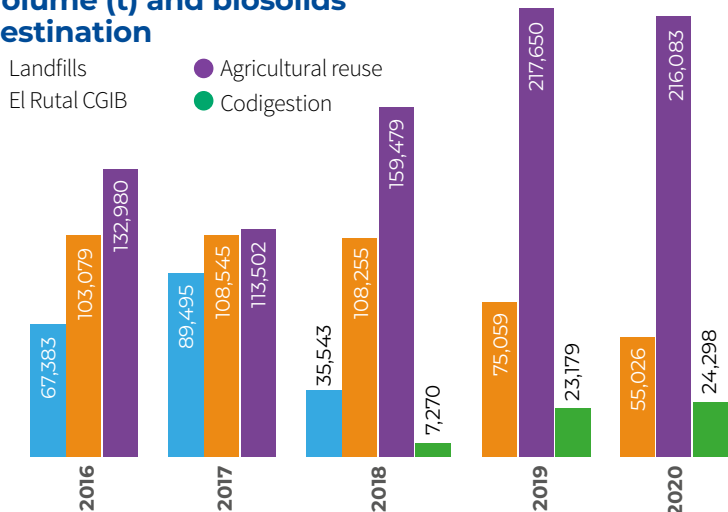
**59,9** GWh of self-generated electricity in the Greater Santiago biofactory

**65,068,969** m<sup>3</sup> of biogas produced in the Greater Santiago biofactory.



## Volume (t) and biosolids destination

- Landfills
- El Rutal CGIB
- Agricultural reuse
- Codigestion





## Other assets

● GRI 203-1 ● ODS 9

The company also has other assets that enable it to carry out its day-to-day business. These are buildings, offices and other work centers, together with infrastructure for the automation and control of the operation.

### MONITORING AND CONTROL SYSTEM

The monitoring centers and systems enable the control and automation of water treatment and sanitation network processes. Every year, new operational needs and dimensions are addressed by the control system, which contribute to operate in contingencies. In turn, the development of predictive models helps to reduce the occurrence of breakdowns and emergencies, with the consequent advantages in the provision of service to customers.

**At the end of 2020, 90% of the facilities were telecontrolled, monitoring production processes, transportation, distribution, uptake and treatment.**

As part of this system, stands out the Operational Control Center (CCO), which operates 24 hours a day and manages over 60,000 variables by means of more than 700 remote telecontrol stations and dataloggers distributed throughout the Greater Santiago.

Another key project is CCO 2.0. After two years of work, it is in the final phase of implementation, after which the company will be able to remotely manage and control its infrastructure more efficiently, comprehensively and resiliently. In parallel, and in support of this project, during 2020 work was carried out on a communications system that will connect all the company's facilities via a radio network.

Operates

**24**

*hours a day, every day of the year*

Manages over

**60,000**

*Variables*

by means of

**700**

*Remote **Telecontrol** Stations and Dataloggers distributed in the Greater Santiago.*

01  
02  
03  
04  
05  
06  
07  
08

CREACIÓN  
DE VALOR





# Governance

- 75** Corporate governance
- 83** Report of the Directors Committee 2020
- 90** Culture, ethics and integrity
- 92** Risk management



# Corporate Governance

● GRI 102-5 ● ODS 17

*Aguas Andinas makes a daily effort to achieve a common commitment for the entire organization, from the highest management to those who make up each area of the operation, with the daily challenge of providing environmental services that ensure the continuity and quality of the supply of potable water to the population and, simultaneously, share the same vision of development and value creation.*

*To meet these objectives, the company relies on the work of its various teams, as well as on the Suez Group's century of experience in environmental management.*

*Based on this, Aguas Andinas has positioned itself as a highly specialized company, focused on the development of good business and environmental practices with a long-term view, concerned with evolving and adapting to the challenges imposed by a changing environment.*



Aguas Andinas is an open stock corporation whose main shareholder and controller is Inversiones Aguas Metropolitanas S.A. (IAM), with a 50.1% ownership.

IAM's largest shareholder is Suez IAGSA (Suez Inversiones Aguas del Gran Santiago), which in turn is controlled by Suez Spain (100% owned by the Suez Group), a consortium that has existed for more than 150 years and

currently provides services to 32 million people in Spain, Chile, the United Kingdom, Mexico, Colombia, Algeria, Peru, Brazil, Turkey and the United States.

The Suez Group, meanwhile, has a history of more than 120 years and is present in around 70 countries, with a daily management that relies on the work of approximately 90,000 employees around the world.

## Company ownership and control

9.97%  
Others

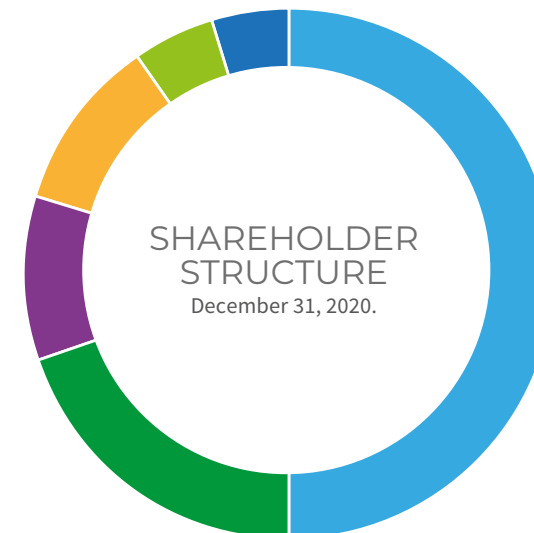
10.64%  
Stockbrokers

5.0%  
CORFO

50.10%  
IAM

19.78%  
International Shareholders

4.51%  
AFP



 [More information here](#)





## Sustainability Committee of the Board of Directors

● GRI 102-19, 102-20

Aguas Andinas drives its business by ensuring the long-term development of its main stakeholders. To this end, it makes permanent efforts to ensure that its staff feels proud to be part of the company, that the community perceives it as a close and innovative company, and that investors value its sustainable development strategy.

On this basis, the company has a Sustainability Committee, which is responsible for the Sustainability Policy, and is composed of the chairman and two members of the Board of Directors, the general manager and two executive level directors. The role of executive secretary falls to the Sustainable Development Management.

The function of this committee is to design protocols to ensure the proper execution of policies, and to provide advice during the design and implementation of projects related to the matters under its supervision. It also ensures that sustainability guidelines and good environmental, social and corporate governance practices are complied with throughout the organization.

With its creation, it seeks to contribute to the long-term vision and joint value creation of the company being shared by all those who make up the company.

**During 2020, the Sustainability Committee met four times.**



### First place in Grand Prix Empresa ALAS 20

*Aguas Andinas won first place in Latin America in the 2020 edition of ALAS20, Agenda Líderes Sustentables 2020, in three categories: Grand Prix Empresa, Latin America; Empresa ALAS20, Chile, and as a Leading Company in Corporate Governance, Chile.*

*The company also obtained second place in the categories Leading Company in Investor Relations Chile and Leading Company in Sustainability Chile.*

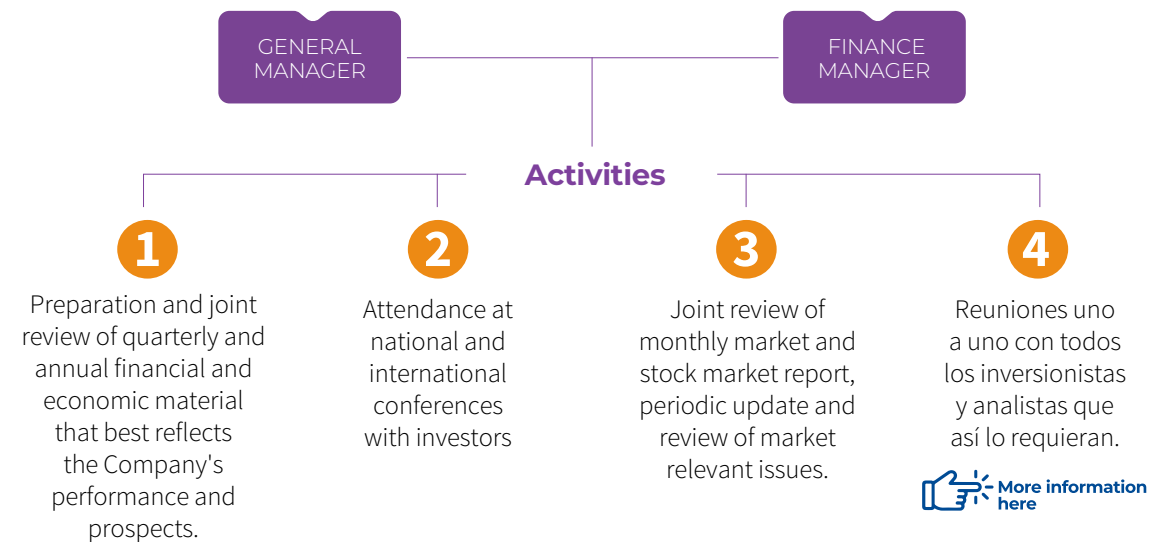
*The ALAS20 award highlights the work of the awarded organizations in the areas of consistency, excellence and leadership in the disclosure of information related to investor relations, corporate governance and sustainable development.*

*It also seeks to give visibility to the efforts made by companies that stand out in Latin America for their leadership in environmental, social and corporate governance matters, adopting business management and investment decisions aimed at promoting a more sustainable world. ALAS20 was attended by companies from Brazil, Mexico, Colombia, Peru and Chile.*

## Relationship with investors

Through the Investor Relations area, the company is concerned with promoting a close link with its shareholders, keeping them continuously, timely and adequately informed about financial news, relevant background and ESG (Environment, Sustainability and Governance) related aspects. To this end, it has created multiple instances and channels of dissemination, including conferences and meetings with national and international reach.

### Areas / Executives involved





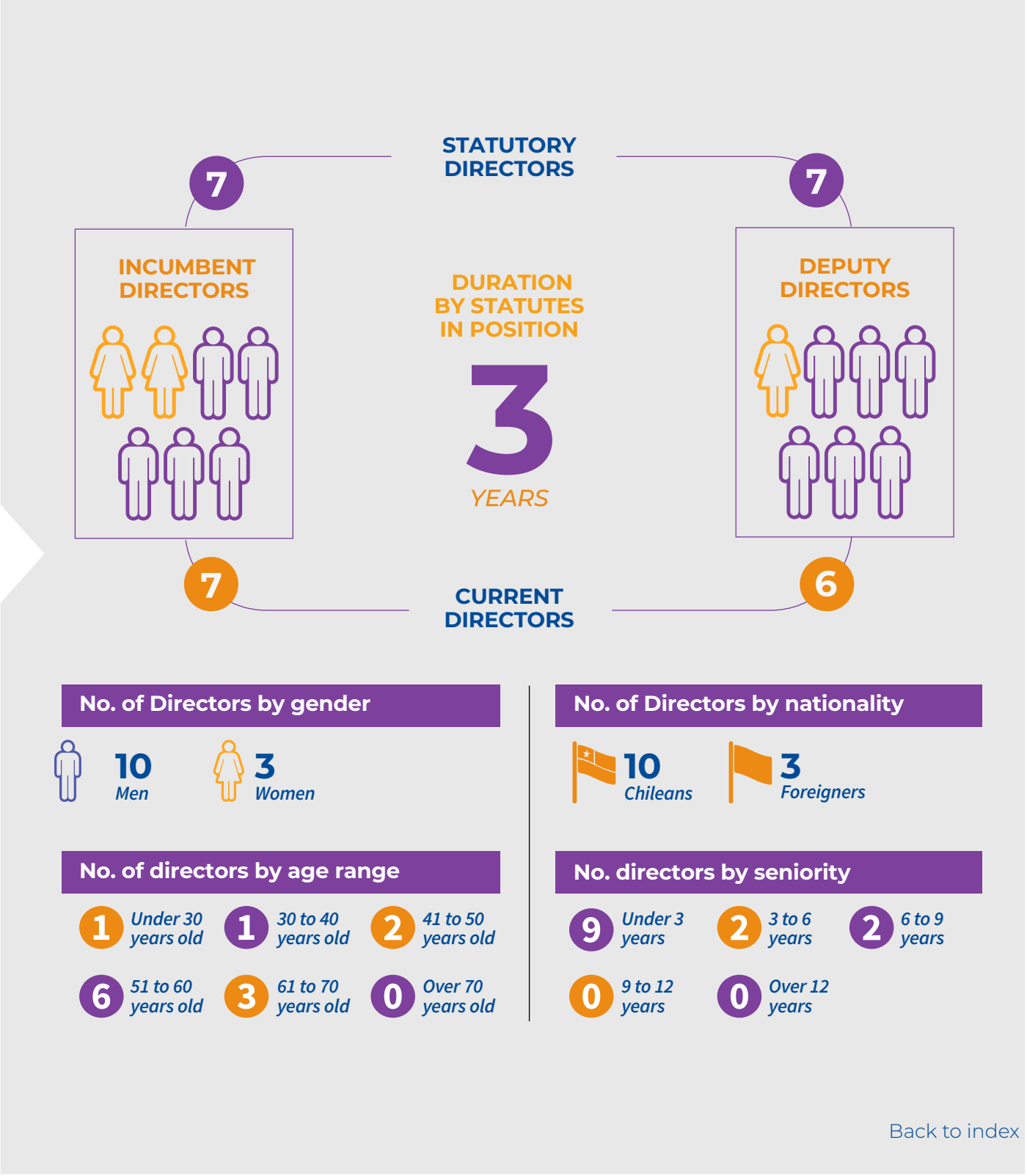
# Diversity and experience on the Board of Directors

● GRI 405-1 ● ODS 5, 8

## Composition of the Board of Directors:

The current Board of Directors of Aguas Andinas was elected at the company's 29th Ordinary Shareholders' Meeting, held on April 23, 2019, for a full statutory term of three years.

Several of the members of the current Board of Directors are directors or executives of other companies not related to the Aguas Andinas Group, accumulating vast experience in management and corporate leadership. Aguas Andinas does not contemplate a term limit for current directors.





# Operation of the Board of Directors

● GRI 102-18, 102-22, 102-23, 102-24, 102-33 ● ODS 17

***The Board of Directors is the highest body in charge of the management of the company, representing the shareholders. It is composed of seven members and their respective Alternate directors, who share relevant business experience and preparation to face the long-term challenges and complexities involved in managing a company in the sanitary industry.***

The Shareholders' Meeting is responsible for appointing directors for a term of three years, after which they are reappointed in their entirety. If, for exceptional reasons, a mandate has to be revoked early, the shareholders must elect a new Board of Directors.

Directors may be reelected for consecutive terms. Being a shareholder of the company does not disqualify one to be a member of the Board of Directors, except for executive functions.

Alternate members, meanwhile, may replace the named members permanently in the event of vacancy, or temporarily in the event of absence or temporary impediment.

The Board of Directors currently has two independent members, elected in accordance with the requirements established by the Chilean Corporations Law.

## Director Appointment Policy

In order to reduce possible gender, social or cultural biases, and to encourage a diversity of skills, visions and conditions among the members of the Board of Directors, the company applies a Nomination Policy for Candidates to the Board of Directors that considers the following guidelines to define the profiles sought by the company:

- *Appropriate skills and experience.*
- *Capabilities.*
- *Experience, strength and leadership in your field of expertise.*
- *Strategic vision in a utility context, regulated, specific to the business of the company.*

The guidelines for the nomination of members of the Board of Directors also seek to enrich the company's outlook, by including the following perspectives:

- *Presence of men and women.*
- *Different ages, cultures, nationalities, countries of origin, political ideas, religious beliefs or confessions.*
- *Diversity and consequent complementarity in the education of its members, whether they are university or other types of degrees.*
- *Different levels of specialization.*



## Sessions and operation

● GRI 102-26, 102-31

The Board of Directors of Aguas Andinas is responsible for approving the policies, strategies and stakeholder map of the company. On the other hand, the Management Committee (CODIR) or senior management is responsible for putting into practice these definitions emanating from the Board of Directors.

At each meeting, the Board of Directors analyzes and monitors compliance with established goals and resolves issues related to economic, social and environmental management, considering risks and essential aspects in relation to stakeholders.

The Board of Directors holds regular meetings and its decisions must be approved by an absolute majority of the members in attendance, except for those that, in accordance with the bylaws, rules, regulations and other special provisions, require a higher quorum.

In the event of contingencies or critical matters, the Board of Directors is empowered to meet in extraordinary sessions as often as necessary.

### Regular sessions

- *They are held at least once a month and are defined and scheduled by the Board of Directors itself.*
- *During 2020, 12 ordinary meetings were held.*

### Extraordinary Sessions

- *They are called by the chairman at his discretion or at the discretion of one or more directors, according to his own evaluation. The absolute majority of the members may also make this type of summons.*
- *During 2020, 2 extraordinary sessions were held.*

Directors must attend a minimum of nine meetings per year, seven of which must be in person. Due to the circumstances that the country has experienced as a result of the Covid-19 pandemic and the measures adopted by the authority in matters of public health, mobility and transportation, since March 2020, board meetings have been held virtually and remotely. The above, in accordance with the provisions of Article 47 of Law No. 18,046 and Circular No. 1,530 of the Financial Market Commission, subsequently repealed by General Rule No. 450 of November 17, 2020.

In 2020, Board attendance was 100%.

# Directores titulares

● GRI 102-22, 102-28

● ODS 5, 8



**Claudio Muñoz Zúñiga**

Chairman  
Chilean, RUT 9,618,122-1  
57 years old  
On the Board of Directors  
since April 2019.

Industrial Civil Engineer from the Universidad de Chile, Past President of Icare and Director of Companies. Linked for more than 20 years to the Telefónica group, where he was its President and CEO from 2010 to April 2018. He is Director of Fundación La Protectora de la Infancia and President of the Digital Transformation Center of Universidad del Desarrollo.



**Rodrigo Manubens Moltedo**

Independent Director  
Chileno, RUT 6,575,050-3  
62 years old  
On the Board of Directors  
since July 2011.

Commercial Engineer from Universidad Federico Santa María and Universidad Adolfo Ibáñez, Master of Science from London School of Economics and Political Science, London, United Kingdom, has been Chairman of the Board of Endesa (now Enel); Chairman of Banchile Seguros de Vida and SegChile Seguros Generales; Chairman of Banco Tornquist (Argentina) and Director of Banco de Chile, is currently a Director of Empresa Nacional de Petróleo (ENAP) and Director of the Santiago Stock Exchange.



**Giorgianna Cúneo Queirolo**

Director  
Chilena, RUT 9,667,948-3  
50 years old  
On the Board of Directors  
since April 2019.

Publicist with a major in Marketing from the Universidad del Pacífico. She has developed her career in the field of marketing and She has developed her career in the field of marketing and communications, and worked as Advertising Manager at Banco de Chile. She was President of the Asociación de Viticultores del Valle de Casablanca, Director of Tottus Supermarkets and Director of IAM. She is currently Executive Director of Viña Casas del Bosque, of the Casablanca Valley Winegrowers Association and Director of Falabella Retail. She is also a member of the Board of Directors of Fundación Liguria.



**Narciso Berberana Sáenz**

Director  
Español, RUT 22,105,171-8  
52 years old  
On the Board of Directors  
since April 2019.

Industrial Civil Engineer, supplemented training with master courses from the EOI (School of Organization Industrial, Madrid) and IE (Instituto de Empresa, Madrid). He was CEO of Aguas Andinas between 2016 and April 2019. He is a director of IAM (Inversiones Aguas Metropolitanas) in Chile and Aigües de Barcelona in Spain, among others Business. He has been part of Agbar Suez for more 24 years. He currently works as Global Strategist Officer at Agbar SUEZ South Europe & Latam.



**Loreto Silva Rojas**

Director  
Chilena, RUT 8,649,929-0  
56 years old  
On the Board of Directors  
since April 2016.

Lawyer from the University of Chile and Partner of Bofill Escobar y Silva Law Firm. In 2012, she was appointed Minister of of Public Works. Previously, she was Undersecretary of Public Works and led the development of the National Water Resources Strategy. National Water Resources Strategy, was Chairman of the Board of ENAP, and has been director of electric power and mining companies. Advisor to the Infrastructure Policy Council; Instituto Libertad y Desarrollo, Santiago Chamber of Commerce and the CAM Arbitration and Mediation Center.



**Luis Mayol Bouchon**

Independent Director  
Chileno, RUT 6,387,384-5  
68 years old  
On the Board of Directors  
since April 2019.

Lawyer from Universidad de Chile and Partner of Varela, Mayol, Simonetti, Herrera law firm. Former Chairman of the Boards of Copeval, FISA, Radio Agricultura, Club de Polo y Equitación San Cristobal, Sociedad Nacional de Agricultura, Aguas Santa Amalia and Viña Selentia. Currently, Director of Puerto Caldera, Viñas VFC, and MÁS Recursos Naturales S.A. In 2011, he was appointed Minister of Agriculture. Then, in 2018 he assumed as Intendant of the Araucanía Region.



**Jorge Manent Codina**

Director  
Español, DNI PAG723106  
36 years old  
On the Board of Directors  
since April 2019.

Degree in Business Management and Administration and Master's Degree from ESADE. More than 13 years of experience in Corporate Finance. He has spent most of his career in the financial area of the Suez Group, his last responsibility being the M&A Director for Spain and Latam. He has also been CFO of the Advanced Solutions division. He is currently CFO of Suez Latam.



# Alternate directors

GRI 102-22 ODS 5,8



- 01
- 02
- 03
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- 06
- 07
- 08

GOBERNANZA

## Tomás Uauy Cúneo

**Alternate director Chilean, RUT 17,406,011-8, 30 years old, In the Board of directors since April 2019**

Commercial Engineer from the Universidad Católica de Chile. He is currently Assistant Investment Manager at Inversiones Liguria. Previously, he worked as Deputy Investment Manager at Frontal Trust S.A. and before that as Corporate Finance Analyst for Banchile | Citi Global Markets.

## Cosme Sagnier Guimón

**Alternate director Spanish, Passport: PAE469266, 49 years old, In the Board of directors since April 2019**

Degree in Business Administration and MBA from ESADE Business School, Barcelona, Spain. Current Chief Financial Officer of Suez Spain, he was General Manager of IAM and Director of Aguas Andinas between 2013 and 2016, and Director of IAM from April 2017 to July 2019. He has extensive experience in Suez Spain as Director of Administration and Management Control, Director of Taxation, Consolidation and Administration, and Director of Treasury and Finance

## Mauricio Rojas Mullor

**Alternate director independent Chilean, RUT 4,435,722-4, 70 years old en el Directorio desde abril de 2019**

Doctor in Economic History (PhD) and Associate Professor at the University of Lund, Sweden. Member of the Swedish Parliament between 2002 and 2008. He served in 2018 as Director of Content and Strategy of the Presidency of the Republic and as Minister of Cultures, Arts and Heritage. Associate Professor at the Universidad del Desarrollo.

## Sonia Tschorne Beresteska

**Alternate director Chilean, RUT 7,289,989-K, 60 years old, In the Board of directors since April 2016**

Architect from the Universidad de Chile, with a Master's degree in Urban Territorial Development from the Universidad Católica de Chile. Executive Director of Neourbanismo Consultores. Extensive experience in the Chilean public sector, she was Minister and Undersecretary of Housing and Urbanism, Minister of National Assets, General Director of Public Works and National Director of Architecture.

## Gonzalo Rojas Vildósola

**Alternate director independent Chilean, RUT 6,179,689-4, 61 years old, In the Board of directors since April 2019**

Commercial Engineer from Universidad de Santiago and MBA from Universidad Adolfo Ibáñez. Executive Director of Bethia S.A. (part of the controlling group Falabella S.A.) since 1999. He is currently a director of several corporations, as well as other closed stock corporations.

## Fernando Samaniego Sangroniz

**Alternate director Chilean, RUT 6,374,438-7, 55 years old In the Board of directors since August 2013**

Lawyer, Pontificia Universidad Católica de Chile. Diploma in Competition Economics, Fundamentals for Lawyers, Universidad de Los Andes. Partner of the firm Prieto Abogados. Member of the list of Arbitrators of the Mediation and Arbitration Center of the CCS and of the National Arbitration Center. Speaker at seminars and conferences related to Arbitration, Construction and Free Competition.

## Board evaluation

GRI 102-28

The company has resorted to external consultants to enhance the ongoing effort to improve its compliance standards in the areas of ESG -in relation to the implementation of NCG 385- and the link between the Board of Directors and investors. During 2020, a process of evaluation and self-evaluation of the Board of Directors was carried out by an expert third party, in order to detect and implement possible improvements in its organization and operation, identifying those areas where its members can be strengthened and continue to improve, as well as the detection and implementation of possible improvements and areas for reinforcement.

## Induction and training for directors

Upon assuming their positions, directors receive training and advice, talks and content related to the business, its risks, the legal framework and relevant policies and procedures, in accordance with NCG 385 of the Financial Market Commission (CMF). Within the framework of this regulation, during 2020, training was conducted on different subjects, such as the perspectives on climate change affecting our planet, and a talk on the analysis of the current social political scenario in our country.





# Compensation and expenses of the Board of Directors

● GRI 102-28, 102-35

In accordance with Law No. 18,046, the Ordinary Shareholders' Meeting held on April 27, 2020 agreed on the following remuneration scheme for the Board of Directors:

A monthly per diem of UF 100 for the Chairman, UF 75 for the Vice Chairman and UF 70 for the named and alternate directors.

A variable compensation for attending each meeting of UF 80 for the Chairman, UF 60 for the Vice Chairman, UF 20 for named directors and UF 20 for alternate directors (only when replacing named directors).

It was also agreed to compensate each director with 20 UF for effective participation in various committees that may be constituted for the management or control of the Company (except for the Directors' Committee according to Article 50 bis of Law No. 18,046 on Corporations) with a limit of 4 meetings per year. In the case of the alternate directors, they shall only receive this compensation when they replace their named director.

**The Board of Directors incurred in expenses in the amount of \$3,926,090 during the 2020 fiscal year.**

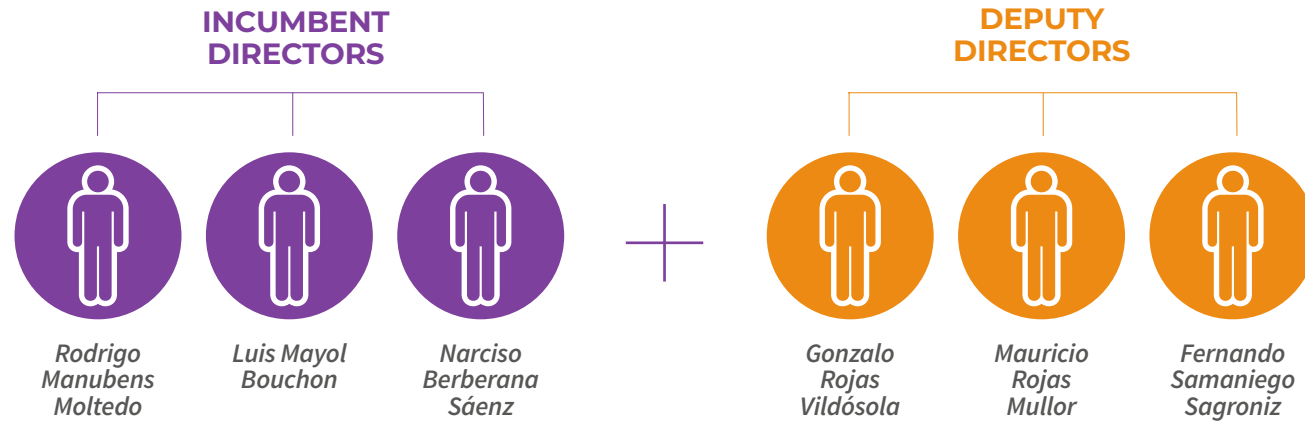


**Compensation of the Board of Directors 2019- 2020** (in thousands of pesos)

DIRECTORS	POSITION	SALARY		SESSION	
		2019	2020	2019	2020
Guillermo Pickering de la Fuente	Former President	22,354	-	21,071	-
Herman Chadwick Piñera	Former Vice President	7,791	-	3,309	-
Ricardo Escobar Calderon	Former Director	7,272	-	3,309	-
Pedro Sierra Bosch	Former Director	7,272	-	2,758	-
Rodrigo Terré Fontbona	Former Director	7,272	-	-	-
Claudio Muñoz Zuñiga	President	20,151	34,440	23,178	33,874
Rodrigo Manubens Moltedo	Director	23,421	24,115	11,169	9,760
Fernando Samaniego Sangroniz	Director	23,421	24,115	3,323	-
Loreto Silva Rojas	Director	22,869	24,115	7,270	7,469
Sonia Tschorne Berestesky	Director	23,421	24,115	2,236	569
Giorgianna Cúneo Queirolo	Director	16,149	24,115	7,855	9,186
Luis Mayol Bouchon	Director	16,149	24,115	7,852	8,038
Tomás Uauy Cúneo	Director	16,154	24,115	555	574
Gonzalo Rojas Vildósola	Director	16,149	24,115	-	-
Mauricio Rojas Mullor	Director	16,149	24,115	-	-
<b>Total</b>		<b>245,992</b>	<b>251,473</b>	<b>93,884</b>	<b>69,469</b>

The Board of Directors during the year 2020 only received the compensation agreed upon at the Ordinary Shareholders' Meeting held on April 27, 2020.





## Directors' Committee

● GRI 102 - 18

The main task of the Directors' Committee is to supervise the company's financial management, with special powers to examine the independent auditors' reports, the balance sheet and income statements before they are presented to the shareholders. It also proposes to the Board of Directors the external auditors and private risk classifiers. It also reviews and reports on Title XVI transactions and analyzes the company's remuneration and compensation plans. Annually, the committee makes recommendations to the shareholders and reports on its management.

The Chairman of the Board of Directors may not be a member of this body or its subcommittees, unless he/she is independent.

In 2020, the attendance at the Director ' Committee meetings was **100%**

### Remuneration and expenses of the Directors' Committee

The Directors' Committee, including its members and deputies, receives a monthly salary of 25 UF. In addition, they are assigned 20 UF for attendance at each meeting.

Deputy directors are only paid attendance fees when they replace the incumbent director.

The Ordinary Shareholders' Meeting held on April 27, 2020 resolved to set the annual expense budget for the Directors' Committee at 3,000 Unidades de Fomento.

Expenses during fiscal year 2020 were approximately \$40 million and correspond entirely to the fees of the secretary of the board of directors.



### Directors Committee Compensation 2019-2020 (in thousands of Mexican pesos)

DIRECTORS	POSITION	SALARY	
		2019	2020
Pedro Sierra Bosch	Former Director	4,804	-
Rodrigo Manubens Moltedo	Director	14,490	17,239
Luis Abel Mayol Bouchon	Director	10,253	17,239
Fernando Samaniego Sangroniz	Director	11,535	12,648
Gonzalo Rojas Vildosola	Director	5,606	8,612
Mauricio Rojas Mullor	Director	5,606	8,612
Totales		52,295	64,351



# Report of the Directors' Committee of Aguas Andinas S.A.

(Article 50 bis of Law 18,046)

## REF: MANAGEMENT REPORT OF THE DIRECTORS' COMMITTEE FOR THE YEAR 2020.

Dear Sir:

In compliance with the provisions of Article 50 bis), paragraph eight, No. 5 of Law No. 18,046 on Corporations, the activities and management carried out by the Directors' Committee during the year ended December 31, 2020 are reported below.

### I.- INTEGRATION AND OPERATION OF THE COMMITTEE.

The Committee was composed of the named director Mr. Rodrigo Manubens Moltedo and Alternate director Mr. Gonzalo Rojas Vildósola, both as independent directors; the named director Mr. Luis Mayol Bouchon and Alternate director Mr. Mauricio Rojas Mullor, both as independent directors; the named director Mr. Narciso Berberana Sáez and Alternate director Mr. Fernando Samaniego Sangroniz, both elected by the controlling shareholder.

The Committee was chaired during 2020 by independent director Rodrigo Manubens Moltedo. It has held regular meetings once a month, and extraordinary meetings whenever necessary.

### II.- ACTIVITIES OF THE DIRECTORS' COMMITTEE DURING 2020.

#### II. 1.- Review of transactions with related parties:

In all cases in which related party transactions were reviewed by the Directors' Committee, it was done on the basis of information provided by the Company's Management or considering the expert opinion of independent advisors. The Directors' Committee recommended their approval only when such transactions copulatively met the following conditions: i) their purpose was to contribute to the corporate interest; ii) their price, terms and conditions were in line with those prevailing in the market at the time of their approval; and iii) they were within the Company's usual line of business and policy. Regarding the fact that they are carried out at prices, terms and conditions similar to those prevailing in the market at the time of their approval, it should be borne in mind that almost all transactions with related parties were subject to a public, open and informed bidding process, in compliance with Article 67 of the General Law of Sanitary Services and the Regulations of said article.

The related transactions reviewed and then reported favorably by the Committee during 2020 were as follows:

- 1) Partial award of the Public Bidding for the Supply of Parts and Accessories for Potable Water and Sewage Networks of Aguas Andinas and Subsidiaries to the related entity Suez, at the prices offered by said company

in two specific items of the families of materials tendered, for a total amount of \$ 310,643,288. For competition purposes, the materials to be tendered were separated into many different lots in which there could be different and successful bidders. Sixteen companies purchased Bidding Rules, 13 of which made offers. Suez made the best qualified offer in two families and specific items for a total of \$ 310,643,288.

- 2) Collaboration Agreement with ICARE for UF 2,500, previously approved by the Donations and Sponsorships Committee, standard value that applies to this type of companies.

- 3) Donation to Comunidad Mujer for \$ 20,000,000, previously reviewed and approved by the Donations and Sponsorships Committee, a donation that has been made to this entity for several years. The donation offers specific benefits for Aguas Andinas consisting of five female executives and/or professionals of the company participating free of charge in the Mentoring Program. It is considered as a related operation given the coincidence in the capacity of director of Aguas Andinas and Comunidad Mujer by Mrs. Loreto Silva.

- 4) The extension for 6 months of the contract with the related company SUEZ-Aqualogy for the Virtual Office Platform and Real Estate Portal of Aguas Andinas and companies of the Aguas Andinas group, contract that expired on August 30, 2020, applying the current rate of UF 840 per month until its new expiration, which will be on February 28, 2021. a) The same price at which the contract was awarded four years ago is maintained, in a public bidding process, with the best economic offer; b) it is a contract and an indispensable critical service and, c) the environmental conditions due to the State of Catastrophe, the pandemic and quarantines made it very difficult to bid publicly in those months, as well as to carry out a period of installation and start-up of a potential new supplier, generating an operational risk of a critical service.

- 5) Renewal of the AquaCIS system license agreements with the related company Suez Advanced Solutions Chile Ltda., the only supplier of the licenses in Chile and cannot be publicly tendered. As requested by the Directors' Committee in 2019, clauses are incorporated into these new license agreements that allow access to the software source codes by Aguas Andinas or a third party that is awarded the bidding of the services in the future; increase competition in the service of developments on the AquaCIS software, prior certification by the licensor; and allows the development of new technological partners of AquaCIS, expanding the market. All of the above provides greater security to Aguas Andinas and greater competition in future bids for the operation and maintenance of the commercial platform. Otherwise, the prices and conditions of the offer awarded in the public bidding held in 2009 remain the same.





**6)** Donation of 115 PCs, retired due to age, at their book value to Fundación Astoreca, whose President is Mr. Felipe Larraín, president of IAM, Aguas Andinas S.A.'s parent company.

**7)** Contract for 3 years, extendable for 1 more, for the supply and storage of laboratory materials by the subsidiary Gestión y Servicios to the subsidiary ANAM; operation between subsidiary companies of Aguas Andinas, which will represent a consolidated saving of UF 1250 per year.

**8)** Modifications to the agreements with EPSA and SCM, both related to Aguas Andinas, for the purchases of raw water flows from the Maipo River and lower generation corresponding to the last quarter of 2019 until August 2020; necessary for drought management, maintaining the prices that were in force.

**9)** Reimbursement of expenses incurred by SUEZ SPAIN on behalf of Aguas Andinas for the invitation of journalists and Chilean executives to COP 25.

**10)** Awarding of the Laboratory contract to the subsidiary ANAM, resulting from a public bidding process, in which the price offered is almost the same as the current contract but with greater scope, services and facilities.

**11)** Sponsorship by Aguas Andinas of the ONLINE FORUM "PUBLIC POLICIES TO GUARANTEE ACCESS TO WATER. Desalination and Reuse, Solutions for CHILE" with a cost of 9 thousand USD as main sponsor.

**12)** Examination of the technical and economic Offer of the Deodorization Project of the La Farfana Wastewater Treatment Plant (PTAS), submitted by SUBIAN, an entity related to the controller, in the International Public Bidding for the DEVELOPMENT OF THE PLAN FOR THE ADAPTATION TO BIOFACTORIES OF THE SEWAGE TREATMENT PLANTS OF GRAN SANTIAGO AND MANAGEMENT OF THE RESOURCES GENERATED, in 2017. The following were evaluated: a) Technical suitability of executing the project presented in SUBIAN's Bid; b) Determination of whether the price offered for the project is currently at market conditions.

The Committee requested the independent expert, engineer Jacobo Homsí and his consultant Krisol, to evaluate the first two items, technical aspects and prices.

The independent expert concluded that the technologies defined for both deodorization areas of the La Farfana WWTP in SUBIAN's bid are technically adequate, current and convenient at present. Regarding the prices or values of investment and operation and maintenance of this project, it is a firm offer from the Contractor for a lump sum price in which the investment for the deodorization of the Preliminary Treatment is UF 196,412 and for the deodorization of the Thickeners and Ponds is UF 161,023, resulting in a total investment price of UF 357,435. The independent expert concluded that the budget is within the expected and current market conditions. This is endorsed in another report requested by the company to the consulting firm CAUSSEN.

**13)** Reported favorably the extension of the current policy of the civil liability insurance contract for managers and executives with ORION insurance company for 1 month under the current conditions and coverages, and with a price equivalent to US\$ 28,681 by applying the monthly proration of the term extension;

**14)** Reported favorably the award of the public bid for the public bidding of the liability insurance for managers and executives for the year 2021 to the insurance company Orion that bid with the broker Marsh in the alternative No Run Off ESSAL for an annual premium of US\$ 282,225 and to contract the Additional Discovery Period of 5 years of the Primary Policy.

**15)** Reported favorably to the Board of Directors the extension of the SUEZ contract for maintenance of the Operational Control Center, in accordance with the current option to extend the SCADA, SITec and SGC Maintenance and Support for 3 years for a total price of UF 44,346 and other agreed conditions.

## II.2.- Regarding remuneration and compensation of managers, executives and workers.

The Directors' Committee reviewed during 2019 and in February 2020 the remuneration and compensation system for Managers, Senior Executives and Employees of Aguas Andinas S.A., and concluded, based on the information presented by Management to the Committee, that there are no observations to be made on the general model of remuneration, compensation and benefits of the company, as it is based on a compensation policy linked to the organization, culture and values of the company, and having as a reference the market rents for equivalent positions based on Compensation Studies for companies of equal size, with external competitiveness, internal equity and financial balance; having as a reference the market rents for equivalent positions in companies of similar characteristics based on Compensation Studies carried out by SIREM XXI of PWC and WILLIS TOWERS WATSON. In the case of senior managers, their variable compensation has incentives and objectives aligned with the social interest of the company. There were no changes in the background in the remaining months of 2020 so the next review will take place in 2021.

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### II.3.- Regarding the proposal of External Auditors and Risk Classifiers

1) It was proposed to the Board of Directors to suggest to the Shareholders' Meeting as external auditors for the year 2020, as first priority EY Auditores Externos and as second option Deloitte Auditores Externos. EY is preferred because of its lower cost, because it knows the company after 9 years of auditing, has complied with the required tasks and deadlines, and simultaneously audits the parent companies and subsidiaries facilitating the consolidation and quality of the audit.

2) It was proposed to the Board of Directors to suggest to the Shareholders' Meeting that ICR and Feller Rate, which meet the appropriate work standards and quoted the lowest prices, be the private risk classifiers of shares and bond issuance for the year 2020.

### II.4.- In relation to the balance sheets and financial statements known in 2020:

1) The Balance Sheet and other Financial Statements for the year ended December 31, 2019 presented by Management, and the draft of the External Auditors' Report, were examined and approved without observations, in order to pronounce on them prior to their submission to the shareholders for approval;

2) The Balance Sheet and other Financial Statements for the quarterly closings as of March 31, 2020, June 30, 2020 and its Limited Review report of the External Auditors, and as of September 20, 2019 were examined and approved.

### II.5.- In relation to additional engagements with the Company's External Auditors:

The following services were approved, which are not prohibited by law and whose nature does not generate a risk of loss of independence of the external auditors in their main work:

Services to review the reasonableness of the methodology, main valuation assumptions and results presented by the External Specialist (TRANSSA) in the valuation of land of Aguas Andinas S.A. and its subsidiaries Aguas Cordillera S.A. and Aguas Manquehue S.A.

The engagement of EY to perform a consolidation report on the Neptune Project.

### II. 6.- Other matters discussed by the Directors' Committee:

1) Examined globally and statistically the public bids in which the related companies have acquired Bidding Terms and Conditions, those in which they have not submitted bids, those in which they have submitted bids and those in which they have been awarded and their amounts.

2) Examined the development of Framework Agreements that were approved to regulate transactions with regular and small related parties between Aguas Andinas S.A. subsidiaries and between these subsidiaries and entities related to the controlling group.

### III.- ANNUAL BUDGET OF THE COMMITTEE DURING 2020

The annual budget of the Board of Directors' Committee set by the Ordinary Shareholders' Meeting for 2020 was UF3,000, which was partially used.

### IV.- RECOMMENDATIONS OF THE COMMITTEE TO THE SHAREHOLDERS:

As of the date of approval of this report, the Committee has no recommendations to make to the shareholders.

The Committee's recommendations on the external auditors and private risk classifiers to be selected for the 2021 fiscal year will be submitted to the Board of Directors and will be presented to the Ordinary Shareholders' Meeting, once the Committee has reviewed the proposals and adopted a resolution in this regard.

**Rodrigo Manubens Moltedo** Chairman  
of the Directors' Committee  
Aguas Andinas S.A.



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## Best Corporate Governance Practices

Aguas Andinas ranked first among the IPSA companies that have incorporated into their management a greater number of the new corporate governance practices established by the General Standard (NCG) N°385 of the CMF, according to the results of a study conducted by ILTIS Consulting on this matter.

The consulting firm grouped its measurement in four major thematic areas: functioning and composition of the Board of Directors; relationship between the company, shareholders and the general public; risk management and control, and evaluation by a third party.

On this basis, the analysis showed that the company reported to the CMF progress in the implementation of 76 of the 99 practices contained in the aforementioned regulations, thus adding up to the highest number of initiatives introduced among all the companies listed in the stock exchange indicator.

### ● GRI 102-25

Pursuant to the implementation of good corporate governance standards, the Board of Directors of Aguas Andinas S.A., at its ordinary meeting in March 2013, approved the document entitled "Code of Conduct of the Board of Directors regarding Conflicts of Interest".





# Administration: Management of excellence

● GRI 102-18, 102-19, 102-20, 102-32



**Marta Colet  
Gonzalo**

General Manager  
22,390,117-4

Degree in Business Administration and Management and MBA from ESADE and the Polytechnic University of Catalonia. She has an extensive and distinguished career in the Suez Group, where she has worked in different functions for more than 20 years. Among others, she has held the positions of General Manager of Inversiones Aguas Metropolitanas and Director at IAM, in Chile, Director of Concession Planning at Suez Spain, as well as administrator of several companies of the Suez Group. Previously, she was Financial Manager of the electromechanical division of Alstom Spain. She took over as General Manager of Aguas Andinas in April 2019.



**Eugenio  
Rodríguez Mingo**

Service Management  
Director  
6,379,051-6

Commercial Engineer from Universidad de Chile. He was commercial manager of Santander Leasing S.A., commercial manager of ENEA in Inmobiliaria Manso de Velasco of the Enersis Group and commercial manager of Piedra Roja in Inmobiliaria Manquehue. In Aguas Andinas, since 2005, he has served as Business Development Manager, Cordillera Zone Manager and Corporate Customer Service Manager. He took over as Director of Service Management in 2017.



**Daniel Tugues  
Andres**

Director of Operations and  
Circular Economy  
23,872,190-3

Civil Engineer from the Polytechnic University of Catalonia, MBA from IESE Business School and Master in Integrated Water Management (Agbar-UPC). He has 15 years of experience in the environmental infrastructure sector, both in water and sanitation and in waste recycling and recovery. In his first stage in Chile he was Business Development Manager at Aqualogy Chile and Operations Manager at Suez Chile. Subsequently, he was General Manager of Suez Recycling & Recovery Spain. He took over as Director of Operations and Circular Economy in 2019.



**Iván Yarur  
Sairafi**

Director of Finance and  
Transformation  
8,534,007-7

Industrial Civil Engineer and Master of Science in Accounting and Finance from Universidad de Chile, Master of Science in Accounting and Finance from the London School of Economics and Political Science, United Kingdom. He joined the company in 2000. Between 2011 and 2013 he was General Manager of Inversiones Aguas Metropolitanas S.A., parent company of Aguas Andinas. Since 2014 he held the position of Corporate Manager of Finance and Procurement, then in 2017 he took over as Director of Finance and since the end of 2020 he became Director of Transformation.



**Camilo Larraín  
Sánchez**

Director of Legal,  
Regulatory and Corporate  
Governance Affairs  
10,436,775-5

Lawyer from Universidad Diego Portales and Master in Business Law from Universidad de Los Andes. With Aguas Andinas since 2000. Secretary of the Board of Directors. Director of ANDESS A.G. Also director of Sociedad Canal del Maipo and Eléctrica Puntilla S.A. Professor of Water Law at Universidad de Los Andes Law School.



**Josep Bonet Farràs**

Director of Persons,  
Organization, Culture  
and Talent  
26,957,791-6

Graduated in Psychology (with a focus on Work and Organizations) from the University of Barcelona, with a specialization in Strategic Management of People and Business from ESADE Business School, and a Master in Labor Relations from the Polytechnic University of Catalonia, among other studies. With more than 20 years of experience in Human Resources Management, the last 14 years within Suez Spain, and has held his current position in the Company since 2019.



**Alberto Blanco  
Marengo**

Director of Planning,  
Engineering and  
Construction  
25,879,803-1

Roads, Canals and Ports Engineer from the Polytechnic University of Madrid and Executive MBA from the Instituto de Empresa (IE) in Madrid, Spain. Director of Aguas Andinas since 2017, he has 20 years of experience in large infrastructure construction. For ten years he was a manager in two construction companies dedicated to large hydraulic works.





## Key executives

● GRI 102-35, 405-1 ● ODS 5, 8

### N° OF EXECUTIVES BY GENDER



### N° OF EXECUTIVES BY AGE RANGE



### N° OF EXECUTIVES BY NATIONALITY



### N° OF EXECUTIVES BY SENIORITY



## COMPENSATIONS

The metrics for calculating the total compensation of the executives of the company are determined according to average market income, by company size and industry specialization, with variable compensation components according to the results of the company and the individual objectives set for the year. The company does not have compensation plans or special benefits for its senior executives, other than the variable bonus mentioned above.

As of December 31, 2020, the payroll of senior executives of Aguas Andinas at the individual level consisted of 25 people, a group that received total compensation for the year of Ch\$**4,880** million, Ch\$**235** million more than the previous year.

Severance payments totaled Ch\$ **1,358** million.

### Total compensation (million pesos)

FIXED INCOME		VARIABLE INCOME		TOTAL COMEPESATION PAID	
2019	2020	2019	2020	2019	2020
3,660	4,151	986	728	4,645	4,880

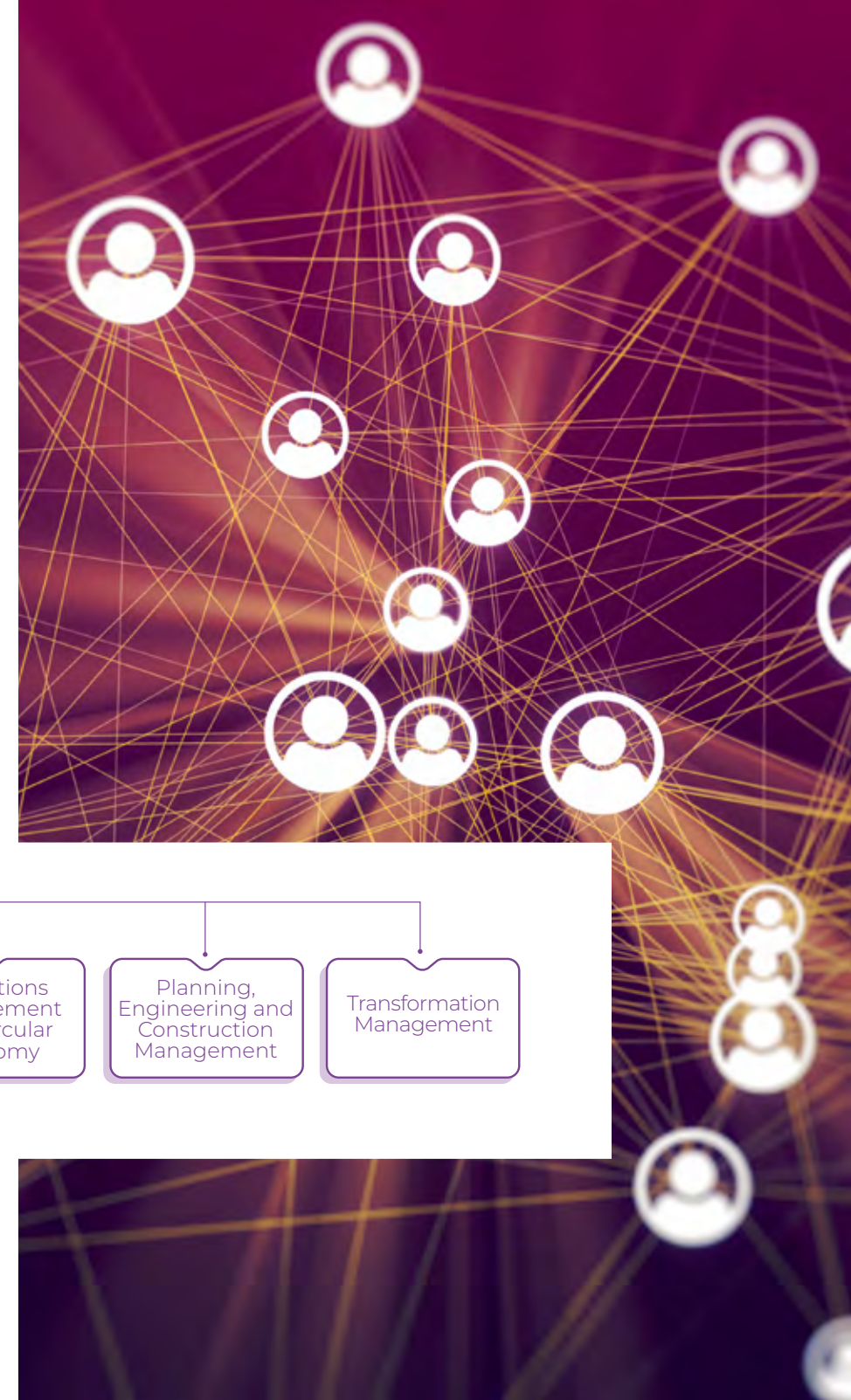
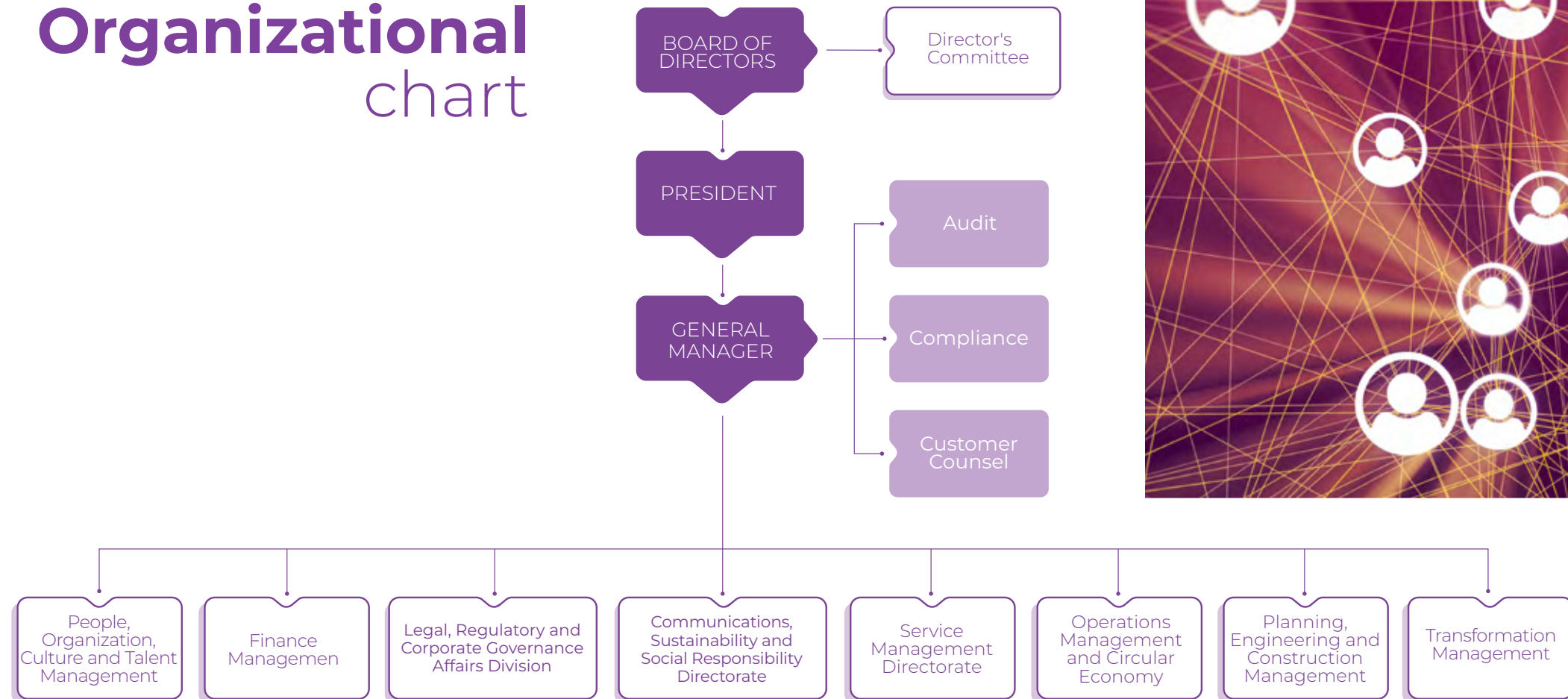
### Paid severance pavments (million Pesos)

2019	2020
1,004	1,358

### Executive payroll of Aguas Andinas S.A.

NAME	PROFESION	POSITION	SINCE
Auger Hernandez Mario Alejandro	Civil Engineer	Major Works Construction Manager	21-01-10
Bernardin Rachel	Civil Engineer	Production and Resources manager	01-05-20
Blanc Mendiberri Francisca Xaviera	Lawyer	Compliance and Corporate Gov. Manager	01-02-20
Blanco Marengo Alberto	Roads, Canals and Ports Engineer	Director of Planning, Engineering and construction	21-08-17
Bonet Ferràs Josep	Graduate in psychology	Director of Persons, Organization, Culture and Talent	27-05-19
Colet Gonzalo Marta	Economist	General Manager	17-04-19
Esquivel Gomez Christian Patricio	Periodista	Southern Territorial Manager	22-04-19
Faúndez Pérez Luis	Civil Engineer	Tariffs and Regulation Manager	02-05-12
Garriga Argente Jose Tomas	Journalist	Strategic Communication Manager	01-02-20
Hernandez Tosca David	Graduate in business administration and Management	Information Technology Manager	01-05-19
Konig Besa Hernan Vicente	Civil Engineer	Sustainable Development Manager	01-07-20
Landeros Poblete Edson Gabriel	Civil Engineer	Planning Manager	01-07-20
Larrain Sanchez Camilo Ernesto	Lawyer	Director of Legal, Regulatory and Corporate Governance Affairs	21-01-10
Lesty Yves	Sanitation Engineer	Circular Economy Manager	21-01-10
Nicoletti Ortigosa Franco Luighi	Civil Engineer	Distribution and Collection Manager	03-10-18
Reyes Cea Rodrigo Andres	Auditor Accountant	Accounting and Taxation Manager	01-10-17
Riquelme Hernandez Alejandro	Auditor Accountant	Finance, Purchase and Int. Rel Manager	01-07-14
Rodriguez Mingo Eugenio	Commercial Engineer	Service Management Director	27-03-12
Ruiz Marton Ignacio Nicolas	Expert in Public Safety	Corporate Secutiry Manager	01-02-20
Schwerter Loyola Cristian Bernardo	Civil Engineer	Engineering manager	06-06-13
Tagle Swett Gonzalo Andres	Commercial Engineer	Northern Territorial Manager	01-07-19
Torres Barrientos Carlos Rene	Execution Engineer in Electricity	Operational Resilience manager	03-10-18
Torres Rojas Cristian Patricio	Commercial Engineer	Management Control Manager	03-10-18
Tugues Andres Daniel	Roads, Canals and Ports Engineer	Director of Operations and Circular Economy	05-12-19
Yarur Sairafi Ivan	Industrial Civil Engineer	Director of Finance and Transformation	20-11-20

# Organizational chart



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# Culture, Ethics and Integrity

● GRI 205-1, 205-2 ● ODS 16

Ethical behavior is part of the hallmark of Agua Andinas. Since the creation of the Compliance area in 2016, the company has made significant progress in the consolidation of a corporate culture in which each member of the company guides its actions based on conduct of integrity. The objective is the creation of social and environmental value based on the accompaniment of each employee so that their decisions do not deviate from the definitions made in this regard by the company.

From this perspective, Compliance is a fundamental area within the commitment contained in the Aguas Andinas business model, to be a profitable, responsible and transparent company, since it defines the form of organization, processes, policies and procedures that, in turn, integrate the Compliance Policy, a practical and mandatory guide for all members of the Aguas Andinas Group. This area, led by the Compliance Management, reports to the Directorate of Legal, Regulatory and Corporate Governance Affairs.

***The Compliance Management System** is designed to ensure the integrity of the company with more demanding standards than those established by current legislation. To ensure compliance, it has been defined that the senior management of the company is responsible for delivering the respective guidelines and their monitoring.*



## COMPLAINTS CHANNEL

*The company has a whistleblower channel - disseminated and implemented through its website and intranet - so that employees and external parties can report possible non-compliances. Whistleblowing is handled confidentially, with no anti-corruption complaints registered during 2020.*

*In addition, employees can request advice from the Compliance Area, either in person or by calling a telephone number or sending an e-mail. The Board of Directors is informed every six months of the progress of the system and the complaints received.*

## 2020 Milestones



Inclusion of the Compliance Area in the Legal, Regulatory and Corporate Governance Department, leading from this position all compliance processes aimed at advising, alerting, monitoring and reporting the risks of sanctions, financial and reputational losses that may arise from non-compliance with laws, regulations, codes of conduct and best practice standards.

In this line, we continued to manage the whistleblower channel and a series of actions developed within the company to improve compliance models, such as training and dissemination of relevant content in this area.



Updating of the Crime Prevention Model, to adapt it to the amendments of the Law on Criminal Liability of Legal Entities.



Updating of Policies and Procedures associated with the Compliance Management System.



Certification of the Crime Prevention Model, carried out in June 2020, to adapt the internal protocols regarding the new crimes of corruption among individuals, disloyal administration, incompatible negotiation and misappropriation, introduced in the regulation.



Continuous communication and training on the contents of the Compliance Management System.



Advances in digitalization by Covid-19: One of the important initiatives of the year by the Legal, Regulatory and Corporate Governance Department was the implementation of the electronic signature mechanism, allowing remote transactions and streamlining legal processes.



# Compliance Management Model 2020

- GRI 102-16, 102-17, 205-1, 205-2
- ODS 16

Defines the principles and guidelines that govern transversally for members of the Aguas Group, in relation to the protection of fundamental rights both within the company and throughout its value chain. In the case of suppliers, it includes specific clauses in their contracts and they have a special channel for complaints.

To carry out the principles and definitions of this policy, there is a Donations and Sponsorship Committee that assesses the impact of the initiatives promoted by the Group's employees, from the point of view of social, environmental or cultural interest and ensuring the sustainable and innovative development of the communities and their local environment. This body submits projects to the Board of Directors, which ultimately authorizes their implementation.



It establishes the fundamental principles of conduct that apply to all professionals of the Aguas Group and the guidelines regarding the market and the environment.

It is an obligation for those who work in the company to disseminate the document among suppliers and contractors. A new version of the Code of Ethics was approved in November 2020, defining new values that guide the company's actions: Excellence, Innovation, Sustainability, Commitment, Community, Partnerships.

Designed in accordance with the provisions of Law 20,393, it establishes rules, protocols and procedures that must be followed by all employees, suppliers and contractors.

It must be implemented in each subsidiary and the person responsible for compliance is the Crime Prevention Officer. The model is audited and certified annually by an external agency specializing in compliance. Aguas del Maipo has a staff of two people and is guided by all Aguas del Maipo Group practices.

In accordance with the fundamental principles established in this chapter, relating to fairness, integrity and impartiality, the Anti-Corruption Management System - certified under ISO 37001 - applies to all those who make up the organization and their direct or indirect relationship with those who are linked to the company, whether they come from the private or public sector. The Anti-Corruption Policy prohibits cash contributions, donations or collaborations to finance political parties or campaigns or to support political activities of any kind.





# Management Risk

● GRI 102-11, 102-15, 102-29, 102-30, 102-31, 102-33, 102-34, 201-2

● ODS 6, 11, 13

## Risk Governance

Good governance, of which risk management is a part, is essential to ensure that the company's strategy is executed and integrated into the daily operations and decisions of each business unit. This contributes to Integrated Management Systems.

Risk management is part of all Aguas Andinas activities and includes aspects such as the internal and external context of the organization, including human and cultural factors, interaction with stakeholders and analysis of operations and their continuity to identify and mitigate the most relevant and significant risks. In Aguas Andinas, the Resilience Steering Committee, which meets every six months, together with the heads of each area supervise the risk management process.

Additionally, there is a quarterly monitoring of Corporate Risk Management at the Board level where the risk map, among other things, is reported.

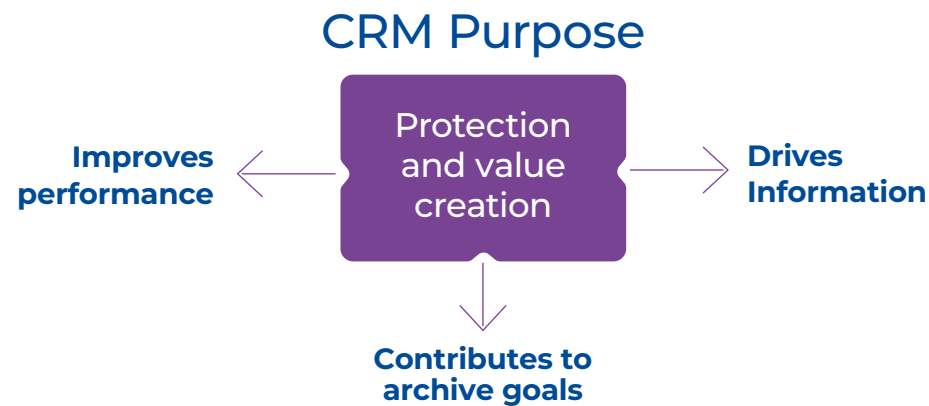
## Risk Management

Aguas Andinas is based on effective risk management as a strategy focused on organizational resilience, continuously monitoring its Risk Management System and its Corporate Risk Map. The Risk Map contains all the risks of the company, which are categorized into Strategic, Financial, Operational and Compliance.

Each identified risk is evaluated considering its impact in case of materialization and its probability of occurrence, including, in addition, the identification of all controls associated with its mitigation. The entire evaluation process is described in the Corporate Risk Methodology of the company, a cross-cutting document that applies to all the processes of the company that are performing risk management.

Once the evaluation has been carried out and the remaining risk level has been determined, action plans are generated to mitigate all those risks that are significant for the company, resulting in investment projects and expenses.

## Purpose of Corporate Risk Management (CRM)





# Strategic Risks (Business)

## Risk of instability of the regulatory framework

As it is a natural monopoly, the Chilean State exercises strict regulation over the company regarding the operation of concessions and tariffs charged to customers. Aguas Andinas considers that the current regulatory framework has allowed the execution of long-term projects and significant investments for the industry in a challenging context.

The tariff processes depend on a mechanism that is activated every five years, based on technical criteria constructed from the submission of studies by the sanitation company and the regulator (the SISS). Any differences that may arise between the two reports are resolved by a commission of experts made up of representatives of the company and the state agency.

This risk has controls associated with the constant regulatory follow-up and review of the condition of the projects in Congress. In this regard, the Ministry of Public Works has announced the filing of a new bill for the sanitary industry, which will be submitted to the National Congress. The relevant modifications proposed as compared to the current regulation are related to: the lowering of the capital cost rate; the elimination of the profitability minimum; the transfer to the tariffs of sanitary service users of a percentage of the profits of the company's non-regulated services; the prohibition of the provision of external services by subsidiaries; the exchange of information between the Internal Revenue Service (SII) and the SISS; the publication of internal tariff studies carried out by the company; and the modification of the current tariff process, together with other actions to give more attributions to the SISS and intensify measures related to climate change.

In the context of 2020, which was marked by the social crisis and subsequent health emergency, these legal amendments advanced only to their second constitutional procedure, without further progress.

## Investment risk

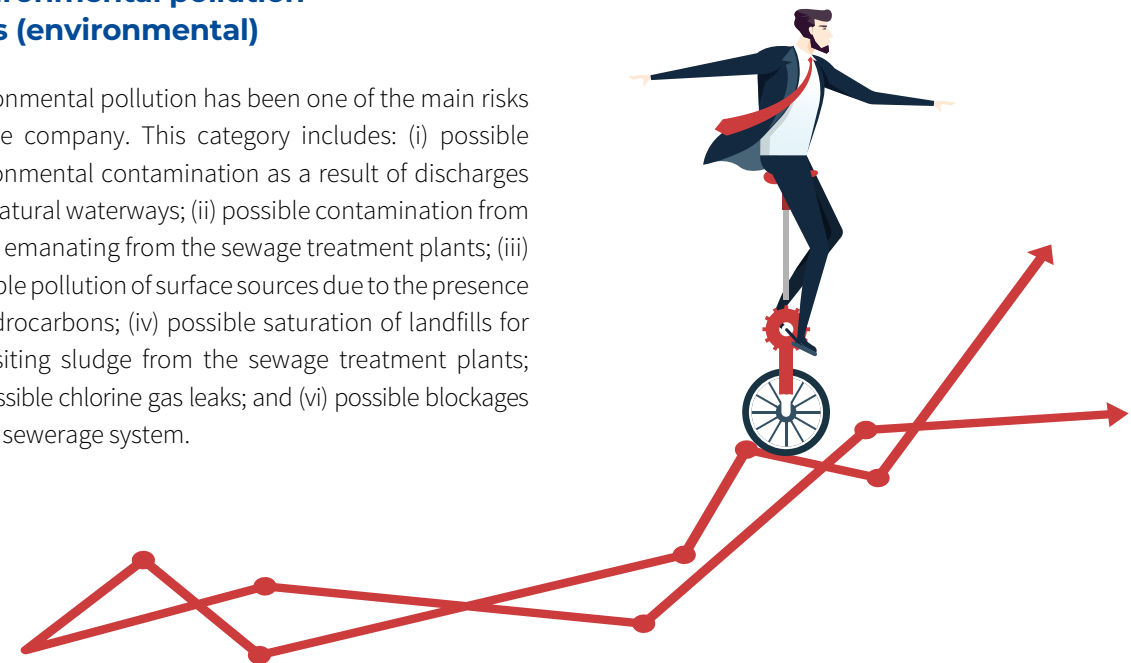
In accordance with the development plans, the company has committed to the SISS a high level of investments, the cost of which is included in the tariff system, a mechanism that ensures a minimum profitability. The experience of the Aguas Group and the company itself guarantees the efficient execution of these investments.

## Environmental pollution risks (environmental)

Environmental pollution has been one of the main risks for the company. This category includes: (i) possible environmental contamination as a result of discharges into natural waterways; (ii) possible contamination from odors emanating from the sewage treatment plants; (iii) possible pollution of surface sources due to the presence of hydrocarbons; (iv) possible saturation of landfills for depositing sludge from the sewage treatment plants; (v) possible chlorine gas leaks; and (vi) possible blockages in the sewerage system.

## Risk of the Company's infrastructure (continuity of service)

Natural disasters of great magnitude, such as earthquakes, floods or volcanic eruptions, could cause serious failures in aqueducts, potable water and sewage mains, among other facilities, or structural failures in reservoirs owned by the company, causing, in turn, potential suspensions or prolonged interruptions of the services.





# Financial risks



## Interest rate risk

As of December 31, 2020, 81.8% of the debt of the company was issued in UF. In terms of interest rate, Aguas Andinas has 92.5% of its debt at a fixed rate, which is composed of 63.8% of long-term bonds, 18.04% of refundable financial contributions and 10.70% of loans, and the remaining 7.5% of the debt is at a variable rate and corresponds to loans with local banks.

## Credit risk

Credit risk is the possibility of financial loss arising from the failure of customers to meet their obligations. However, Aguas Andinas and its sanitary subsidiaries have an atomized market, which means that this risk is not significant.

However, the objective of the company is to maintain minimum levels of uncollectibility. There is a credit policy that establishes the conditions and types of payment, and the conditions to be agreed upon for delinquent customers. The management processes seek to control, estimate and evaluate uncollectibles in order to take corrective actions to achieve the proposed compliance. Supply interruptio is one of the main actions and measures to keep uncollectible levels under control, through a method that includes an analysis of historical data on accounts receivable from customers and other debtors.

During 2020, the regulatory uncertainty generated by the social and health crisis caused certain threats to the availability of financing, which Aguas Andinas managed through its review and control.

## Liquidity risk

This risk relates to the eventuality that the group faces difficulties in meeting debt-related commitments that must be settled through cash or other financial assets, making it impossible to meet long-term investments and working capital needs at a reasonable market value.

To manage this risk, the company uses several preventive measures, such as:

- *Monitoring of the Group's liquidity reserve forecasts, in accordance with expected cash flows.*
- *Diversification of financing sources and instruments.*
- *Agreements with creditors with maturity profiles that avoid high concentrations of repayments in a period.*

Since the revenues of the Company are indexed to the variation of prices (inflation) in the Chilean economy, a large part of its debt is issued in Unidades de Fomento (UF, a unit of accounting adjusted monthly according to inflation), which helps mitigate this risk.

## Risks and opportunities for adaptation to climate change

The risks associated with climate change may have a significant impact on the company, as they could, for example, alter the availability of raw water, an essential resource for the production and distribution of potable water, or cause events that modify river flows, affecting the availability of the resource and the quality of its water in terms of turbidity levels.

Over the years and in accordance with the challenge posed by this global climate phenomenon, Aguas Andinas has established a strategy with a special focus on its possible effects, including the creation of a Resiliency Committee that reviews every six months the risk matrix, short-term scenarios, risks and opportunities arising from climate change, monitoring of progress and compliance, reporting to the Board of Directors on a quarterly basis.

Another component is the maintenance of open and transversal channels that allow the company to have a flow of information that provides a 360° vision and thus generate a roadmap well oriented towards the achievement of its medium and long term strategic objectives.

For the definition of strategic and working timeframes, short, medium and long term scenarios are considered according to the evaluation timeframes, being short term the period from 0 to 5 years into the future, medium term 5 to 10 years, and long term over 10 years.



## Progress on implementation of TCFD recommendations for climate change risk management



Governance and Responsibility	Planning strategic	Risk management	Goals and Numbers
<b>Resilience Committee:</b> <b>Biannual meetings to review the risk matrix, monitor progress and compliance.</b>	With the purpose of setting and following the long	Risk mapping, including short, medium and long term classification.	Definition of goals to guarantee supply under conditions of drought and turbidity as an effect of climate change.
<b>Findings and presentation of climate risks are submitted to the board committee, which reports back to the board.</b>	Definition of three scenarios for the long	Development of emergency and incident management plan.	Focus on maintaining service continuity in the event of any eventuality.
<b>Quarterly Board meetings to review and update the risk matrix, action plans and processes.</b>	Investment planning according to different scenarios and environmental context, with more than a decade of foresight.	Independent studies and audits to evaluate environmental performance.	Increase the supply service to 48 hours of autonomy.
	Formation of the Resilience Committee, dedicated to working with the United Nations' science-based global objectives, where Aguas Andinas has set a temperature limit goal of 1.5°C.		Registration to reduce Scope 1, 2 and 3 emissions. The company has approved reduction targets of 54% for Scope 1 and 2 emissions and 16% for Scope 3 emissions.

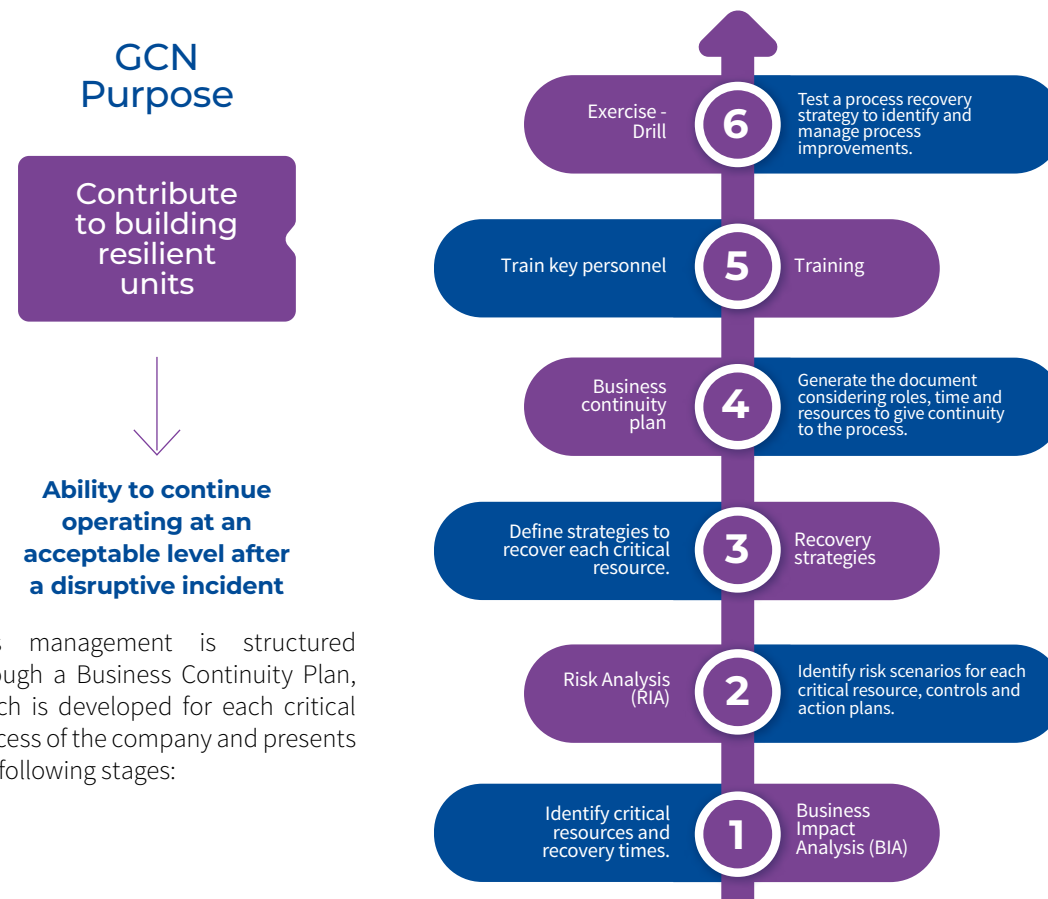




# Business Continuity Management (BCM)

The comprehensive view of risk management seeks to identify the threats and vulnerabilities to which the company's operations are exposed. To address them, there is a business continuity management system, based on the ISO22301 standard, which aims to increase the resilience of Aguas Andinas, to provide an effective response to a disruptive incident.

The purpose of Business Continuity is to safeguard compliance with the company's business objectives in order to protect its continuity, making Aguas Andinas a resilient company through the implementation, maintenance and continuous improvement of critical processes.



This management is structured through a Business Continuity Plan, which is developed for each critical process of the company and presents the following stages:

## Incident and emergency preparedness and response

The comprehensive view of risk management includes being prepared in case a risk materializes, also contributing to Disaster Risk Reduction (DRR). To this end, risk management includes a Crisis Management and Handling System addressed in its Incident and Emergency Management Plan (PGIE), a response tool that seeks to establish a general framework for reporting, addressing, mitigating and communicating adverse events that may occur within the operations, whether of natural origin,

caused by third parties, technological failures and all those that could affect the company's critical resources.

Thus, the aim is to control the impact that may be caused by any event that threatens the normal operation of the processes and significantly affects people, the operation, the environment, the community and infrastructures. Some of these events may be: increased turbidity, contamination, drought and pandemic.



For the above, Aguas Andinas has a Crisis Management Model, aimed at establishing guidelines for action at a transversal level within the organization in order to deal with possible incidents. This Model considers for its operation:

- *Work structures and coordination to face a crisis.*
- *Alert level that are reactivated according to defined operational criteria, which are standardized with the National Civil Protection System (SNPC).*
- *Defined roles, responsibilities and authorities. The defined teams are: strategic management - Crisis Committee and tactical and operational management - tactical and operational ERI.*
- *Communication with stakeholders (authorities, customers, suppliers, among others).*

The Crisis Management Model, in addition to coordinating an ongoing event, considers the post-crisis evaluation, in order to identify the causes that gave rise to the incident or emergency, its consequences and the implementation of improvement opportunities to minimize the impacts in case it happens again.



# RELEVANT financial information of the company

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## Corporate purpose

*The purpose of the company is to produce and distribute potable water; collect and treat sewage; and provide other services related to these activities, in the manner and under the conditions established in Decree with force of law N°. 382 of the Ministry of Public Works of 1988, General Law of Sanitary Service, and other applicable regulations.*

# Identification of the company

## LEGAL INCORPORATION

AAguas Andinas S.A. was incorporated by public deed dated May 31, 1989, executed at the Santiago Notary Office of Mr. Raul Undurraga Laso, and an extract thereof was recorded on page 13,981, No. 7,040, in the Commercial Registry of the Santiago Real Estate Registry of 1989, and published in the Official Gazette of June 10, 1989. The bylaws have been subject to several amendments.

The last of these amendments was approved by the 18th Extraordinary Shareholders' Meeting, which had the purpose of: (i) including the amendments made to the laws and regulations governing the activity of the company; (ii) modifying the corporate purpose, adapting it to the General Law of Sanitary Services; (iii) extending the term of the Board of Directors to three years; (iv) stating that the capital

stock is fully subscribed and paid; and (v) repealing the transitory provisions that were no longer in effect. In addition, a new consolidated text of the bylaws was granted. This amendment is recorded by public deed dated October 2, 2013, granted at the Santiago Notary Office of Mr. Ivan Torrealba Acevedo, and an excerpt thereof was recorded on page 78,229 No. 51,547, in the Commercial Registry of the Santiago Real Estate Registry of 2013, and was published in the Official Gazette dated October 21, 2013.

## LEGAL ASPECTS

The company is registered in the Securities Registry of the Financial Market Commission under No. 0346, pursuant to Law No. 18,046. As a sanitary industry company, it is supervised by the Superintendence of Sanitary Services in accordance with Law No. 18,902.



# Ownership of the company

## AGUAS ANDINAS AND ITS SANITARY SUBSIDIARIES (REGULATED)

**Aguas Andinas S.A. • Aguas Cordillera S.A. • Aguas Manquehue S.A.**

Regulated by Chilean legislation, these utilities provide potable water production and distribution services, as well as sewage collection, treatment and disposal.

## ENVIRONMENTAL SERVICES SUBSIDIARIES (NON-REGULATED)

**EcoRiles S.A. • Gestión y Servicios S.A. • Análisis Ambientales S.A.  
• Aguas del Maipo S.A.**

They provide knowledge in businesses related to the sanitary industry, including: industrial waste treatment services, commercialization of materials and non-conventional renewable energies, laboratory analysis and development of energy projects related to sanitary companies, respectively.







# Service affiliates environmental 2020



It is the leading operator of industrial effluent plants in the country. Created in 2000, this subsidiary provides comprehensive solutions to more than 30 customers throughout Chile, mainly from the pulp and paper, food, beverage, dairy, chemical, fishing and aquaculture industries, among others. With a strong commitment to sustainability, the figures support its comprehensive management during 2020, where 27 million m3 of tailings were treated, 50 thousand tons of sludge were managed and valued, 4.2 million m3 of biogas were generated and 650 thousand m3 of regenerated water were reused.

**Location: Walter Lihn 1868, Santiago de Chile**



A logistics operator specialized in the commercialization of materials for potable water and sewage networks, G&S provides on-site technical advice to its clients, delivering timely solutions and services for the development and execution of all types of sanitary projects. Since December 2020, the subsidiary has a new warehouse, which optimizes storage capacity, with state-of-the-art technology and equipment, ensuring traceability, availability and timely delivery of materials. The subsidiary, in the search for continuous improvement, has developed a plan to review and digitalize its processes, strengthening planning with a focus on customer satisfaction. On the other hand, it is evaluating projects for the use and reuse of water, aimed at mitigating the drought forecasted for the coming years in the institutional and real estate market.

**Location: José Ananías 530, Santiago de Chile**



Created in 2002, this laboratory is oriented to provide a comprehensive service of environmental sampling, measurement and diagnosis, accredited with high standards of technical quality. ANAM is a leading ETFA and Respel laboratory in Chile, authorized by INN, ISP, SAG and Sernapesca, with tri-standard accreditations associated to quality, environmental management and occupational health and safety (ISO 9001, 14001 and 45001). It also has the support of a network of international laboratories, such as Labaqua-Agbar and Cirsee-Suez. Leader in the field of physical, chemical and microbiological analysis associated with water resources, hazardous waste, sludge and soil, with more than 1 million analyses per year in various industries such as sanitary, fishing and aquaculture, food, beverages, pulp and paper, mining, manufacturing and chemicals, with areas for monitoring, diagnostics, odor management and control of odorous gases and telemetry and flow contracting, respectively.

**Location: Av. Américo Vespucio 451, Santiago de Chile**



This subsidiary, created in 2011, is dedicated to developing energy projects derived from the sanitary business. The Methanization Plant that transforms the biogas generated by the La Farfana Biofactory into biomethane began operating in 2017, the gas is injected into the natural gas networks of the city of Santiago, significantly reducing the production of CO2 in the Metropolitan Region. In 2018, this initiative obtained two distinctions awarded by Fundación Recyclápolis, which highlights the country's best projects in sustainability.

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



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RELEVANT FINANCIAL  
INFORMATION  
OF THE COMPANY

## Main suppliers

Suez Biofactoría Andina SpA. (\*)

Inmobiliaria y Constructora  
Nueva Pacífico Sur S.A.

Constructora Pérez y Gómez Ltda.

Consorcio Constructor Los Estanques

Consorcio Bapa Gramatec SpA.

Cia. General de Electricidad

Eulen Chile S.A.

Enel Distribución Chile S.A.

Aes Gener S.A.

Chubb Seguros Chile S.A.

## Main customers

Ilustre Municipalidad de Maipú

Ilustre Municipalidad de Puente Alto

Ministerio de Obras Públicas

Ilustre Municipalidad de La Florida

Ilustre Municipalidad de Santiago

Ilustre Municipalidad San Bernardo

Embotelladoras Chilenas Unidas S.A.

Ilustre Municipalidad de Peñalolén

Cervecera CCU Chile Ltda.

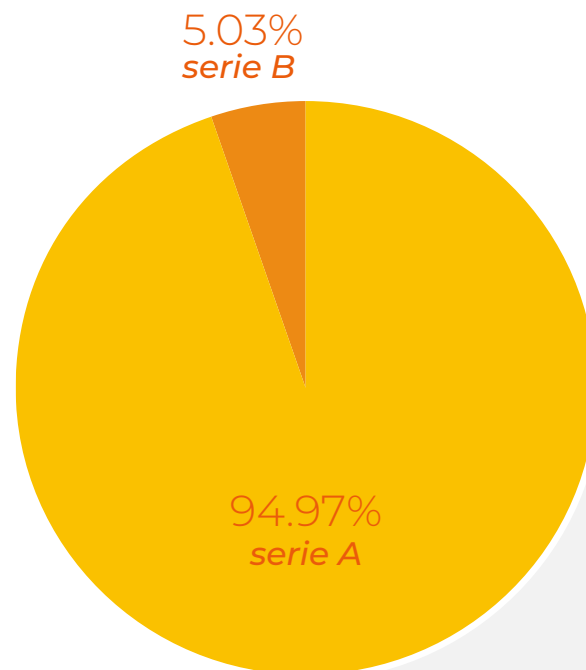
Soprole S.A.

(\*)Company Related to Aguas Andinas S.A.'s parent company.



## Social capital of Aguas Andinas

At the end of 2020, the social capital of Aguas Andinas consisted of 6,118,965,160 subscribed and paid-up shares distributed among 1,822 shareholders, **94.97%** corresponds to **Series A** shares, equivalent to **5,811,031,031,822** shares, and **5.03%** to **Series B**, with **307,933,743,743** shares.



### MAIN SHAREHOLDERS AS OF DECEMBER 31, 2020.

NAME OR REASON SHAREHOLDER'S COMPANY	RUT	DV	31/12/2020	Serie	%
Inv. Aguas Metropolitanas S. A.	77,274,820	5	3,065,744,510	A	50.10%
Banco de Chile por cuenta de terceros no residentes	97,004,000	5	422,288,456	A	6.90%
Corporacion de Fomento de la Producción	60,706,000	2	305,948,258	B	5.00%
Banco Santander por cuenta de inv extranjeros	97,036,000	K	298,299,269	A	4.87%
Banco de Chile por cuenta de State Street	97,004,000	5	207,091,735	A	3.38%
Afp Habitat S. A. fondo tipo A	98,000,100	8	194,505,294	A	3.18%
Banchile Corredores de Bolsa S.A.	96,571,220	8	121,765,855	A	1.99%
Bolsa de comercio de Santiago, Bolsa de Valores	90,249,000	0	99,753,343	A	1.63%
Larrain Vial S. A. Corredora de Bolsa	80,537,000	9	98,480,587	A	1.61%
Banco Itau Corpbanca por Cta de inversionistas extranjeros	97,023,000	9	82,533,848	A	1.35%
Banco de Chile por cuenta de Citi Na New York Clie	97,004,000	5	75,837,757	A	1.24%
Asociación de Canalistas Soc. del Canal de Maipo	70,009,410	3	70,426,696	A	1.15%
Otros (1785 accionistas)			1,074,304,067	A	17.56%
Otros (25 accionistas)			1,985,485	B	0.03%
<b>Total</b>			<b>6,118,965,160</b>		<b>100.00%</b>

### SERIES OF SHARES A AND B

Article 5 of the Company's bylaws establishes that Series B shares have a preferential character, which gives them a special quorum established at the Extraordinary Shareholders' Meeting held on March 29, 1999. This allows them to decide on acts and contracts related to Aguas Andinas' water use rights and sanitary concessions. Series B will be automatically extinguished upon the transfer or exchange of any of the Series B shares for Series A shares whereby the transferred or exchanged shares will become part of Series A.

It will also cease to exist once 50 years have elapsed from the date of the legalization of the amendment of the by laws agreed at the aforementioned Extraordinary Shareholders' Meeting.

The shares of Series B represent less than 5% of the total issued capital of the company.

In the event of any of these circumstances, series A and B will be eliminated, and all the shares comprising them will be automatically transformed into common or ordinary shares, eliminating the division into series of shares.

The bylaws of Aguas Andinas are available at the following web site:





# Stock transactions 2020

## SECONDARY MARKET

### SANTIAGO STOCK EXCHANGE

2020	AVERAGE PRICE (\$)	UNITS	AMOUNT (\$)
TOTAL 1° TRIMESTRE	266.17	600,501,270	159,835,382,449
TOTAL 2° TRIMESTRE	259.02	673,681,929	174,493,789,809
TOTAL 3° TRIMESTRE	250.81	591,398,574	148,326,031,540
TOTAL 4° TRIMESTRE	216.67	1,627,344,777	352,601,466,359
AÑO 2020	239.13	3,492,926,550	835,256,670,157

### ELECTRONIC STOCK EXCHANGE

2020	AVERAGE PRICE (\$)	UNITS	AMOUNT (\$)
TOTAL 1° TRIMESTRE	282.02	12,690,773	3,579,103,404
TOTAL 2° TRIMESTRE	266.87	18,020,475	4,809,206,757
TOTAL 3° TRIMESTRE	243.27	11,406,619	2,774,886,153
TOTAL 4° TRIMESTRE	222.62	38,186,330	8,531,608,201
AÑO 2020	245.25	80,304,197	19,694,804,515

## OF RELATED PERSONS

REPORTING NAME / COMPANY NAME	DATE THE TRANSACTION	DATE OF COMMUNICATION OF THE TRANSACTION TO THE CFM	TYPE OF TRANSACTION	NUMBER OF TRADED UNITS	UNIT PRICE IN PESOS	AMOUNT IN PESOS	COMMENTS
Bethia S.A.	13/10/2020	14/10/2020	E	30,994,767	212.4	6,583,288,511	LThe sale is carried out by Bethia S.A., rut 78,591,370-1, where the informant is a director as well as a director of Aguas Andinas S.A.
Pablo Andres Walton Lazo	10/03/2020	10/03/2020	A	45,000	260.28	11,712,600	Executive
Trotamondo S.A.	28/02/2020	02/03/2020	A	403,233	277.74	111,992,681	Purchase of Aguas A shares made by trotamondo S.A.
Bethia S.A.	27/02/2020	27/02/2020	A	1,000,000	278.51	278,510,208	Purchase of shares by Bethia S.A. dated 02.27.2020.
Bethia S.A.	26/02/2020	27/02/2020	A	1,000,000	284.16	284,160,000	Purchase of Aguas A shares by Bethia S.A. on February 26. 2020.





# Executive ownership interest

● ODS 5

REPORTING NAME / COMPANY NAME	RUT	ACTIONS	
		AGUAS A	IAM
Inversiones Palguin Ltda. (Luis Alberto Faúndez Pérez )	77,429,760-K	895,879	23,277
Luis Alberto Faúndez Pérez	8,043,598-3	73,620	
Inversiones Certeza Ltda. (Julio Muñoz Anrique)	77,431,190-4	672,703	-
Rodrigo Andrés Reyes Cea	12,087,571-K	123,451	-
Sebastian Acevedo Walker	6,639,714-9	4,300	-
Rocha Ibarra Chary Alejandra	12,236,181-0	246,673	-
Sociedad Arata y Cerda Ltda (Paola Arata Zapico)	76,027,684-7	419,187	-



# Property, equipment and insurance

Aguas Andinas owns the main buildings and equipment used in the provision of potable water production and distribution services, as well as those used in the collection and treatment of sewage. The company is concerned with maintaining this infrastructure in optimal working order.

The following is the list of the main properties and facilities belonging to the company: El Yeso Reservoir, Las Vizcachas Complex, La Florida Potable Water Production Plant, potable water distribution and sewage collection networks throughout their entire extension and the La Farfana sewage treatment facilities, as well as the Trebal-Mapocho Complex, which in 2017 were transformed into the Greater Santiago Biofactory (La Farfana, Mapocho-Trebal and El Rutal operating centers).

The company has insurance policies in force that cover mainly natural and fire risks for all its infrastructure assets, real estate and its contents. The production and distribution facilities for potable water, sewage collection and treatment, as well as offices and warehouses, are also covered.

Name	Address	Main characteristics	Leased or owned
La Florida plant	Tobalaba 9670, La Florida, Santiago	Potable water production plant	Owned
Las Vizcachas plant	Av. Camilo Henríquez 540, Puente Alto, Santiago	Potable water production plant	Owned
El Trebal Biofactory	Av. Las Parcelas S/N, Padre Hurtado, Santiago	Sewage treatment plant	Owned
La Farfana Biofactory	Camino La Farfana, Maipú Santiago	Sewage treatment plant	Owned
Mapocho plant	Av. Las Parcelas S/N, Padre Hurtado, Santiago	Sewage treatment plant	Owned



# Current tariffs

Within the framework of the Seventh Tariff Process of Aguas Andinas S.A., in which the Superintendence of Sanitary Services and Aguas Andinas S.A. are parties, the tariff level for the five-year period 2020-2025 was established by means of an agreement document signed on November 14, 2019.

In accordance with what was established, the agreed tariff level as of December 31, 2018, meant a downward variation of -3% for the services and standards in force.

The agreement also contemplates additional tariffs for future works, which will be applied when they come into operation, including (i) the Pirque Ponds, (ii) works to improve the quality of treated sewage and its disposal, such as the nutrient removal works at La Farfana and Trebal treatment plants, and the encapsulation of biosolids at the El Rutil Biosolids Comprehensive Management Center.

A series of works are also being considered to deal with extreme turbidity events in the city of Santiago, allowing a 37-hour and 48-hour autonomy.

It should also be noted that Aguas Andinas S.A. has also committed to new fundamental works to address drought and climate change, which will be included in the updated Development Plan of the Company, subject to approval by the SISS, highlighting (i) works to reuse 3 m<sup>3</sup>/s of sewage, (ii) expansion by 1 m<sup>3</sup>/s of the La Florida Plant, (iii) drilling in the central aquifer for 1.8 m<sup>3</sup>/s, and (iv) investments to reduce losses in the network and re-potabilization of sewage.

The new tariffs established by decree of the Ministry of Economy, Development and Tourism became effective as of March 1, 2020.





# Regulatory framework

Aguas Andinas carries out its activities under the sole regulatory framework dictated by the General Law of Sanitary Services (DFL 382-88) and its respective regulation (DS 1199-04). In addition, Aguas Andinas is supervised by the Superintendence of Sanitary Services (SISS), which also acts as a regulatory counterpart in the tariff setting process.

Tariffs are updated every five years, by means of a process in which the concession company and the regulator participate. The adjustment is made objectively, using a technical model that considers the total long-term cost of a model company, a minimum annual return on assets of 7% after taxes, and adjustments allowed between updates linked to polynomials indexed to the CPI and the PPI. Aguas Andinas is always available to contribute to the debate on regulatory projects in the National Congress, mainly through its participation in the National Association of Sanitary Industry Companies (ANDESS). Naturally, the company remains attentive to those bills under consideration that could impact its management, in order to prepare in advance.

## Regulatory changes

### Law to strengthen SERNAC (National Consumer Service)

In 2018, the new Law 21.081 was published, which reforms the National Consumer Service (Sernac), giving it new powers. As a result, Agua Andinas organized talks with specialists who explained in depth the bill, its consequences and positive messages, with the aim of including them into the internal processes of the company. In particular, work was performed on the design of a compliance model towards customers, by means of an awareness-raising process led by the Compliance area. At the same time, a review of the risk map of the company was conducted in order to adapt it to the contents of this new legislation.

### Sanitary regulation

The legislation in force in the country establishes that sanitary service providers are under the supervision and regulation of the Superintendence of Sanitary Services (SISS), a functionally decentralized body, with legal personality and its own assets, which operates under the supervision of the President of the Republic, through the Ministry of Public Works.

There is a set of laws and regulations that govern the operation of the industry and the sanitary companies. The main legal bodies are:

- General Law of Sanitary Services (DFL MOP No. 382 of 1988) Contains the main provisions that regulate the concession regime and the activity of sanitary service providers.
- Regulation of the General Law of Sanitary Services (DS MOP N° 1199/2004). It establishes the regulations that allow the application of the General Law of Sanitary Services.

- Law of Sanitary Services Tariffs (DFL MOP No. 70 of 1988) Establishes the main provisions governing the setting of potable water and sewerage tariffs and reimbursable financing contributions.
- Regulation of the Sanitary Services Tariff Law (DS MINECON N° 453 of 1989). Contains the regulations that allow the application of the Law of Sanitary Services Tariffs.
- Law that creates the Superintendence of Sanitary Services (Law No. 18,902 of 1990). Establishes the functions of the SISS.
- Law on Subsidies for the payment of potable water consumption and sewerage services (Law No. 18,778 of 1989). Establishes a subsidy for the payment of potable water and sewerage consumption for low-income customers.
- Regulation of the Subsidy Law (DS HACIENDA No. 195 of 1998) Contains the regulatory provisions for the application of the Subsidy Law.

A bill is currently under discussion in the National Congress that "Modifies the legislation applicable to public sanitary services, regarding non-regulated services, tariff setting and compliance with development plans by suppliers".

The main idea of the project is to improve the sanitary legislation in aspects such as regulation of services that are not currently regulated for tariff calculation purposes; citizen participation; tariff setting process; incentive to comply with development plans; modernization of the supervisory and sanctioning power of the SISS, among others.

The bill is in its second constitutional procedure before the Senate and must be discussed and reports must also be heard before different committees. During the previous administration, the Executive questioned the constitutionality of the bill. During this Government, a Working Group was formed between advisors of the Senate Public Works Commission and the Ministry of Public Works to study issues that could improve the current sanitary regulatory framework, among which the Capital Cost Rate and the creation of a Panel of Experts, the two most sensitive issues for the sector, were excluded. ANDESS, with a significant contribution from Aguas Andinas, has collaborated in this study by submitting minutes on the various issues, has made proposals and presentations to the Ministry of Public Works.

The work of the Working Group is nearing completion, which will probably result in indications from the Government to the project currently being discussed in the National Congress.





# Fines and penalties

● GRI 307-1, 416-2, 419-1    ● ODS 3, 6, 11, 16

Authority	Company	Amount (UTA)	Reason
SISS	Aguas Andinas S.A.	60	Deficiencies in the quality of the sewage disposal service and noncompliance with instructions issued by the SISS
SISS	Aguas Cordillera S.A.	25	Failure to provide timely notice to customers of water service interruptions.
SISS	Aguas Manquehue S.A.	20	Non-compliance with instructions issued by the SISS.

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RELEVANT FINANCIAL  
INFORMATION  
OF THE COMPANY



# Dividend policy

At the twenty-ninth Ordinary Shareholders' Meeting, the shareholders agreed on a dividend policy consisting of distributing **100% of the profits**, with 30% of the net income for the year corresponding to a mandatory dividend and the remaining 70% to an additional dividend. This policy will remain in effect as long as the company's current level of capitalization continues and is compatible with the **investment and financing policies** established for each year.

	2016	2017	2018	2019	2020
Carrying amount	106.34	105.02	104.37	105.32	137.4
Profit per share	24.61	22.81	22.235	23.16	16.13
Dividends paid	21.0833 <sup>(1)</sup>	22.1184 <sup>(2)</sup>	22.5014 <sup>(3)</sup>	22.7413 <sup>(4)</sup>	17.8516 <sup>(5)</sup>

- <sup>(1)</sup> Includes two items: An interim dividend of \$6.6294 per share paid on January 13, 2016 and a final dividend of \$14.4539 per share paid on May 25, 2016, on account of 2015 earnings.
- <sup>(2)</sup> Includes two items: An interim dividend of \$6.8614 per share paid on January 18, 2017 and a final dividend of \$15.257 per share paid on May 22, 2017, on account of 2016 earnings.
- <sup>(3)</sup> Includes two items: An interim dividend of \$6.8614 per share paid on January 24, 2018 and a final dividend of \$15.64 per share paid May 24, 2018, on account of 2017 earnings.
- <sup>(4)</sup> Includes two items: An interim dividend of \$7.0639 per share paid January 22, 2019 and a final dividend of \$15.6774 per share paid on May 23, 2019, on account of 2018 earnings.
- <sup>(5)</sup> Includes two items: An interim dividend of \$7.2616 per share paid on January 20, 2020 against 2019 results and a final dividend of \$10.59 per share paid on December 15, 2020, against 2020 results.

PAID DIVIDENDS				
DIVIDEND N°.	PAYMENT DATE	HISTORIC DIV.	DIVIDEND TYPE	Financial year
50	17-05-2010	14.80945	Final	2009
51	22-11-2010	5.4138	Temporary	2010
52	23-05-2011	11.5579	Final	2010
53	23-11-2011	5.5985	Temporary	2011
54	23-05-2012	12.62015	Final	2011
55	13-11-2012	5.7945	Temporary	2012
56	22-05-2013	14.02414	Final	2012
57	14-01-2014	6.0468	Temporary	2013
58	26-05-2014	13.02105	Final	2013
59	13-01-2015	6.35	Temporary	2014
60	26-05-2015	13.1667	Final	2014
61	13-01-2016	6.6294	Temporary	2015
62	25-05-2016	14.4539	Final	2015
63	18-01-2017	6.8614	Temporary	2016
64	22-05-2017	15.257	Final	2016
65	24-01-2018	6.8614	Temporary	2017
66	24-05-2018	15.64	Final	2017
67	22-01-2019	7.0639	Temporary	2018
68	23-05-2019	15.6774	Final	2018
69	20-01-2020	7.2616	Temporary	2019
70	15-12-2020	10.59	Temporary	2020

Distributable income	\$
Net income for the year 2020	98,691,667,661
Accumulated distributable income	128,603,698,040
Interim dividends against 2020 income	-64,799,841,044
Remaining distributable income	162,495,524,657
% distributed dividends against distributable income	0



# Essential Facts

## 2020 Essential Facts Summary

● GRI 102-10

**1) On December 18, 2020, the FMC was informed that:** In accordance with the provisions of Articles 9° and the second paragraph of Article 10° of Law 18,045, as well as General Rule No. 30 of the Financial Market Commission, the following is hereby notified as an essential fact regarding the Company, its business, its publicly offered securities or the public offering thereof, the following:

On December 15, 2020, Aguas Andinas S.A. and Alto Maipo SpA signed an amendment to the Agreement of June 6, 2011, which regulates the relationship between the parties regarding the Alto Maipo hydroelectric project, which was originally signed by Aes Gener and then assigned to Alto Maipo SpA. In this instrument both parties assumed obligations and recognized reciprocal rights, and regulated the use of water rights by both parties, being clear the use of water rights and El Yeso reservoir will be used preferentially for the supply of potable water for customers in the city of Santiago.

The modification of the agreement contemplates a series of agreements that, once the Alto Maipo SpA generating plants have entered into commercial operation, will allow Aguas Andinas to connect its facilities to the discharge of the Alto Maipo Hydroelectric Project, increasing its reserve capacity of raw water that can be made potable to a total of 48 hours, which will definitively overcome the situations of potable water supply interruptions resulting from turbidity events in the Maipo River. This solution has been validated by the Superintendence of Sanitary Services. Additionally, it will provide additional raw water support until March 2023, which is necessary to overcome a specific water deficit resulting from the severe water shortage affecting the Metropolitan Region basin, until it is connected to other resilience and water assurance works currently being built by the company.

The signing of this agreement responds to the intention of Aguas Andinas S.A. to increase the quantity and quality of water resources and infrastructure available to best ensure the continued provision of public services of production and distribution of potable water for the Greater Santiago.

This contract amendment was approved by the Board of Directors of Aguas Andinas S.A. in an ordinary meeting held on November 25, 2020, was signed on December 15, 2020, but was conditioned to approvals by third parties, which were only completed on December 18, 2020.

**2) On November 25, 2020, the FMC was informed that:** Pursuant to the provisions of Article 9 and the second paragraph of Article 10 of Law No. 18,045 and General Rule No. 30 of the Financial Market Commission, duly empowered, the following is hereby communicated as essential information regarding the Company, its business, its publicly offered securities or the public offering thereof the following:

At the ordinary meeting of the Board of Directors held on the same date, the following resolutions were unanimously adopted:

**(i)** To replace the accounting treatment of the asset class "land" of the property, plant and equipment caption of International Accounting Standard No. 16, from the cost method to the revaluation method, so that the financial statements of the Company more reliably reflect the fair value of the investments it has in this class of assets.

The appraisal was performed by Transsa Real Estate Consultants (Transsa Consultores Inmobiliarios), who are specialized independent appraisers with more than 35 years of experience throughout Chile.

Under the amendment agreed by the Board of Directors of the Company, there will be a Ch\$211,945 million revaluation increase in the "land" asset class of property, plant and equipment, a Ch\$155,720 million surplus in other equity reserves and a Ch\$57,225 million increase in deferred taxes.

This revaluation will also result in a net loss in income of Ch\$1,000 million as of September 30, 2020, which corresponds to an impairment loss of Ch\$1,370 million minus deferred taxes.

Pursuant to the provisions of paragraph 2.2, numeral 5, Title I of Section II of General Standard No. 30 of this Commission, a preliminary, unaudited statement of financial position, which includes the main balance sheet items before and after the indicated change, as of September 30, 2020, is attached to this communication.

It is also informed that the above has been brought to the attention of our external auditors, the firm EY.

**This financial information does not constitute or replace in any way the delivery of the corresponding financial statements to the Financial Market Commission and to the market, in terms of content requirements, procedures and filing deadlines set forth by the Financial Market Commission in the regulations in force.**

**(ii)** Distribute the amount of \$ 64,799,841,044, on account of 2020 profits, as an interim dividend. Due to the above, the interim dividend number 70 of the Company, will amount to Ps. 10.59 per share and will be payable as of December 15, 2020.

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INFORMACIÓN FINANCIERA  
RELEVANTE PARA  
LA COMPAÑÍA



# Aguas Andinas S.A. preliminary unaudited consolidated

## ESSENTIAL FACTS

### Interim Consolidated Statements of Financial Position

As of September 30, 2020

(Thousands of pesos - ThCh\$)

ASSETS	WITHOUT REVALUATIONS /30-09-2020 Th\$	WITH REVALUATIONS / 30-09-2020 Th\$
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	181,733,180	181,733,180
Other financial assets	5,219,587	5,219,587
Other non-financial assets	5,037,282	5,037,282
Trade and other receivables	81,029,926	81,029,926
Accounts receivable from related entities	22,680	22,680
Inventories	4,752,789	4,752,789
Current tax assets	456,012	456,012
<b>Total current assets other than assets or groups of assets held for disposal classified as held for sale or held for distribution to owners</b>	<b>278,251,456</b>	<b>278,251,456</b>
Non-current assets or groups of assets for disposal classified as held for sale	256,220,852	256,220,852
<b>TOTAL CURRENT ASSETS</b>	<b>534,472,308</b>	<b>534,472,308</b>
<b>NON-CURRENT ASSETS</b>		
Other financial assets	7,895,863	7,895,863
Other non-financial assets	2,539,693	2,539,693
Rights receivable	3,004,892	3,004,892
Intangible assets other than goodwill	216,514,923	216,514,923
Capital gain	33,823,049	33,823,049
Property, plant and equipment	1,316,183,102	1,528,128,050
Right-of-use assets	2,526,874	2,526,874
Deferred tax assets	32,639,618	1,022,459
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1,615,128,014</b>	<b>1,795,455,803</b>
<b>TOTAL ASSETS</b>	<b>2,149,600,322</b>	<b>2,329,928,111</b>





## ESSENTIAL FACTS

### Interim Consolidated Statements of Financial Position As of September 30, 2020 (Thousands of pesos - ThCh\$)

EQUITY AND LIABILITIES	WITHOUT REVALUATION / 30 09 2020 Th\$	WITH REVALUATION / 30 09 2020 Th\$
<b>CURRENT LIABILITIES</b>		
Other financial liabilities	67,664,433	67,664,433
Lease liabilities	1,229,035	1,229,035
Trade and other accounts payable	80,720,524	80,720,524
Accounts payable to related entities	17,643,302	17,643,302
Other provisions	152,054	152,054
Tax liabilities	2,256,602	2,256,602
Current provisions for employee benefits	3,388,011	3,388,011
Other non-financial liabilities	15,908,538	15,908,538
<b>Total current liabilities other than liabilities included in groups of liabilities for disposal classified as held for sale</b>	<b>188,962,499</b>	<b>188,962,499</b>
Liabilities included in groups of assets for disposal classified as held for sale	157,122,242	157,122,242
<b>TOTAL CURRENT LIABILITIES</b>	<b>346,084,741</b>	<b>346,084,741</b>
<b>NON-CURRENT LIABILITIES</b>		
Other financial liabilities	996,936,460	996,936,460
Lease liabilities	1,342,170	1,342,170
Other accounts payable	1,118,735	1,118,735
Other provisions	1,400,932	1,400,932
Deferred tax liabilities	5,745,835	31,353,812
Non-current provisions for employee benefits	20,812,410	20,812,410
Other non-financial liabilities	10,149,283	10,149,283
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>1,037,505,825</b>	<b>1,063,113,802</b>
<b>TOTAL LIABILITIES</b>	<b>1,383,590,566</b>	<b>1,409,198,543</b>
<b>EQUITY</b>		
Issued Capital	155,567,354	155,567,354
Retained earnings (loss)	407,651,985	406,651,596
Share premiums	164,064,038	164,064,038
Other equity investments	(5,965,550)	(5,965,550)
Other reserves	-	155,714,882
<b>Equity attributable to owners of controlling interest</b>	<b>721,317,827</b>	<b>876,032,320</b>
Non-controlling interests	44,691,929	44,697,248
<b>TOTAL EQUITY</b>	<b>766,009,756</b>	<b>920,729,568</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,149,600,322</b>	<b>2,329,928,111</b>



## ESSENTIAL FACTS

### Interim Consolidated Consolidated Statements of Comprehensive Income by Nature for the Years Ended As of September 30, 2020 (Thousands of pesos - ThCh\$)

INCOME STATEMENTS BY NATURE	WITHOUT REVALUATION / 30 09 2020 Th\$	WITH REVALUATION / 30 09 2020 Th\$
Income from ordinary activities	349,052,377	349,052,377
Raw materials and consumables used	(32,757,564)	(32,757,564)
Employee benefits expense	(40,741,521)	(40,741,521)
Depreciation and amortization expense	(49,717,345)	(49,717,345)
Impairment losses	-	-
Other expenses, by nature	(92,732,289)	(92,732,289)
Other gains (losses)	(1,874,103)	(1,874,103)
<b>Profit (loss) from operating activities</b>	<b>131,229,555</b>	<b>131,229,555</b>
Financial income	3,156,786	3,156,786
Finance costs	(21,714,056)	(21,714,056)
Exchange gains (losses) on foreign currency transactions	(1,782,268)	(1,782,268)
Income (loss) from foreign exchange gains (losses)	(11,864,453)	(11,864,453)
<b>Income before income taxes</b>	<b>99,025,564</b>	<b>99,025,564</b>
Income tax expense	(24,834,379)	(24,834,379)
<b>Profit (loss) from continuing operations</b>	<b>74,191,185</b>	<b>74,191,185</b>
Profit (loss) from discontinued operations	4,346,601	4,346,601
<b>Profit</b>	<b>78,537,786</b>	<b>78,537,786</b>
<b>Income attributable to</b>		
<b>Profit attributable to owners of controlling interest</b>	<b>76,864,493</b>	<b>76,864,493</b>
Profit (loss), attributable to non-controlling interest	1,673,293	1,673,293
<b>Profit</b>	<b>78,537,786</b>	<b>78,537,786</b>
<b>Earnings per share</b>		
Earnings per share basic earnings per share from continuing operations (\$)	12.562	12.562
<b>Basic earnings per share (\$)</b>	<b>12.562</b>	<b>12.562</b>



## ESSENTIAL FACTS

### Financial Ratios for the Fiscal Years Ended

As of September 30, 2020

(Thousands of pesos - ThCh\$)

FINANCIAL RATIOS	30-09-2020	
	WITHOUT REVALUATION	WITH REVALUATION
<b>Liquidity</b>		
Current liquidity	1.54 veces	1.54 veces
Acid ratio	0.53 veces	0.53 veces
<b>Indebtedness</b>		
Total indebtedness	1.81 veces	1.53 veces
Current debt	0.25 veces	0.25 veces
Non-current debt	0.75 veces	0.75 veces
Coverage of financial expenses annualized	5.82 veces	5.77 veces
<b>Profitability</b>		
Return on equity attributable to equity holders	17.32%	15.43%
Return on assets annualized	5.83%	5.53%
Annualized earnings per share	\$19.39	\$19.23
Dividend return (*)	3.30%	3.30%

**Current liquidity:** current assets/current liabilities.

**Acid ratio:** cash and cash equivalents / current liabilities.

**Total indebtedness:** total liabilities / total equity.

**Current debt:** current liabilities / liabilities due.

**Non-current debt:** non-current liabilities / demandable liabilities.

**Financial expense coverage:** annualized earnings before interest and taxes / annualized financial expenses.

**Return on equity:** annualized income for the year / average total equity for the year.

**Return on assets:** annualized income for the year / average total assets for the year.

**Earnings per share:** annualized income for the year/ number of subscribed and paid-in shares.

**Dividend yield:** dividends paid per share annualized / closing share price.

(\*) The share price as of September 2020 is \$220.



## ESSENTIAL FACTS

### Debt Ratios on Bond Contracts - Aguas Andinas S.A. Based on Financial Statements as of September 30, 2020

(Thousands of pesos - ThCh\$)  
M, P, Q, S, S, U, V, W, X, Z and AA Bonds  
(unaudited)

LEVEL OF INDEBTEDNESS	30/09/2020 Th\$	
	WITHOUT REVALUATION	WITH REVALUATION
Total current liabilities	346,084,741	346,084,741
Total non-current liabilities	1,037,505,825	1,063,113,802
<b>Total IFRS liabilities</b>	<b>1,383,590,566</b>	<b>1,409,198,543</b>
Guarantees with third parties (*)	547,619	547,619
<b>Total liabilities due</b>	<b>1,384,138,185</b>	<b>1,409,746,162</b>
Total, assets	2,149,600,322	2,329,928,111
Total current liabilities	-346,084,741	-346,084,741
Total non-current liabilities	-1,037,505,825	-1,063,113,802
<b>Total equity</b>	<b>766,009,756</b>	<b>920,729,568</b>
<b>Level of indebtedness</b>	<b>1.81</b>	<b>1.53</b>

**Level of debt:** ratio of Total Liabilities to Total Equity.

**Current Liabilities:** sum of Total Current Liabilities and Total Non-Current Liabilities.

(\*) For the purposes of determining the aforementioned ratio, the following is included in Net Liabilities the amount of all guarantees, simple or joint and several sureties, joint and several co-debts or other guarantees, personal or in rem, that the Issuer or its subsidiaries may have granted to guarantee third party obligations.

### AC, AD and AE Bonds (Unaudited)

LEVEL OF INDEBTEDNESS	30/09/2020 Th\$	
	WITHOUT REVALUATION	WITH REVALUATION
Total current liabilities	346,084,741	346,084,741
Total non-current liabilities	1,037,505,825	1,063,113,802
<b>Total NIIF liabilities</b>	<b>1,383,590,566</b>	<b>1,409,198,543</b>
Cash and cash equivalents	181,733,180	181,733,180
Guarantees with third parties (*)	547,619	547,619
<b>Total liabilities due</b>	<b>1,202,405,005</b>	<b>1,228,012,982</b>
Total assets	2,149,600,322	2,329,928,111
Total current liabilities	-346,084,741	-346,084,741
Total non-current liabilities	-1,037,505,825	-1,063,113,802
<b>Total equity</b>	<b>766,009,756</b>	<b>920,729,568</b>
<b>Level of indebtedness</b>	<b>1.57</b>	<b>1.33</b>

**Level of debt:** ratio of Total Liabilities to Total Net Equity.

**Liabilities:** sum of Total Current Liabilities and Total Non-Current Liabilities minus the "Cash and cash equivalents" account in its Financial Statements.

(\*\*) For purposes of determining the aforementioned index, Net Liabilities include the amount of all guarantees, simple or joint and several sureties, joint and several co-debts or other guarantees, personal or in rem, that the Issuer or its subsidiaries may have granted to secure third-party obligations.





## ESSENTIAL FACTS

### Restrictions Due to Bank Loans (Level of Debt) – Aguas Andinas S.a. Based On Financial Statements As Of September 30, 2020 (Thousands of pesos - ThCh\$) Bci Bank (Unaudited)

LEVEL OF INDEBTEDNESS	30/09/2020 Th\$	
	WITHOUT REVALUATION	WITH REVALUATION
Total current liabilities	346,084,741	346,084,741
Total non-current liabilities	1,037,505,825	1,063,113,802
<b>Total NIIF liabilities</b>	<b>1,383,590,566</b>	<b>1,409,198,543</b>
Guarantees with third parties (*)	547,619	547,619
<b>Total liabilities due</b>	<b>1,384,138,185</b>	<b>1,409,746,162</b>
Total assets	2,149,600,322	2,329,928,111
Total current liabilities	-346,084,741	-346,084,741
Total non-current liabilities	-1,037,505,825	-1,063,113,802
<b>Total equity</b>	<b>766,009,756</b>	<b>920,729,568</b>
<b>Level of indebtedness</b>	<b>1.81</b>	<b>1.53</b>

**Level of debt:** Ratio of Total Liabilities to Total Equity

**Current Liabilities:** sum of Total Current Liabilities and Total Non-Current Liabilities

(\*) For the purposes of determining the aforementioned index, Net Liabilities include the amount of all guarantees, simple or joint and several bonds, joint and several co-debts or other guarantees, personal or in rem, that the Issuer or its subsidiaries have granted to guarantee third party obligations, except for: (i) those granted by the Issuer or its Subsidiaries for obligations of other Subsidiary Companies of the Issuer, (ii) those granted by Subsidiary Companies of the Issuer for obligations of the Issuer, and (iii) those granted to public institutions to guarantee compliance with sanitary legislation and the execution of works in public spaces.

### Banco De Chile (Unaudited)

LEVEL OF INDEBTEDNESS	30/09/2020 Th\$	
	WITHOUT REVALUATION	WITH REVALUATION
Total current liabilities	346,084,741	346,084,741
Total non-current liabilities	1,037,505,825	1,063,113,802
<b>TOTAL NIIF LIABILITIES</b>	<b>1,383,590,566</b>	<b>1,409,198,543</b>
Cash and cash equivalents	181,733,180	181,733,180
Guarantees with third parties (*)	547,619	547,619
<b>TOTAL LIABILITIES DUE</b>	<b>1,202,405,005</b>	<b>1,228,012,982</b>
Total assets	2,149,600,322	2,329,928,111
Total current liabilities	-346,084,741	-346,084,741
Total non-current liabilities	-1,037,505,825	-1,063,113,802
<b>TOTAL SHAREHOLDERS EQUITY</b>	<b>766,009,756</b>	<b>920,729,568</b>
<b>LEVEL OF INDEBTEDNESS</b>	<b>1.57</b>	<b>1.33</b>

**Level of debt:** Ratio of Total Liabilities to Total Equity.

**Current Liabilities:** sum of Total Current Liabilities and Total Non-Current Liabilities minus “Cash and cash equivalents” account in its financial statements.

(\*) For the purposes of determining the aforementioned index, Net Liabilities include the amount of all guarantees, simple or joint and several bonds, joint and several co-debts or other guarantees, personal or in rem, that the Issuer or its subsidiaries have granted to guarantee third party obligations, except for: (i) those granted by the Issuer or its Subsidiaries for obligations of other Subsidiary Companies of the Issuer, (ii) those granted by Subsidiary Companies of the Issuer for obligations of the Issuer, and (iii) those granted to public institutions to guarantee compliance with sanitary legislation and the execution of works in public spaces.



## ESSENTIAL FACTS

### Bice and Itaú Banks (Unaudited)

LEVEL OF INDEBTEDNESS	30/09/2020 Th\$	
	WITHOUT REVALUATION	WITH REVALUATION
Total current liabilities	346,084,741	346,084,741
Total non-current liabilities	1,037,505,825	1,063,113,802
<b>TOTAL LIABILITIES IFRS</b>	<b>1,383,590,566</b>	<b>1,409,198,543</b>
Cash and cash equivalents	181,733,180	181,733,180
<b>TOTAL LIABILITIES DUE</b>	<b>1,201,857,386</b>	<b>1,227,465,363</b>
Total assets	2,149,600,322	2,329,928,111
Total current liabilities	-346,084,741	-346,084,741
Total non-current liabilities	-1,037,505,825	-1,063,113,802
<b>TOTAL SHAREHOLDERS EQUITY</b>	<b>766,009,756</b>	<b>920,729,568</b>
<b>LEVEL OF INDEBTEDNESS</b>	<b>1.57</b>	<b>1.33</b>

**Level of indebtedness:** Ratio of Total Liabilities to Total Shareholders' Equity.

**Current Liabilities:** sum of Total Current Liabilities and Total Non-Current Liabilities minus "Cash and Cash Equivalents" in its Financial Statements.

### Restrictions on loans with Banco Bci (Hedging of Financial Expenses) – Aguas Andinas S.a.

Based on Financial Statements as of September 30, 2020

(Thousands of pesos - ThCh\$)

(Unaudited)

FINANCIAL EXPENSE HEDGING	30/09/2020 Th\$	
	WITHOUT REVALUATION	WITH REVALUATION
Income from ordinary activities	349,052,377	349,052,377
Raw materials and consumables used	-32,757,564	-32,757,564
Employee benefit expenses	-40,741,521	-40,741,521
Other expenses, by nature	-92,732,289	-92,732,289
<b>EBITDA</b>	<b>182,821,003</b>	<b>182,821,003</b>
Finance costs	-21,714,056	-21,714,056
<b>COVERAGE OF FINANCIAL EXPENSES</b>	<b>8.42</b>	<b>8.42</b>

**Ebitda:** the sum of revenues from ordinary activities, other income by nature, raw materials and consumables used, employee benefits expense and other expenses by nature.

**Financial Expenses Coverage:** Ebitda over Financial Expenses.



## ESSENTIAL FACTS

### Restrictions on Scotiabank Loans (Debt Level) – Aguas Cordillera S.A. Based on Financial Statements as of September 30, 2020 (Thousands of pesos - ThCh\$) (Unaudited))

LEVEL OF INDEBTEDNESS	30-09-2020 Th\$	
	WITHOUT REVALUATION	WITH REVALUATION
Total current liabilities	61,551,677	61,551,677
Total non-current liabilities	72,789,852	92,520,856
<b>Total NIIF liabilities</b>	<b>134,341,529</b>	<b>154,072,533</b>
Guarantees with third parties (*)	-	-
<b>Total liabilities due</b>	<b>134,341,529</b>	<b>154,072,533</b>
Total assets	336,413,940	409,491,734
Total current liabilities	(61,551,677)	(61,551,677)
Total non-current liabilities	(72,789,852)	(92,520,856)
<b>Total equity</b>	<b>202,072,411</b>	<b>255,419,201</b>
<b>Level of indebtedness</b>	<b>0.66</b>	<b>0.60</b>

**Level of debt:** Ratio of Total Liabilities to Total Equity.

**Current Liabilities:** sum of Total Current Liabilities and Total Non-Current Liabilities.

(\*) For the purposes of determining the aforementioned index, Net Liabilities include the amount of all guarantees, simple or joint and several bonds, joint and several co-debts or other guarantees, personal or in rem, that the Issuer or its subsidiaries have granted to guarantee third party obligations, except for: (i) those granted by the Issuer or its Subsidiaries for obligations of other Subsidiary Companies of the Issuer, (ii) those granted by Subsidiary Companies of the Issuer for obligations of the Issuer, and (iii) those granted to public institutions to guarantee compliance with sanitary legislation and the execution of works in public spaces.

### Financial Expense Hedging With Scotiabank – Aguas Cordillera S.A. Based on Financial Statements as of September 30, 2020 (Thousands of pesos - ThCh\$) (Unaudited)

FINANCIAL EXPENSE HEDGING	30/09/2020 Th\$	
	WITHOUT REVALUATION	WITH REVALUATION
Income from ordinary activities	50,266,158	50,266,158
Raw materials and consumables used	-5,408,752	-5,408,752
Employee benefit expenses	-3,350,388	-3,350,388
Other expenses, by nature	-18,773,386	-18,773,386
<b>EBITDA</b>	<b>22,733,632</b>	<b>22,733,632</b>
Finance costs	-1,494,217	-1,494,217
<b>COVERAGE OF FINANCIAL EXPENSES</b>	<b>15.21</b>	<b>15.21</b>

**Ebitda:** the sum of revenue from ordinary activities, other income by nature, raw materials and consumables used, employee benefit expense and Other Expenses by Nature.

**Hedging of financial expenses:** Ebitda over Financial Expenses..



## ESSENTIAL FACTS

**3) On October 13, 2020, the CMF was informed that:** Pursuant to the provisions of Article 9 and the second paragraph of Article 10 of Law No. 18,045 and General Rule No. 30 of the Financial Market Commission, the following is hereby communicated as essential information regarding the Company, its business, its publicly offered securities or the public offering thereof:

Under the framework of the transaction reported to the Commission by means of a communication of essential fact dated September 11, 2020, Aguas Andinas S.A. completed the sale and assignment to Eco Acquisitionco SpA, a company incorporated in Chile and controlled by the Canadian company Algonquin Power & Utilities Corp. of 100% of its direct and indirect participation in Inversiones Iberaguas Ltda. ("Iberaguas"), which in turn owns 488,712,657 Series A shares of Empresa de Servicios Sanitarios de Los Lagos S.A. ("ESSAL"), which in turn owns 488,712,657 Series A shares of Empresa de Servicios Sanitarios de Los Lagos S.A. ("ESSAL"). ("ESSAL"), representing approximately 51% of the total shares issued by the latter, at a price of US\$ 87,975,000, which was received on this same date.

In addition and in the context of this transaction, Aguas Andinas S.A. participated in the tender offer for ESSAL shares ("OPA") announced by Eco Acquisitionco SpA on September 24, 2020, accepting the sale of Aguas Andinas S. A.'s direct interest in ESSAL, amounting to 24,018,816 Series A shares, equivalent to 2.51% of the total shares issued by said company, at a total price of US\$ 4,018,816. A. in ESSAL, amounting to 24,018,816 Series A shares, equivalent to 2.51% of the total shares issued by said company, at the total price of US\$ 4,323,717, amount to be received under the terms and conditions offered in the OPA.

Thus, as a result of this transaction and in accordance with the provisions of the contract signed with Algonquin Power & Utilities Corp on September 11, 2020, Aguas Andinas S.A. will receive a total of US\$ 92,298,717 for the sale of its entire direct and indirect interest in ESSAL, which will generate an expected impact on net income, after taxes, of approximately CLP 7,000 million for the Company.

As a result of the aforementioned transaction, Aguas Andinas S.A. ceased to be the controlling shareholder of ESSAL, which will be reflected in the Company's consolidated financial statements as of this date.

**4) On September 11, 2020, the CMF was informed that:** Pursuant to the provisions of Article 9 and the second paragraph of Article 10 of Law No. 18,045 and General Rule No. 30 of the Financial Market Commission, the following is hereby communicated as essential information regarding the Company, its business, its publicly offered securities or their public offering, the following:

On September 10, 2020, the Company reached a full agreement with the Canadian company Algonquin Power & Utilities Corp. ("APUC") for the sale of 100% of the direct and indirect participation that Aguas Andinas S.A. has in the subsidiary Empresa de Servicios Sanitarios de Los Lagos S.A. ("ESSAL").

The agreed transaction consists of a contract in English called Transaction Agreement ("TA"), by virtue of which the Company agrees to sell to APUC, or its appointed representative, and the latter to purchase, the total direct and indirect shareholding of the Company in ESSAL, under the terms and conditions set forth therein.

In order to materialize the transaction, APUC, within the fifth business day from the fulfillment of the conditions stated below, will launch a tender offer ("OPA") for the total shares of ESSAL, at a price of US\$ 0.18001375412 per share. During the term of the OPA, Aguas Andinas S.A. will participate in the tender offer by accepting the sale of its direct participation in ESSAL, which amounts to 2.51% of the total issued shares, but will not participate regarding its indirect participation through Inversiones Iberaguas Limitada ("Iberaguas"), which corresponds to 51% of the shares, given that, prior to the expiration of the OPA term, it will sell to APUC all of its rights in Iberaguas, including those of its subsidiary Aguas Cordillera S.A..

The launching of the OPA and the closing of the transaction are subject to the fulfillment of the customary conditions for this type of transaction, among them that, from the date of subscription of the TA and until the closing date, no material adverse effect occurs for ESSAL or Iberaguas.

The price per share indicated above gives a total value for the direct and indirect shareholding of Aguas Andinas S.A. in ESSAL of US\$ 92.3 million. The transaction will have an expected impact on after-tax net income for the Company of approximately Ch\$7,000 million pesos.

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RELEVANT FINANCIAL  
INFORMATION  
OF THE COMPANY





## ESSENTIAL FACTS

**5) On April 27, 2020, the CMF was informed that:** Pursuant to the provisions of Articles 9° and second paragraph of Article 10° of Law 18,045, as well as General Rule No. 30 of the Financial Market Commission, the following is hereby communicated as an essential fact regarding the Company, its business, its publicly offered securities or the offering, the following:

The Ordinary Stockholders' Meeting of the Company was held today, at which all matters submitted for consideration by the shareholders were approved. Among the matters agreed upon, was not to distribute profits over the amount already distributed in January 2020, which is higher than the legal minimum according to the Corporations Law, in view of the exceptional circumstances that the country and the whole world are experiencing related to the Coronavirus Pandemic, which makes it necessary to prioritize the operational needs and allocate all efforts and resources to these purposes, until its effects are clear.

Notwithstanding the foregoing, during the course of fiscal year 2020, the distribution of a dividend will be evaluated if the prevailing circumstances allow it, which in any case will be subject to the approval of the respective corporate governance bodies.

**6) On April 08, 2020, the CMF was informed that:** Pursuant to the provisions of Articles 9° and second paragraph of Article 10° of Law 18,045, as well as General Rule No. 30 of the Financial Market Commission, the following is hereby communicated as an essential fact regarding the Company, its business, its publicly offered securities or their offering, the following:

The Board of Directors of the Company met today in an extraordinary session, resolving at said meeting as follows:

**1.-** The circumstances that the country and the entire world are going through as a result of the Coronavirus pandemic, as well as the restrictions on mobility and transportation of the population adopted by the authorities as public health measures, make it unfeasible to hold the ordinary shareholders meeting in person.

In view of the foregoing, it has been decided to hold the next Ordinary Shareholders' Meeting on April 27 at 10:00 a.m., at Avenida Presidente Balmaceda 1398, in the district of Santiago, notwithstanding the implementation of remote access for the participation of its shareholders in said Meeting through a Virtual Platform, of which the shareholders and this Committee will be informed in due course.

The Meeting must hear and decide on matters pertaining to an ordinary shareholders' meeting.

La Asamblea debe conocer y pronunciarse sobre las materias propias de una junta ordinaria de accionistas.

**2.-** LThen, regarding the distribution of profits and dividends for the 2019 fiscal year of the company, given the exceptional circumstances related to the Coronavirus Pandemic, it is necessary to prioritize the operational needs and allocate all efforts and resources to these purposes, until the effects of the aforementioned pandemic are clear.

Last January, Aguas Andinas distributed an interim dividend of Ch\$44,443 million, which represents 31.34% of the profits for 2019, amounting to Ch\$141,737 million.

In view of the foregoing, the Board of Directors of the Company has agreed to propose to the next Ordinary Shareholders' Meeting, the non-distribution of profits in excess of the amount already distributed, which is higher than the legal minimum as provided by the Corporations Law.

Notwithstanding the foregoing, during the course of the 2020 fiscal year, the distribution of a dividend will be evaluated in the event that the prevailing circumstances allow it, which in any case would be subject to the approval of the respective corporate governance bodies.

**7) On January 22, 2020, the CMF was informed that:** Pursuant to the provisions of Articles 9° and second paragraph of Article 10° of Law 18,045, as well as General Rule No. 30 of that Commission, the following is hereby communicated as an essential fact regarding the Company, its business, its publicly offered securities or their offering, the following:

At its ordinary meeting held on this date, the Board of Directors of the Company agreed to initiate an open and competitive process for the sale of its direct and indirect shareholding in Empresa de Servicios Sanitarios de Los Lagos S.A., which represents 53.5% of the subscribed and paid shares of ESSAL S.A. With this, Aguas Andinas S.A. seeks to focus its business activity on its current strategic priorities. The process will be initiated immediately and will seek the assistance of an investment bank and other advisors, not yet defined.

Finally, it should be noted that since this is a process that has just begun, there have not yet been any contacts with possible interested parties in the acquisition of the aforementioned shares, nor are there any valuations or price indications to determine the effect that the completion of the transaction could have on the results of Aguas Andinas.

**Santiago, 2020**



## Report Profile and ESG indicators

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# Profile of the Integrated Report

- GRI 102-21, 102-45, 102-46, 102-48, 102-49, 102-50, 102-51, 102-52, 102-54
- ODS 12

This Aguas Andinas Integrated Report contains and consolidates information corresponding to the management in economic, governance, social and environmental issues of the Aguas Andinas Group companies during the period from January 1 to December 31, 2020.

Its scope covers the sanitation subsidiaries Aguas Andinas S.A., Aguas Cordillera S.A., Aguas Manquehue S.A., and the environmental services subsidiaries EcoRiles S.A., Análisis Ambientales S.A. (ANAM), Gestión y Servicios S.A. and Aguas del Maipo S.A.

The document was prepared in accordance with the guidelines and recommendations of the International Integrated Reporting Council (IIRC) and in conformity with the exhaustive option of the Global Reporting Initiative (GRI) Standards, in their most updated versions of 2020. The company's financial information is published in accordance with the provisions of General Rule No. 30 of the Financial Market Commission (CMF).

## Materiality Study

- GRI 102-43, 102-44, 102-46, 102-47, 102-48, 102-50, 102-51, 102-52, 102-54

To determine the content of the report, a new materiality study was conducted as a way to ensure the periodic participation of all stakeholders. The objective was to determine those environmental, social and economic aspects that impact the company's sustainability and that may have a significant effect on its performance or substantially influence the evaluations and decisions of its stakeholders. This exercise allows the company to prioritize its actions, considering the most relevant risks and opportunities for the business and stakeholders.

Establishing an order of importance of the materiality issues required the preparation of a matrix that considers their current or potential impact on the business ("x" axis) and the interest they arouse in stakeholders ("y" axis).

This 2020 materiality process included the following activities:

### Identification

The process of raising material issues considered an analysis of the current context and trends in the healthcare industry, review of the 2019 Integrated Report, press files, and the company's financial results, as well as the guidelines of different international standards and the materiality analyses of global leaders in sustainability, especially in the multi-service and healthcare industry.

### Prioritization

The prioritization process was carried out through online surveys and interviews, which gathered the impressions of all stakeholders both internally and externally.

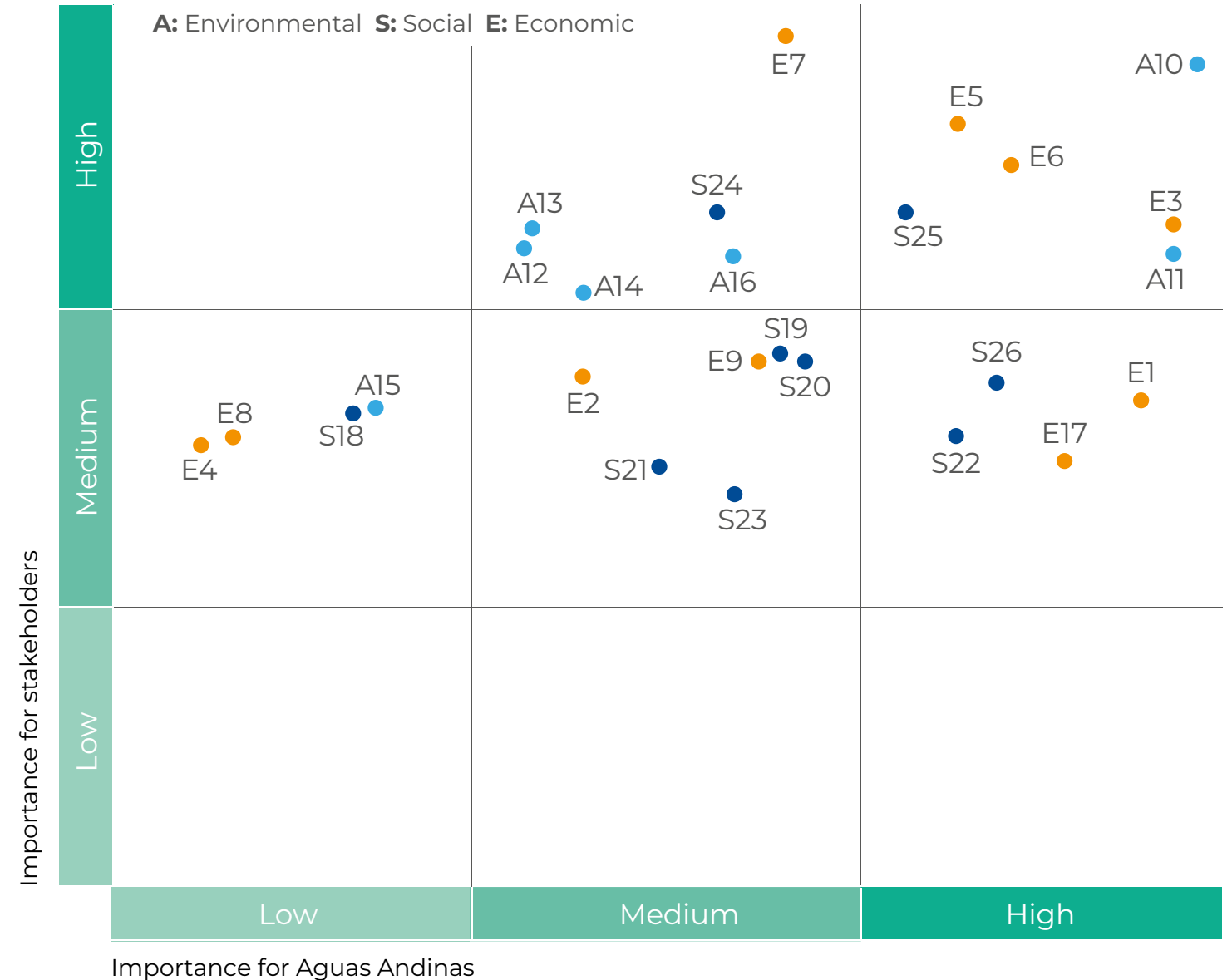
*Water management and the challenges it faces in each territory require the integration of multiple perspectives. Responsible management of this resource in delicate contexts of balance-such as those imposed by climate change - requires a fluid and permanent exchange among the various stakeholders in the city. To this end, the timely provision of relevant information is very important and is part of the company's strategic commitment to strengthen dialogue and promote shared value.*

Who was consulted?		How were they consulted?	When were they consulted?
Internal stakeholders	Workers and managers of the different areas of the company	Semi-structured interviews and/ or online surveys	October 2020
	Employees		
External stakeholders	Customers		
	Communities		
	Suppliers		
	Investors		
	Other stakeholders (academics, peers from other companies and private sector guilds, media, civil society organizations and international organizations)		



# Materiality Matrix

2019 Priority	2020 Priorit	2020 TOPICS	Legend
1	1	Fight against drought	A 10
5	2	Sustainable business model	E 3
3	3	Risks and opportunities for adaptation to climate change	A 11
2	4	Water quality	E 7
4	5	Incident and emergency preparedness and response	E 5
12	6	Customer expectations and service quality	E 6
9	7	Contribution to public debate and adaptation to regulations	E 1
New	8	Covid-19 health crisis	S 25
10	9	Positive social value generation	S 24
New	10	Green and social reconstruction	E 26
7	11	Operating licenser	E 17
New	12	Circular economy application in our operations	A 16
11	13	Talent management	S 22
6	14	Occupational health and safety, wellness	S 20
15	15	Labor climate and labor relations	S 19
New	16	Innovation, technology and digital transformation	E 9
16	17	Emissions management	A 13
8	18	Waste management	A 14
13	19	Energy sustainability	A 12
New	20	New ways of working	S 23
21	21	Diversity and equal opportunity	S 21
20	22	Governance in management	E 2
19	23	Biodiversity and ecosystem services	A 15
17	24	Human Rights	S 18
18	25	Protection of information and personal data	E 8
22	26	Sustainable financial opportunities	E 4







# Report of Independent Professionals "Aguas Andinas Integrated Report"



Messrs  
Chief Executive Officer and Directors  
**Aguas Andinas S.A.**  
Present

We have performed a limited review of the information and data content related to the GRI content presented in the "Aguas Andinas Integrated Report" as of December 31, 2020.

The preparation of this report is the responsibility of the Management of Aguas Andinas S.A. Also, the Management of Aguas Andinas is also responsible for the information and statements contained therein, for the definition of the scope of the report and for the management and control of the information systems that have provided the information reported.

Our review was performed in accordance with the ISAE3000 standard and the attestation work standards issued by the Chilean Association of Accountants. A review is significantly less in scope than an examination, the objective of which is to express an opinion on the "Aguas Andinas 2020 Integrated Report". Accordingly, we do not express such an opinion.

The contents of information and data presented in the "Aguas Andinas 2020 Integrated Report" were reviewed taking into consideration the criteria described in the Global Reporting Initiative (GRI) Sustainability Reporting Standard, and are summarized below:

- Determine that the information and data presented in the "Aguas Andinas 2020 Integrated Report" is duly supported by sufficient evidence.
- Determine that Aguas Andinas has prepared its "Aguas Andinas Integrated Report 2020" in accordance with the principles of Content and Quality of the GRI Standard.
- Confirm the comprehensive compliance option declared by Aguas Andinas in its "Aguas Andinas Integrated Report 2020", according to the GRI Standard.

Our procedures considered the formulation of questions to the Management, Managements and Divisions of Aguas Andinas involved in the process of preparation of the Report, as well as in the performance of other analytical procedures and tests as described below:

- Interviews with key Aguas Andinas personnel in order to evaluate the process of preparing the "Aguas Andinas Integrated Report 2020", the definition of its content, the information systems used and its approach to the principles of sustainable development.

## ● GRI 102-56

- Verification of the data included in the "Aguas Andinas Integrated Report 2020" from the supporting documentation provided by Aguas Andinas.
- Analysis of the collection and internal control processes of the quantitative data reflected in the "Aguas Andinas 2020 Integrated Report".
- Verification of the reliability of the information using analytical procedures and review tests based on sampling and review of calculations through recalculations.
- Videoconference interviews with those responsible for the process of preparing the "Aguas Andinas 2020 Integrated Report".
- Review of the wording and revision of the latest mock-up of the "Aguas Andinas 2020 Integrated Report". Based on our review, we are not aware that:
- The information and data published in the "Aguas Andinas 2020 Integrated Report" are not duly supported by sufficient evidence.
- The "Aguas Andinas 2020 Integrated Report" has not been prepared in accordance with the GRI Sustainability Reporting Standard.
- The comprehensive compliance option declared by Aguas Andinas does not comply with the requirements established in the GRI Standard.
- Aguas Andinas is not aligned with the principles of sustainable development. KPMG SpA.

**Tamara Agnic**  
Partner  
March 26, 2021



# Report of the Independent Professionals "Carbon Footprint 2020 of the Aguas Group" ● GRI 102-56



Messrs.  
General Manager and Directors  
**Aguas Andinas S.A.**  
Present

We have performed a limited review of the calculation of the Carbon Footprint of the Aguas Andinas Group for the year ended on December 31, 2020:

The preparation of this report is the responsibility of the Management of Aguas Andinas S.A. Also, the Management of Aguas Andinas S.A. is responsible for the information and statements contained therein, for the definition of the scope and for the management and control of the information systems that have provided the information reported.

Our review was performed in accordance with the ISAE 3410 standard and the standards for attest engagements issued by the Chilean Association of Accountants. A review is significantly less in scope than an examination, the objective of which is to express an opinion on the contents of information and data related to the calculation of the Aguas Group's Carbon Footprint. Accordingly, we do not express such opinion.

The calculation of the Aguas Group's Carbon Footprint was reviewed taking into consideration the criteria described in the guidelines established in the Corporate Accounting and Reporting Standard - Revised Edition of the GHG Protocol and the IPCC Guidelines for National Greenhouse Gas Inventories (2006), looking for:

Determine that the organizational and operational perimeters of the carbon footprint calculation have been clearly defined.

- Determine that the contents of information and data related to the calculation of the carbon footprint of the Water Group are duly supported with sufficient evidence.
- Determine that Aguas Andinas S.A. has calculated its carbon footprint in accordance with the guidelines of the Corporate Accounting and Reporting Standard - Revised Edition of the GHG Protocol and the IPCC Guidelines for National Greenhouse Gas Inventories (2006).

Our procedures considered the formulation of questions to Aguas Andinas S.A.'s Management, Managements and units involved in the process of calculating the Carbon Footprint, as well as the performance of other analytical procedures and tests described as follows:

- Analysis of the organizational and operational perimeters used to calculate the Carbon Footprint.
- Verification of the reliability of the information using analytical procedures and review tests based on sampling.

- Videoconference interviews with those responsible involved in the process of calculating the carbon footprint of the Aguas Andinas Group.

Table 1 presents the total emissions declared in the calculation of the Carbon Footprint 2020 of the company Aguas Andinas, with the following results:

Table 1. Reported Carbon Footprint Emissions 2020 (tCO<sub>2</sub> eq)

Scope	Potable water production	Transportation and distribution	Sewage	Sewage treatment	Offices	Total (tCO <sub>2</sub> eq)
1	786	813	497	42,837	1,562	46,496
2	19,003	20,332	638	9,602	955	50,530
3	11,097	4	1	77,879	67	89,048
<b>Total</b>	<b>30,886</b>	<b>21,149</b>	<b>1,136</b>	<b>130,318</b>	<b>2,585</b>	<b>186,074</b>

Based on our review, we are not aware that:

- The organizational and operational perimeters of the Carbon Footprint calculation have not been clearly defined.
- The information content and data related to the calculation of the carbon footprint of the Aguas group are not adequately supported by sufficient evidence.
- The calculation of the Carbon Footprint of the Aguas Group has not been prepared in accordance with the guidelines of the Corporate Accounting and Reporting Standard - Revised Edition of the GHG Protocol and the IPCC Guidelines for National Greenhouse Gas Inventories (2006).

KPMG SpA.

**Tamara Agnic**  
Partner  
March 26, 2021



# GRI index: General contents

● GRI 102-55

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	102-30	A11 - E5	Risk management	92	6;11;13	
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	102-34	A11 - E5	Risk management	92	6;11;13	
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			Key executives	88	5;8	P. 6
	102-36	S21	Diversity and equal opportunity	47	5	P. 6
	102-37		There is no stakeholder engagement on remuneration.			
	102-38		The annual compensation ratio was defined as confidential to the company.			
	102-39		The annual compensation ratio was defined as confidential for the company.			



Basic Content		TM	Title or answer	Page	ODS No.	Global Compact Principle No.
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Aguas Andinas: Aguas Andinas, Aguas Cordillera y Aguas Manquehue.  
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GRI Indicator		TM	Title or Answer	Page	Reach	ODS No.	Global Compact Principle No.
Economic performance	201-1	E4	Stable financial management	29	Grupo Aguas	8;9;10;13	
		E4	Economic value generated and distributed	160	Grupo Aguas	8	
	201-2	A10	Adaptation to climate change	36	Aguas Andinas	6;7;12;13	P.7, P.8 Y P.9
		A10	Fight against drought	37	Aguas Andinas	6;12;13	
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		A11 - E5	Risk management	92	Grupo Aguas	6;11;13	
	201-3		Defined benefit plan obligations and other pension plans	138	Grupo Aguas	8	
	201-4		No financial assistance was received from the government.		Grupo Aguas		
Market presence	202-1		Ratio of standard entry level wage by gender vs. local minimum wage	138	Grupo Aguas	8	
			Proportion of senior executives recruited from the local community	138	Aguas Andinas S.A.	8	
Indirect economic impacts	203-1	E4	Sustainable financial opportunities	32	Aguas Andinas	6;9;10;11;13	
		E4	Responsible financing	33	Aguas Andinas	10	
			Assets for drinking water production	71	Aguas Andinas	6;9	
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	203-2		Payment flexibility	63	Aguas Andinas	1;11	
Procurement practices	204-1	E26	Suppliers as partners	68	Aguas Andinas	1;8;10	
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Anti-corruption	205-2	Communication and training on anti-corruption policies and procedures number of employees trained	144	Grupo Aguas		P.10
	205-3	Operations assessed for risks related to corruption	144	Grupo Aguas	16	
Energy	302-1	A12 Energy sustainability	39	Aguas Andinas	7;13	P.7, P.8 Y P.9
		A12 Energy	148	Aguas Andinas	7;13	
	302-2	Aguas Andinas does not have information on energy consumption outside the organization.		Aguas Andinas		
	302-3	A12 Energy sustainability	39	Aguas Andinas	7;13	
		Energy intensity	149	Aguas Andinas	7;13	
	302-4	A12 Energy sustainability	39	Aguas Andinas	7;13	
		A12 Reduction of energy consumption	149	Aguas Andinas	7;13	
	302-5	A12 Energy sustainability	39	Aguas Andinas	7;13	
Water and Effluents	303-1	A16 Value chain and circular economy	20	Aguas Andinas	3;6;7;11;12;13;15	P.7, P.8, P.9
		Context and challenges	21	Grupo Aguas	3;6;7;11;12;13;15	
		Assets for potable water production	71	Aguas Andinas	6;9	
		Water	150	Aguas Andinas	6;12	
	303-2	A16 Value chain and circular economy	20	Aguas Andinas	3;6;7;11;12;13;15	
		Context and challenges	21	Grupo Aguas	3;6;7;11;12;13;15	
		Assets for sewage treatment	72	Aguas Andinas	6;9;12;13	
		Water	150	Aguas Andinas	6;12	
	303-3	A16 Value chain and circular economy	20	Aguas Andinas	3;6;7;11;12;13;15	
		Context and challenges	21	Grupo Aguas	3;6;7;11;12;13;15	
		Assets for potable water production	71	Aguas Andinas	6;9	
		Water	150	Aguas Andinas	6;12	
	303-4	A16 Value chain and circular economy	20	Aguas Andinas	3;6;7;11;12;13;15	
		Context and challenges	21	Grupo Aguas	3;6;7;11;12;13;15	
		Assets for sewage treatment	72	Aguas Andinas	6;9;12;13	
		Water	150	Aguas Andinas	6;12	
	303-5	A16 Value chain and circular economy	20	Aguas Andinas	3;6;7;11;12;13;15	
		Context and challenges	21	Grupo Aguas	3;6;7;11;12;13;15	
		Assets for potable water production	71	Aguas Andinas	6;9	

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		A15 Biodiversity	152	Aguas Andinas	6;15	
	304-2	A15 Biodiversity and ecosystem services	43	Aguas Andinas	6;15	
		A15 Biodiversity	152	Aguas Andinas	6;15	
	304-3	A15 Biodiversity and ecosystem services	43	Aguas Andinas	6;15	
		A15 Biodiversity	152	Aguas Andinas	6;15	
	304-4	A15 Biodiversity and ecosystem services	43	Aguas Andinas	6;15	
		A15 Biodiversity	152	Aguas Andinas	6;15	
Emissions	305-1	A13 Decarbonization plan	40	Aguas Andinas	7;13	P.7, P.8, P.9
		A13 Emissions	154	Aguas Andinas	7;12;13	
	305-2	A13 Decarbonization plan	40	Aguas Andinas	7;13	
		A13 Emissions	154	Aguas Andinas	7;12;13	
	305-3	A13 Decarbonization plan	40	Aguas Andinas	7;13	
		A13 Emissions	154	Aguas Andinas	7;12;13	
	305-4	A13 Decarbonization plan	40	Aguas Andinas	7;13	
		A13 Emissions	154	Aguas Andinas	7;12;13	
	305-5	A13 Decarbonization plan	40	Aguas Andinas	7;13	
		A13 Emissions	154	Aguas Andinas	7;12;13	
	305-6	A13 Emissions of ozone-depleting substances (sao).	155	Aguas Andinas	7;13	
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX) and other significant air emissions.	156	Aguas Andinas		
Effluents and residues	306-1	A14 Waste management	41	Aguas Andinas	6;11;12;13	P.7, P.8, P.9
	306-2	A14 Waste management	41	Aguas Andinas	6;11;12;13	
	306-3	A14 Waste management	41	Aguas Andinas	6;12	
		A14 Residues	158	Aguas Andinas	6	
	306-4	A14 Waste management	41	Aguas Andinas	6;12	
		Residues	158	Grupo Aguas		
	306-5	A14 Waste management	41	Aguas Andinas	6;12	
		A14 Residues	158	Aguas Andinas	6;12	
Environmental compliance	307-1	E7 Water quality	64	Aguas Andinas	6	P.7, P.8, P.9
		Fines and penalties	108	Aguas Andinas	3;6;11;16	
		E7 Environmental compliance (regulatory)	159	Aguas Andinas	3;6	



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Supplier environmental compliance	308-1		We do not select new suppliers based on environmental criteria.	43	Aguas Andinas	6;15	
	308-2		Supply chain	68	Aguas Andinas	1;8;10	
Employees	401-1		New employee hires and employee turnover	139	Grupo Aguas	8	
	401-2	S20	Benefits, occupational health and safety	53	Grupo Aguas	3	
	401-3	S20	Parental leave	139	Grupo Aguas		
Occupational health and safety	403-1	S20	Health and safety in the company	52	Grupo Aguas	3	P.6
	403-2	S20	Major hazards	52	Grupo Aguas		
		S20	Health and safety in contractor companies	52	Grupo Aguas	3;4;8	
	403-3	S20	Diagnosis of occupational health and safety culture	52	Grupo Aguas		
	403-4	S20	Joint committees	52	Grupo Aguas		
	403-5	S20	Training	52	Grupo Aguas		
			Training programs	142	Grupo Aguas		
	403-6	S20	Benefits, occupational health and safety	53	Grupo Aguas	3	
	403-7	S20	Health and safety in contractor companies	52	Grupo Aguas	3;4;8	
	403-8	S20	Integrated management system	22	Grupo Aguas		
	403-9	S20	Diagnosis of occupational health and safety culture	52	Grupo Aguas		
		S20	Health and safety	143	Grupo Aguas		
	403-10	S20	Diagnosis of occupational health and safety culture	52	Grupo Aguas		
		S20	Health and safety	143	Grupo Aguas		
Training and education	404-1	S22	Talent management	49	Grupo Aguas	4;8	P.6
		S22	Average hours of training	141	Grupo Aguas		
	404-2	S22	Talent management	49	Grupo Aguas	4;8	
		S22	Training programs	142	Grupo Aguas		
	404-3	S22	Performance appraisal	50	Grupo Aguas		
Diversity and equal opportunity	405-1	S21	Diversity and Equal Opportunity	47	Grupo Aguas	5	P.6
		S21	Board diversity and experience	77	Grupo Aguas	5;8	
		S21	Key executives	88	Aguas Andinas S.A.	5;8	
		S21	Employee information	136	Grupo Aguas	5;8	
	405-2	S21	Diversity and Equal Opportunity	47	Grupo Aguas	5	
		S21	Employee information	136	Grupo Aguas	5;8	

GRI Indicator		TM	Title or Answer	Page	Reach	ODS No.	Global Compact Principle No.
Non-discrimination	406-1		There were no cases of discrimination during the reporting period.		Grupo Aguas		P.6
Child Labor	408-1		No incidents of child labor were reported		Grupo Aguas		P.5
Forced or compulsory labor	409-1		No incidents of forced or compulsory labor were reported.		Grupo Aguas		P.4
Security practices	410-1		Security personnel trained in human rights policies or procedures.	145	Grupo Aguas		
Human Rights Assessment	412-1	S18	Operations subject to human rights impact assessments or reviews.	145	Grupo Aguas	16	P.2, P.3, P.4, P.5, P.6
	412-2	S18	Operations subject to human rights impact assessments or reviews.	145	Grupo Aguas		
		S18	Employees trained in human rights policies or procedures.	145	Grupo Aguas	16	
	412-3		Supply chain	68	Aguas Andinas	1;8;10	
Local communities	413-1	S24	Generating positive social value	66	Aguas Andinas		P.1
		S24	Operations with local community engagement, impact assessments and development programs	147	Aguas Andinas		
	413-2	S24	Communities	147	Aguas Andinas		P.2
Social evaluation of suppliers	414-1		Supply chain	68	Aguas Andinas	1;8;10	
	414-2		Suppliers	146	Aguas Andinas		
Customer health and safety	416-1	E6	Customers at the center	62	Aguas Andinas	11	
		E7	Water quality	64	Aguas Andinas	6	
	416-2	E6	Complaint management	64	Aguas Andinas	11	
		E6	Customer ombudsman	64	Aguas Andinas	11	
		E7	Water quality	64	Aguas Andinas	6	
			Fines and penalties	108	Aguas Andinas	3;6;11;16	
Customer privacy	418-1	E8	Protection of information and personal data	64	Aguas Andinas	9	
Socioeconomic compliance	419-1		Fines and penalties	108	Aguas Andinas	3;6;11;16	



# Association membership

● GRI 102-12,102-13 ● ODS 17

The 2020 memberships or association affiliations were:



Asociación de  
Empresas de Servicios  
Sanitarios (ANDESS)



Capítulo Chileno de  
Transparencia Internacional  
(Chile Transparente)



Pacto Global



Sé Santiago



Acción Empresas



Instituto  
de Ingenieros



Amcham Chile



Instituto Chileno de  
Administración Racional  
de Empresas (ICARE)



Sociedad de  
Fomento Fabril



ASOCIACIÓN  
INTERAMERICANA  
DE INGENIERÍA  
SANITARIA Y AMBIENTAL

Asociación Interamericana de  
Ingeniería Sanitaria y Ambiental



Líderes Empresariales  
por la Acción Climática



Fondo de Agua  
Santiago-Maipo



Club de  
Innovación



CAMACOES - Cámara  
Oficial Española de  
Comercio de Chile



Pride Connection  
(Fundación Iguales)



Fundación Generación  
Empresarial



Cámara Oficial de  
Comercio Franco-Chilena



Instituto de la  
Construcción



# Stakeholder participation.

● GRI 102-40, 102-42, 102-43, 102-44  
● ODS 17

The stakeholders of Aguas Andinas and subsidiaries were defined in a process agreed upon by the different areas of the company and validated by the Board of Directors.

N°	Holders	Subgroup	Needs	Expectations	Approach to participation (form of communication)	Frequency	Communication channels
1	Customers	Commercial and Industrial	Customers need 100% service availability and quality (potable water suitable for human consumption and sewage collection), the company has an Anticorruption Policy and a Crime Prevention Model.	Consumers will expect: <ul style="list-style-type: none"><li>• Service is delivered in a consistent and high quality manner.</li><li>• Along with this, an effective resolution to problems in the delivery of the service.</li><li>• There is a customer service department and the necessary channels for handling complaints.</li><li>• Service interruptions are notified in advance and are resolved in the shortest possible time.</li><li>• Service charges are transparent and accurate, and in case of errors there are quick and effective solutions.</li><li>• Have alternative supply support in case of an incident (hospitals, dialysis centers and prisons).</li><li>• Have general information about the policies of the Aguas Group, also considering those of the Compliance Management System, and particularly in relation to the Anti-Corruption Policy and Crime Prevention Model.</li><li>• Access to a confidential channel where they can make inquiries/complaints in relation to the behavior of workers, workers of the Aguas Group, as well as suppliers and third parties in these matters.</li><li>• That the intervened infrastructure is in safe physical conditions, being in optimal conditions.</li><li>• If work is performed in public roads, they must be properly signposted and protected for their safety.</li></ul>	<ul style="list-style-type: none"><li>• Through the delivery of drinking water, collection and treatment services.</li><li>• Commercial Relationship.</li><li>• Attention of requirements through the Contact Center.</li><li>• Web platforms and Commercial Agencies.</li><li>• Access to the Aguas Group's Complaints Channel.</li><li>• Perception and satisfaction surveys.</li><li>• Mass communications and RRSS.</li><li>• Information on ballots.</li><li>• Information campaigns.</li></ul>	Monthly or according to customer requirements, in particular responding to critical ones.	<ul style="list-style-type: none"><li>• Service channels available 24X7</li><li>• Contact Center, Virtual Office and Web platform).</li><li>• Communication in RRSS and by SMS (in cases of subscribed clients).</li><li>• Commercial Agencies.</li><li>• Customer service improvement program (Homeowners).</li><li>• Development of non-face-to-face customer service platforms.</li><li>• Easy-to-understand information on ballots.</li><li>• Informative videos.</li></ul>
		Sensitive					
		Households - Individuals					
		Critical Customers					
2	"Proveedores/Contratistas"	Críticos	Los proveedores necesitan que el Grupo Aguas realice sus funciones de forma habitual, relacionándose con ellos con los parámetros y lineamientos que se han definido en la contratación del servicio. Ellos esperan que se hagan extensivas las obligaciones del Sistema de Gestión Compliance cumpliendo siempre de forma oportuna a sus compromisos e instando a altos estándares de transparencia. Los compromisos contractuales deben estar en correlación a las Políticas y Procedimientos que integran el Sistema de Gestión Compliance, y particularmente el Modelo de Prevención de Delitos y Política Anticorrupción. La partes interesadas proveedores/contratistas esperarían conocer las implicancias de no cumplir, como a su vez, los beneficios y requisitos pertinentes del Sistema de Gestión de Energía para los recintos certificados, para dar cumplimiento a sus necesidades pertinentes para el desempeño energético y SGE.	<ul style="list-style-type: none"><li>• Critical suppliers expect you to:</li><li>• Maintain a constant operation of the services provided.</li><li>• Communicate and train on the protocols for dealing with incidents in the organization.</li><li>• Communicate and train regarding roles, responsibilities and authorities within the delivery of the service and in the event of an incident.</li><li>• Deliver a prompt response to the incidents presented.</li><li>• Comply with the clauses agreed in the contract or other formal document signed by the parties.</li><li>• Transparent and equitable conditions.</li><li>• Timely payment and development opportunities.</li><li>• Be trained in anti-corruption matters.</li><li>• Access to a confidential channel for queries/complaints regarding the behavior of workers of the Aguas Group, as well as other suppliers and third parties in matters of integrity and compliance.</li><li>• That the infrastructure visited by our suppliers is in optimal conditions, so as not to suffer occupational accidents or contract occupational diseases as a result of entering our facilities and / or perform work for which the company has hired them.</li><li>• If necessary and according to the service provided, contractors and suppliers would expect the communication of relevant criteria for operation and maintenance, as well as procurement, to maintain or improve the energy performance and SGE of the organization.</li></ul>	<ul style="list-style-type: none"><li>• Business meetings.</li><li>• Supplier Portal.</li><li>• Active listening meetings.</li><li>• Satisfaction surveys.</li><li>• Mailing.</li><li>• Web platforms, including Compliance section and Complaints System.</li><li>• Clear contracts with formally pre-established requirements, including those of the Crime Prevention Model, Anti-Corruption Policy and the existence of the Whistle-blower Channel and the Energy Management System.</li><li>• Communication of the Energy Policy (as applicable).</li><li>• Communication of criteria for the evaluation of energy performance in the acquisition of products, equipment, and services that use energy.</li></ul>	Permanent	<ul style="list-style-type: none"><li>• Communication through the Supplier Portal.</li><li>• Supplier Decalogue.</li><li>• Relationship Policy.</li><li>• Area Responsible for Suppliers.</li><li>• Annual work program: Integrated Supplier Plan.</li><li>• Permanent meetings.</li><li>• Accredited supplier service.</li><li>• Supplier Day.</li><li>• Electronic Mailbox gestionenergetica@aguasandinas.cl</li></ul>
		No Críticos		<ul style="list-style-type: none"><li>• Non-critical suppliers expect you to:</li><li>• Communicate and train regarding roles, responsibilities and authorities within the delivery of the service and in the face of any incident.</li><li>• Compliance with the clauses agreed in the contract or other formal document signed by the parties.</li><li>• Transparent and equitable conditions.</li><li>• Timely payment and development opportunities.</li><li>• Be trained in anti-corruption matters.</li><li>• Access to a confidential channel for queries/complaints regarding the behavior of workers of the Aguas Group, as well as other suppliers and third parties in matters of integrity and compliance.</li><li>• That the infrastructure visited by our suppliers is in optimal conditions, so as not to suffer occupational accidents or contract occupational diseases as a result of entering our facilities and / or perform work for which the company has hired them.</li><li>• In the case of being necessary and according to the service provided, suppliers will wait for the delivery of energetically efficient operational slogans to operate.</li></ul>			





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N°	Stakeholders	Subgroup	Needs	Expectations	Approach to participation (form of communication)	Frequency	Communication Channels
3	Workers of the Aguas Group	Regulated companies' employees	LoEmployees need to work in a functional and formal organization, in an environment that is safe for the development of their work and, above all, to have clarity and knowledge of what the Aguas Group companies expect and require of their behavior in matters of integrity and compliance. Both employees and Senior Management need to optimize the use of resources used.	<p>The employees of the Aguas Andinas Group expect a work environment that:</p> <ul style="list-style-type: none"><li>• Is safe, constant and timely training according to the positions and Equal opportunities.</li><li>• Reliable evaluation and adequate recognition.</li><li>• That the necessary communication channels exist and are known by the parties.</li><li>• Functioning of a communication channel to the family in case of emergency.</li><li>• That the organization has benefits that provide a better quality of life, health and safety.</li><li>• Additionally, workers must have access to a channel where they can make complaints regarding the behavior of workers of the Aguas Group, as well as suppliers and third parties in matters of integrity and compliance, without fear of reprisals.</li><li>• Training, which may be on the Compliance Management System and Energy Management, among others, as well as interaction with the area in a safe, transparent and transparent manner. the area in a safe, transparent and confidential manner.</li><li>• Specifically for the Committees and Boards of Directors: Information to be able to follow up and make proposals for improvements to the Policies, including those that integrate the Compliance Management System and Energy Management. The commitment of Senior Management is essential for compliance with the guidelines that the Aguas Group promotes.</li><li>• Specifically for subsidiaries: Comprehensive knowledge of the Policies and Procedures that make up the Compliance Management System, first because these are applicable and their behavior should be governed by such regulations, and second, because the development and strengthening of the culture of integrity in the Group is also the responsibility of all of them. That is why they require training, clear and permanent communication on everything related to the system, which must of course be easily accessible to all of them.</li><li>• That in case of accidents they are attended in a timely manner.</li><li>• That the company pays the contributions established in Law 16744 in order not to lose coverage in case of accidents at work and occupational diseases.</li></ul>	<ul style="list-style-type: none"><li>• Internal campaigns.</li><li>• Mailing.</li><li>• Meetings.</li><li>• Institutional stationery.</li><li>• Interventions in work spaces.</li><li>• Work meetings.</li><li>• Creation of committees and participation groups.</li><li>• Intranet and Social Media.</li><li>• Aguas Andinas website.</li><li>• Training.</li><li>• Periodic reports on the operation of the Management System, including Compliance.</li><li>• Reports and information on SGE: objectives, energy goals, energy policy, benefits of improving energy performance, impact of its activities and implications of not complying with ISO 50001:2018 certified facilities.</li><li>• Mail reporting energy indicators</li><li>• Contract of employment.</li></ul>	Permanent Contingent/ Adhoc/ According to the procedures of the Management Systems (SGI)	<p>Different media and platforms managed by the company, such as:</p> <ul style="list-style-type: none"><li>• Digital communication.</li><li>• Mailings and campaigns.</li><li>• Meetings (telematic and face-to-face).</li><li>• Communication interventions.</li><li>• Audiovisual programs ("Interview with...").</li><li>• Trainings.</li><li>• Marketing and Social Networks.</li><li>• Complementary information of public knowledge (media).</li><li>• Events.</li><li>• Electronic Mailbox gestionenergetica@aguasandinas.cl</li><li>• Other instances.</li></ul>
		Unregulated companies' employees	All persons working under the control of the organization (excluding external operators, suppliers and contractors), who require optimizing energy use and consumption.				
		Union leaders	Union leaders need to generate collaborative relationships between the parties, in a context of transparency of information and availability of dialogue with senior company authorities, in order to generate agreements with the company that benefit both parties				
4	Authorities	National	The national authorities require Aguas Andinas to comply with the guidelines defined in the documents that apply to the organization. This is very relevant because the Aguas Andinas Group is mainly made up of regulated companies, which are in constant relationship with the Public Administration. In this sense, interaction with public officials must be developed within the framework of transparency and respect for the laws and regulations applicable to the matter.	<p>The Government expects that:</p> <ul style="list-style-type: none"><li>• The company complies with current legislation. It is aligned with government policies and areas of national interest defined for its operation.</li><li>• Aguas Andinas carries out ethical behavior.</li><li>• The company conducts its operations in accordance with the regulations stipulated for its operation.</li><li>• The different facilities of the company are monitored to ensure that the service is not affected.</li><li>• To reduce the impact of incidents.</li><li>• The organization complies with regulatory aspects.</li><li>• Collaborative relations between the parties and contribution to local development.</li><li>• Emergency response.</li></ul>	<ul style="list-style-type: none"><li>• Consulting and/or informing them about matters of interest through formal communication channels.</li><li>• Coordination in emergency situations.</li><li>• Visits to facilities.</li><li>• Single window of communication through.</li><li>• Tariff and Regulation Management.</li><li>• Response to requirements.</li><li>• Direct communication.</li><li>• Meetings.</li><li>• Inspection visits.</li><li>• Participation in public activities.</li><li>• The Public Administration has access to the information of the Compliance Management System through the institutional website and access to the whistleblower channel.</li><li>• Compliance through the institutional website and access to the complaints channel.</li><li>• Meetings that are reported according to the Procedure for Interaction with Public Officials.</li><li>• Trainings.</li></ul>	Contingent/ Permanent	<ul style="list-style-type: none"><li>• Participation in meetings.</li><li>• Participation in emergency committees and meetings.</li><li>• Development of management plans.</li><li>• Response to information requests.</li><li>• Communication plan for the population.</li><li>• Early warning.</li><li>• Media and marketing communication.</li></ul>
			Only executed in case of coordinated response to high impact incidents. Ex: social crisis.				



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Nº	Stakeholders	Subgroup	Needs	Expectations	Approach to participation (form of communication)	Frequency	Communication Channels
4	Authorities	Regional	Regional authorities need Aguas Andinas to comply with the guidelines defined in the documents that apply to the organization. This is very relevant because the Aguas Andinas Group is mainly made up of regulated companies, which are in constant relationship with the Public Administration. In this sense, interaction with public officials must be developed within the framework of transparency and respect for the laws and regulations applicable to the matter.	The regional authorities expect that: <ul style="list-style-type: none"><li>• The company is aligned to the Regional Policies and regional areas of interest defined for its operation.</li><li>• Maintain ethical behavior.</li><li>• Conduct its operations in accordance with the regulations stipulated for its operation.</li><li>• Decrease the impact of the incidents presented.</li><li>• Collaborative relationships between parties and contribution to local development.</li><li>• Emergency response.</li></ul>	<ul style="list-style-type: none"><li>• Consulting and/or informing them about matters of interest through formal communication channels.</li><li>• Coordination in emergency situations.</li><li>• Visits to facilities.</li><li>• Single window of communication through</li><li>• Tariff and Regulation Management.</li><li>• Response to requirements.</li><li>• Direct communication.</li><li>• Meetings.</li><li>• Inspection visits.</li><li>• Participation in public activities.</li><li>• The Public Administration has access to information on the Compliance Management System through the institutional website and access to the complaints channel.</li><li>• Meetings that are reported according to the Procedure for Interaction with Public Officials.</li><li>• Trainings.</li></ul>	Contingent/ Permanent	<ul style="list-style-type: none"><li>• Participation in meetings.</li><li>• Participation in emergency committees and meetings.</li><li>• Development of management plans.</li><li>• Response to information requests.</li><li>• Communication plan for the population.</li><li>• Early warning.</li><li>• Media and marketing communication.</li></ul>
		Municipal	The municipal authorities need Aguas Andinas to comply with the guidelines defined in the documents that apply to the organization. This is very relevant because the Aguas Andinas Group is mainly made up of regulated companies, which are in constant relationship with the Public Administration. In this sense, interaction with public officials must be developed within the framework of transparency and respect for the laws and regulations applicable to the matter.	The community authorities expect that: <ul style="list-style-type: none"><li>• The company is aligned with communal policies.</li><li>• Maintain ethical behavior.</li><li>• Conduct its operations in accordance with the regulations stipulated for its operation.</li><li>• Decrease the impact of incidents.</li><li>• Collaborative relationships between parties and contribution to local development.</li><li>• Generate Shared Value in communities surrounding plants and facilities (local development opportunities).</li><li>• Generate opportunities for dialogue and relationship, to maintain a lasting relationship over time.</li><li>• Emergency response.</li></ul>			
		Regulators and Overseers	Regulators and auditors need Aguas Andinas to comply with the guidelines defined in the documents that apply to the organization. This is very relevant because the Aguas Andinas Group is mainly made up of regulated companies, which are in constant relationship with the Public Administration. In this sense, interaction with public officials must be developed within the framework of transparency and respect for the laws and regulations applicable to the matter.	<ul style="list-style-type: none"><li>• The auditing entities expect, mainly, timely and truthful information whenever requested, in addition to ensuring compliance under the standards that each one supervises.</li><li>• Regulatory compliance.</li><li>• Resilience/operational continuity.</li><li>• Impact management.</li><li>• Investments.</li><li>• Communication management with the public.</li><li>• Customer complaints.</li><li>• Compensation.</li><li>• SEREMI requires that: To be informed every time a fatal or serious accident occurs. Answer information required in case of inspection, within the required deadlines.</li></ul>			
		Emergency Services	The emergency services need incidents to be reported as soon as possible and all the necessary information to be provided. This is very relevant because the Aguas Group is mainly made up of regulated companies, which are in constant contact with the public administration. In this sense, interaction with public officials must be developed within the framework of transparency and respect for the laws and regulations applicable to the matter.	Emergency services expect Aguas Andinas: <ul style="list-style-type: none"><li>• Report incidents in the shortest possible time.</li><li>• Provide all required information.</li><li>• Support in cases where additional resources are required.</li><li>• Maintain defined protocols to deal with incidents.</li><li>• Have instances of coordination and work on existing protocols.</li></ul>			



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Nº	Stakeholders	Subgroup	Needs	Expectations	Approach to participation (form of communication)	Frequency	Communication Channels
5	Capital providers	Main Office	Shareholders need the business to be profitable, with an acceptable financial return, lasting over time and a sustained increase in the value of the company. Shareholders should also have information about the policies that the Company implements to prevent corruption risks. Reduction of operating costs and maintenance/ improvement of energy performance and results of the EMS. Timely and transparent information. Compliance with commitments established with international organizations (ODS).	Shareholders, Creditors/Bondholders expect that: <ul style="list-style-type: none"><li>• The company to increase its value and growth in the short and long term. Profitability.</li><li>• The organization is in optimal conditions so as not to be affected by a decrease in the value of the company. Importance of risk management and transparency of management in general.</li><li>• Investments.</li><li>• Financial performance.</li><li>• Corporate governance practices.</li><li>• Risk management.</li><li>• Transparency.</li><li>• ESG performance.</li><li>• Access to a confidential channel where they can make inquiries/complaints regarding the behavior of the Aguas Group's employees, as well as suppliers and third parties in matters of integrity and compliance.</li></ul> Regarding OHS: <ul style="list-style-type: none"><li>• That there is stability of investment, considering occupational health and safety as one of the axes that contribute to such stability.</li><li>• Promote a decrease in accident rates at the Aguas Group level.</li><li>• Reduce additional contributions for compulsory insurance established by law.</li><li>• New sustainable energy business models.</li></ul>	Communication through market information. Direct information through audits of the parent company or periodic reports on the company's performance.	Annual/ Contingent/ Ad-hoc	<ul style="list-style-type: none"><li>• Investor web page.</li><li>• Ad-hoc meetings and calls.</li><li>• Investor relations area.</li><li>• Shareholders meeting.</li><li>• Annual Report.</li><li>• Integrated Report.</li><li>• Local and international conferences.</li><li>• Access to Whistleblower Channel.</li><li>• Internal Audits of the Parent Company.</li></ul>
		Main Stockholders (Controlling)					
		Accionistas Minoritarios					
6	Communities	Communities Neighboring Sanitary Facilities and Infrastructure AP	The neighboring communities need the facilities to comply with the fundamental requirements to protect the environment and the quality of life of the surrounding areas.	The communities neighboring plants and facilities expect Aguas Andinas: <ul style="list-style-type: none"><li>• Ensure the quality of life in the areas surrounding the plants and facilities.</li><li>• Reduce the impact of incidents that may affect them.</li><li>• Support community development in the localities surrounding the plants and facilities (local development opportunities).</li><li>• Generate opportunities for dialogue and relationship, to maintain a lasting relationship over time.</li><li>• Have certifications that ensure the quality of service and care for the environment.</li><li>• There is a communication channel and the corresponding flows.</li><li>• Eliminate or reduce the impact of incidents that may affect them in matters of safety and health.</li></ul>	Communication/impact management, local development projects. This is done through direct territorial contact or segmented campaigns.	Daily, monthly, biweekly. Some RCA-regulated communications.	<ul style="list-style-type: none"><li>• Aló Vecino ("Hello Neighbor").</li><li>• Working Groups.</li><li>• Community relations programs.</li><li>• Direct door-to-door communication.</li><li>• Segmented communication campaigns.</li></ul>
		Neighboring Communities to Sanitary Facilities and Infrastructure AS					
		Neighborhood Associations, Sports Clubs, Other Neighborhood Associations					
7	Water user associations	Associations of Canal Owners	Canal Associations need an effective operation and distribution of the water supply, for the benefit of all the agents that depend on the intervened watercourses.	Water Users Associations expect Aguas Andinas to comply with operating requirements: <ul style="list-style-type: none"><li>• Comply with operating requirements.</li><li>• Ensure the quality of service and care for the environment.</li><li>• There is a channel and corresponding communication flows.</li><li>• Ensure water supply for all those who "benefit" or depend on the intervened watercourses.</li><li>• Water management in general: Treated water discharges, Water quality, Water abstraction, Water availability.</li><li>• Support community development in the localities surrounding the plants (local development opportunities).</li></ul>	Working meetings and constant communication to review main issues of common interest.	Periodically/ Contingent	<ul style="list-style-type: none"><li>• Report of discharges to water bodies.</li><li>• Report on water catchment.</li><li>• Reservoir monitoring.</li><li>• Follow-up and coordination meetings.</li></ul>
		Hydroelectric Users	Hydroelectric entities need a constant and regular flow of water for power generation.				
		Surveillance Boards	Las Juntas de Vigilancia necesitan un funcionamiento efectivo del suministro hídrico.				
		Surveillance Boards and Associations of Canal Waters downstream of Aguas Andinas Biofactories	It needs an effective functioning of the water supply, for the benefit of all the agents that depend on the intervened watercourses.				



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N°	Stakeholders	Subgroup	Needs	Expectations	Approach to participation (form of communication)	Frequency	Communication Channels
8	Civil society associations	Environmental/ Social/Ethical Organizations	Organizations need good compliance with specialized management standards.	The organizations expect Aguas Andinas: • Comply with operating requirements. • Ensure quality of service and care for the environment.	• Respond to their requirements. • Communicate the company's actions to provide a better service. • Possibilities to carry out joint initiatives.	Coyuntural	• Publications in mass media. • Personalized response according to the requirement • Direct interaction. • Customer Counsel if needed. • Joint work projects to contribute with Shared Value (meetings, coordination, contributions, among other related activities).
		Consumer Association	The consumer associations need transparent communication and to ensure the proper functioning of the water supply.	The consumer associations expect Aguas Andinas to: • Meet performance requirements • Ensure the quality of service and environmental care. • There is a channel and corresponding communication flows. • Support community development in the localities surrounding the plants (local development opportunities). • Ensure water supply for all those who "benefit" or depend on the intervened watercourses.			
		NGO	These organizations need to generate collaboration agreements to address issues relevant to the country. They require timely, transparent and traceable information regarding the various aspects of companies such as energy.	These organizations need to know information, policies and procedures that the company is implementing to prevent risks in different areas, including compliance.  They require transparent and traceable information regarding the various aspects of companies such as energy.			
		Foundations					
9	Media	Specialized Press	The media need clear and timely information to be provided	The media expects Aguas Andinas: • Generate communication instances when necessary, in attractive and reproducible formats, tailored to the nature of each medium. • Be available to answer queries, especially in case of contingencies. Recurring themes: • Operational continuity resilience. • Investments. • Projects (investment, social, environmental, energy management). • Works development. • Company preparedness for climate events.	• Proactive and direct communication (telephone, face to face, e-mail). • Meetings. • Sending press releases. • Visits to plants and other facilities.	Periodic, contingent	• Sending press releases. • Responding to requests. • Development of meetings. • Invitation to events/seminars. • Development of management plans for climate events and to mitigate environmental and social impacts. • Sponsorship.
		Media					
10	Líderes de Opinión	Opinion Leaders	Opinion leaders need to take a position on the work of Aguas Andinas, especially in situations of public interest.	Opinion leaders expect access to correct, substantiated and timely information on the work of Aguas Andinas, in order to maintain or change their position. Recurring themes: • Operational continuity/ resilience. • Capacity to deal with emergencies. • Financial position. • Labor practices. • Environmental practices. • Development of activities of public interest.	• Keeping them informed of matters of interest to them. • Direct communication (face-to-face meetings, telephone conversations, e-mail). • Invitation to events.	Periodic, contingent	• Direct communication. • Invitations. • Development of management plans. • Delivery of specialized and detailed information.
11	Specialized Entities	Higher Education Institutions (Universities)	Educational institutions need Aguas Andinas to support their agreements, in order to have a common development and watch over the rights and interests of the companies that provide sanitary services. The trade associations watch over the rights and interests of the companies that provide sanitary services. In this sense, these associations need to know the Policies and Procedures that make up the Compliance Management System of the Aguas Group. The UN agrees to reduce global temperature by 2 °C. Continuous improvement of companies' sustainable management (DJSI). In certain cases, they require the provision of transparent and timely information.	Educational institutions and trade associations expect Aguas Andinas: • Commit to environmental care. • There is a channel and corresponding communication flows. • Support the development of studies related to research and innovation. • Generate alliances with study centers to train its workers. Main topics: • Innovation. • Human capital development. • Water management. • Regulations. • Industry challenges. • Climate change (reducing its effects and resilience). • Contribution to the reduction of the Carbon Footprint. • Continuous improvement of sustainable management of Dow Jones Sustainability Index (DJSI) companies.	• Participation/Support in events (seminars, workshops, lectures). • Consultations on issues involving the industry.	Periodical, circumstantial	• Organization and participation in seminars, lectures and workshops. • Provision of information. • Request for advice. • Complaints channel if necessary. • Responding to surveys and ensuring traceability of information. • Integrated reporting. • Joint work projects to provide Shared Value (meetings, coordination, contributions, among other related activities).
		Research and Think Tanks					
		International Organizations, Trade Associations and Multilateral Agencies					





# Employee information

● GRI 102-8, 405-1 ● ODS 5, 8

Staffing per company as of December 31, 2020

	Aguas Andinas	Aguas Cordillera	Aguas Manquehue	EcoRiles	ANAM	Gestión y Servicios	Aguas del Maipo
Managers and senior executives	59	5	-	3	2	3	-
Management	95	7	-	7	6	3	1
Professionals	431	17	2	36	100	11	-
Technicians	207	33	5	19	127	4	1
Administrative	38	3	-	3	7	7	-
Operators	250	50	7	167	8	5	-
<b>Total</b>	<b>1,080</b>	<b>115</b>	<b>14</b>	<b>235</b>	<b>250</b>	<b>33</b>	<b>2</b>

## Nº. of people by nationality

	Chileans	Foreigners
Aguas Andinas	1.041	39
Aguas Cordillera	107	8
Aguas Manquehue	13	1
EcoRiles	207	28
Gestión y Servicios	30	3
ANAM	237	13
Aguas del Maipo	1	1
<b>Total</b>	<b>1.636</b>	<b>93</b>

## Nº. of people by age range

	<30 years old	< 40 years old	< 50 years old	< 60 years old	< 70 years old
Aguas Andinas	84	416	280	231	69
Aguas Cordillera	8	26	27	44	10
Aguas Manquehue	0	1	2	10	1
EcoRiles	44	97	68	21	5
Gestión y Servicios	2	16	9	6	0
ANAM	68	122	43	15	2
Aguas del Maipo	0	1	1	0	0
<b>Total</b>	<b>206</b>	<b>679</b>	<b>430</b>	<b>327</b>	<b>87</b>

## Nº. of persons by seniority

	<3 years	between 3 and 6 years	Between 6 and 9 years	Between 9 and 12 years	>12 years
Aguas Andinas	175	216	147	98	444
Aguas Cordillera	19	29	0	1	66
Aguas Manquehue	1	0	0	0	13
EcoRiles	98	48	31	26	32
Gestión y Servicios	14	12	4	1	2
ANAM	92	70	35	22	31
Aguas del Maipo	1	0	1	0	0
<b>Total</b>	<b>400</b>	<b>375</b>	<b>218</b>	<b>148</b>	<b>588</b>



● GRI 102-8, 405-1, 405-2    ● ODS 5, 8

#### Percentage of women's salaries compared to men's salaries in regulated and non-regulated companies

	2016	2017	2018	2019	2020
Category	% Women's salary compared to men's salary	% Women's salary compared to men's salary	% Women's salary compared to men's salary	% Women's salary compared to men's salary	% Women's salary compared to men's salary
Executive					
Management	87%	89%	88%	89%	88%
Professional	84%	83%	83%	85%	85%
Technical	78%	75%	83%	83%	81%
Administrative	120%	127%	119%	114%	111%
Operator	96%	109%	114%	113%	114%
<b>TOTAL</b>	<b>88%</b>	<b>89%</b>	<b>93%</b>	<b>102%</b>	<b>100%</b>

Ratio calculated with workers with permanent contracts.

#### Information on type of contract and working hours

	CONTRACT TYPE				SHIFT TYPE (internal workers)	
	Men		Women		Men	Women
	Indefinite-term contract	Fixed-term contract	Indefinite-term contract	Fixed-term contract	Full Day	Full Day
2016	1,555	44	349	9	15	358
2017	1,594	47	447	15	1,641	462
2018	1,591	53	460	13	1,644	473
2019	1,613	55	454	15	1,668	469
2020	1,287	54	381	7	1,341	388



Information from 2016 to 2019 includes ESSAL.



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### Obligations of defined benefit and other retirement plans

● GRI 201-3   ● ODS 8

The voluntary retirement plan signed in January 2020 jointly with Union No. 1, Union No. 2, Union of Professionals and Technicians of Aguas Andinas S.A. and Union No. 1, Union No. 2 and Union of Workers and Supervisors of Aguas Cordillera S.A., consists of recognizing the contributions in the labor history of workers through the offer of additional benefits to those agreed in the collective instruments in force, improving their compensation by granting a fixed incentive and a variable incentive.

The company has not considered any special fund for its pension plan for its employees.

Aguas Andinas provides full coverage of retirement plans.

### Ratio of standard entry level wage by gender vs. local minimum wage

● GRI 202-1   ● ODS 8

In order to maintain and retain the personnel of the organization, and to ensure fair compensation for its employees, a competitive compensation is established, which is determined based on the average market income for similar positions. For each of the levels grouping the different positions in the Group, ranges of compensation income are defined. Thus, the relative position will depend on different factors required for each position, such as level of education, experience, and work performance, among others.

By law, the minimum salary in Chile for both men and women is **\$326,500,** , however, the minimum monthly income for women is **\$579,948** and for men is **\$585,895**

### Proportion of senior executives recruited from the local community

● GRI 202-2   ● ODS 8

Senior executives are those professionals who serve as managers, directors and General Management.

The company has defined that those senior executives who are Chilean nationals are part of the local community.

**64%**  
Chilean

**36%**  
foreign



# New employee hires and staff turnover

● GRI 401-1 ● ODS 8

## New hires

		2016		2017		2018		2019		2020	
		N°	%	N°	%	N°	%	N°	%	N°	%
Gender	Male	174	10.5	213	12.3	175	8.3	200	9.4	148	8.6
	Female	46	2.8	64	3.7	58	2.7	55	2.6	37	2.1
	Total	220	13.3	277	16	233	11.0	255	12.0	185	10.7
Age	Under 30	98	5.9	128	7.4	104	4.9	108	5.1	80	4.6
	Between 30 and 50	115	6.9	134	7.7	122	5.8	141	6.6	97	5.6
	Over 50	7	0.4	15	0.9	7	0.3	6	0.3	8	0.5
	Total	220	13.3	277	16	233.0	11.0	255.0	12.0	185.0	10.7

## Parental Leave

● GRI 401-3

	Women	Men
N° of workers on parental leave	26	30
Return to work rate	53.8%	100%

## Turnover (left the organization)

		2016		2017		2018		2019		2020	
		N°	%	N°	%	N°	%	N°	%	N°	%
Gender	Male	134	8.1	160	9.2	186	8.8	176	8.2	154	8.9
	Female	28	1.7	40	2.3	51	2.4	60	2.8	35	2.0
	Total	162	9.8	200	11.5	237	11.2	236	11	189.0	10.9
Age	Under 30	38	2.3	62	3.6	51	2.4	63	2.9	43	2.5
	Between 30 and 50	74	4.5	101	5.8	131	6.2	130	6.1	100	5.8
	Over 50	50	3	37	2.1	55	2.6	43	2.0	46	2.7
	Total	162	9.8	200	11.5	237	11.2	236	11	189.0	10.9





# Collective bargaining agreements

● GRI 102-41 ● ODS 8

	2016				2017				2018				2019				2020			
Company	Total Amount	Unionized	Negotiators	With Benefit Extension	Total Amount	Unionized	Negotiators	With Benefit Extension	Total Amount	Unionized	Negotiators	With Benefit Extension	Total Amount	Unionized	Negotiators	With Benefit Extension	Total Amount	Unionized	Negotiators	With Benefit Extension
Aguas Andinas	1100	81.50%	72.90%	0.00%	1127	87.70%	67.00%	19.70%	1089	88.00%	83.20%	6.60%	1077	89.97%	79.29%	18.29%	1.080	90.56%	88.89%	8.61%
Aguas Cordillera	109	93.60%	86.20%	0.00%	123	96.70%	73.20%	22.80%	127	96.10%	95.30%	0.80%	121	95.04%	91.74%	6.61%	115	95.65%	88.70%	10.43%
Aguas Manquehue	14	100.00%	100.00%	0.00%	14	100.00%	100.00%	0.00%	14	100.00%	100.00%	0.00%	14	100.00%	100.00%	0.00%	14	92.86%	92.86%	7.14%
ESSAL	373	85.50%	52.30%	0.00%	371	86.00%	51.20%	40.40%	395	83.50%	47.60%	44.60%	404	86.39%	45.79%	51.73%	-	-	-	-
EcoRiles	196	68.40%	44.90%	0.00%	211	68.20%	71.60%	10.40%	212	63.20%	62.30%	18.90%	231	74.03%	51.52%	47.62%	235	65.11%	75.32%	20.00%
Gestión y Servicios	20	85.00%	65.00%	0.00%	25	80.00%	40.00%	40.00%	34	91.20%	29.40%	64.70%	35	88.57%	20.00%	77.14%	33	84.85%	60.61%	36.36%
ANAM	214	56.50%	55.10%	0.00%	231	77.50%	58.40%	29.00%	245	77.60%	49.80%	38.00%	253	77.87%	75.49%	24.11%	250	79.60%	66.80%	33.20%
Aguas del Maipo	1	0.00%	0.00%	0.00%	1	0.00%	0.00%	0.00%	1	0.00%	0.00%	0.00%	2	0.00%	0.00%	0.00%	2	0.00%	0.00%	0.00%
<b>Total General</b>	<b>2027</b>	<b>79.10%</b>	<b>65.30%</b>	<b>0.00%</b>	<b>2103</b>	<b>84.80%</b>	<b>64.00%</b>	<b>23.70%</b>	<b>2117</b>	<b>84.00%</b>	<b>70.50%</b>	<b>19.10%</b>	<b>2137</b>	<b>85.63%</b>	<b>69.30%</b>	<b>28.73%</b>	<b>1729</b>	<b>85.66%</b>	<b>83.23%</b>	<b>14.98%</b>

NOTE: As of 2020 ESSAL is not part of the Group.



# Average training hours

● GRI 404-1

	2017						2018						2019						2020					
	Aguas Andinas, Aguas Cordillera y Aguas Manquehue			EcoRiles, Gestión y Servicios y ANAM			Aguas Andinas, Aguas Cordillera y Aguas Manquehue			EcoRiles, Gestión y Servicios y ANAM			Aguas Andinas, Aguas Cordillera y Aguas Manquehue			EcoRiles, Gestión y Servicios y ANAM			Aguas Andinas, Aguas Cordillera y Aguas Manquehue			EcoRiles, Gestión y Servicios y ANAM		
Level	No. of employees	Nº. of training hours	Average training hours	No. of employees	No. of training hours	Average training hours	Nº. of employees	Nº. of training hours	Average training hours	Nº. of employees	Nº. of training hours	Average training hours	Nº. of employees	Nº. of training hours	Average training hours	Nº. of employees	Nº. of training hours	Average training hours	Nº. of employees	Nº. of training hours	Average training hours	Nº. of employees	Nº. of training hours	Average training hours
Executives	76	5,874	77	8	422	53	68	6,116	90	7	971	139	65	3,829	59	8	381	48	80	1,618	20	16	144	9
Management	100	9,666	97	13	2,697	207	102	6,400	63	16	1,893	118	100	5,860	59	17	642	38	100	3,362	34	15	303	20
Professional	460	33,857	74	127	9,984	79	456	29,437	65	147	8,269	56	446	28,678	64	152	7,343	48	464	15,051	32	161	25,322	157
Technical	266	9,303	35	133	3,351	25	261	14,519	56	144	4,875	34	254	16,510	65	140	6,032	43	254	7,513	30	159	12,049	76
Administrative	54	2,500	46	12	636	53	44	2,876	65	17	955	56	40	2,869	72	19	601	32	42	2,203	52	18	4,043	225
Operator	304	7,353	24	142	921	6	307	33,966	111	163	7,084	43	307	24,697	80	183	5,179	28	331	7,917	24	187	2,739	15
Total	1,260	68,553	54	435	18,011	41	1,238	93,314	75	494	24,047	49	1,212	82,442	68	519	20,177	39	1,271	37,663	30	556	44,600	80

Gender	Nº. of employees	Nº. of training hours	Average training hours	Nº. of employees	Nº. of training hours	Average training hours	Nº. of employees	Nº. of training hours	Average training hours	Nº. of employees	Nº. of training hours	Average training hours	Nº. of employees	Nº. of training hours	Average training hours	Nº. of employees	Nº. of training hours	Average training hours	Nº. of employees	Nº. of training hours	Average training hours	Nº. of employees	Nº. of training hours	Average training hours
Male	971	48,258	50	350	11,198	32	955	72,595	76	384	18,366	48	938	61,243	65	406	15,635	39	984	27,862	28	433	29,670	69
Female	289	20296	70	85	6813	80	283	20,718	73	110	5,681	52	274	21,199	77	113	4,542	40	287	9,801	34	123	14,930	121
	Total	68,554	54	435	18,011	41	1,238	93,313	75	494	24,047	49	1,212	82,442	68	519	20,177	39	1,271	37,663	30	556	44,600	80

The calculation of training hours takes into account the total training hours for the year 2020, independent of the contract term as of December 31, 2020.



# Training programs

● GRI 404-2 403-5

	2016				2017				2018				2019				2020			
	Aguas Andinas, Aguas Cordillera y Aguas Manquehue		ANAM, EcoRiles, Gestión y Servicios		Aguas Andinas, Aguas Cordillera y Aguas Manquehue		ANAM, EcoRiles, Gestión y Servicios		Aguas Andinas, Aguas Cordillera y Aguas Manquehue		ANAM, EcoRiles, Gestión y Servicios		Aguas Andinas, Aguas Cordillera y Aguas Manquehue		ANAM, EcoRiles, Gestión y Servicios		Aguas Andinas, Aguas Cordillera y Aguas Manquehue		ANAM, EcoRiles, Gestión y Servicios	
TRAINING PROGRAM	Nº. of beneficiaries	% of beneficiaries with respect to the total	Nº. of beneficiaries	% of beneficiaries with respect to the total	Nº. of beneficiaries	% of beneficiaries with respect to the total	Nº. of beneficiaries	% of beneficiaries with respect to the total	Nº. of beneficiaries	% of beneficiaries with respect to the total	Nº. of beneficiaries	% of beneficiaries with respect to the total	Nº. of beneficiaries	% of beneficiaries with respect to the total	Nº. of beneficiaries	% of beneficiaries with respect to the total	Nº. of beneficiaries	% of beneficiaries with respect to the total	Nº. of beneficiaries	% of beneficiaries with respect to the total
Quality	100	8.00%	18	4.00%	121	10.00%	44	10.00%	34	3.00%	9	2.00%	17	1.40%	4	0.77%	566	3.13%	116	2.12%
Various training	561	46.00%	92	21.00%	454	36.00%	95	22.00%	47	4.00%	20	4.00%	37	3.05%	3	0.58%	2,060	11.38%	487	8.91%
Soft skills	546	45.00%	201	47.00%	434	34.00%	110	25.00%	214	17.00%	11	2.00%	104	8.58%	0	0.00%	3,247	17.93%	1,154	21.12%
Languages	118	10.00%	30	7.00%	116	9.00%	33	8.00%	60	5.00%	18	4.00%	78	6.44%	5	0.96%	38	0.21%	1	0.02%
Occupational Risks	836	68.00%	40	9.00%	1,418	113.00%	10	2.00%	515	42.00%	55	11.00%	655	54.04%	2	0.39%	7,188	39.70%	2,188	40.04%
About the Company's own activities	752	61.00%	89	21.00%	505	40.00%	46	11.00%	4,156	336.00%	1,360	275.00%	2,144	176.90%	756	145.66%	717	3.96%	63	1.15%
Environment	103	8.00%	34	8.00%	72	6.00%	6	1.00%	339	27.00%	4	1.00%	63	5.20%	6	1.16%	2,707	14.95%	1,048	19.18%
Other	5	0.00%	1	0.00%	458	36.00%	193	44.00%	1,272	103.00%	390	79.00%	235	19.39%	12	2.31%	1,445	7.98%	408	7.47%
Coaching / mentoring program	10	1.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	5	0.41%	0	0.00%	140	0.77%	0	0.00%
Total	3,031		505		3,578		537		6,637		1,867		3,338		788		18,108		5,465	



# Health and Safety

● GRI 403-9, 403-10

Own employees	2018		2019		2020	
	Men	Women	Men	Women	Men	Women
Lost Time Accidents (LTI)	11	1	22	1	13	1
Fatal Accidents	0	0	0	0	0	0
Days lost due to accidents	167	3	303	8	121	4
Days lost due to occupational illness	0	0	0	0	0	0
Days of absence due to other type of incapacity	0	0	0	0	0	0
Number of occupational diseases	0	0	0	0	0	0
Staffing (annual average)	2,084		1,729		1,739	
Hours Worked (HH)	4,253,012		3,422,531		3,530,026	

Own workers	2018		2019	2020
	Men	Women	Total	Total
Accident Frequency Rate (IF)	2.59	0.24	6.72	3.97
Severity Index (GI)	0.04	0.001	0.09	0.04

Contractor Workers	2018		2019		2020	
	Men	Women	Men	Women	Men	Women
Lost Time Accidents (LTI)	37	0	38	0	39	0
Fatal Accidents	0	0	0	0	0	0
Days lost due to accidents	412	0	246	0	279	0
Days lost due to occupational illness	0	0	0	0	0	0
Days lost due to occupational illness	0	0	0	0	0	0
Number of occupational diseases	0	0	0	0	0	0
Staffing (annual average)	1,979		1,969		1,702	
Hours Worked (HH)	4,330,826		4,265,290		3,637,707	

Contractor Workers	2018		2019	2020
	Men	Women	Total	Total
Accident Frequency Rate (IF)	8.54	0	8.91	10.72
Severity Index (GI)	0.10	0	0.06	0.08

Company	Accident Rate (AR)			
	2017	2018	2019	2020
Aguas Andinas	0.72	0.55	1.29	0.74
Aguas Cordillera	0.00	2.40	4.05	1.70
Aguas Manquehue	0.00	0.00	0.00	0.00
Aguas del Maipo	0.00	0.00	0.00	0.00
Anam	0.44	0.43	1.20	0.39
EcoRiles	0.00	0.00	0.00	0.44
G&S	0.00	0.00	2.93	5.83
<b>TOTAL</b>	<b>0.63</b>	<b>0.58</b>	<b>1.33</b>	<b>0.80</b>

Company	Lost Days Rate (LDR)			
	2017	2018	2019	2020
Aguas Andinas	16.01	4.57	11.41	9.02
Aguas Cordillera	0.00	37.50	85.08	9.36
Aguas Manquehue	0.00	0.00	0.00	0
Aguas del Maipo	0.00	0.00	0.00	0
Anam	3.06	0.85	24.08	1.16
EcoRiles	0.00	0.00	0	0.88
G&S	0.00	0.00	64.39	32.04
<b>TOTAL</b>	<b>15.19</b>	<b>8.16</b>	<b>17.99</b>	<b>7.19</b>

INFORMATION	FORMULAS
Frequency index (FI)	FI: No. Accidents * 100000 Actual HH worked
Severity index (GI)	GI: Lost Days * 1000 Actual HH worked
Accident rate (AR)	AR: No. Accidents * 100 Employees Average
Lost Days Rate (LDR)	LDR: Lost Days * 100 Employees Average

Since 2019 the indexes do not consider the subsidiary ESSAL and due to a change in the calculation methodology are not reported by gender. Additionally, data for 2019 are corrected.





# Anti-corruption

● GRI 205-1, 205-3 ● ODS 16

## Operations assessed for corruption-related risks

In order to prepare the company's compliance risk matrix, 81 processes or operations were analyzed in accordance with the company's Corporate Risk Management Methodology. From this analysis it was concluded that no risk associated with corruption is significant for the company. It should be noted, however, that action plans associated with risks from the "Medium" assessment onwards are developed.

**During 2020, there were no confirmed cases of corruption in the company.**

● GRI 205-2 ● ODS 16

## Communication and training on anti-corruption policies and procedures, number of employees trained.

	Aguas Andinas	Aguas Cordillera	Aguas Manquehue	EcoRiles	Gestión y Servicios	ANAM	Aguas del Maipo	Total
Executives	26	2	-	1	3	1	-	33
Management	56	4	-	3	1		1	65
Professional	143	7	-	14	3	7	-	174
Technical	21	2	-	-	-	-	-	23
Administrative	7	-	-	-	-	-	-	7
Operator	-	-	-	-	-	-	-	0
Total	253	15	0	18	7	8	1	302



# Human Rights

● GRI 410-1

## Security personnel trained in human rights policies or procedures

The company provided all employees with a Practical Guide to Integrity and Compliance, which aims to be a didactic and simple document that provides guidance on issues such as ethics, anti-corruption and human rights. In addition to this activity, with respect to security personnel, the company complies with Chilean regulations in this area.

## Human Rights Assessment

● GRI 412-2 ● ODS 16

## Training of employees on human rights policies or procedures

Regarding the training of employees in Human Rights policies or procedures, the due diligence process considered as part of the National Action Plan on Human Rights and Business (PAN), began with an awareness-raising conducted to the executive team of Aguas Andinas, considering the Chairman of the Board, General Manager and the Directors of each of the areas of the company. This awareness-raising included the standardization of fundamental concepts and definitions regarding the Guiding Principles on Business and Human Rights, a description of the context of human rights, and international guidelines on the subject.

Regarding the Compliance action plans for 2020, we conducted talks on Compliance Risk Management Protocols and an E-learning course on Compliance Management System.

● GRI 412-1 ● ODS 16

## Operations subject to human rights impact assessments or reviews

The company conducted a due diligence with the support of an external consultant, to assess all processes of the organization in 100% of its operation, i.e., for Aguas Group and subsidiaries. In this survey, 12 processes or operations were identified in which there is a potential risk of impact on human rights. Given that some of these processes are associated with more than one risk, the evaluations were conducted from different perspectives.

The 12 processes evaluated were as follows:

- Surface water collection
- Groundwater collection
- Surface/underground collection
- Commercial cycle
- Purchases and contracts
- Potable water distribution
- Biosolids management
- People management
- Underground production
- Protection of information assets
- Collection
- Occupational safety

With respect to the Action or Mitigation Plans drawn up in the Human Rights due diligence process, these were classified into 7 pillars evaluated in this area:

1. Context identification
2. Definition of commitments
3. Impact and risk assessment
4. Integration into systems
5. Monitoring and reclamation
6. Repairs
7. Communications

For each of these points, both the company's strengths and the action plans, several of which have already been implemented, were reviewed. Among the remediation measures taken by the company the following are included:

- The Human Rights Policy was incorporated as an explicit reference in other Company Policies and Procedures.
- The "Violation of the Human Rights Policy" was included as a reportable type in the Company's Whistleblower Channel.
- The Human Rights Policy and its eventual violation was included as a reportable type in the Whistleblower, Investigations and Sanctions Procedure.
- The Human Rights Policy continues to be part of the Compliance area's Training Plan.
- Regarding the compliance action plans for 2020, talks were given on protocols for managing compliance risks and an e-learning course on the Compliance Management System.

# Suppliers

● GRI 308-2, 414-1

Aguas Andinas has defined critical suppliers as those that provide services in areas identified as having a high impact on the company's operational, financial, commercial, environmental and information security risk processes.

During 2020, 100% of critical suppliers were monitored in the following areas: general management, quality management, environmental management and energy efficiency, occupational health and safety management, operational continuity management, gender equality management and anti-bribery management.

Thirty-one percent of the suppliers presented a low level of compliance, with the opportunity to generate improvements based on an annual work plan.

The main management areas identified with low compliance results are as follows:

- *Labor inclusion, gender equality, reconciliation of work, family and personal life.*
- *Anti-bribery management.*
- *Operational Continuity Management.*
- *Energy Efficiency Management.*





# Communities

● GRI 413-2

● ODS 3

The toll-free line Aló Vecino 800 38 03 03, operated by the Aguas Andinas Contact Center, is the mechanism for communities near the Biofactories of Greater Santiago and the Biosolids Management Center (CGB) of El Rutil to report the perception of bad odors associated with the processes of the company.

The procedure requires the company to conduct field visits to determine the intensity, origin and source of the fumes, in order to be able to determine whether they are the company's own responsibility or that of third parties.

In this sense, during 2020, communities living around La Farfana, in Maipú, maintained a constant flow of calls to complain about bad odors.

As a result, the company maintained a communication plan that began its development in late December 2019, which includes visits to the homes of people who have made a greater number of contacts (over five) and, in parallel, the Communities area contacted, via telephone, all those who made more than two calls. Also, the Aló Vecino program was reinforced and the face-to-face visits were moved specifically to Urban Maipú.

Center	2016	2017	2018	2019	2020
La Farfana	27	13	26	210	378
Mapocho-Trebal	4	4	9	13	6
El Rutil	31	32	67	45	10
<b>Total annual calls</b>	<b>62</b>	<b>49</b>	<b>102</b>	<b>268</b>	<b>394</b>

The increase was recorded in La Farfana and is related to complaints associated with bad odors caused, to a greater extent, by an operational failure that occurred at the end of 2019 and was solved at the beginning of 2020. Also, during the first quarter there were notable changes in environmental variables that affect the processes carried out within the biofactory, triggering an increase in complaints. It was determined that the problem is caused by high nighttime temperatures (at levels never recorded before), low wind speed and poor ventilation of the basin, a scenario that could continue in the coming years. To combat this situation, the company submitted to the SISS a plan for encapsulation and deodorization in the pre-treatment areas, primary sludge thickeners and digested sludge storage ponds, a project that is still under observation by the authority.

*Operations with local community participation, impact assessments and development programs*

● GRI 413-1

## Good Neighbor (Buen Vecino) Program

Constant work with the communities located near the Biofactories through an annual plan of activities and projects that initially were intended to support initiatives such as access and care of water, sustainable energy and neighborhood security, in order to improve their quality of life, however, during 2020 this plan became more flexible due to the pandemic, focusing on the most urgent needs of the neighbors at that time, which were more water for localities, vaccination against influenza and boxes of groceries.

**Figures:** **705** people vaccinated against influenza  
**1,025** children and youths benefited with school supplies

## Social Development Funds

Committed to promoting local community development, Aguas Andinas allocated \$244 million to finance projects in four districts of the Metropolitan Region: Maipú, Pudahuel, Padre Hurtado and Tiltil. Also, local micro-entrepreneurs were invited to participate on a one-time basis, since they were the main affected by the Covid-19 pandemic.

- 23** winning projects in Tiltil
- 6** winning entrepreneurs in Tiltil
- 39** winning projects in Maipú and Pudahuel
- 2** winning entrepreneurs in Maipú-Pudahuel
- 39** winning projects in Padre Hurtado
- 35** winning entrepreneurs in Padre Hurtado
- 1** winning communal project in Padre Hurtado

## ChileComparte Agua (ChileShares Water)

In collaboration with the TECHO-Chile foundation, water was delivered to different camps in the Metropolitan Region through water trucks and community water storage towers were also built. The measure is part of the ChileComparte challenge, promoted by civil society organizations to provide support in different areas to vulnerable families in the country in the face of Coronavirus.

1. Donation of \$57,031,520 pesos for the construction of 87 water tanks of 1,000 and 3,000 liters for 11 camps in the municipalities of Talagante, Peñaflo, Cerro Navia, Lampa and Puente Alto.
2. Donation of 4,720 m3 of total water to camps through water trucks, for the aforementioned communities, amounting to \$17,500,000.





# Energy

● GRI 302-1

● ODS 7,13

## Internal energy consumption (gigajulios Gj)

Energy source	2016	2017	2018	2019	2020
Non-renewable fuel	48,127	60,168	61,606	65,236	55,513
Biofuel	1,181,349	1,302,872	1,390,675	1,436,596	1,436,262
Electricity	762,957	983,863	1,013,827	1,109,334	1,127,331
<b>Total energy consumption</b>	<b>1,992,433</b>	<b>2,346,902</b>	<b>2,466,107</b>	<b>2,611,166</b>	<b>2,619,105</b>
Energy sales	10,655	347,560	289,425	245,367	200,775

## Fuel Consumption (gigajoules Gj)

Energy source	Empresa	2016	2017	2018	2019	2020
Non-renewable	Gas-oil (power generation)	6,050	9,701	12,975	9,983	12,222
	Gas-oil (mobile sources)	37,903	46,359	45,418	52,796	41,949
	Gasoline (mobile sources)	4,174	4,108	3,213	2,457	1,342
	Total fuel consumption	48,127	60,168	61,606	65,236	55,513
Renewable	Biofuels (biogas)	1,181,349	1,302,872	306,759	1,436,596	1,436,262
	Other (indicate type of source)					
	Total fuel consumption	1,181,349	1,302,872	306,759	1,436,596	1,436,262
<b>Total fuel consumption</b>		<b>1,229,476</b>	<b>1,363,040</b>	<b>368,365</b>	<b>1,501,832</b>	<b>1,491,775</b>

## Biogas produced in m³

DESTINO	2018				2019				2020			
	FARFANA		TREBAL-MAPOCHO		FARFANA		TREBAL-MAPOCHO		FARFANA		TREBAL-MAPOCHO	
Metrogas	12,844,284	37%	0	0%	10,202,114	30%	0	0%	8,463,856	26%	0	0%
Motores CoG	0	0%	24,237,265	79%	0	0%	25,635,690	84%	0	0%	26,856,722	83%
Boilers	5,910,975	17%	2,274,615	7%	5,101,057	15%	4,064,079	13%	4,722,429	14%	4,093,502	13%
Torches	15,999,377	46%	3,988,470	13%	18,703,875	55%	736,055	2%	19,423,637	60%	1,508,823	5%
<b>Total</b>	<b>34,754,636</b>	<b>100%</b>	<b>30,500,350</b>	<b>100%</b>	<b>34,007,046</b>	<b>100%</b>	<b>30,435,824</b>	<b>100%</b>	<b>32,609,922</b>	<b>100%</b>	<b>32,459,047</b>	<b>100%</b>
<b>Total biofactorías</b>	<b>65,254,986</b>				<b>64,442,870</b>				<b>65,068,969</b>			

## Electricity consumption

Electricity Consumption by activity	Unit of consumption	2016	2017	2018	2019	2020
Production of drinking water	kWh/año	44,414,061	52,741,056	60,274,635	71,462,714	78,880,964
	GJ/año	159,890	189,866	216,987	257,266	283,971
Transportation and distribution	kWh/año	57,065,802	67,475,520	71,211,901	84,867,208	78,078,970
	GJ/año	205,436	242,910	256,361	305,522	281,084
Buildings	kWh/año	3,909,268	3,984,188	3,260,449	3,453,594	4,057,685
	GJ/año	14,073	14,343	11,738	12,433	14,608
Collection	kWh/año	2,337,379	1,946,907	2,035,756	1,872,205	1,854,580
	GJ/año	12,539	7,009	7,329	6,740	6,676
Wastewater treatment	kWh/año	103,060,902	147,149,673	144,837,986	146,492,511	150,275,245
	GJ/año	371,019	529,735	521,413	527,373	540,991
Total	kWh/year	<b>210,787,412</b>	<b>273,297,344</b>	<b>281,620,727</b>	<b>308,148,233</b>	<b>313,147,444</b>
	GJ/year	<b>762,957</b>	<b>983,863</b>	<b>1,013,827</b>	<b>1,109,334</b>	<b>1,127,331</b>

## Self-generated electricity

	2016	2017	2018	2019	2020
Energy (KWh)	45,990,665	51,792,240	54,513,162	57,185,082	59,858,951



## Energy intensity

● GRI 302-3 ● ODS 7,13

Energy intensity Process energy intensity (kWh/m³) 2019								
	Mapocho - Trebal	La Farfana	Depuración Localidades	Captación Superficial AP	Consumo Tratamiento AP	Consumo Elevación AP	Captación Subterránea AP	Consumo Elevación AS
Total energy consumption (kWh)	62,015,686	69,211,407	15,265,420	1,302,423	6,454,977	86,125,126	63,705,314	1,872,205
Treated water (m³)	227,109,432	271,612,631	32,012,854	696,567,655	635,200,871	242,189,338	153,050,563	32,802,273
Intensity (kWh/m³)	0,273	0,255	0,477	0,002	0,010	0,356	0,416	0,057

Process energy intensity (kWh/m³) 2020								
	Mapocho - Trebal	La Farfana	Depuración Localidades	Captación Superficial AP	Consumo Tratamiento AP	Consumo Elevación AP	Captación Subterránea AP	Consumo Elevación AS
Total energy consumption (kWh)	65,025,167	69,432,792	15,817,286	1,957,307	6,800,061	78,078,970	70,123,596	1,854,580
Treated water (m³)	221,952,702	251,856,342	33,897,098	653,805,468	606,235,092	233,456,221	163,867,938	30,109,116
Intensity (kWh/m³)	0,293	0,276	0,467	0,003	0,011	0,334	0,428	0,062

	2,016	2,017	2,018	2,019	2,020
Energy intensity of the organization (kWh/m³)	0,273	0,276	0,268	0,276	0,296

The intensity of the electric energy consumption of Aguas Andinas is calculated between the energy consumption in kWh, in proportion to the cubic meters of treated wastewater.

## Reduction of energy consumption

● GRI 302-4 ● ODS 7,13

		Produced energy savings					
Nombre de la iniciativa	Description	Unit of measurement	2016	2017	2018	2019	2020
Aguas andinas, Stage 1	Groundwater Collection	Gigajoules				-	-
Aguas andinas, Stage 2	Sewage Water Elevation Plants	Gigajoules	416	4,500	877	-	-
Stage 3, Aguas andinas	Potable water elevation plants (efficient dispatch) PEAP San antonion, PEAP PH Las flores and Lo Gallo.	Gigajoules			3,852	3,625	2,521
Co-Generation	In 2013, the Mapocho-Trebal Biofactory began operating an electricity co-generation system to produce part of the energy consumed through the biogas generated in the anaerobic digestion process. Only self-consumption will be considered.	Gigajoules	176,207	186,310	176,543	182,988	215,490
Aguas Andinas Contractor	A series of process improvements were implemented in the Biofactories that allowed the indicated savings.	Gigajoules	14,319	30,775	33,640	14,494	-
Others (Indicate name of project)	Talagante Wastewater Treatment Plant.	Gigajoules				681	474
Others (Indicate name of project)	Potable Water Elevation Plants	Gigajoules					5,948
Others (Indicate name of project)	Sewage Treatment Plants	Gigajoules					1,400
TOTAL		Gigajoules	190,942	221,586	214,913	201,788	225,834



# Water

● GRI 303-1, 303-2, 303-3, 303-4

● ODS 6,12

## Treated water storage volume

Company	Nº. Of Tanks	Volume (m³)	Nº. Of Tanks	Volume (m³)	Nº. Of Tanks	Volume (m³)	Nº. Of Tanks	Volume (m³)
Aguas Andinas	171	1,179,100	172	1,183,600	207	1,217,960	201	1,215,360
Aguas Cordillera	58	100,550	59	100,830	74	121,935	67	109,655
Aguas Manquehue	33	38,200	33	38,200	38	45,950	35	41,600
<b>Total</b>	<b>262</b>	<b>1,317,850</b>	<b>264</b>	<b>1,322,630</b>	<b>319</b>	<b>1,385,845</b>	<b>303</b>	<b>1,366,615</b>

## Number of unprovoked breakages resulting in supply interruption for the customer

2016	2017	2018	2019	2020
1,100	1,216	1,060	967	1,047

The breakage indicator is 7.8 breakages/100 km, considering failures that result in supply interruption for the customer, which is higher than the 7.2 breakages/100 km of the previous year.

## Length of distribution and collection network (kms.)

Company	2016		2017		2018		2019		2020	
	Distribution	Collection	Distribution	Collection	Distribution	Collection	Distribution	Collection	Distribution	Collection
Aguas Andinas	11,814	9,596	11,884	9,654	11,919	9,695	11,985	9,744	12,028	9,763
Aguas Cordillera	1,159	919	1,154	919	1,157	950	1,158	921	1,158	921
Aguas Manquehue	220	190	220	190	220	190	220	191	222	192
<b>Total</b>	<b>13,193</b>	<b>10,705</b>	<b>13,258</b>	<b>10,763</b>	<b>13,296</b>	<b>10,835</b>	<b>13,363</b>	<b>10,856</b>	<b>13,408</b>	<b>10,875</b>

## Water discharge (volume of treated water) millions of m³

Operation Center	2016	2017	2018	2019	2020
La Farfana	284	275.8	274.9	277.8	251.9
Trebal-Mapocho	209	222.4	229.0	225.3	222.0
Otras depuradoras	32	35.6	35.9	27.6	33.9
<b>Total</b>	<b>524.7</b>	<b>533.8</b>	<b>539.8</b>	<b>530.6</b>	<b>507.7</b>

## Recycled and reused water

Sewage collection	Unit of measure	2016	2017	2018	2019	2020
<b>Total water collection</b>	m³/año	580,815,395	560,184,705	541,990,447	530,736,913	508,723,363
<b>Volume of water recycled / reused</b>	m³/año	3,451,922	3,861,308	3,783,659	41,299,356	44,584,042
<b>Percentage of recycled / reused water</b>	%	0.59%	0.69%	0.70%	7.78%	8.76%

The recipients of reclaimed water are mainly the Maipo and Mapocho rivers.



## Management of impacts related to water discharges (water sources significantly affected by extraction processes).

Source significantly affected	Annual collection volume 2016 (m³)	% of water withdrawn of total flow (2016)	Annual collection volume 2017 (m³)	% of water withdrawn of total flow (2017)	Annual collection volume 2018 (m³)	% of water withdrawn of total flow (2018)	Annual collection volume 2019 (m³)	% of water withdrawn of total flow (2019)	Annual collection volume 2020 (m³)	% of water withdrawn of total flow (2020)
Río Maipo	537,616,589	15.73%	552,376,256	17.86%	561,632,956	26.16%	568,615,600	40.80%	540,916,308	39.08%
Río Mapocho	44,038,008	28.92%	27,711,565	23.28%	32,919,723	42.40%	29,484,344	61.00%	34,500,545	65.44%
Estero Arrayan	9,629,617	25.61%	10,809,271	35.18%	8,951,123	45.37%	5,278,555	41.80%	4,266,115	43.60%
<b>Total</b>	<b>591,284,214</b>		<b>590,897,092</b>		<b>603,503,802</b>		<b>603,378,499</b>		<b>579,682,968</b>	

The potable water production process begins with the collection of water resources, which comes from different sources in the area of water scarcity. Seventy-nine percent of the raw water captured by Aguas Andinas comes from surface sources, mainly from the Maipo and Mapocho rivers. The remaining 21% is extracted from natural aquifers that cross the subsoil of the concession area.

These subway sources consist of 285 deep wells and drains that extract water from three aquifers.

### Potable water production by type of source, in million m³

Source	2016	%	2017	%	2018	%	2019	%	2020	%
Surface water	643	86%	646.8	85%	651.2	83%	652.7	82%	606.2	79%
Groundwater	104	14%	114.6	15%	130.3	17%	139.2	18%	164	21%
<b>Total</b>	<b>747</b>	<b>100%</b>	<b>761.4</b>	<b>100%</b>	<b>781.5</b>	<b>100%</b>	<b>791.9</b>	<b>100%</b>	<b>770.2</b>	<b>100%</b>

### Raw water collection by source, in million m³

Source	Aguas Andinas, Aguas Cordillera y Aguas Manquehue				
	2016	2017	2018	2019	2020
Surface water	681.8	689.2	692.4	696.5	632.1
Groundwater	101.0	114.0	130.3	161.0	173.6
Municipal water supply or from other water utilities	0.6	0.6	0.4	0.5	0.6
<b>Total</b>	<b>783.4</b>	<b>803.8</b>	<b>823.1</b>	<b>857.9</b>	<b>806.3</b>

### Potable water production by company, in million m³

Company	2016	2017	2018	2019	2020
Aguas Andinas	646.4	659.7	682.6	701.2	675.3
Aguas Cordillera (including Aguas Manquehue)	100.6	101.7	99	90.7	94.9
<b>Total</b>	<b>747.0</b>	<b>761.4</b>	<b>781.6</b>	<b>791.9</b>	<b>770.2</b>





# Biodiversity

● GRI 304-1,304-2, 304-3, 304-4 ● ODS 6,15

## Melipilla Lagoon (birds)

Common name	Richness					Absolute Abundance (#)					Relative abundance (%)				
	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020
Ducks and Swans	6	6	6	6	5	235	220	297	337	301	77.81	83.65	80.05	85.10	85.0
Hérons and Night Herons	3	3	1	1	2	2	3	6	1	4	0.66	1.14	1.62	0.25	1.1
Seagulls, Southern	6	7	2	2	2	5	11	32	32	31	1.66	4.18	8.63	8.08	8.8
Lapwings, Willet, Black-necked Stilts, Yellowlegs.	0	1	0	1	0.25	2	2	1	4	1	0.66	0.76	0.27	1.01	0.3
Pied-billed grebe	5	4	4	3	2	57	27	35	22	10	18.87	10.27	9.43	5.56	2.8
Yecos	1	0	0	0	0	1	0	0	0	0	0.33	0	0	0	0.0
Otros (Trile)	0	0	0	0	0.75	0	0	0	0	7	0	0	0	0	2.0
Total	21	21	13	13	12	302	263	371	396	354	100	100	100	100.00	100

## La Farfana Lake (aquatic birds)

Common name	Richness					Absolute Abundance (#)					Relative abundance (%)				
	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020
Ducks and Swans	10	10	8	9	5	102	115	126	231	97	41	50	53	62	62.6
Hérons and Night Herons	5	3	2	1	1	6	8	5	6	8	2	3	2	2	5.2
Lapwings	1	1	1	1	1	5	4	5	3	3	2	2	2	1	1.9
Seagulls, Black-necked Stilts	2	2	1	1	1	84	24	42	4	2	34	10	18	1	1.3
Southern Pochards	4	3	3	3	3	9	8	9	7	10	4	3	4	2	6.5
Coots and Plumbeous Rails	4	4	3	5	3	36	71	49	121	33	15	31	21	32	21.3
Cormorants	1	1	1	1	1	5	2	1	1	2	2	1	0.4	0.1	1.3
Total	27	24	19	21	15	247	232	237	373	155	100	100	100	100	100.0

## La Farfana Pond (landbirds)

Common name	2019	2020
	Abundance	
Hummingbird	0	2
Harris Hawk	2	1
Southern Lapwing	3	4
Dove	0	18
Picui Ground-Dove	10	19
Common Cuckoo	3	6
Chimango Caracara	7	11
Patagonian Negrto	0	1
Common Quail	4	5
Rufous-tailed Plantcutter	0	1
Plain-mantled Tit-Spineta	2	2
Rufous-collared Sparrow	10	5
Dusky-tailed Canastero	0	4
Song Thrush	0	4
Eurasian Siskin	6	4
Chilean Swallow	11	6
Shiny Cowbird	3	6
Yellow-winged Blackbird	2	3
House Sparrow	13	4
Grassland Yellow-Finch	2	1
Common Diuca-Finch	4	6
House Wren	10	4
Austral Thrush	5	3
Fire-eyed Diucon	0	1
White-crested elaenia	5	2
Tufted Tit-Tyrant	1	2
Long-tailed Meadowlark	0	3
White-barred Piculet	0	1
Chilean Mockingbird	0	5
Parrot	0	1
Mourning Sierra-Finch	0	3
Abundance	103	138
Wealth	19	31



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REPORT PROFILE  
AND ESG INDICATORS

BIODIVERSITY PROTECTION INITIATIVE				
Type of area		Location of the operating sites	Description	Investment (M\$) 2020
Aguas de Ramón Natural park	Not protected area (officially) of the Metropolitan Region, of great value for biodiversity. 3.600 hectares	There is an operational site inside the Aguas de Ramón natural park. A potable water production plant.	Aguas andinas has a cooperation agreement with Conaf, which has the purpose of offering biodiversity protection by maintaining infrastructure (perimeter fencing) and implementing fire prevention measures.	9,2
La Farfana Environmental Lake	Lake that hosts several bird species inside the La Farfana Site.	The La Farfana environmental lake is inside the La Farfana biofactory and has an extension of 15 hectares.	Designed by the Chilean ornithologists association (UNORCH), has the purpose of conserving aquatic bird fauna and maintaining a protected ecosystem for the life that naturally grows in the Santiago basin. Permanent monitoring of water quality and of the birds present in the lake and its surroundings is carried out.	1,5
El Canelo	Sub-basin of the Maipo River. 2.000 hectares.	The studies are conducted in the Canelo basin, located in the Cajón del maipo, there is a potable water production plant in this place, and Aguas Andinas has a 20 hectares easement.	It is a natural area, rich in biodiversity (flora and fauna) in which there is a potable water source (El Canelo estuary). The reported expenditure is related to the publishing of the biodiversity book, written with information from previous studies conducted in the area, and the maintenance of the undergrowth of the lower basin.	1,1
Melipilla Environmental Lake	Hosts several bird species located inside the Melipilla sewage treatment plant land. 4.3 hectares.	Melipilla environmental lake, is located beside the Melipilla sewage treatment plant.	It is a space corresponding to old treatment ponds that have become wild bird habitats. The reported expense corresponds to the monitoring of birds in the lakes 4 monitorings per year were conducted.	2
La Dehesa Dam	Aguas Andinas property, with a raw water dam located in the municipality of Lo Barnechea, with approximately 8.1 hectares of water body.	Studies are being carried out at the raw water dam located at the potable water production site in La Dehesa, which is used for the production of potable water.	A monitoring campaign is conducted to characterize terrestrial and aquatic fauna and terrestrial flora and vegetation.	3,8

CONSERVATION STATUS	Regulation of Classification of species	scientific name	DS 23/2019
Melipilla Lake	Coscoroba Swan	Coscoroba coscoroba	Endangered
	Gargantillo Duck	Anas bahamensis	Minor Concern
La Farfana Lake	Black-necked swan	Cygnus melancoryphus	Vulnerable
	Black-headed Duck	Heteronetta atricapilla	Minor Concern

## Impacts

In 2020, no impacts were reported as a result of the operation of the company's facilities that could negatively affect biodiversity. On the contrary, the areas where studies have been carried out have perimeter closures or access protection for visitors that have allowed the advancement and maintenance of important ecosystems of interest, mainly in El Canelo, Rutal La Dehesa and Melipilla. In the case of La Farfana Lagoon, the actions carried out have transformed it into a protected area that has led to the development of bird colonies within the Metropolitan Region, including cases of migratory species that use it as a resting and feeding place.



# Emissions

● GRI 305-1; 305-2; 305-3; 305-4; 305-5 ● ODS 7,12,13

## Greenhouse Gas Emissions (GHG) by Scope

	2016 tCO <sub>2</sub> /year	2017 tCO <sub>2</sub> /year	2017 updated with calculation criteria 2018 tCO <sub>2</sub> /año	2018 tCO <sub>2</sub> /year	2019 tCO <sub>2</sub> /year	2020 tCO <sub>2</sub> /year
Direct emissions (Scope 1)	26,387	27,316	38,245	35,295	48,451	46,496
Indirect emissions (Scope 2)	83,391	74,977	75,931	64,182	70,027	50,530
Other indirect emissions (Scope 3)	106,635	108,516	104,571	117,124	100,215	89,048
<b>Total</b>	<b>216,413</b>	<b>210,809</b>	<b>218,747</b>	<b>216,601</b>	<b>218,693</b>	<b>186,074</b>

In 2020, a reduction in emissions by scope is seen due to the following :

**Scope 1:** Reduced vehicle use

**Scope 2:** Increased purchase of renewable energy

**Scope 3:** Interruption of corporate travel due to the Covid-19 pandemic

## GHG emissions by process

Emission Sources	Direct emissions (Scope 1) tCO <sub>2</sub> e						Indirect emissions (Scope 2) tCO <sub>2</sub> e						Indirect emissions (Scope 3) tCO <sub>2</sub> e					
	2016	2017	2017 updated with 2018 calculation criteria	2018	2019	2020	2016	2017	2017 updated with 2018 calculation criteria	2018	2019	2020	2016	2017	2017 updated with 2018 calculation criteria	2018	2019	2020
Potable water production	377	518	520	194	358	786	18,036	17,191	18,231	19,435	1,699	19,003	5,193	4,802	8,266	8,757	8,329	11,097
Water transportation and distribution	4,461	4,720	1,086	709	567	813	24,583	22,746	22,699	13,096	37,356	20,332	1,270	1,695	1,983	2,275	2,698	4
Non-productive buildings	591	871	853	1	1,819	1,562	1,552	1,323	1,321	981	1,162	955	51	37	20	0	515	67
Sewerage	1,887	1,982	760	290	499	497	523	656	690	663	656	638	11	11	0	33	2	1
Sewage treatment	19,071	19,225	35,026	34,101	45,208	42,837	38,698	33,060	32,991	30,007	29,155	9,602	100,110	101,972	94,303	106,058	88,671	77,879
<b>Total</b>	<b>26,387</b>	<b>27,316</b>	<b>38,245</b>	<b>35,295</b>	<b>48,451</b>	<b>46,496</b>	<b>83,392</b>	<b>74,976</b>	<b>75,932</b>	<b>64,182</b>	<b>70,027</b>	<b>50,530</b>	<b>106,635</b>	<b>108,517</b>	<b>104,572</b>	<b>117,123</b>	<b>100,215</b>	<b>89,048</b>



## Emissions of ozone-depleting substances (sao)

● GRI 305-6

During 2020, 11 refrigerant gas cylinders were used. Of these, 2 correspond to R-22 cylinders used in the Aguas Andinas corporate building. Each cylinder has an approximate weight of 13.6 kilograms, using a conversion factor of 0.055 ODP potential units for each unit of R-22, a quantity of 1.496 CFC-11 equivalent is obtained.

Eight R-410A cylinders were also used, two in the corporate building and six in other buildings. Each cylinder has a weight of 11.3 kilograms, using a conversion factor of 0 ODP potential units for each unit of R-410A, a quantity of 0 CFC-11 equivalent is obtained. Finally, 1 cylinder of R-407C was used, using a conversion factor of 0 ODP potential units for each unit of R-407C, a quantity of 0 CFC-11 equivalent is obtained. In total, the company obtained 1,496 kg of equivalent CFC-11.

## GHG Emissions by Sector

Sectors	2016 tCO <sub>2</sub> /year	2017 tCO <sub>2</sub> /year	2017 actualizada con criterios de cálculo 2018 tCO <sub>2</sub> /year	2018 tCO <sub>2</sub> /year	2019 tCO <sub>2</sub> /year	2020 tCO <sub>2</sub> /year
Energy	85,417	77,142	82,691	71,670	77,669	58,476
Transportation	11,495	12,549	7,491	10,277	4,612	4,151
Reagents and supplies	14,225	15,664	22,481	25,130	22,592	21,643
Water Lines	66,913	68,883	77,767	79,487	81,280	73,098
Sludge Lines	38,364	36,571	28,318	30,036	32,266	28,458
Fugitive Emissions					274	249
<b>Total</b>	<b>216,414</b>	<b>210,809</b>	<b>218,748</b>	<b>216,600</b>	<b>218,693</b>	<b>186,074</b>

## Intensity of GHG emissions from the sewage treatment process in the perimeter of regulated companies in the Metropolitan Region.

	2016	2017	2017 updated	2018	2019	2020
<b>t/million liters</b>	301	289	304	315	307	257

## Avoided and reduced emissions

	2016 tCO <sub>2</sub> /year	2017 tCO <sub>2</sub> /year	2017 updated with 2018 calculation criteria tCO <sub>2</sub> /year	2018 tCO <sub>2</sub> /year	2019 tCO <sub>2</sub> /year	2020 tCO <sub>2</sub> /year
<b>Avoided</b>	1,132	20,560	22,314	19,882	17,928	15,358
<b>Reduced</b>	42,279	32,435	29,654	45,777	49,962	84,263

Emissions reduced and avoided in the company are due to the use of biogas, both internally and externally. Internally it is used for sludge heating and use of cogenerated energy (reduced emissions). Externally, it is used for the sale of biogas and electricity (avoided emissions).

In 2020, electricity and thermal self-consumption increased through cogeneration of energy by biogas combustion. This allowed an increase in the associated reduced emissions and a consequent decrease in avoided emissions from biogas sales. It also increased the reduced emissions from electricity consumption with a guarantee of renewable origin.





## Óxidos de nitrógeno (NOX), óxidos de azufre (SOX) and other significant air emissions

● GRI 305-7

Actual Data, Hours of Operation	NOx Ton					SOx Ton					COV Ton					MP Ton				
Source	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020
Farfana	4.37	4.85	3.64	3.77	2.71	3.88	4.91	1.89	0.76	1.01	0.06	0.01	0.09	0.24	0.23	0.23	0.64	0.34	0.31	0.22
Trebal-Mapocho	5.38	3.16	1.62	2.8	2.54	0.61	0.61	0.07	1.18	2.27	0	0	0	0	0.00	0.42	0.54	1.7	0.37	0.57
Total	9.75	8.01	5.26	6.57	5.25	4.49	5.52	1.96	1.94	3.28	0.06	0.01	0.09	0.24	0.23	0.65	1.18	2.04	0.68	0.79

Environmental services subsidiaries do not report this information

Data 24H/365 days	NOx Ton					SOx Ton					COV Ton					MP Ton				
Source	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020
Farfana	11.11	10.6	8.76	9.6	8.76	9.7	10.95	4.99	1.53	2.71	0.16	0.11	0.25	0.5	0.52	0.57	1.23	0.79	0.904	0.657
Trebal-Mapocho	6.43	6.31	3.5	6.13	4.38	5.96	5.5	0.19	2.19	4.03	S/l	0	0	0	0.00	1.04	0.95	2.3	0.62	1.05
Total	17.53	16.91	12.26	15.73	13.14	15.66	16.45	5.19	3.72	6.74	0.16	2.17	0.25	0.5	0.52	1.61	2.17	3.09	1.524	1.707

Note: The perimeter of scope is for the Mapocho-Trebal Biofactory and La Farfana Biofactory.

During 2020, one of the sources had a failure that prevented the scheduled monitoring, so the method used to estimate its emissions is by averaging the emissions (kg/h) of the remaining sources with the same characteristics.



# Effluents and Waste

● ODS 6

## Water discharge according to its quality and destination

Discharge	2016	2017		2018		2019		2020	
	Aguas Andinas and regulated subsidiaries Metropolitan Region m <sup>3</sup>	Aguas Andinas and regulated subsidiaries Metropolitan Region m <sup>3</sup>	Eco Riles m <sup>3</sup>	Aguas Andinas and regulated subsidiaries Metropolitan Region m <sup>3</sup>	Eco Riles m <sup>3</sup>	Aguas Andinas and regulated subsidiaries Metropolitan Region m <sup>3</sup>	Eco Riles m <sup>3</sup>	Aguas Andinas and regulated subsidiaries Metropolitan Region m <sup>3</sup>	Eco Riles m <sup>3</sup>
Planned	536,305,480	536,623,153	11,601,534	570,292,598	17,371,163	530,635,433	26,147,643	504,724,636	27,222,562
Unplanned	11,511,831	11,604,630	0	5,546,632	0	2,863,475	0	13,617,952	0
Total	547,817,311	548,227,783	11,601,534	575,839,230	17,371,163	533,498,908	26,147,643	518,342,588	27,222,562

PLANNED AND UNPLANNED DISCHARGES 2019							PLANNED AND UNPLANNED SPILLS 2020						
Discharge	Amount (m3)	Planned/unplanned	Destination	Treatment Method	Water quality	Parameter used	Discharge	Amount (m3)	Planned/unplanned	Destination	Treatment Method	Water quality	Parameter used
Mapocho-Trebal	225,252,919	Planificado	Río Mapocho	Lodos Activados	Aguas depuradas en plantas de agua servidas	DS90	Mapocho-Trebal	219,589,018	Planificado	Río Mapocho	Lodos Activados	Aguas depuradas en plantas de agua servidas	DS90
Mapocho-Trebal	1,763,850	No Planificado	Río Mapocho	Sin tratamiento	Agua cruda	by-pas en periodo de lluvia	Mapocho-Trebal	9,449,878	No Planificado	Río Mapocho	Sin tratamiento	Agua cruda	by-pas en periodo de lluvia
La Farfana	277,827,022	Planificado	Río Mapocho	Lodos Activados	Aguas depuradas en plantas de agua servidas	DS90	La Farfana	255,207,337	Planificado	Río Mapocho	Lodos Activados	Aguas depuradas en plantas de agua servidas	DS90
La Farfana	1,090,543	No Planificado	Río Mapocho	Sin tratamiento	Agua cruda	by-pas en periodo de lluvia	La Farfana	3,802,088	No Planificado	Río Mapocho	Sin tratamiento	Agua cruda	by-pas en periodo de lluvia
La Farfana	37,179,734	Planificado	Canalista	Lodos Activados	Aguas depuradas en plantas de agua servidas	DS90	La Farfana	39,776,293	Planificado	Canalista	Lodos Activados	Aguas depuradas en plantas de agua servidas	DS90
Localities	27,555,492	Planificado	Destino varía según localidad	Varía según planta	Aguas depuradas en plantas de agua servidas	DS90	Localidades	29,928,281	Planificado	Destino varía según localidad	Varía según planta	Aguas depuradas en plantas de agua servidas	DS90
Localities	9,082	No Planificado	Destino varía según localidad	Sin tratamiento	Agua cruda	by-pas en periodo de lluvia	Localidades	365,987	No Planificado	Destino varía según localidad	Sin tratamiento	Agua cruda	by-pas en periodo de lluvia



# Waste

● GRI 306-3, 306-4, 306-5 ● ODS 6, 12

	Hazardous waste for disposal					
Company	Breakdown by disposal method	2016	2017	2018	2019	2020
Aguas Andinas, Aguas Cordillera y Aguas Manquehue	Transfer to a safety landfill	64	147	112	524	225
	Oil recycling	0	0	0	29,0	28,3
ANAM	Safety landfill	10	13	15,5	19,2	18,4
Total		74	160	128	572	272

Waste by type of disposal in regulated companies in the Metropolitan Region (t)	2016	2017	2018	2019	2020
Reused sludge (agriculture)	132,980	113,502	159,479	217,650	216,083
Non-hazardous final disposal	192,473	225,545	178,623	98,401	91,645
Reused Oils	15	13	19	29	28
Hazardous final disposal	64	147	93	524	225
Construction and Works Surplus (environmental liabilities)	0	0	0	274,787	242,695
Household and similar waste	0	0	0	325	1,239
Total	325,532	339,207	338,214	591,716	551,915

Destination	2016	2017	2018	2019	2020
Landfill	67,383	89,495	35,543	0	0
CGIB El Rital	103,079	108,545	108,255	75,059	55,026
Agricultural Reuse	132,980	113,502	159,479	217,650	216,083
Co-Digestion	0	0	7,270	23,179	24,982

Waste transportation hazardous (tons)	2016	2017	2018	2019	2020
Hazardous Waste transported	74	160	128	572	272
Hazardous waste imported	0	0	0	0	0
Hazardous waste exported	0	0	0	0	0
Hazardous waste treated	74	160	128	572	272
Percentage of hazardous waste transported to other countries	0	0	0	0	0

## Significant spills

During 2020, there was only one significant event in the Aguas Group, corresponding to a fluorsilicic acid spill in April due to a rupture of the pond at the potable water treatment plant Las Vizcachas. A total of 61.4 tons of corrosive liquid waste were removed.



# Environmental compliance (regulatory)

● GRI 307-1 ● ODS 3, 6

## Compliance with potable water supply quality

Quality Compliance															
Category	Aguas Andinas					Aguas Cordillera					Aguas Manquehue				
	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	2016	2017	2018	2019	2020
Turbidity	100%	100%	100%	100%	98.68%	100%	100%	100%	100%	100.00%	100%	100%	100%	100%	100.00%
Residual free chlorine	100%	100%	99.6%	98.25%	99.56%	100%	100%	100%	100%	95.83%	100%	100%	100%	100%	100.00%
Critical parameters	100%	100%	99.6%	100.00%	99.56%	100%	100%	100%	100%	100.00%	100%	98.3%	100%	98.3%	100.00%
Non-critical parameters	100%	100%	97.81%	100%	100.00%	100%	100%	100%	95.8%	98.61%	100%	100%	100%	98.3%	100.00%
Summary	98.25%	98.25%	100%	97.81%	99.56%	100%	91.7%	100%	100%	100.00%	98.3%	100%	95%	100%	100.00%
Resumen	99.65%	99.65%	99.39%	99.21%	99.47%	100%	98.33%	100.0%	99.17%	98.89%	99.7%	99.7%	99.0%	99.33%	100.00%

## Number of non-compliances in sewage discharges

Aguas Andinas and subsidiaries, Metropolitan Region

Parameter	2017	2018	2019	2020
Fecal Coliforms	10	13	9	11
Free Chlorine	1	0	0	4
BOD5	4	9	8	4
DBOC5	0	2	3	0
Total Nitrogen	3	184	317	15
Total suspended solids	5	0	2	4

## Non-compliance with environmental laws and regulations

The Aguas Group, as a provider of public sanitation services, aims to ensure and permanently control the quality of the potable water it supplies to its customers in accordance with current standards. To this end, it carries out monitoring and analysis, the results of which are sent to the Superintendence of Sanitation Services on a monthly basis in a report summarizing the results obtained, as well as to the Regional Health Ministry (SEREMI de Salud).

In the supply of potable water, the company complies with the requirements of Nch409 parts 1 and 2, which include quality and sampling requirements, respectively, and with regard to discharges of water from the biofactories and sewage treatment plants into waterways, the current regulation is DS90. The following

is a description, by parameter, of the specific events of non-compliance of potable water quality, which were restored to normal within a maximum of 24 hours, once the information was collected:

### AGUAS ANDINAS

- **March:** Fluoride, 4 samples outside the regulatory limit corresponding to the Curacaví service. The continuous dosing control equipment was taken out of operation for preventive calibration maintenance, given the manual operation, there was a temporary loss of control of injection; once the equipment was restored, it returned to normal operation.
- **June:** CFree residual chlorine, Talagante service, 2 samples out of standard limit. The non-standard

results correspond to damage to the hypochlorite tank check valve, which was replaced. Service reestablished the same day, corresponds to a one-time event.

- **November:** Total coliforms, Gran Santiago service, Peñón Bajo 2 distribution system, cloudy water protocol due to bathers opening the valve. The valve was closed and a safety cap was installed. One-time event.
- **December:** Turbidity, Gran Santiago service, Cerro Negro 3 distribution system, quality sampling was performed in relation to a particular complaint of cloudy water in a building located at Arturo Prat 288, San Bernardo. A closed valve (non-operational) was identified, which did not allow water circulation and caused sediment accumulation in the pipe. An emergency shutdown was carried out to change the valve and wash the network. Subsequent controls validated the effectiveness of the measure.

### AGUAS CORDILLERA

- **March:** Turbidity, 5 samples out of norm due to a massive event (ORD 2540) associated with network movement, corresponding to the San Enrique, Montecasino and San Francisco distribution systems. The alert notices and immediate actions were generated; the values and their corresponding re-sampling confirm a specific event.
- **June:** Total iron, Los Dominicos service, 6 samples outside the normative limit, the results depend on different sources and the origin of the deviation cannot be specifically concluded (Dominicos, San Antonio and Padre Hurtado). It is defined to carry out a sampling campaign in influential networks if new samples over the limit occur in order to identify the source (it did not happen again).





# Generated and distributed economic value

● GRI 201-1 ● ODS 8

	2016	2017	2018	2019	2020	%
<b>Economic Value Created</b>	<b>513,321,130</b>	<b>518,201,829</b>	<b>535,136,387</b>	<b>564,683,290</b>	<b>478,674,832</b>	<b>-15.2%</b>
Income from ordinary activities	492,249,645	509,540,577	530,404,680	544,683,867	478,773,563	-12.1%
2. Other Income	14,597,521	2,608,255	(1,124,474)	14,232,177	(3,967,292)	-127.9%
3. Financial Income	6,473,964	6,052,997	5,856,180	5,767,246	3,868,561	-32.9%
<b>Economic Value Distributed</b>	<b>441,229,089</b>	<b>457,078,271</b>	<b>474,493,305</b>	<b>509,993,317</b>	<b>457,970,430</b>	<b>-10.2%</b>
Operating Costs	147,114,359	155,387,319	161,587,558	184,922,472	188,395,917	1.9%
1,1 Consumption of raw and secondary materials	33,442,759	34,924,848	39,229,232	46,147,628	43,542,356	-5.6%
1,2 Other expenses by nature	113,671,600	120,462,471	122,358,326	138,774,844	144,853,561	4.4%
2. Salaries and social benefits for employees	53,621,906	55,548,304	59,153,387	59,771,461	55,045,719	-7.9%
3. Payment to capital providers	181,921,323	184,520,348	196,335,598	191,737,154	156,715,097	-18.3%
3,1 Financial Costs	27,117,541	31,112,258	29,996,785	30,313,017	28,172,393	-7.1%
Dividend payments	134,644,071	141,462,187	143,316,076	137,895,033	106,199,425	-23.0%
3,3 Resultados por unidades de reajuste	20,159,711	11,945,903	23,022,737	23,529,104	22,343,279	-5.0%
4. Payments to Governments	57,241,150	60,548,290	56,675,450	72,098,538	56,636,277	-21.4%
5. Community investments (donations)	1,330,350	1,074,010	741,311	1,463,693	1,177,420	-19.6%
<b>Retained economic value</b>	<b>72,092,042</b>	<b>61,123,558</b>	<b>60,643,082</b>	<b>54,689,973</b>	<b>20,704,402</b>	<b>-62.1%</b>

Figures up to 2019 include ESSAL S.A.



# Financial and Operational Data

## FINANCIAL SUMMARY (in millions of \$)

As of December 31	2016	2017	2018	2019	2020
Potable water income	191,426	196,007	208,807	193,821	195,788
Revenues from sewage	236,326	241,897	254,714	229,779	219,124
Other regulated revenues	14,712	15,473	16,161	13,018	13,004
Other non-regulated revenues	49,539	56,163	50,724	47,711	50,858
<b>Total revenues</b>	<b>492,003</b>	<b>509,540</b>	<b>530,405</b>	<b>484,329</b>	<b>478,774</b>
Operating income	224,504	224,211	234,196	221,355	168,197
Income for the year	150,576	139,620	136,057	141,737	98,692
Total assets	1,771,819	1,796,880	1,906,052	2,001,444	2,144,436
Short-term liabilities	211,931	237,112	242,319	242,138	244,033
Long-term liabilities	873,006	866,469	976,742	1,071,833	1,059,655
Minority interest	52,725	50,669	48,371	43,020	26
Equity attributable to owners of the parent company	634,157	642,631	638,621	644,453	840,723

## OPERATIONAL BACKGROUND

As of December 31	2016	2017	2018	2019	2020
Total potable water customers	2,213,869	2,259,245	2,316,107	2,132,607	2,169,426
Total sewage collection customers	2,160,473	2,205,940	2,263,039	2,089,505	2,125,918
Total water accrued (millions of m3)	570.3	575.5	596.3	559.4	533.9
Accrued sewage collection (millions of m3)	551.0	554.3	572.0	536.0	511.3
Accrued wastewater treatment and disposal (millions of m3 )	480.1	484.0	497.7	461.8	440.6
Sewerage interconnection accrued (millions of m3)	123.0	124.3	128.2	128.8	124.7
Total potable water coverage	100.0%	100.0%	100.0%	100.0%	100.0%
Total sewage collection coverage	98.4%	98.8	98.8%	98.8%	98.8%
Total sewage treatment coverage	100.0%	100.0%	100.0%	100.0%	100.0%
Total workers	2,029	2,103	2,117	2,137	1,729

Figures up to 2019 include ESSAL S.A.

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REPORT PROFILE  
AND ESG INDICATORS

# Aguas Andinas Strategy 2018 - 2022



## 1. BUSINESS MODEL

ODS 1, 6, 8, 10, 11, 13, 16

Commitment	Objetivo	2022 Goals	2017 Base	2018	2019	2020	Observaciones	Estado
<b>To be a profitable, responsible and transparent company</b>	To be an economically sustainable company.	Be in the top 20% of extra-financial ratings.	68%	81%	83%	81%	The selected indicator is the percentile of the DowJones Sustainability Index. During 2020 the 2019 Essal incident impacted the final rating by 5 points.	✓
	To be leaders in good corporate governance.	Comply 100% with the practices listed in the General Standard (NCG) No. 385.	51%	65%	77%	81%	Of the 99 practices, the evolution per year is: 2017: 50, 2018: 64, 2019: 76, 2020: 80.	✓
	Support the development of socially and environmentally responsible suppliers.	Work with a percentage of vulnerable suppliers in the area of sustainability < 5%	N/A	N/A	N/A	N/A	During the year 2021, gaps will be identified in order to formulate a development plan for vulnerable suppliers.	✗
	Promote a climate-responsible business model with a positive social impact.	To have 100% of contracts with internal carbon price (investments > 100,000 UF)	N/A	N/A	N/A	N/A	No progress was made in this area during 2020.	✗
		To have 100% of investments with social impact analysis (investments > 100,000 UF).	N/A	N/A	N/A	N/A	No progress was made in this area during 2020.	✗
		Increase environmental services turnover by 25% compared to 2017.	0%	1.42%	12.71	11.90	The figure reported corresponds to the revenue volume increase comparing 2017 vs. 2020. During 2020, revenues were affected by the COVID-19 pandemic.	✓



## 2. RESILIENCE

ODS 6, 9, 11, 12, 13

Commitment	Goal	2022 Goals	2017 Base	2018	2019	2020	Observations	status
<b>Guarantee supply under conditions of drought and climate change, preserving water as a life source.</b>	Implement a climate change adaptation strategy by strengthening operational resilience.	Limiting water losses in the network to 25.4%.	28.6%	28.6%	29.33%	30.5%	During 2020, the Linear Loss Index (LILI) (m3/km/day) decreased by 0.6%, from 48.9 in 2019 to 48.3 in 2020. And the volume of unregistered water had a reduction of 0.9%.	—
		Increase to 34 the autonomy hours of the supply service.	9	11	34	34	During 2020, the Pirque Mega Ponds will be inaugurated, increasing the system's autonomy to 34 hours. With this milestone, the autonomy goal was met.	✓
		To achieve a Continuity of Supply Index of 0.9990	0.9951 Aguas Andinas 0.9971 Aguas Cordillera 0.9967 Aguas Manquehue	0.9982 Aguas Andinas 0.9987 Aguas Cordillera 0.9933 Aguas Manquehue	0.9992 Aguas Andinas 0.9990 Aguas Cordillera 0.9974 Aguas Manquehue	0.9985 Aguas Andinas 0.9993 Aguas Cordillera 0.9994 Aguas Manquehue	The official 2020 continuity data published by the regulatory agency (SISS) is not available at the closing date of this Integrated Report, so the data shown in this table are those calculated internally. They will be replaced by the official ones in the next Report.	✓
	Protect and restore waterrelated ecosystems, including glaciers, mountains, wetlands, riparian forest, rivers, aquifers and lakes	Develop 3 protection projects on strategic resources.	0	0	1	2	1. In 2019, the Santiago-Maipo Water Fund was established as a public-private partnership to contribute to safeguard water security in Santiago and protect the Maipo River. Aguas Andinas participates in the Water Fund as a founding partner and member of the Board of Directors.  2. In 2020, a Water Efficiency Agreement was signed with the Municipality of Lo Barnechea.	✓
		Promote 3 initiatives for the reuse of treated sewage and gray water.	0	0	1	7	During 2020, a Reuse Committee was formed, where a portfolio of projects in this area was prepared, 7 of which are in Phase I (assessment).	✓
	Promote the use of alternative sources for uses that do not require potable water quality.	Promote 3 initiatives for the reuse of treated sewage and gray water.	0	0	1	7	During 2020, a Reuse Committee was formed, where a portfolio of projects in this area was prepared, 7 of which are in Phase I (assessment).	✓
		Conduct 1 campaign per year on responsible use and leak mitigation.	0	0	1	2	2019: During the year, an intense awareness campaign on water saving was developed, as a result of the extreme drought conditions, under the headline #NoLaDejesCorrer.  2020: During the first quarter of the year, an awareness campaign on responsible water use was conducted in response to the megadrought.	✓
	Systematically propose climate change resilience plans to our customers.	Conduct 1 campaign per year on responsible use and leak mitigation.	0	0	1	2	2019: During the year, an intense awareness campaign on water saving was developed, as a result of the extreme drought conditions, under the headline #NoLaDejesCorrer.  2020: During the first quarter of the year, an awareness campaign on responsible water use was conducted in response to the megadrought.	✓





### 3. DIGITALIZATION

ODS 8, 9, 11, 13, 17

Commitment	Goal	2017 Base	2017 Base	2018	2019	2020	Observations	Status
<b>Accelerate the digital revolution in service of citizens, operations and internal culture.</b>	Leading the digital connection with citizens.	113,000 smart customers (remote reading technology)	4,704	6,201	7,215	12,041	RF devices integrated into the meter were incorporated into the meter renewal plan.	✓
		775% of requirements solved digitally.	N/A	17%	20%	35.4%	During 2020 and as a result of the Covid-19 pandemic, emphasis has been placed on proactive digital communication with customers.	✓
	Automate the operation.	To achieve 96% telecontrolled installations.	88%	89%	90%	90%	The Operational Control Center (OCC 2.0) renovation project is being executed with an estimated budget of 12.51 billion pesos.	✓
	Implement the internal AGUA 4.0 culture.	Implement 8 practice communities	0	0	2	4	2019: 2 Communities; Architectural practice and Agile methodologies practice. 2020: 2 Communities; M365 practice (digital coach) and BI Power Practice.	✓
		Incorporate Artificial Intelligence to 50 processes.	0	4	5	9	2018, 4 processes: reconciliation of bank accounts, downloading of Professional Fees Bill, "Celeste" (name of the virtual assistant) in the area of customer service and reading content on social media. 2019, 1 process: factoring assignments 2020, 4 processes associated with the financial area.	✓
		Implementation of 20 initiatives with agile methodologies.	0	7	7	12	2018 incorporates 7 initiatives: Implementation of virtual assistant, Big data POC (Proof of concept), 3 process robotizations, emulation of human reading in social media and Happyforce work climate measurement App. 2020 incorporates 5 initiatives: Click, Contracts, Tenders, Digital channels, Biosolids..	✓



## 4. . CIRCULAR ECONOMY

ODS 6, 7, 11, 12, 13

Commitment	Goals	2022 Goals	2017 Base	2018	2019	2020	Observations	Status
<b>Leading the fight against climate change, contributing to the global objective of limiting the increase in global temperature to 1.5°C.</b>	<ul style="list-style-type: none"> <li>Achieve zero climate impact through the reduction of Greenhouse Gas emissions and the Water Footprint.</li> </ul>	<ul style="list-style-type: none"> <li>Reduce Scope 1 and 2 CO<sub>2</sub> emissions by 17.7%, and reduce Scope 3 CO<sub>2</sub> emissions by 4.9% (target with base year 2017-2018).</li> </ul>	218.747 tCO <sub>2</sub> e	216.601 tCO <sub>2</sub> e	218.598 tCO <sub>2</sub> e	186.704 tCO <sub>2</sub> e	<ul style="list-style-type: none"> <li>During 2019, the Science Based Targets Initiative (SBTi) approved reduction targets for 2030 with a science-based ambition of 1.5. In 2020, a 15% decrease in emissions compared to 2019 is reflected, mainly due to the increase in the purchase of renewable energy.</li> </ul>	✓
		<ul style="list-style-type: none"> <li>Mitigation of 23,000 TCO<sub>2</sub>/year avoided for citizens in the target period.</li> </ul>	22.314 tCO <sub>2</sub> e	19.882 tCO <sub>2</sub> e	17.928 tCO <sub>2</sub> e	15.358 tCO <sub>2</sub> e	<ul style="list-style-type: none"> <li>Avoided emissions correspond to the sale of biogas and electricity.</li> </ul>	✓
		<ul style="list-style-type: none"> <li>Decrease in water footprint (Baseline calculation 2017. Targets will be established in 2018)</li> </ul>	951 Hm <sup>3</sup>	928 Hm <sup>3</sup>	962 Hm <sup>3</sup>	1.016 Hm <sup>3</sup>	<ul style="list-style-type: none"> <li>The increase in the water footprint is mainly due to the 10% increase in the gray footprint as a result of the bypasses at the sewage plants.</li> </ul>	✓
	<ul style="list-style-type: none"> <li>To achieve energy sustainability by reducing energy consumption in processes, selfgenerating renewable energy and maximizing the renewable component in the energy matrix.</li> </ul>	<ul style="list-style-type: none"> <li>Energy consumption per m3 billed, less than 0.50 kWh.</li> </ul>	0.51 kW/m <sup>3</sup>	0.51 kW/m <sup>3</sup>	0.55kW/m	0.58 kW/m	<ul style="list-style-type: none"> <li>During the year, there has been an increase in energy intensity due to the extreme drought conditions, which have made it necessary to extract more water from wells due to the drastic decrease in river flows.</li> </ul>	✓
		<ul style="list-style-type: none"> <li>10% increase in 5 years in the percentage of selfgenerated electricity with respect to total energy consumed.</li> </ul>	51.8 GWh	54.5 GWh	57.2 GWh	59.9 GWh	<ul style="list-style-type: none"> <li>By the end of 2020, the goal of 10% increase in self-generation will be met.</li> </ul>	✓
		<ul style="list-style-type: none"> <li>85% of electricity consumed comes from renewable sources.</li> </ul>	18%	44%	44%	62%	<ul style="list-style-type: none"> <li>During 2020, the company increased by 30% the number of installations that went from being regulated customers to free customers, which allowed for an increase in the purchase of renewable energy.</li> </ul>	✓
	<ul style="list-style-type: none"> <li>To achieve zero waste, promoting the reuse and valorization of waste that becomes secondary raw materials.</li> </ul>	<ul style="list-style-type: none"> <li>To achieve that 0% of biosolids produced in the Metropolitan Region go to landfills.</li> </ul>	29%	11%	0%	0%	<ul style="list-style-type: none"> <li>In 2019, the goal of 0 sludge to landfill was achieved. During 2020, they were destined for agricultural revaluation and 8% were destined for co-digestion.</li> </ul>	✓
		<ul style="list-style-type: none"> <li>To achieve that 50% of wastes are recovered.</li> </ul>	N/A	44%	75%	85%	<ul style="list-style-type: none"> <li>During 2020, 85% of the waste was valorized, with 73% of the sludge being sent to agricultural land and 100% of the surplus from the construction of works being valorized.</li> </ul>	✓
		<ul style="list-style-type: none"> <li>Plastic Footprint Decrease (Baseline to be calculated in 2018).</li> </ul>	N/A	N/A	120.105 kg	104.341 kg	<ul style="list-style-type: none"> <li>During 2020, the indicator was positively impacted by the removal of plastic from paper tickets, which reduced the plastic footprint by 20 tons.</li> </ul>	✓



## 5. SOCIAL LEGITIMACY

ODS 1, 3, 4, 6, 8, 9, 10, 11, 13, 16, 17

Commitment	Goal	2022 Goals	Base 2017	2018	2019	2020	Observations	Status
<b>Increase stakeholder satisfaction with the company by strengthening dialogue and promoting shared value.</b>	To increase stakeholder satisfaction with the company, maintaining a proactive, permanent and regulated relationship.	<ul style="list-style-type: none"> <li>Increase the stakeholder satisfaction index.</li> </ul>	— N/A	— N/A	— N/A	— 3.7	Since August 2020, a monthly tracking of Social Reputation and Legitimacy has been carried out by a consulting firm specialized in market research (Feedback). The 2020 indicator corresponds to the annual average of the net satisfaction index (positive/negative mentions).	—
	Strengthen the role of Customer Counsel.	<ul style="list-style-type: none"> <li>To obtain a 95% recommendation rate from people who come to the Customer Counsel.</li> </ul>	— 85%	— 93%	— 92%	— 93%	During 2020, a plan was implemented to support the customer service areas, increasing the number of cases handled by 227, improving the satisfaction index.	✓
	Contribute to local development.	<ul style="list-style-type: none"> <li>Increase the number of contracts signed with local entrepreneurs and/or B companies.</li> </ul>	— N/A	— 93%	— 100%	— 100%	All community outreach events are attended by local entrepreneurs.	✓
		<ul style="list-style-type: none"> <li>To make more than 30,000 people per year aware of the sustainable use of water.</li> </ul>	— 7,485	— 19,313	— 54,504	— 0	During 2020 this activity was suspended due to the Covid-19 pandemic.	✓
		<ul style="list-style-type: none"> <li>Five-year contribution to the Community of more than \$2 billion.</li> </ul>	— \$580 million	— \$840 million	— \$783 million	— \$770 million	The organization provides social development funds in 4 communities and develops community projects with the neighbors of its large facilities.	✓
	Guarantee water to all people in vulnerable situations.	<ul style="list-style-type: none"> <li>To have 100% social coverage of potable water service.</li> </ul>	— \$1,017 million	— \$1,174 million	— \$3,019 million	— \$2,428 million	In 2020, debt forgiveness agreements decreased as a result of the company's commitment to suspend cuts for non-payment of service.	✓



## 6. INNOVATION AND PEOPLE

ODS 3, 4, 5, 6, 8, 9, 11

Commitment	Goals	2022 Goals	2017 Base	2018	2019	2020	Observations	Status
Promote diversity and well-being in the workplace, guaranteeing occupational health and safety, encouraging the development and promotion of talent and fostering a collaborative and innovative culture.	Promote diversity and well-being in the workplace, guaranteeing occupational health and safety, encouraging the development and promotion of talent and fostering a collaborative and innovative culture.	Decrease the frequency rate of the Water Group.	3.17	2.82	6.72	3.97	During 2020, 14 accidents occurred, 9 less than in 2019.	✓
		Obtain a Contractor frequency rate of less than 10.	12.6	8.54	8.91	10.72	During 2020, 1 more accident occurred than during 2019. Also, no fatal accidents occurred during the period.	✗
	Attracting and retaining talent.	To achieve a rate of 100% of employees benefiting from comprehensive performance analysis.	N/A	99%	100%	100%	100% of employees were evaluated on their performance during 2020.	✓
		To achieve a rate of employees benefiting from training equal to 100%.	80.0%	95.0%	99.9%	100%	During 2020, 1,816 workers were trained, with a total investment of \$203 million.	✓
	Promote well-being and equal opportunities by creating inclusive and diverse environments.	Obtain an Employee Satisfaction index > 80%.	N/A	72%	N/A	75%	During 2020, Aguas Andinas applied for the first time the SSIndex-Stakeholder Sustainability Index survey, an instrument that measures the perception of employees regarding the work environment in various dimensions.	✓
		Increase the rate of women in executive positions.	23.0%	23.6%	25.1%	28.2%	During 2020 there was an increase of 3.1% compared to 2019. To calculate the number of executives, area managements, managers, assistant managers and chiefs are considered.	✓
		Increase the rate of people with functional diversity.	N/A	1.0%	1.1%	1.4%	During 2020, it increased to 16 workers	✓
	Encourage collaborative and globalized ways of working.	Increase Penetration rate of collaborative environments (skype, yammer, onedrive...) up to 100%.	N/A	N/A	25.97%	79.02%	During 2020, the organization completed its migration to Office 365, with a penetration rate of 79.02% in the use of the Teams tool.	✓
		To achieve a number of people participating in corporate volunteering > 100/year.	100	100	100	114	The emergency network is available, as in previous years.	✓
	Promote open innovation for the development of sustainable solutions.	12 innovation projects executed with third parties (Start up Chile, Universities, etc).	N/A	3	5	10	During 2020, a portfolio of innovation projects was implemented.	✓
		Obtain recognition from outside the ecosystem by 2022.	0	0	0	2	Aguas Andinas is a member of CORFO Conecta. CORFO finances the innovation strategy.	✓





## 7. WATER AND QUALITY OF LIFE

ODS 3, 6, 11, 12

Commitment	Goal	2022 Goals	2017 Base	2018	2019	2020	Observations	Status
To improve the quality of life of citizens and promote the creation of healthy environments.	To favor the improvement of the citizens' quality of life.	Compliance 100% Plan to disseminate the nutritional benefits of water.	N/A	100%	100%	100%	Wide dissemination, through multiple platforms, of the health benefits of water intake.	✓
		100% compliance with the plan to disseminate the benefits of sewage treatment.	N/A	100%	100%	100%	During 2020 a campaign called, "10 años de Mapocho Limpio y Ciudadano" (10 years of Clean and Citizen Mapocho) was carried out.	✓
		Increase the number of water and health studies.	N/A	2 studies	2 studies	2 studies	During 2020, water and health studies did not continue developing, since the focus was on hydrological studies in order to face the drought.	—
	Preserving the biodiversity of ecosystems.	Develop 5 biodiversity preservation/recovery projects.	N/A	3 projects	5 projects	5 projects	1.- Quebrada de la Plata Agreement 2.- Laguna Farfana Contract 3.- Laguna Melipilla Monitoring Service 4.- La Dehesa Dam Monitoring Service 5.- Laguna Paine Recovery PHASE I.	✓



# Liability Statement

*The directors of Aguas Andinas S.A. and the general manager signing this statement are responsible, under oath, for the truthfulness of the information provided in this Integrated Report, a document that considers the contents of the Annual Report, in accordance with the provisions of General Rule No. 30 of the Financial Market Commission.*

**Claudio Muñoz Zúñiga**

President

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**Rodrigo Manubens Moltedo**

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**Narciso Berberana Sáenz**

Director

**RUT 22,105,171-8**

**Loreto Silva Rojas**

Director

**RUT 8,649,929-0**

**Luis Mayol Bouchon**

Independent Director

**RUT 6,387,384-5**

**Jorge Manent Codina**

Director

**DNI PAG723106**

**Marta Colet Gonzalo**

General Manager

**22,390,117-4**

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REPORT PROFILE  
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# FINANCIAL statements

**171** Consolidated financial statements

**250** Reasoned analysis

**266** Summarized financial statements



This document includes:

- *Consolidated Financial Position Statements*
- *Consolidated Statements of Comprehensive Income by Nature*
- *Consolidated Statements of Direct Cash Flows*
- *Consolidated Statements of Changes in Net Equity*
- *Explanatory Notes to the Consolidated Financial Statements*

# Consolidated Financial Statements

## Aguas Andinas S.A. and Subsidiaries

*For the years ended December 31, 2020 and 2019*



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## Interim Consolidated Financial Position Statements As of December 31, 2020 and 2019 (In thousand pesos - Th\$)

ACTIVOS	Note	31-12-2020 Th\$	31-12-2019 Th\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalent	4	174,945,586	72,062,758
Other non-financial assets		3,803,544	2,453,658
Commercial debtors and other accounts receivable	5	87,482,681	115,937,498
Accounts receivable from related entities	6	982,856	25,324
Inventories	7	3,954,953	3,810,599
Tax assets	8	27,248,856	3,386,809
<b>Total current assets other than the assets or groups of available assets classified as being retained for sale or being retained to be distributed among holders</b>		<b>298,418,476</b>	<b>197,676,646</b>
Non-current assets or groups of assets for disposal classified as held for sale	9	3,836,023	-
<b>TOTAL CURRENT ASSETS</b>		<b>302,254,499</b>	<b>197,676,646</b>
<b>NON-CURRENT ASSETS</b>			
Other financial assets	10	7,895,863	7,852,912
Other non-financial assets		2,396,459	3,037,505
Receivables	5	4,178,613	4,251,661
Intangible assets other than goodwill	11	218,653,890	223,786,740
Goodwill	12	33,823,049	36,233,012
Properties, plant and equipment	13	1,568,189,347	1,495,658,317
Usage rights assets	14	3,740,278	3,419,001
Deferred tax assets	15	3,304,490	29,528,508
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,842,181,989</b>	<b>1,803,767,656</b>
<b>TOTAL ASSETS</b>		<b>2,144,436,488</b>	<b>2,001,444,302</b>

The accompanying notes 1 to 36 are an integral part of these interim consolidated financial statements.

LIABILITIES	Note	31-12-2020 Th\$	31-12-2019 Th\$
<b>CURRENT LIABILITIES</b>			
Other financial liabilities	14	1,413,425	1,496,533
Lease liability	17	98,758,134	132,451,851
Trade debts and other accounts payable	6	17,746,030	41,030,704
Accounts payable from related entities	18	28,897,014	3,732,169
Other provisions		821,301	1,873,831
Tax liabilities	19	4,926,436	5,184,148
Provisions for employee benefits	20	20,405,955	19,982,666
Other non-financial liabilities		<b>244,032,589</b>	<b>242,137,717</b>
<b>Total current liabilities other than liabilities included in groups of liabilities for disposal classified as held for sale</b>		-	-
<b>Liabilities included in groups of assets for disposal classified as held for sale</b>		<b>244,032,589</b>	<b>242,137,717</b>
<b>TOTAL CURRENT LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Other financial liabilities	14	2,375,477	1,942,083
Lease liability	17	1,452,311	1,159,317
Other accounts payable	18	1,419,880	1,380,132
Other provisions	15	25,153,705	33,595,773
Deferred tax liabilities	19	20,339,194	20,768,569
Provisions for employee benefits	20	10,184,563	10,031,855
Other non-financial liabilities		<b>1,059,655,092</b>	<b>1,071,833,122</b>
<b>TOTAL LIABILITIES</b>		<b>1,303,687,681</b>	<b>1,313,970,839</b>
<b>EQUITY</b>			
Issued capital	21	155,567,354	155,567,354
Accumulated earnings (losses)	21	364,961,863	330,787,492
Share premium	21	164,064,038	164,064,038
Other equity interests	21	(5,965,550)	(5,965,550)
Other reserves	21	162,095,537	-
<b>Equity attributable to owners of the controller</b>		<b>840,723,242</b>	<b>644,453,334</b>
Non-controlling interests	22	25,565	43,020,129
<b>TOTAL EQUITY</b>		<b>840,748,807</b>	<b>687,473,463</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,144,436,488</b>	<b>2,001,444,302</b>

The accompanying notes 1 to 36 are an integral part of these interim consolidated financial statements.



## Interim Consolidated Statements of Comprehensive Income by Nature For the fiscal years ended December 31, 2020 and 2019

(In thousand pesos - Th\$)

INCOME STATEMENT BY NATURE	Nota	31-12-2020 Th\$	31-12-2019 Th\$
Revenues for regular activities	24	478,773,563	484,329,084
Used raw materials and expendables		(43,542,356)	(37,518,383)
Provisions for employee benefits	19	(55,045,719)	(50,638,865)
Expenses related to depreciation and amortization	11, 13, 14	(67,134,809)	(63,951,173)
Impairment losses	13	(1,404,946)	-
Other expenses by nature	25	(144,853,561)	(110,865,349)
Other (losses) earnings	26	(3,967,292)	14,280,922
<b>Earnings (losses) from operating activities</b>		<b>162,824,880</b>	<b>235,636,236</b>
Financial income	26	3,868,561	5,223,315
Financial costs	26	(28,172,393)	(26,752,209)
Earnings (losses) exchange differences	27	(496,138)	(481,551)
Results of indexation adjustments	28	(22,343,279)	(21,552,953)
<b>Earnings before taxes</b>		<b>115,681,631</b>	<b>192,072,838</b>
Expenses for earning taxes	15	(26,987,579)	(49,352,038)
<b>Earnings from continuous operations</b>		<b>88,694,052</b>	<b>142,720,800</b>
Profit (loss) from discontinued operations	29	11,671,443	(2,970,428)
<b>Earnings</b>		<b>100,365,495</b>	<b>139,750,372</b>
Earnings due to			
<b>Earnings attributable to owners of the controller</b>		<b>98,691,668</b>	<b>141,737,188</b>
Earnings (losses) attributable to non-controlling shares	22	1,673,827	(1,986,816)
<b>Earnings</b>		<b>100,365,495</b>	<b>139,750,372</b>
Earnings per share			
Earnings per basic shares in continuous operations (\$)	31	16,129	23,164
<b>Earnings per basic shares (\$)</b>		<b>16,129</b>	<b>23,164</b>

The accompanying notes 1 to 36 are an integral part of these interim consolidated financial statements.

STATEMENTS OF COMPREHENSIVE RESULTS	Nota	31-12-2020 M\$	31-12-2019 M\$
<b>Earnings</b>		<b>100,365,495</b>	<b>139,750,372</b>
OTHER COMPREHENSIVE RESULT			
Components of other comprehensive income that will not be reclassified to the result for the period, before taxes			
Gain (loss) on revaluation of land	13	223,346,427	-
Actuarial gains (losses) on defined benefit plans	19	<b>387,032</b>	<b>(2,487,505)</b>
<b>Other comprehensive income that will not be reclassified to the result for the period, before taxes</b>		<b>223,733,459</b>	<b>(2,487,505)</b>
Income taxes relating to components of other comprehensive income that will not be reclassified to the result for the period			
Income tax related to the revaluation of land		<b>(61,389,750)</b>	-
Income tax related to defined benefit plans		(104,498)	671,626
<b>Income taxes relating to components of other comprehensive income that will not be reclassified to the result for the period</b>		<b>(61,494,248)</b>	<b>671,626</b>
<b>Total other comprehensive result</b>		<b>162,239,211</b>	<b>(1,815,879)</b>
<b>TOTAL COMPREHENSIVE RESULT</b>		<b>262,604,706</b>	<b>137,934,493</b>
Comprehensive income attributable to			
<b>Comprehensive income statement attributable to the owners of the controller</b>	<b>21</b>	<b>260,925,484</b>	<b>139,893,085</b>
Comprehensive income statement attributable to non-controlling shares	22	1,679,222	(1,958,592)
<b>Total comprehensive income</b>		<b>262,604,706</b>	<b>137,934,493</b>

The accompanying notes 1 to 36 are an integral part of these interim consolidated financial statements.



DIRECT CASH FLOW STATEMENT	Note	31-12-2020 Th\$	31-12-2019 Th\$
Collections from the sales of assets and services		544,596,948	574,497,101
Collections from premiums and services, annuities and other liabilities arising from contracted policies		85,227	18,611
Other collections from operational activities		12,004,316	4,188,086
<b>Types of payments in cash from operational activities</b>		<b>556,686,491</b>	<b>578,703,798</b>
Payments to suppliers for goods and services		(194,753,162)	(187,354,664)
Payments to and on behalf of the employees		(54,474,101)	(51,681,538)
Payments of premiums and services, annuities and other liabilities arising from contracted policies		(92,656)	(2,572,938)
<b>Other payments for operational activities</b>		<b>(42,416,053)</b>	<b>(44,324,296)</b>
<b>Cash flow from operational activities</b>		<b>(291,735,972)</b>	<b>(285,933,436)</b>
Interests paid		(25,261,603)	(22,015,973)
Interest received		804,041	824,207
Taxes on earnings paid (reimbursed)		(47,954,637)	(48,277,458)
<b>Other cash in-flow (out-flow)</b>		<b>(7,245,040)</b>	<b>(2,541,669)</b>
<b>Cash flow from (used in) operations</b>		<b>(79,657,239)</b>	<b>(72,010,893)</b>
<b>Cash flow from (used in) operational activities</b>		<b>185,293,280</b>	<b>220,759,469</b>
Cash flows from loss of control of subsidiaries or other businesses		73,499,770	-
<b>Amounts from the sale of property, plant and equipment</b>		<b>547,871</b>	<b>18,206,781</b>
Purchase of property, plant and equipment		(149,004,549)	(125,868,435)
<b>Purchase of intangible assets</b>		<b>(3,414,662)</b>	<b>(12,455)</b>
Other cash in-flow (out-flow)		-	(2,020,253)
<b>Cash flow from (used in) investment activities</b>		<b>(78,371,570)</b>	<b>(109,694,362)</b>
Amounts from long-term loans		11,537,028	79,221,040
Amounts from short-term loans		163,300,000	57,284,683
<b>Amounts from loans, classified as financing activities</b>		<b>174,837,028</b>	<b>136,505,723</b>
Loans refund		(71,556,496)	(86,960,055)
Paid dividends		(106,199,425)	(127,075,487)
Other cash in-flow (out-flow)		(1,119,989)	(1,453,004)
<b>Cash flows from (used in) financing activities</b>		<b>(4,038,882)</b>	<b>(78,982,823)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>102,882,828</b>	<b>32,082,284</b>
Cash and equivalent cash at the beginning of the fiscal year		72,062,758	39,980,474
<b>Cash and equivalent cash at the end of the fiscal year</b>	<b>4</b>	<b>174,945,586</b>	<b>72,062,758</b>



## Consolidated Statements of Changes in Net Equity

### For the fiscal years ended December 31, 2020 and 2019

Miles de pesos (M\$)

Status of equity changes	Note	Issued Capital Th\$	Share premiums Th\$	Other equity shares Th\$	Accumulated earnings (losses) Th\$	Reserves			Total other reserves Th\$	Equity attributable to the owners of the controlled Th\$	Non-controlling equity Th\$	Total equity Th\$
						Revaluation surplus Th\$	Share-based payment reserve Th\$	Actuarial gain or loss reserve in defined benefit plans Th\$				
Initial balance		155,567,354	164,064,038	(5,965,550)	330,787,492	-	-	-	-	644,453,334	43,020,129	687,473,463
Gain		-	-	-	98,691,668	-	-	-	-	98,691,668	1,673,827	100,365,495
Other comprehensive result		-	-	-	-	161,951,272	-	282,544	162,233,816	162,233,816	5,395	162,239,211
<b>Comprehensive result</b>		-	-	-	98,691,668	161,951,272	-	282,544	162,233,816	260,925,484	1,679,222	262,604,706
Dividends		-	-	-	(64,799,841)	-	-	-	-	(64,799,841)	(2,005)	(64,801,846)
Decrease by transfers and other changes		-	-	-	282,544	-	144,265	(282,544)	(138,279)	144,265	(44,671,781)	(44,527,516)
<b>Total changes in equity</b>		-	-	-	34,174,371	161,951,272	144,265	-	162,095,537	196,269,908	(42,994,564)	153,275,344
<b>Closing balance</b>	21-22	155,567,354	164,064,038	(5,965,550)	364,961,863	161,951,272	144,265	-	162,095,537	840,723,242	25,565	840,748,807

Status of equity changes	Note	Issued Capital Th\$	Share premiums Th\$	Other equity shares Th\$	Accumulated earnings (losses) Th\$	Reserves			Total other reserves Th\$	Equity attributable to the owners of the controlled Th\$	Non-controlling equity Th\$	Total equity Th\$
						Revaluation surplus Th\$	Share-based payment reserve Th\$	Actuarial gain or loss reserve in defined benefit plans Th\$				
Initial balance		155,567,354	164,064,038	(5,965,550)	324,954,813	-	-	-	-	638,620,655	48,370,742	686,991,397
Gain		-	-	-	141,737,188	-	-	-	-	141,737,188	(1,986,816)	139,750,372
Other comprehensive result		-	-	-	-	-	-	(1,844,103)	(1,844,103)	(1,844,103)	28,224	(1,815,879)
<b>Comprehensive result</b>		-	-	-	141,737,188	-	-	(1,844,103)	(1,844,103)	139,893,085	(1,958,592)	137,934,493
Dividends		-	-	-	(134,060,406)	-	-	-	-	(134,060,406)	-	(134,060,406)
Decrease by transfers and other changes		-	-	-	(1,844,103)	-	-	1,844,103	1,844,103	-	(3,392,021)	(3,392,021)
<b>Total changes in equity</b>		-	-	-	5,832,679	-	-	-	-	5,832,679	(5,350,613)	482,066
<b>Closing balance</b>	21-22	155,567,354	164,064,038	(5,965,550)	330,787,492	-	-	-	-	644,453,334	43,020,129	687,473,463

The accompanying notes 1 to 3 are an integral part of these interim consolidated financial statements.

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## Note 1. Overview

Aguas Andinas S.A. (hereinafter the "Company") and its Subsidiaries are part of the Aguas Andinas Group (hereinafter the "Group"). Its legal address is Avenida Presidente Balmaceda 1398, Santiago, Chile and its Taxpayer Identification Number (RUT, for its acronym in Spanish) is 61.808.000-5.

Aguas Andinas S.A. was incorporated as an open stock Company by public deed on May 31, 1989 in Santiago, before the Notary Public Mr. Raúl Undurraga Laso. An excerpt of the by-laws was published in the Official Gazette on June 10, 1989 and was registered in the Registry of Commerce on page 13,981, No. 7,040 of 1989 of the Santiago Real Estate Registrar.

The Company's corporate purpose, in accordance with Article 2 of its bylaws, is the provision of water utility services, which includes the construction and operation of public services aimed at producing and distributing potable water and collecting and disposing of wastewater. Its current concession area is distributed in Greater Santiago and outlying towns.

The Company is the parent company of three water utility companies, two in the Greater Santiago ("Aguas Cordillera S.A." and "Aguas Manquehue S.A.") and one in the De Los Ríos and De Los Lagos region ("Empresa de Servicios Sanitarios De Los Lagos S.A.", "ESSAL"). In order to provide a comprehensive service within its line of business, the Company has non-water utility subsidiaries that provide services such as liquid industrial waste treatment (EcoRiles S.A.), laboratory analysis (Análisis Ambientales S.A.), sales of materials and other services related to the water utility business (Gestión y Servicios S.A.) and activities associated with water rights and energy projects arising from water utility facilities and assets (Aguas del Maipo S.A.).

The Company and its subsidiary ESSAL S.A., are registered in the Securities Registry of the Financial Market Commission under No. 346 and No. 524, respectively. The subsidiaries Aguas Cordillera S.A. and Aguas Manquehue S.A. are registered in the Special Registry of Reporting Entities of the Financial Market Commission under No. 170 and No. 2, respectively. As companies in the water utility business, they are regulated by the Superintendence of Sanitation Services (SISS, for its acronym in Spanish), in accordance with Law No. 18,902 of 1989 and Decrees with Force of Law No. 382 and No. 70, both of 1988.

For the purposes of preparing consolidated financial statements, a group is deemed to exist when the parent company has one or more Subsidiaries, over which the parent company has control either directly or indirectly. The accounting policies applied in the preparation of the Group's consolidated financial statements are detailed in Note 2.2.

The direct controlling entity is Inversiones Aguas Metropolitanas S.A. ("IAM") with a 50.10234% ownership, a corporation controlled by Suez Inversiones Aguas del Gran Santiago Ltda. ("IAGSA"), which is controlled by Suez Andinas S.A., its controller is Suez Spain, S.L., a company based in Spain and one of the largest operators of water utility services in the world, which in turn is controlled by Suez Groupe S.A.S. (France).

## Note 2. Preparation basis and accounting policies

### 2.1 Preparation basis

These interim consolidated financial statements correspond to the consolidated statements of financial position as of December 31, 2020 and 2019 and the consolidated statements of comprehensive income, changes in net equity and cash flows for the years ended December 31, 2020 and 2019, which have been prepared in accordance with International Accounting Standards (IAS), IAS 34 Interim Financial Information included in the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (hereinafter "IASB"), and represent the full, explicit and unreserved adoption of the aforementioned IFRS.

The Group complies with the legal conditions of the environment in which it operates, in particular the water utility Subsidiaries with respect to the regulations pertaining to the water utility sector. The Group companies present normal operating conditions in each area in which they develop their activities, their projections show a profitable operation and they have the capacity to access the financial system to finance their operations, which in the opinion of management determines their capacity to continue as a going concern, as established in the accounting standards under which these consolidated financial statements are issued.

### Functional and presentation currency

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

### New accounting pronouncements

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



Standards and Interpretations	Date of mandatory application
Conceptual framework	Annual periods beginning on or after January 1, 2020

Amendments	Date of mandatory application
IFRS 3, Business Combinations - Definition of a business	Annual periods beginning on or after January 1, 2020
IAS 1, Presentation of Financial Statements and IAS 8, Investments in Associates - Definition of material	Annual periods beginning on or after January 1, 2020
IFRS 9, IAS 39 and IFRS 7 Financial Instruments - Reform of the interest rate benchmark	Annual periods beginning on or after January 1, 2020
IFRS 16, Leases - Rent Reductions related to Covid-19	Annual periods beginning on or after January 1, 2020 *

*\* Early application is permitted, including financial statements not yet authorized for publication as of May 28, 2020.*

Standards and Interpretations	Date of mandatory application
IFRS 17, Insurance Contracts	Annual periods beginning on or after January 1, 2023

Amendments	Date of mandatory application
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Benchmark Interest Rate Reform - Phase 2	Annual periods beginning on or after January 1, 2021
IFRS 3, Business Combinations - Reference to the Conceptual Framework	Annual periods beginning on or after January 1, 2022
IFRS 16, Leases - Property, plant and equipment: proceeds obtained before intended use	Annual periods beginning on or after January 1, 2022
IAS 37, Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - cost of fulfilling a contract	Annual periods beginning on or after January 1, 2022
IAS 1, Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current	Annual periods beginning on or after January 1, 2023
IFRS 10 and IAS 28, Consolidated Financial Statements - sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Company's management considers that the adoption of the aforementioned Standards, Amendments and Interpretations, which could be applied to Aguas Andinas S.A. and Subsidiaries, is in the process of being assessed and it is estimated that, to date, they would not have a significant impact on the Group's consolidated financial statements in the period of their first application. Management is periodically assessing these implications.

## Responsibility for the information and estimates made

The information contained in these consolidated financial statements is the responsibility of the Company's Board of Directors, which states that all principles and criteria included in International Financial Reporting Standards (IFRS) have been applied. The Board of Directors, at its meeting held on March 25, 2021, approved these consolidated financial statements.

The consolidated financial statements of Aguas Andinas S.A. and Subsidiaries corresponding to fiscal year 2019 were approved by its Board of Directors in a session held on March 25, 2020.

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

- Useful life of property, plant and equipment and intangibles
- Valuation of assets and purchased goodwill (goodwill or lower investment value)
- Impairment losses on assets
- Assumptions used in the actuarial calculation of employee termination benefits
- Assumptions used for the calculation of the fair value of financial instruments
- Income from supplies pending billing
- Provisions for commitments to third parties
- Risks arising from current litigation

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

## 2.2 Accounting policies

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

### A. BASIS OF CONSOLIDATION

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

All transactions, balances, gains and losses between Group entities are eliminated on consolidation.

The Company and its Subsidiaries have uniformity in the policies used by the Group.



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

Tax ID	Company Name	Direct %	Indirect %	Total 2020 %	Direct %	Indirect %	Total 2019 %
96,809,310-K	Aguas Cordillera S.A.	99.99003	-	99.99003	99.99003	-	99.99003
89,221,000-4	Aguas Manquehue S.A.	0.00043	99.99957	100.00000	0.00043	99.99957	100.00000
96,897,320-7	Inversiones Iberaguas Ltda.(*)	-	-	-	99.999998	0.000002	100.00000
96,579,800-5	ESSAL S.A.(*)	-	-	-	2.50650	51.00000	53.50650
96,945,210-3	EcoRiles S.A.	99.03846	0.96154	100.00000	99.03846	0.96154	100.00000
96,828,120-8	Gestión y Servicios S.A.	97.84783	2.15217	100.00000	97.84783	2.15217	100.00000
96,967,550-1	Análisis Ambientales S.A.	99.00000	1.00000	100.00000	99.00000	1.00000	100.00000
76,190,084-6	Aguas del Maipo S.A.	82.64996	17.35004	100.00000	82.64996	17.35004	100.00000

(\*) On October 13, 2020, Aguas Andinas completed the sale of its direct and indirect participation (through Iberaguas Ltda.) in ESSAL to Eco Acquisitionco SpA, a company incorporated in Chile and controlled by the Canadian company Algonquin Power & Utilities Corp, therefore, as of that date these companies are not part of the consolidation perimeter.

## B. OPERATING SEGMENTS

IFRS 8 sets out standards for operating segment reporting and related product and service disclosures. Operating segments are defined as components of an entity for which separate financial information exists and is regularly reviewed by Management to make decisions about the resources to be allocated to the segments and to evaluate their performance.

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

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

## C. INTANGIBLE ASSETS OTHER THAN GOODWILL

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

### i. Separately acquired intangible assets:

Separately acquired intangible assets are shown at cost less accumulated amortization and accumulated impairment losses. Amortization is calculated on a straight-line basis over the estimated useful lives. The estimated useful lives and the amortization method are reviewed at the end of each statement of financial position, with the effect of any changes in the estimate recorded prospectively.

### ii. Amortization method for intangibles:

#### Intangibles with a defined useful life

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

#### Software

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





## Intangibles of indefinite useful life

Intangible assets with indefinite useful lives correspond mainly to water and easement rights, which were obtained indefinitely, as established in the acquisition contracts and the rights obtained from the Directorate General of Water, dependent on the Ministry of Public Works.

### Determination of useful life

The factors to be considered for the estimation of the useful life are, among others, the following:

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

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

### D. GOODWILL

Capital gains (goodwill) generated in the business combination represent the excess of the cost of acquisition over the Group's interest in the fair value of the assets and liabilities, including the identifiable contingent liabilities of a Subsidiary at the date of acquisition.

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

In the event that the definitive determination of the goodwill is made in the financial statements for the year following that in which the interest was acquired, the prior year items presented for comparison purposes

are modified to include the value of the assets and liabilities acquired and the definitive goodwill from the date of acquisition of the interest.

The goodwill generated prior to the date of our transition to IFRS, i.e., January 1, 2008, is maintained at the net value recorded at that date, while that generated subsequently is recorded using the acquisition method.

The goodwill is not amortized, instead at the end of each accounting period it is estimated whether there has been any impairment reducing its recoverable value to an amount lower than the net cost recorded, proceeding, if necessary, to the appropriate adjustment for impairment, as required by IAS 36.

### E. PROPERTY, PLANT AND EQUIPMENT

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

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

### Depreciation method and estimated useful life for properties, plant and equipment:

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

When the value of an asset exceeds its estimated recoverable amount, its value is immediately reduced to its recoverable amount (Note 30).

### Useful lives

The useful lives considered for the purposes of calculating depreciation are based on technical studies prepared by specialized external companies, which are reviewed to the extent that background information emerges that would allow the useful life of an asset to be considered modified.

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

- Nature of the materials that make up the equipment or construction.
- Means of operation of the equipment
- Intensity of use
- Legal, regulatory or contractual limitations.

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

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



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### **Cost estimate policy for dismantling, decommissioning or restoration of property, plant and equipment:**

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

The result from the sale of property, plant and equipment is calculated by comparing the income obtained with the carrying amount and is recorded in the Consolidated Statement of Comprehensive Income.

### **F. IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS OTHER THAN GOODWILL**

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

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

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

When the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of that asset (or cash-generating unit) is adjusted to its recoverable amount

and an impairment loss is recognized immediately in income. When an impairment loss reverses, the carrying amount of the asset (or cash-generating unit) is adjusted to the revised estimate of its recoverable amount, provided that the adjusted carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years.

### **G. LEASES**

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

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

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

The lease liability is initially measured at the present value of the lease payments, discounted at the company's incremental lending rate, if the interest rate implicit in the lease cannot be easily determined.

After the start date, the lease liability is increased to reflect the accumulation of interest and is reduced by the lease payments made. In addition, the carrying value of the liability is remeasured if there is a change in the terms of the lease (changes in the term, in the amount of the payments or in the assessment of an option to purchase or change in the amounts to be paid). Interest expense is recognized as a financial cost in the result of the period.

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

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



## H. FINANCIAL ASSETS

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

Financial assets are classified in the following categories:

- Financial assets at fair value with changes in results
- Financial assets at fair value with changes in comprehensive income
- Financial assets at amortized cost

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

Aguas Andinas S.A. and its Subsidiaries invest in low-risk instruments, which comply with classification standards established in their investment policies. Thus, mutual investment funds must have an AAfm / M1 rating (Quotas with very high protection against loss, associated with credit / quotas risks with the lowest sensitivity to changes in economic conditions). Fixed-term deposits and covenants, contracted are instruments with a N-1 classification (Instruments with the highest capacity to pay the capital and interest in the terms and conditions agreed).

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

### i. Effective interest rate method

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

### ii. Fair value with changes in other comprehensive income

For the classification of an asset with fair value with effect on other comprehensive income, the sale of financial assets for which it is expected to recover the principal amount in addition to the interest, if applicable, must be met as a principle.

### iii. Financial assets at fair value with changes in results

Financial assets are shown at fair value through results when the asset is held for trading or is designated as at fair value with changes in results.

Financial assets at fair value with changes in results are valued at fair value and any resulting loss or gain is recognized in the results. The net loss or gain recognized in the results includes any dividend or interest received over the financial asset.

The Company and its Subsidiaries hold shares in Sociedad Eléctrica Puntilla S.A., which have been measured at fair value at the date of acquisition in accordance with IFRS 9. They are subsequently measured at cost since there is no active market in accordance with the provisions of the same standard.

### iv. Financial assets at amortized cost

#### Loans and accounts receivable

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

#### Trade debtors and other accounts receivable

Trade debtors correspond to the amounts billed for consumption of potable water, sewage services, wastewater treatment and other services and to the earned income from consumption between the date of the last meter reading (according to the established monthly calendar)

and the closing date of the Financial Statement. These are recorded at the net value of the estimated bad debts or those with a low probability of being collected.

Trade debtor policy is subject to the credit policy, which establishes the payment conditions, as well as the different scenarios to be agreed upon for delinquent customer.

### Policy on impairment of trade debtors and other accounts receivable

The Company periodically assesses the losses in value affecting its financial assets. The amount is recorded in the uncollectible provisions account. The carrying amount of the asset is reduced as the provision account is used and the loss is recognized in the consolidated statement of comprehensive income under "other expenses". When an account receivable is uncollectible, it is recorded against the provision account for accounts receivable based on credit loss model expected according to IFRS 9.

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

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

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

Provisions are made for 100% of notes receivable that are overdue.



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## I. INVENTORIES

Materials, spare parts, and supplies are presented at acquisition cost, which does not exceed net realizable value. The costing method corresponds to the weighted average cost. Every six months, an estimate of impairment is made for those materials that are damaged, partially or totally obsolete, or have had no turnover during the last twelve months and their price in the market has fallen by more than 20%.

## J. DIVIDEND POLICY

The Company's dividend policy, as established in Article 79 of Law 18,046 which governs Public Limited Companies, is to distribute at least 30% of the net profits of each year. In the event that these dividends do not exist or are less than the minimum established by Law, the respective provision will be made.

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

## K. FOREIGN CURRENCY TRANSACTIONS

Assets and liabilities in foreign currencies are presented at the respective financial year-end exchange rates, according to the following parities:

Currency	31-12-2020 CLP	31-12-2019 CLP
US Dollar	710.95	748.74
Euro	873.30	839.58

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency gains and losses resulting from the liquidation of these transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of comprehensive income.

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

## L. FINANCIAL LIABILITIES

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

## M. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

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

The Group uses derivative financial instruments as hedging instruments to mitigate inflation, interest rate and foreign currency risks on existing items to which it has been exposed due to its operations.

Derivatives are recorded at their fair value on the date of the statement of financial position. In the case of financial derivatives, if their value is positive, they are recorded under the heading "Other Financial Assets" and if it is negative, under the heading "Other Financial Liabilities".

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

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

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

**Cash flow and net investment in foreign currency hedges.** Changes in the fair value of these derivative financial instruments are recorded for the effective part directly in an equity reserve called a "cash flow hedge",

while the ineffective part is recorded in income. The amount recognized in net equity is not transferred to the income statement until the results of the hedged transactions are recorded therein, or until the maturity date of such transactions.

If the hedge is discontinued, the cumulative gain or loss at that date in net equity is maintained until the underlying hedged transaction is performed. At that time, the cumulative gain or loss in equity will be reversed to the income statement, affecting the transaction.

At the end of each fiscal year, financial instruments are presented at their fair value. In the case of derivatives not traded in formal markets, the Group uses assumptions based on market conditions at that date to measure them.

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

**Implicit derivative.** The Group also assesses the existence of derivatives embedded in contracts and financial instruments to determine whether their characteristics and risks are closely related to the main contract, provided that the set is not being accounted for at fair value. If they are not closely related, they are recognized separately and changes in value are recognized directly in the consolidated income statement.





## N. PROVISIONS AND CONTINGENT LIABILITIES

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

Provisions are quantified taking into consideration the best available information on the event and its consequences and are re-estimated at the time of each accounting close. The provisions recorded are used to address the specific risks for which they were originally recognized and are revised, in full or in part, when these risks disappear or diminish.

Contingent liabilities are all possible obligations arising from past events, the future materialization of which and the associated loss in equity is considered to be of low probability. In accordance with IFRS, the Group does not recognize any provision for these items, although, as required by the same standard, they are detailed in Note 17.

## O. EMPLOYEE BENEFITS

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

### Aguas Andinas S.A.

Severance package in Aguas Andinas S.A. is governed by the provisions of the Labor Code, except for the amount of severance payment for all events accrued as of July 31, 2002 and the payment of 1.45 salaries for

termination, excluding voluntary resignation, without limit of amount or years, for workers who are part of the collective bargaining agreements in force and to whom the same benefit was extended through their individual work contract. The amount to any event accumulated to that date is readjusted quarterly according to the variation of the consumer price index. In addition, the aforementioned collective bargaining agreements establishes that workers who retire from Aguas Andinas S.A. and make their retirement effective within 120 days from the date on which they reach legal retirement age may access the benefit detailed in the collective bargaining agreements, and continue to accrue this benefit after July 2002.

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

Severance package in Aguas Cordillera S.A., and Aguas Manquehue S.A., is governed by the provisions of the Labor Code, except for the amount of severance pay for all events accrued as of December 31, 2002, and the payment for termination of one salary without limit of amount or years, for workers who are part of the collective bargaining agreements in force and to whom the same benefit was extended through their individual work contract. The amount for any event accumulated at that date is readjusted quarterly according to the variation of the consumer price index. In addition, the aforementioned collective bargaining agreements provide that workers who retire from Aguas Cordillera S.A. and Aguas Manquehue S.A. continue to accrue this benefit after December 2002.

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

## P. SHARE-BASED PAYMENT RESERVE

In accordance with IFRS 2, Aguas Andinas has recognized an expense (personnel costs) corresponding to the benefits granted by the Suez Parent to the employees of all subsidiaries worldwide, in the form of share-based payments, in consideration for services rendered, which benefit was subscribed by the employees of Aguas Andinas and subsidiaries in Chile.

These services are valued at the fair value of the instruments awarded and the effects are described in note 22 of the Financial Statements.

The share purchase plans implemented by the Suez controller for employees of subsidiaries around the world allow employees to subscribe to Company shares at a lower cost than the market. The fair value of instruments awarded under employee share purchase plans is estimated at the grant date based on the value of this discount granted to employees and the vesting period applicable to the share subscribed. As this is a service provided by employees to each subsidiary, in accordance with IFRS 2, Aguas Andinas and domestic subsidiaries recognize the cost of the agreement as an expense for the year, which is offset by a credit to equity.



## Q. INCOME TAX AND DEFERRED TAXES

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

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

Deferred taxes are recognized on the basis of the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the calculation of the tax result and are accounted for in accordance with the balance sheet liability method. Deferred tax liabilities are recognized for all taxable temporary differences, and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the differences can be utilized. No deferred tax assets or liabilities are recognized if the temporary differences arise from the initial recognition (except in a business combination) of other assets and liabilities in a transaction that does not affect either taxable profit or financial performance.

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

Deferred tax assets and liabilities are measured at the tax rates expected to apply in the period when the liability is settled or the asset is realized, based on tax rates that have been approved, or the approval process is substantially completed, at the end of the period of the statement of financial position. The measurement of deferred tax assets and liabilities reflects the tax consequences that would arise from the manner in which the Group expects, at the reporting date, to recover or settle the carrying value of its assets and liabilities.

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

## R. ORDINARY INCOME

### Revenue recognition policy

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

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

### Revenue recognition policy for sales of goods

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

### Revenue recognition policy for sales of services

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

The service area of the Water Utility Companies is divided into billing groups, which determines dates for readings and subsequent billing. This process is developed on the basis of a monthly calendar, which means that at the end of each month there is unread consumption and therefore not billed.

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

In those cases, where the Company does not have all of the consumption read, the best estimate of the income pending billing will be made, that is, based on physical data from the previous month valued at the current rate, considering in both cases (billing or estimate) normal rate or over-consumption as appropriate.

The transfer of risks and benefits varies according to the business line. For the companies of Water Utility Services, the provision of services and all its associated charges are made according to the real consumption and a monthly provision is made on the consumptions made and not billed on the basis of previous invoicing. For the subsidiaries Análisis Ambientales S.A., EcoRiles S.A., Gestión y Servicios S.A. and Aguas del Maipo S.A., the billing and eventual provision is made based on work executed.



### Method for determining service termination status

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

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

### S. EARNINGS PER SHARE

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

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

### T. ENVIRONMENTAL INFORMATION

Se consideran activos de naturaleza medioambiental aquellos que Assets of an environmental nature are considered to be those that are used on a lasting basis in the activity of the Company and Subsidiaries, whose main purpose is the minimization of adverse environmental impacts and the protection and improvement of the environment, including the reduction or elimination of future pollution from the operations of Aguas Andinas S.A. and Subsidiaries.

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

### U. CONSOLIDATED STATEMENTS OF CASH FLOWS

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

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

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

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

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

### V. CONSTRUCTION CONTRACTS

For construction contracts, the Group uses the "percentage-of-completion method" for the recognition of revenues and expenses related to a contract in progress. Under this method, revenues derived from the contract are compared to the contract costs incurred at the stage of completion, thereby disclosing the amount of revenues, expenses and profits that can be attributed to the executed portion of the contract.

Contract costs are recognized when incurred. When the outcome of a construction contract can be estimated from If it is reliable and it is probable that the contract will be profitable, contract revenue is recognized over the contract period. When it is probable that total

contract costs will exceed total contract revenue, the estimated loss is recognized immediately as an expense for the period. When the outcome of a construction contract cannot be estimated with sufficient reliability, contract revenue is recognized only to the extent of contract costs incurred that it is probable will be recovered.

The Group presents as an asset the gross amount due from customers for work on all contracts in progress for which the costs incurred plus recognized profits (less recognized losses) exceed partial billings. Partial billings not paid by customers and retentions are included in "Trade and other receivables".

The Group presents as a liability the gross amount due to customers for work on all contracts in progress for which partial billings exceed costs incurred plus recognized profits (less recognized losses).

### W. CAPITALIZED FINANCING COSTS

#### Interest-bearing loan policy:

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



### Policy on capitalization of interest costs:

Interest paid or accrued on debts that finance qualified assets is capitalized, as required by IAS 23. IAS 23 establishes that when the entity acquires debt to finance investments, the interest on that debt must be deducted from interest expense and incorporated into the financed construction work, up to the total amount of such interest, applying the respective rate to disbursements made at the date of presentation of the financial statements.

### X. NON-CURRENT ASSETS HELD FOR SALE OR FOR DISTRIBUTION TO OWNERS

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

Assets or groups subject to divestiture classified as held for sale are valued at the lower of their carrying amount or fair value less selling costs and are no longer amortized from the moment they acquire this classification.

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

Assets in a single item called "Non-current assets or groups of assets for disposal classified as held for sale". Liabilities that are part of a group of assets for disposal classified as held for sale will be presented in the statement of financial position separately from other liabilities, i.e. in the item "Liabilities included in groups of assets for disposal classified as held for sale". These assets and liabilities will not be offset, nor will they be presented as a single amount.

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

### Y. RECLASSIFICATIONS

For the year ended December 31, 2019, certain reclassifications have been made to facilitate its comparison as of December 31, 2020, according to the following detail:

Reclassifications	Increase/(Decrease) Th\$
<b>Statement of financial position:</b>	
Usage rights assets	3,419,001
Properties, plant and equipment	(3,419,001)
Current lease liabilities	1,496,533
Other current financial liabilities	(1,496,533)
Non-current lease liabilities	1,942,083
Other non-current financial liabilities	(1,942,083)

Additionally, as indicated in Note 28, the Company completed the sale of 100% of the direct and indirect shareholding that Aguas Andinas S.A. had in the subsidiary ESSAL to the Canadian company Algonquin Power & Utilities Corp. ("APUC"). In this regard, and by application of IFRS 5 "Non-current assets held for sale and discontinued operations", the consolidated statements of comprehensive result and consolidated cash flows for the period ended December 31, 2019, included for comparative purposes, have been restated to facilitate their comparison.

### Z. CHANGE IN ACCOUNTING POLICY

As of September 30, 2020, the Aguas Group decided to use the revaluation model for the asset class "Land" classified within the property, plant and equipment group. Thus, the value of this asset class will be periodically updated according to its market value. The prospective application of this policy implied an increase in value in the property, plant and equipment group of \$225,964 million.

For more information, see Note 12.





## Note 3. Risk management

The main objectives of financial risk management are to ensure the availability of funds to meet financial commitments and to protect the value of the Group's economic flows, assets and liabilities.

This management is based on the identification of risks, the determination of the tolerance for each risk, the hedging of these financial risks and the control of the established hedge transactions. To achieve the objectives, financial risk management is based on hedging all significant exposures, provided that suitable instruments are available and the cost is reasonable.

### i. Credit risk

Credit risk is the possibility of financial loss arising from the failure of our counterparties (customers) to meet their obligations.

Sanitary Subsidiaries have an atomized market, which means that the credit risk of a particular customer is not significant.

The Company's objective is to maintain minimum levels of bad debt. There is a credit policy, which establishes the conditions and types of payment, as well as conditions to be agreed upon by defaulting customers. The management processes are: control, estimate and evaluate the uncollectible in order to take corrective actions to achieve the proposed compliance. One of the main actions and measures to maintain low levels of bad debt is to cut off the supply.

The credit risk analysis method is based on the expected credit loss model, as established in IFRS9. The estimates are based on recovery statistics, which indicate that after the eighth month of unpaid billing, the probability of recovering a billed value is minimal. Consequently, as of the ninth month's billing, an impairment of the account receivable is immediately recognized, i.e. the delinquent customer is identified and the amount of the provision is determined (it is not a percentage of the total portfolio). Additionally, debts for consumption transformed into agreements and documents receivable with overdue debt are provisioned 100%.

As of December 31, 2020 and 2019, credit risk balances are Th\$33,733,524 and Th\$32,275,945, respectively (see Note 5).

### iii. Liquidity risk

Liquidity risk is the possibility that the Group will have difficulty in meeting its obligations associated with financial liabilities that are settled by delivering cash or another financial asset and will be unable to fund commitments, such as long-term investments and working capital requirements, at reasonable market prices.

Management monitors the Group's liquidity reserve forecasts on the basis of expected cash flows.

Various preventive measures are used to manage liquidity risk, such as:

- Diversify funding sources and instruments.
- Agree with creditors on maturity profiles that do not concentrate high amortizations in one period.

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## Maturity profile (undiscounted flows)

Expiry profile	Up to 90 days		From 91 days to 1 year		From 13 months to 3 years		More than 3 years to 5 years		More than 5 years	
	Th\$	Interest rate contract	Th\$	Interest rate contract	Th\$	Interest rate contract	Th\$	Interest rate contract	Th\$	Interest rate contract
AFR	2,902,414	3.00%	17,943,990	3.47%	55,213,248	4.02%	38,031,326	2.92%	105,812,502	2.45%
Bank loans	23,976,251	4.23%	10,138,714	0.61%	104,336,323	1.23%	61,976,287	1.60%	-	0.00%
Bonuses	7,387,294	2.40%	27,453,630	2.04%	75,940,860	2.00%	58,547,314	1.80%	837,326,860	3.45%
Lease liability	388,624	3.84%	1,024,801	3.84%	1,430,370	3.84%	435,473	3.84%	509,634	3.84%
Trade accounts and other accounts payable	63,128,386	0.00%	35,629,748	0.00%	688,137	0.00%	182,505	0.00%	581,669	0.00%
<b>Total</b>	<b>97,782,969</b>		<b>92,190,883</b>		<b>237,608,938</b>		<b>159,172,905</b>		<b>944,230,665</b>	

Liquidity risk is periodically monitored in order to perceive, detect and correct deviations to minimize possible impacts on results.

### iii. Interest rate risk

The Company has a rate structure that combines fixed and variable rates as detailed below

Debt instruments	Rate	%
Bank loans	Variable	7.38%
Bank loans	Fixed	10.62%
Bonuses	Fixed	63.73%
AFR	Fixed	17.92%
Lease liability	Fixed	0.35%
<b>Total</b>		<b>100.00%</b>

### Interest rate awareness analysis

A rate analysis is performed, with respect to the Active Bank Rate (TAB, for its acronym in Spanish), assuming that all other variables remain constant. The method consists of measuring the positive or negative variation of the nominal TAB at the date of presentation of the report with respect to the average TAB of the last fixing of the loans.

The analysis is based on historical data with respect to the average daily market price of the 180-day TAB for the last 3 years at the time of reporting.

Company	Nominal debt amount	Variable Rate	Points (+/-)	Annual Impact on result
Aguas Andinas Consolidated	79,179,101	TAB 180	192	1,517,988

### iv. COVID-19 risk

The Company has developed an action plan to ensure continuity of service in the regions where it operates, implementing various measures to manage the exceptional situation arising from the Coronavirus pandemic.

As of December 31, 2020, an overall impact of \$36,949 million is estimated for the direct and indirect effects presumably derived from the exceptional situation due to Covid-19, which are explained below:

A decrease in sales volumes of \$16,759 million, associated with lower sales to residential customers by 1.3% and to non-residential customers by 13.8%; A lower collection of regulated customer accounts, which increased the aging of the accounts receivable balance, requiring the recognition of an allowance for doubtful accounts in the amount of \$20,172 million,

generating a higher bad debt expense of \$16,151 million regarding previous year; Direct costs of \$6,557 million were recorded associated with confinement plans, personnel transportation, hygiene supplies, teleworking, safety measures, workers' health monitoring program, logistics and communications; A decrease in activity associated with non-regulated revenues of \$1,146 million, mainly due to home services, with a decrease in business sales volume close to 32%; and lower expenses of \$3,665 million are mainly associated with customer services due to lower supply cut-off and replacement services, meter reading, savings in the printing of commercial documents, together with lower corporate activities and administration expenses.



## Note 4. Cash and cash equivalents

The composition of the item is as follows:

Cash and cash equivalents	31-12-2020 Th\$	31-12-2019 Th\$
Banks	3,140,085	10,658,547
Term deposits	110,899,988	496,943
Mutual Funds	60,905,513	60,907,268
<b>Total</b>	<b>174,945,586</b>	<b>72,062,758</b>

The cash equivalent corresponds to financial assets in time deposits and mutual funds with a maturity of less than 90 days from the date of the transaction giving rise to them.

### Details of some items in the cash flow statement

- **Other charges for operating activities:** these correspond to services attached to the operation of the business, mainly agreements signed with developers.
- **Other payments for operating activities:** correspond to the payment of monthly taxes.
- Other outflows from investment activities: correspond mainly to interest associated with bond issues, which have been capitalized, as an income from investments made in property, plant and equipment.

There are no legal restrictions preventing the immediate availability of the cash and cash equivalent balances used by the Group.

### 4.1 Cash equivalents

The detail by type of financial instrument in each company is as follows:

Company	Instruments	31-12-2020 Th\$	31-12-2019 Th\$
		110,899,988	-
Aguas Andinas S.A.	Mutual Funds	53,415,489	56,906,947
Aguas Cordillera S.A.	Mutual Funds	1,485,005	3,050,281
Aguas Manquehue S.A.	Mutual Funds	1,555,005	250,040
Gestión y Servicios S.A.	Mutual Funds	790,002	700,000
Essal S.A.	Term deposit	-	496,943
EcoRiles	Mutual Funds	3,300,011	-
ANAM S.A.	Mutual Funds	360,001	-
<b>Totales</b>		<b>171,805,501</b>	<b>61,404,211</b>

The Company and its Subsidiaries make investments with portfolio limits of a maximum of 40% of the total per issuing Institution, and instrument limits corresponding to: mutual funds, 10% of the effective equity of the mutual fund and time deposits, 10% of the effective equity of the bank.



## Note 5. Commercial debtors and other accounts receivable and rights to be collected

The composition of trade receivables (current and non-current) on December 31, 2020 and 2019 is as follows:

Credit risk	31-12-2020 - Th\$	31-12-2019 - Th\$
Gross exposure of commercial debtors	110,854,478	136,266,774
Gross exposure documents receivable	6,201,585	6,172,473
Gross exposure other accounts receivable	3,904,223	5,774,196
<b>Trade debtors and other accounts receivable, gross</b>	<b>120,960,286</b>	<b>148,213,443</b>
Estimates for risks of accounts receivable	(33,477,605)	(32,275,945)
<b>Trade debtors and other accounts receivable, net</b>	<b>87,482,681</b>	<b>115,937,498</b>
Gross exposure documents receivable	526,813	2,217,792
Gross exposure other accounts receivable	3,907,719	2,033,869
<b>Rights receivable, non-current, gross</b>	<b>4,434,532</b>	<b>4,251,661</b>
Estimates for accounts receivable risks	(255,919)	-
<b>Non-current rights receivable, net</b>	<b>4,178,613</b>	<b>4,251,661</b>
<b>Net exposure, risk concentrations</b>	<b>91,661,294</b>	<b>120,189,159</b>

*(\*) As of December 31, 2020, the settlement was approved for the collective lawsuit between SERNAC, CONADECUS and Aguas Andinas S.A., in relation to the massive drinking water cuts of April 2016, February and April 2017. This generated recognition of ThCh \$ 9,909,734 within trade debtors, as a consequence of a compensation plan that will be carried out through rebates to the monthly accounts of the affected customers.*

The movement in the estimate of bad debts is as follows:

Movement credit risk accounts receivable	31-12-2020 Th\$	31-12-2019 Th\$
<b>Beginning balance as of 01-01-2020</b>	<b>(32,275,945)</b>	<b>(34,211,483)</b>
Increase in existing provisions	(20,171,784)	(4,547,485)
Decreases (*)	6,152,495	-
Penalties	12,561,710	6,483,023
<b>Changes, totals</b>	<b>(1,457,579)</b>	<b>1,935,538</b>
<b>Closing balance</b>	<b>(33,733,524)</b>	<b>(32,275,945)</b>

*(\*) The decreases correspond to the groups of assets for its disposal classified as held for sale of the company ESSAL S.A. by Th\$6,152,495.*

During the financial year 2020, there is a lower collection of accounts of customers that increased the age of the account balance receivable, having to recognize a higher provision for debtors bad debts, in turn

generating higher bad debt expense Over the previous year. In accordance with the Group's policy, the debts for consumption transformed into payment agreements are provided for in full.

The following is a breakdown of the gross debt by age:

Age of gross debt	31-12-2020 Th\$	31-12-2019 Th\$
less than three months	81,031,227	109,083,468
between three and six months	4,665,785	5,882,475
between six and eight months	3,102,160	2,258,606
greater than eight months	36,595,646	35,240,555
<b>Total</b>	<b>125,394,818</b>	<b>152,465,104</b>

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

Non-provisioned gross overdue debt	31-12-2020 Th\$	31-12-2019 Th\$
less than three months	9,771,031	10,240,018
between three and six months	3,205,547	2,439,194
between six and eight months	1,915,592	1,128,956
<b>Total</b>	<b>14,892,170</b>	<b>13,808,168</b>

The overdue debt is made up of all those amounts where the counterparty failed to make a payment when contractually due. In accordance with the Company's policy, no provision has been made for customers with balances less than 9 months old.





As of December 31, 2020 and 2019, the analysis of gross exposure of current commercial debtors and current and non-current collectables accounts, for the non-securitized, rescheduled and non-rescheduled portfolio, is as follows:

December 31, 2020						
Debtor tranche Commercial	Non-rescheduled portfolio		Rescheduled portfolio		Total gross portfolio	
	Nº of customers	Gross amount Th\$	Nº of customers	Gross amount Th\$	Nº of customers	Gross amount Th\$
To date	15,887	5,013,675	-	-	15,887	5,013,675
Between 1 and 30 days	967,254	60,842,257	259	18,872	967,513	60,861,129
Between 31 and 60 days	167,580	7,944,185	1,445	95,835	169,025	8,040,020
Between 61 and 90 days	54,706	2,886,976	2,611	148,599	57,317	3,035,575
Between 91 and 120 days	27,352	1,890,002	2,670	181,621	30,022	2,071,623
Between 121 and 150 days	14,741	1,346,084	2,791	215,541	17,532	1,561,625
Between 151 and 180 days	8,320	1,035,332	2,960	293,129	11,280	1,328,461
Between 181 and 210 days	6,786	1,158,755	3,080	365,983	9,866	1,524,738
Between 211 and 250 days	6,801	1,209,461	3,854	550,523	10,655	1,759,984
More than 251 days	88,167	14,526,746	34,015	17,859,301	122,182	32,386,047
<b>Total</b>	<b>1,357,594</b>	<b>97,853,472</b>	<b>53,685</b>	<b>19,729,404</b>	<b>1,411,279</b>	<b>117,582,876</b>

December 31, 2019						
Debtor tranche Commercial	Non-rescheduled portfolio		Rescheduled portfolio		Total gross portfolio	
	Nº of customers	Gross amount Th\$	Nº of customers	Gross amount Th\$	Nº of customers	Gross amount Th\$
To date	42,140	6,317,555	6	194	42,146	6,317,749
Between 1 and 30 days	1,228,100	79,432,080	215	9,354	1,228,315	79,441,434
Between 31 and 60 days	232,125	12,309,276	2,903	88,523	235,028	12,397,799
Between 61 and 90 days	49,118	3,811,927	8,542	280,687	57,660	4,092,614
Between 91 and 120 days	17,071	2,181,312	5,692	244,503	22,763	2,425,815
Between 121 and 150 days	8,848	961,131	4,822	294,859	13,670	1,255,990
Between 151 and 180 days	5,486	1,515,934	3,737	296,042	9,223	1,811,976
Between 181 and 210 days	3,831	1,158,152	2,947	275,195	6,778	1,433,347
Between 211 and 250 days	2,739	885,437	2,583	278,550	5,322	1,163,987
More than 251 days	23,116	12,928,208	38,098	21,388,120	61,214	34,316,328
<b>Total</b>	<b>1,612,574</b>	<b>121,501,012</b>	<b>69,545</b>	<b>23,156,027</b>	<b>1,682,119</b>	<b>144,657,039</b>

As of December 31, 2020 and 2019, the analysis of protested and judicially collected documents receivable of the non-securitized portfolio is as follows:

	NON-SECURITIZED PORTFOLIO			
	Non-rescheduled portfolio 31-12-2020		Non-rescheduled portfolio 31-12-2019	
Portfolio protested and in judicial collection	No of Customers	Portfolio amount Th\$	No of Customers	Portfolio amount Th\$
Protested documents receivables	5	2,567	12	19,944
Documents receivable in judicial collection	5	273,705	5	306,728
<b>Total</b>	<b>10</b>	<b>276,272</b>	<b>17</b>	<b>326,672</b>

As of December 31, 2020 and 2019, the credit risk analysis is as follows:

December 31, 2020				
Provision				
Non-rescheduled portfolio	Rescheduled portfolio	Total Provision Th\$	Period penalty M\$	Recovery of the period M\$
(14,004,121)	(19,729,403)	(33,733,524)	12,561,710	-

December 31, 2019				
Provisión				
Non-rescheduled portfolio	Rescheduled portfolio	Total Provision Th\$	Period penalty M\$	Recovery of the period M\$
(9,119,916)	(23,156,029)	(32,275,945)	6,483,023	-



## Note 6. Information to be disclosed about related entities

### Balances and transactions with related entities

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

### Balances and transactions with related entities

Accounts receivable from related parties are originated in Chile, the type of currency of transactions is in Chilean pesos, maturities are 30 days and there are no guarantees.

Tax ID related company	Related company nam	Nature of relationship	Nature of transactions with related parties	31-12-2020 Th\$	31-12-2019 Th\$
76.078.231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal Ltda.	Related to the Controller	Laboratory analysis and sampling services	3,820	6,141
77.441.870-9	Suez Medioambiente Chile S.A.	Related to the Controller	Laboratory analysis and sampling services	1,741	-
65.113.732-2	Corporación Chilena de Investigación del Agua Spa.	Related to the Controller	Laboratory analysis and sampling services	-	86
76.080.553-K	Suez Advanced Solutions Chile Ltda.	Related to the Controller	Sales of materials	237	18,681
77.274.820-5	Inversiones Aguas Metropolitanas S.A.	Controller	Office lease	-	416
76.746.454-1	Suez Biofactoría Andina Spa.	Related to the Controller	La Farfana Biofactory Insurance	977,058	-
<b>Totales</b>				<b>982,856</b>	<b>25,324</b>



## Accounts payable to related entities

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

Tax ID related company	Related company name	Nature of relationship	Nature of transactions with related parties	31-12-2020 Th\$	31-12-2019 Th\$
77,441,870-9	Suez Medioambiente Chile S.A.	Related to the controller	CCO 2.0 Operative Control Center Update Project	60,094	586,835
77,441,870-9	Suez Medioambiente Chile S.A.	Related to the controller	SCADA platform	-	5,979
77,441,870-9	Suez Medioambiente Chile S.A.	Related to the controller	San Antonio Arsenic Plant	-	249,326
77,441,870-9	Suez Medioambiente Chile S.A.	Related to the controller	Chamisero Plant	-	350,000
76,746,454-1	Suez Biofactoria Andina Spa.	Related to the controller	Biofactory adaptation plan for La Farfana treatment plant	5,013,608	4,564,482
76,746,454-1	Suez Biofactoria Andina Spa.	Related to the controller	Nitrogen removal and adaptation plan to biofactory of Mapocho-Trebal treatment plant	10,985,877	10,575,060
65,113,732-2	Corporación Chilena de Investigación del Agua SpA.	Related to the controller	Consulting	507,241	270,081
76,080,553-K	Suez Advanced Solutions Chile Ltda.	Related to the controller	Purchase of materials	6,902	36,268
76,080,553-K	Suez Advanced Solutions Chile Ltda.	Related to the controller	Virtual platform	53,602	81,579
76,080,553-K	Suez Advanced Solutions Chile Ltda.	Related to the controller	Specialized customer service	205,213	701,861
76,080,553-K	Suez Advanced Solutions Chile Ltda.	Related to the controller	Service contract for process reengineering and implementation of new information systems for customer service	42,208	141,217
76,078,231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal Ltda.	Related to the controller	Rehabilitation of Digesters Sewage Plant Mapocho - Trebal	729,635	787,428
76,078,231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal Ltda.	Related to the controller	Operation services Biogas Plant	30,990	59,739
Sin Rut	Aqua Development Network S.A.	Related to the controller	Integrated talent management contract	-	28,197
77,274,820-5	Inversiones Aguas Metropolitanas S.A.	Controller	Payable dividends	-	22,262,210
96,817,230-1	EPSA Electrica Puntilla S.A.	Common director	Electric power purchase	-	11,552
96,817,230-1	EPSA Electrica Puntilla S.A.	Common director	Water purchase	33,594	226,250
70,009,410-3	Asociación canalistas sociedad del canal del Maipo	Common director	Water purchase	77,066	92,640
<b>Totales</b>				<b>17,746,030</b>	<b>41,030,704</b>



## Transactions with related entities

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

Tax ID related company	Related company name	Nature of relationship	Country of origin	Nature of transactions with related parties	Currency	Th\$ 31-12-2020		Th\$ 31-12-2019	
						Amount	Effects on Result (Charge) / Credit	Amount	Effects on Result (Charge) / Credit
76,080,553-K	Suez Advanced Solutions Chile Ltda.	Related to the controller	CL	Purchase of materials	CLP	581,525	(262,758)	902,543	(699,064)
76,080,553-K	Suez Advanced Solutions Chile Ltda.	Related to the controller	CL	Sale of materials	CLP	7,687	6,459	181,944	152,894
76,080,553-K	Suez Advanced Solutions Chile Ltda.	Related to the controller	CL	Siebel and Aguacis virtual platform maintenance, consulting and evolutionary maintenance, Aquacis licenses	CLP	2,998,246	(1,917,945)	983,147	(896,892)
76,078,231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal Ltda.	Related to the controller	CL	Digester Rehabilitation	CLP	1,869,749	-	1,402,394	-
76,078,231-9	Empresa Depuradora de Aguas Servidas Mapocho El Trebal Ltda.	Related to the controller	CL	Operation and Maintenance Services Biogas Plant	CLP	198,553	(168,251)	225,970	(195,795)
77,441,870-9	Suez Medioambiente Chile S.A.	Related to the controller	CL	Project Update Operational Control Center CCO 2.0 and Tracer Gas Leak Detection	CLP	2,911,316	(1,040,805)	1,348,270	(271,050)
77,441,870-9	Suez Medioambiente Chile S.A.	Related to the controller	CL	Chamisero Plant Construction (Batuco Canal)	CLP	423,119	-	1,460,329	-
77,441,870-9	Suez Medioambiente Chile S.A.	Related to the controller	CL	San Antonio Arsenic Plant Construction	CLP	2,658	-	680,571	-
77,441,870-9	Suez Medioambiente Chile S.A.	Related to the controller	CL	Talagante Plant, Hydraulic efficiency plan, materials and services	CLP	-	-	1,413,783	-
Sin Rut	Aqua Development Network S.A.	Related to the controller	CL	Talent Management Project	CLP	-	-	279,378	(279,378)
96,817,230-1	EPSA Eléctrica Puntilla S.A.	Common director	CL	Purchase of water and electricity	CLP	3,291,168	(2,765,687)	1,786,978	(1,501,662)
76,746,454-1	Suez Biofactoría Andina spa.	Related to the controller	CL	Operation, maintenance and adequacy of the Biofactoría treatment plant.	CLP	56,848,374	(27,574,925)	54,324,345	(27,731,571)
70,009,410-3	Asociación Canalistas sociedad del canal del Maipo	Common director	CL	Purchase of water	CLP	1,309,734	(1,100,617)	328,671	(276,194)
65,113,732-2	Corporación Chilena de Investigación del Agua	Related to the controller	CL	Study on management models of resilient urban water infrastructure in relation to hydrological and geological risks, sludge valorization	CLP	802,005	(767,222)	744,753	(370,529)
77,274,820-5	Inversiones Aguas Metropolitanas S.A.	Controller	CL	Paid dividends	CLP	54,728,445	-	66,561,303	-

The materiality criterion for reporting transactions with related entities is for amounts in excess of the cumulative Th\$100,000.





## Compensation to Directors and Directors' Committee

Compensation paid to directors of Aguas Andinas S.A. and Subsidiaries and directors' committee

	31-12-2020 M\$	31-12-2019 M\$
Directorio	392,791	449,815
Comité de Directores	69,517	52,295
<b>Total</b>	<b>462,308</b>	<b>502,110</b>

They correspond only to fees associated with their functions as defined and agreed at the Ordinary Shareholders' Meeting.

## Details of related entities and transactions with related entities between Directors and Executives

The Company's management is not aware of the existence of transactions between related parties and directors and/or executives, other than their allowances and compensation.

## Note 7. Inventories

The detail by type of inventory as of December 31, 2020 and 2019 is as follows:

Inventory classes	31-12-2020 Th\$	31-12-2019 Th\$
Merchandise	1,793,789	1,629,763
Supplies for production	2,016,963	1,871,849
Other inventories	439,361	437,964
Obsolescence estimation	(295,160)	(128,977)
<b>Total</b>	<b>3,954,953</b>	<b>3,810,599</b>

The cost of inventories recognized as an expense in the statement of income as of December 31, 2020 and 2019 amounts to Th\$13,052,441 and Th\$12,637,541, respectively.

Additionally, an allowance for inventory impairment is presented, which includes amounts related to obsolescence resulting from low turnover, obsolescence due to damage and/or its market price is greater than 20%. The movement in the aforementioned estimate is as follows:

Obsolescence estimation movement	31-12-2020 Th\$	31-12-2019 Th\$
Beginning balance	(128.977)	(99.268)
Provision for price	(809)	(2.294)
Provision of obsolescence	(247.959)	(87.959)
Provision for damage	(46.392)	(38.724)
Reverse provision	128.977	99.268
<b>Total</b>	<b>(295.160)</b>	<b>(128.977)</b>

## Note 8. Current taxes

The detail of current tax assets and liabilities for each year is as follows.

Current tax assets	31-12-2020 Th\$	31-12-2019 Th\$
Monthly interim payments	41,688,200	10,162,442
Provision for income tax	(15,180,801)	(7,402,069)
Recoverable taxes	222,563	297,049
Credits	677,439	359,858
Others	(158,545)	(30,471)
<b>Total</b>	<b>27,248,856</b>	<b>3,386,809</b>

Current tax liabilities	31-12-2020 Th\$	31-12-2019 Th\$
Monthly interim payments	(4,418,099)	(45,979,164)
Provision for income tax	5,348,631	48,204,377
Tax provision article 21 disallowed expenses	5,518	315,490
Recoverable taxes	-	-
Credits	(114,749)	(666,872)
<b>Total</b>	<b>821,301</b>	<b>1,873,831</b>

## Note 9. Non-current assets held for sale

As of December 31, 2020, the Company classified land of Th\$3,836,023 as held for sale in accordance with IFRS 5. The Company has initiated a sale plan for land located in different districts of the Metropolitan Region. This transaction is expected to be completed within the next 12 months.

	M\$
Book value of land	7,859,040
Adjustment for recognition at fair value	(4,023,017)
<b>Total available-for-sale assets</b>	<b>3,836,023</b>



## Note 10. Other financial assets

### 10.1 Non-current

This corresponds mainly to the acquisition of shares in Sociedad Eléctrica Puntilla S.A. (EPSA), for Th\$7,895,863 and Th\$7,835,395 on December 31, 2020 and 2019 respectively (note 2.2 letter H, ii), over which the Group has no control or significant influence. Additionally, there are other investments for Th\$17,517 in 2019.

Associated with this acquisition is an obligation with the Asociación Sociedad de Canalistas del Maipo, related to the commitment not to transfer the water rights in force at the contract date in the amount of Th\$7,355,177 and Th\$7,294,709 on December 31, 2020 and 2019, respectively.

## Note 11. Intangible assets other than goodwill

Below is the required information regarding the Company's intangible assets, according to IAS 38 Intangible Assets:

Intangible assets other than goodwill	31-12-2020 Th\$	31-12-2019 Th\$
Trademarks, gross	15,933	15,933
Computer programs, gross	52,752,143	52,879,096
Other intangible assets, gross	227,152,076	231,888,852
<b>Intangible assets, gross</b>	<b>279,920,152</b>	<b>284,783,881</b>
Computer programs, accumulated depreciation	(48,161,449)	(47,868,188)
Other intangible assets, accumulated amortization	(13,104,813)	(13,128,953)
<b>Intangible assets, accumulated amortization</b>	<b>(61,266,262)</b>	<b>(60,997,141)</b>
Trademarks, net	15,933	15,933
Computer programs, net	4,590,694	5,010,908
Other intangible assets, net	214,047,263	218,759,899
<b>Intangible assets, net</b>	<b>218,653,890</b>	<b>223,786,740</b>

\* Corresponde a derechos de aguas, servidumbres y otros.

### Movements in intangible assets as of December 31, 2020

Movements in intangible assets	Trademarks, net Th\$	Computer programs, net Th\$	Other Intangible Assets, net Th\$	Total Th\$
<b>Initial balance</b>	<b>15,933</b>	<b>5,010,908</b>	<b>218,759,899</b>	<b>223,786,740</b>
Amortization	-	(2,621,349)	(187,215)	(2,808,564)
<b>Total amortization</b>	<b>-</b>	<b>(2,621,349)</b>	<b>(187,215)</b>	<b>(2,808,564)</b>
Increases (decreases) by transfers	-	1,001,545	(18,833)	982,712
Increases (decreases) due to other changes	-	1,331,158	2,083,504	3,414,662
<b>Total increases (decreases) due to transfers and other changes</b>	<b>-</b>	<b>2,332,703</b>	<b>2,064,671</b>	<b>4,397,374</b>
Loss of subsidiary control	-	(131,568)	(6,584,760)	(6,716,328)
Disposals and withdrawals of service	-	-	(5,332)	(5,332)
<b>Total held for sale and loss of control subsidiary</b>	<b>-</b>	<b>(131,568)</b>	<b>(6,590,092)</b>	<b>(6,721,660)</b>
<b>Changes, Total</b>	<b>-</b>	<b>(420,214)</b>	<b>(4,712,636)</b>	<b>(5,132,850)</b>
<b>Closing balance</b>	<b>15,933</b>	<b>4,590,694</b>	<b>214,047,263</b>	<b>218,653,890</b>



## Movements in intangible assets as of December 31, 2020

Movements in intangible assets	Trademarks, gross Th\$	Computer programs, gross Th\$	Other Intangible Assets, gross Th\$	Total Th\$
<b>Initial balance</b>	<b>15,933</b>	<b>5,700,799</b>	<b>219,147,692</b>	<b>224,864,424</b>
Amortization	-	(2,851,203)	(187,215)	(3,038,418)
<b>Total amortization</b>	<b>-</b>	<b>(2,851,203)</b>	<b>(187,215)</b>	<b>(3,038,418)</b>
Increases (decreases) by transfers	-	1,293,583	(133,582)	1,160,001
Increases (decreases) due to other changes	-	867,729	116,320	984,049
<b>Total increases (decreases) due to transfers and other changes</b>	<b>-</b>	<b>2,161,312</b>	<b>(17,262)</b>	<b>2,144,050</b>
Disposals and withdrawals of service	-	-	(183,316)	(183,316)
<b>Total held for sale and loss of control subsidiary</b>	<b>-</b>	<b>-</b>	<b>(183,316)</b>	<b>(183,316)</b>
<b>Changes, Total</b>	<b>-</b>	<b>(689,891)</b>	<b>(387,793)</b>	<b>(1,077,684)</b>
<b>Closing balance</b>	<b>15,933</b>	<b>5,010,908</b>	<b>218,759,899</b>	<b>223,786,740</b>

## Detailed disclosure of intangible assets (gross value) Current fiscal year: December 31, 2020

Movements in intangible assets	Trademarks, gross Th\$	Computer programs, gross Th\$	Other Intangible Assets, gross Th\$	Total Th\$
<b>Beginning Balance</b>	<b>15,933</b>	<b>52,879,096</b>	<b>231,888,852</b>	<b>284,783,881</b>
Increases (decreases) due to transfers	-	1,001,545	(18,833)	982,712
Increases (decreases) due to other changes	-	1,331,384	2,083,504	3,414,888
<b>Total increases (decreases) for transfers and other changes</b>	<b>-</b>	<b>2,332,929</b>	<b>2,064,671</b>	<b>4,397,600</b>
Loss of subsidiary control	-	(2,459,882)	(6,796,115)	(9,255,997)
Dispositions and Retirements	-	-	(5,332)	(5,332)
<b>Total held for sale and loss of control subsidiary</b>	<b>-</b>	<b>(2,459,882)</b>	<b>(6,801,447)</b>	<b>(9,261,329)</b>
<b>Changes, Total</b>	<b>-</b>	<b>(126,953)</b>	<b>(4,736,776)</b>	<b>(4,863,729)</b>
<b>Ending balance</b>	<b>15,933</b>	<b>52,752,143</b>	<b>227,152,076</b>	<b>279,920,152</b>

## Previous fiscal year: December 31, 2019

Movements in intangible assets	Trademarks, gross Th\$	Computer programs, gross Th\$	Other Intangible Assets, gross Th\$	Total Th\$
<b>Beginning Balance</b>	<b>15,933</b>	<b>50,717,784</b>	<b>232,089,430</b>	<b>282,823,147</b>
Increases (decreases) due to transfers	-	1,293,583	(133,582)	1,160,001
Increases (decreases) due to other changes	-	867,729	116,320	984,049
<b>Total increases (decreases) for transfers and other changes</b>	<b>-</b>	<b>2,161,312</b>	<b>(17,262)</b>	<b>2,144,050</b>
Dispositions and Retirements	-	-	(183,316)	(183,316)
<b>Total disposals and withdrawals of services</b>	<b>-</b>	<b>-</b>	<b>(183,316)</b>	<b>(183,316)</b>
<b>Changes, Total</b>	<b>-</b>	<b>2,161,312</b>	<b>(200,578)</b>	<b>1,960,734</b>
<b>Ending balance</b>	<b>15,933</b>	<b>52,879,096</b>	<b>231,888,852</b>	<b>284,783,881</b>



## Detailed disclosure of intangible assets (accumulated amortization)

Current period: December 31, 2020

Movimientos en activos intangibles	Trademarks, accumulated depreciation Th\$	Computer programs, accumulated depreciation Th\$	Other Intangible Assets, accumulated depreciation Th\$	Total Th\$
Initial balance	-	(47,868,188)	(13,128,953)	(60,997,141)
Amortization	-	(2,621,349)	(187,215)	(2,808,564)
<b>Total amortization</b>	-	<b>(2,621,349)</b>	<b>(187,215)</b>	<b>(2,808,564)</b>
Increases (decreases) by transfers	-	-	-	-
Increases (decreases) due to other changes	-	(226)	-	(226)
<b>Total increases (decreases) due to transfers and other changes</b>	-	<b>(226)</b>	<b>-</b>	<b>(226)</b>
Loss of subsidiary control	-	2,328,314	211,355	2,539,669
Disposals and withdrawals of service	-	-	-	-
<b>Total held for sale and loss of control subsidiary</b>	-	<b>2,328,314</b>	<b>211,355</b>	<b>2,539,669</b>
<b>Changes, Total</b>	-	<b>(293,261)</b>	<b>24,140</b>	<b>(269,121)</b>
<b>Closing balance</b>	-	<b>(48,161,449)</b>	<b>(13,104,813)</b>	<b>(61,266,262)</b>

Previous period: December 31, 2019

Movements in intangible assets	Trademarks, accumulated depreciation M\$	Computer software, accrued depreciation M\$	Assets, accrued depreciation M\$	Total M\$
Beginning balance	-	(45,016,985)	(12,941,738)	(57,958,723)
Amortization	-	(2,851,203)	(187,215)	(3,038,418)
<b>Total amortization</b>	-	<b>(2,851,203)</b>	<b>(187,215)</b>	<b>(3,038,418)</b>
<b>Changes, Total</b>	-	<b>(2,851,203)</b>	<b>(187,215)</b>	<b>(3,038,418)</b>
<b>Closing balance</b>	-	<b>(47,868,188)</b>	<b>(13,128,953)</b>	<b>(60,997,141)</b>

## Details of significant individual intangible assets (other):

Water rights and easements are the main intangible assets with an indefinite useful life and the breakdown by company is as follows:

Company	31-12-2020			31-12-2019		
	Water rights Th\$	Easement Th\$	Others Th\$	Water rights Th\$	Easement Th\$	Others Th\$
Aguas Andinas S.A.	77,599,791	9,330,150	4,204,933	76,459,202	8,422,025	4,387,051
Aguas Cordillera S.A.	92,746,629	7,761,932	-	92,745,249	7,761,932	-
Aguas Manquehue S.A.	21,930,063	866,673	-	21,925,915	866,673	-
Essal S.A.	-	-	-	5,422,410	1,162,350	-
Aguas del Maipo S.A.	13,700	-	-	13,700	-	-
Ecoriles S.A.	13,700	-	-	13,700	-	-
Gestión y Servicios S.A.	13,700	-	-	13,700	-	-
Análisis Ambientales S.A.	13,700	-	-	13,700	-	-
Ajustes de Consolidación	(333,913)	(113,795)	-	(333,913)	(113,795)	-
<b>Totale</b>	<b>191,997,370</b>	<b>17,844,960</b>	<b>4,204,933</b>	<b>196,273,663</b>	<b>18,099,185</b>	<b>4,387,051</b>



### Intangible assets with indefinite life

Both water rights and easements are rights held by the Company for which it is not possible to establish a finite useful life, i.e. the terms of the economic benefits associated with these assets are indefinite. Both assets constitute legal rights that are not extinguished and are not subject to restrictions.

### Commitments for the acquisition of intangible assets

The commitments for the acquisition of intangible assets for 2021 relate to water rights, easements and software required for the normal operation of the Group companies and, in particular, for the new projects under development or in the preliminary study stages, as well as the extension of the concession areas, which are presented below:

Company	Th\$
Aguas Andinas S.A.	3,671,330
Aguas Cordillera S.A.	57,644
Aguas Manquehue S.A.	55,000
<b>Total</b>	<b>3,783,974</b>

## Note 12. Goodwill

The following is a detail of the capital gain for the various Cash Generating Units (CGUs) or group of CGUs to which it is assigned as of December 31, 2020 and 2019:

Tax ID	Company	31-12-2020 Th\$	31-12-2019 Th\$
96,809,310-K	Aguas Cordillera S.A.	33,823,049	33,823,049
95,579,800-5	Empresa de Servicios Sanitarios de Los Lagos S.A.	-	343,332
96,897,320-7	Inversiones Iberaguas Ltda.	-	2,066,631
<b>Total</b>	<b>-</b>	<b>33,823,049</b>	<b>36,233,012</b>





## Note 13. Property, plant and equipment

The balances of property, plant and equipment as of December 31, 2020 and 2019 are as follows:

Property, plant and equipment	Gross values		Accumulated depreciation		Net values	
	31-12-2020 Th\$	31-12-2019 Th\$	31-12-2020 Th\$	31-12-2019 Th\$	31-12-2020 Th\$	31-12-2019 Th\$
Land	356,816,248	155,968,467	-	-	356,816,248	155,968,467
Buildings	81,480,623	116,130,335	(21,620,741)	(37,621,456)	59,859,882	78,508,879
<b>Subtotal land and buildings</b>	<b>438,296,871</b>	<b>272,098,802</b>	<b>(21,620,741)</b>	<b>(37,621,456)</b>	<b>416,676,130</b>	<b>234,477,346</b>
Complementary works	43,100,018	46,084,005	(20,549,532)	(23,777,452)	22,550,486	22,306,553
Production facilities	391,852,278	354,410,675	(152,685,354)	(161,973,691)	239,166,924	192,436,984
Drinking water networks	501,526,504	542,162,844	(313,042,132)	(330,487,121)	188,484,372	211,675,723
Sewer networks	476,851,344	548,997,867	(264,028,086)	(298,268,788)	212,823,258	250,729,079
Wastewater treatment plants	216,800,904	236,840,131	(66,759,268)	(70,523,874)	150,041,636	166,316,257
Other facilities	158,236,557	168,257,935	(108,434,212)	(117,409,635)	49,802,345	50,848,300
Goods out of operation	1,862,554	1,861,200	(1,654,465)	(1,646,946)	208,089	214,254
<b>Subtotal other properties, plant and equipment</b>	<b>1,790,230,159</b>	<b>1,898,614,657</b>	<b>(927,153,049)</b>	<b>(1,004,087,507)</b>	<b>863,077,110</b>	<b>894,527,150</b>
Machinery	379,058,324	415,747,609	(269,692,323)	(288,474,760)	109,366,001	127,272,849
Transportation equipment	4,534,031	5,450,565	(4,123,639)	(4,566,416)	410,392	884,149
Appliances and accessories	6,117,046	6,328,520	(4,938,645)	(4,954,789)	1,178,401	1,373,731
Computer equipment	13,774,991	14,739,458	(12,837,846)	(13,120,492)	937,145	1,618,966
Leasehold rights improvements	759,124	821,872	(624,080)	(636,684)	135,044	185,188
Constructions in process	176,409,124	235,318,938	-	-	176,409,124	235,318,938
<b>Total</b>	<b>2,809,179,670</b>	<b>2,849,120,421</b>	<b>(1,240,990,323)</b>	<b>(1,353,462,104)</b>	<b>1,568,189,347</b>	<b>1,495,658,317</b>



Below is information on the main holdings of the Group companies.

Property, plant and equipment, net	31-12-2020 Th\$	Aguas Andinas S.A. %	Aguas Cordillera S.A.%	Aguas Manquehue S.A. %	Others %
Land	356,816,248	73%	25%	2%	0%
Buildings	59,859,882	82%	9%	5%	3%
Machinery	109,366,001	82%	9%	7%	3%
Transportation equipment	410,392	99%	0%	0%	1%
Appliances and accessories	1,178,401	79%	3%	1%	17%
Computer equipment	937,145	96%	1%	0%	3%
Leasehold rights improvements	135,044	86%	0%	0%	14%
Constructions in process	176,409,124	85%	13%	1%	1%
Complementary works	22,550,486	87%	7%	6%	1%
Production facilities	239,166,924	75%	12%	13%	0%
Drinking water networks	188,484,372	80%	17%	3%	0%
Sewer networks	212,823,258	94%	2%	5%	0%
Wastewater treatment plants	150,041,636	99%	0%	0%	1%
Other facilities	49,802,345	81%	8%	9%	3%
Goods out of operation	208,089	28%	72%	0%	0%
<b>Total</b>	<b>1,568,189,347</b>	<b>82%</b>	<b>13%</b>	<b>5%</b>	<b>1%</b>

In accordance with IAS 16 paragraph 79 letter d, the Group presents information regarding the fair value of its main assets:

Assets classes	Costo 31-12-2020 M\$	Valor Razonable 31-12-2020 M\$
Land	356,816,248	356,816,248
Buildings	59,859,882	79,408,212
Additional works	22,550,486	35,164,266
Production facilities	239,166,924	332,067,692
Drinking water networks	188,484,372	329,143,836
Sewer networks	212,823,258	316,800,317
Wastewater treatment plants	150,041,636	161,648,918
Other facilities	49,802,345	52,915,005
Machinery and equipment	109,366,001	110,344,437
<b>Total</b>	<b>1,388,911,152</b>	<b>1,774,308,932</b>

### Reconciliation of changes in property, plant and equipment by class

As noted in IAS 16 paragraph 73, information is provided for each class of property, plant and equipment of the entity.



Movements of property, plant and equipment as of December 31, 2020 (net value)

Concept	Initial balance	Increments (decreases) by transfers from constructions in progress	Subtotal increments (decreases) by transfers and other changes	Subtotal incrementos (disminuciones) por transferencias y otros cambios	Depreciation	Kept for sale	Loss of control subsidiary	Provisions and service withdrawals	Subtotal depreciation, kept for the sale provisions and withdrawals	Final balance
	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Land	155,968,467	314	226,083,209	226,083,523	-	(7,859,040)	(17,177,304)	(199,398)	(25,235,742)	356,816,248
Buildings	78,508,879	3,231,589	1,021,382	4,252,971	(1,302,146)	-	(21,599,822)	-	(22,901,968)	59,859,882
Subtotal land and buildings	234,477,346	3,231,903	227,104,591	230,336,494	(1,302,146)	(7,859,040)	(38,777,126)	(199,398)	(48,137,710)	416,676,130
Additional works	22,306,553	3,963,805	595,008	4,558,813	(1,363,074)	-	(2,951,717)	(89)	(4,314,880)	22,550,486
Production facilities	192,436,984	63,705,326	10,671,023	74,376,349	(6,749,070)	-	(20,897,339)	-	(27,646,409)	239,166,924
Drinking water networks	211,675,723	12,428,262	12,616,481	25,044,743	(6,825,057)	-	(41,411,037)	-	(48,236,094)	188,484,372
Sewer networks	250,729,079	5,132,666	7,755,419	12,888,085	(9,796,364)	-	(40,997,542)	-	(50,793,906)	212,823,258
Treatment plants sewage	166,316,257	5,477,967	(3,088,910)	2,389,057	(4,734,528)	-	(13,929,150)	-	(18,663,678)	150,041,636
Other facilities	50,848,300	9,694,304	2,092,203	11,786,507	(7,974,041)	-	(4,858,421)	-	(12,832,462)	49,802,345
Goods out of operation	214,254	586	768	1,354	(7,519)	-	-	-	(7,519)	208,089
Subtotal other properties, Plant and equipment	894,527,150	100,402,916	30,641,992	131,044,908	(37,449,653)	-	(125,045,206)	(89)	(162,494,948)	863,077,110
Machinery	127,272,849	20,702,334	1,916,509	22,618,843	(22,576,756)	-	(17,948,611)	(324)	(40,525,691)	109,366,001
Transportation equipment	884,149	(41,265)	34,730	(6,535)	(304,949)	-	(158,714)	(3,559)	(467,222)	410,392
Appliances and accessories	1,373,731	104,734	67,744	172,478	(210,987)	-	(156,821)	-	(367,808)	1,178,401
Computer equipment	1,618,966	784,249	(281,053)	503,196	(979,096)	-	(205,921)	-	(1,185,017)	937,145
Rights enhancements lease	185,188	-	-	-	(50,144)	-	-	-	(50,144)	135,044
CConstructions in process	235,318,938	(126,167,584)	95,551,624	(30,615,960)	-	-	(27,538,153)	(755,701)	(28,293,854)	176,409,124
Property classes, plant and equipment, net	1,495,658,317	(982,713)	355,036,137	354,053,424	(62,873,731)	(7,859,040)	(209,830,552)	(959,071)	(281,522,394)	1,568,189,347



## Movements in property, plant and equipment as of December 31, 2020 (net value)

Concept	Initial Balance	Increases (decreases) by transfers from constructions in process	Increases (decreases) due to other changes	Subtotal increases (decreases) for transfers and other changes	Depreciation	Dispositions and withdrawals of service	Subtotal depreciation, held for sale, disposals and withdrawals	Closing balance
	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Land	159,536,229	125,330	(514,915)	(389,585)	-	(3,178,177)	(3,178,177)	155,968,467
Buildings	79,624,966	4,530,262	910,673	5,440,935	(5,536,059)	(1,020,963)	(6,557,022)	78,508,879
Subtotal land and buildings	239,161,195	4,655,592	395,758	5,051,350	(5,536,059)	(4,199,140)	(9,735,199)	234,477,346
Complementary works	21,892,366	2,752,384	(407,006)	2,345,378	(1,690,510)	(240,681)	(1,931,191)	22,306,553
Production facilities	173,754,928	24,683,747	1,495,801	26,179,548	(7,468,380)	(29,112)	(7,497,492)	192,436,984
Drinking water networks	192,291,391	15,636,037	11,717,685	27,353,722	(7,939,808)	(29,582)	(7,969,390)	211,675,723
Sewer networks	249,193,038	8,447,992	6,109,050	14,557,042	(13,021,001)	-	(13,021,001)	250,729,079
Wastewater treatment plants	168,050,123	5,697,365	(366,990)	5,330,375	(6,486,803)	(577,438)	(7,064,241)	166,316,257
Other facilities	47,699,634	9,754,590	865,427	10,620,017	(7,458,500)	(12,851)	(7,471,351)	50,848,300
Goods out of operation	222,036	-	-	-	(7,782)	-	(7,782)	214,254
Subtotal other properties, plant and equipment	853,103,516	66,972,115	19,413,967	86,386,082	(44,072,784)	(889,664)	(44,962,448)	894,527,150
Machinery	115,993,853	21,567,698	10,024,991	31,592,689	(20,300,857)	(12,836)	(20,313,693)	127,272,849
Transportation equipment	958,353	511,654	(139,227)	372,427	(446,071)	(560)	(446,631)	884,149
Appliances and accessories	1,407,509	177,954	(23,185)	154,769	(188,349)	(198)	(188,547)	1,373,731
Computer equipment	2,460,174	461,212	(5,819)	455,393	(1,296,601)	-	(1,296,601)	1,618,966
Leasehold rights improvements	234,177	16,449	(1,508)	14,941	(63,930)	-	(63,930)	185,188
Constructions in process	226,774,354	(95,522,674)	104,423,444	8,900,770	-	(356,186)	(356,186)	235,318,938
Classes of properties, plant and equipment, net	1,440,093,131	(1,160,000)	134,088,421	132,928,421	(71,904,651)	(5,458,584)	(77,363,235)	1,495,658,317



## Detailed property, plant and equipment disclosures (gross value)

Current period: December 31, 2020

Concept	Opening balance	Increases (decreases) due to transfers from construction in process	Increases (decreases) due to other changes	Subtotal increases (decreases) due to transfer and other changes	Held for sale	Loss of subsidiary control	Dispositions and recalls	Subtotal held for sale and disposals and service withdrawals	Ending balance
	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Land	155,968,467	314	226,083,209	226,083,523	(7,859,040)	(17,177,304)	(199,398)	(25,235,742)	356,816,248
Buildings	116,130,335	3,231,589	1,021,382	4,252,971	-	(38,849,693)	(52,990)	(38,902,683)	81,480,623
Subtotal land and buildings	272,098,802	3,231,903	227,104,591	230,336,494	(7,859,040)	(56,026,997)	(252,388)	(64,138,425)	438,296,871
Complementary works	46,084,005	3,963,805	594,985	4,558,790	-	(7,527,811)	(14,966)	(7,542,777)	43,100,018
Production facilities	354,410,675	63,705,326	10,670,512	74,375,838	-	(36,934,235)	-	(36,934,235)	391,852,278
Drinking water networks	542,162,844	12,428,262	12,616,481	25,044,743	-	(65,681,083)	-	(65,681,083)	501,526,504
Sewer networks	548,997,867	5,132,666	7,755,419	12,888,085	-	(85,034,608)	-	(85,034,608)	476,851,344
Wastewater treatment plants	236,840,131	5,477,967	(3,089,048)	2,388,919	-	(22,428,146)	-	(22,428,146)	216,800,904
Other facilities	168,257,935	9,694,304	2,092,714	11,787,018	-	(21,793,186)	(15,210)	(21,808,396)	158,236,557
Goods out of operation	1,861,200	586	768	1,354	-	-	-	-	1,862,554
Subtotal other properties, plant and equipment	1,898,614,657	100,402,916	30,641,831	131,044,747	-	(239,399,069)	(30,176)	(239,429,245)	1,790,230,159
Machinery	415,747,609	20,702,334	1,934,012	22,636,346	-	(59,232,755)	(92,876)	(59,325,631)	379,058,324
Transportation equipment	5,450,565	(41,265)	17,137	(24,128)	-	(680,981)	(211,425)	(892,406)	4,534,031
Appliances and accessories	6,328,520	104,734	67,767	172,501	-	(343,246)	(40,729)	(383,975)	6,117,046
Computer equipment	14,739,458	784,249	(281,053)	503,196	-	(1,453,492)	(14,171)	(1,467,663)	13,774,991
Leasehold rights improvements	821,872	-	-	-	-	-	(62,748)	(62,748)	759,124
Constructions in process	235,318,938	(126,167,584)	95,551,624	(30,615,960)	-	(27,538,153)	(755,701)	(28,293,854)	176,409,124
Classes of properties, plant and equipment, gross	2,849,120,421	(982,713)	355,035,909	354,053,196	(7,859,040)	(384,674,693)	(1,460,214)	(393,993,947)	2,809,179,670





## Previous Period: December 31, 2019

Concept	Opening balance	Increases (decreases) due to transfers from construction in process	Increases (decreases) due to other changes	Subtotal increases (decreases) due to transfer and other changes	Dispositions and recalls	Subtotal drawdowns and withdrawals	Ending balance
	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Land	159,536,229	125,330	(514,915)	(389,585)	(3,178,177)	(3,178,177)	155,968,467
Buildings	113,252,042	4,530,262	910,673	5,440,935	(2,562,642)	(2,562,642)	116,130,335
Subtotal land and buildings	272,788,271	4,655,592	395,758	5,051,350	(5,740,819)	(5,740,819)	272,098,802
Complementary works	44,316,092	2,752,384	(407,006)	2,345,378	(577,465)	(577,465)	46,084,005
Production facilities	328,291,901	24,683,747	1,495,117	26,178,864	(60,090)	(60,090)	354,410,675
Potable water networks	514,892,514	15,636,037	11,717,685	27,353,722	(83,392)	(83,392)	542,162,844
Sewage networks	534,440,825	8,447,992	6,109,050	14,557,042	-	-	548,997,867
Sewage treatment plants	232,373,341	5,697,365	(366,990)	5,330,375	(863,585)	(863,585)	236,840,131
Other facilities	158,049,182	9,754,590	865,427	10,620,017	(411,264)	(411,264)	168,257,935
Non-operating assets	1,868,637	-	-	-	(7,437)	(7,437)	1,861,200
Subtotal other property, plant and equipment	1,814,232,492	66,972,115	19,413,283	86,385,398	(2,003,233)	(2,003,233)	1,898,614,657
Machinery	384,958,947	21,567,698	10,025,675	31,593,373	(804,711)	(804,711)	415,747,609
Transportation Equipment	5,102,427	511,654	(139,227)	372,427	(24,289)	(24,289)	5,450,565
Fixtures and fittings	6,291,229	177,954	(23,185)	154,769	(117,478)	(117,478)	6,328,520
Computer equipment	14,284,065	461,212	(5,819)	455,393	-	-	14,739,458
Leasehold improvements	806,931	16,449	(1,508)	14,941	-	-	821,872
Construction in progress	226,774,354	(95,522,674)	104,423,444	8,900,770	(356,186)	(356,186)	235,318,938
Classes of property, plant and equipment, gross	2,725,238,716	(1,160,000)	134,088,421	132,928,421	(9,046,716)	(9,046,716)	2,849,120,421



## Detailed disclosures on property, plant and equipment (accumulated depreciation)

### Current period: December 31, 2020

Concept	Opening balance	Increases (decreases) due to other changes	Subtotal increases (decreases) due to transfer and other changes	Depreciation	Held for sale	Loss of subsidiary control	Dispositions and recalls	Subtotal depreciation, held for sale and disposals and service retirements	Ending balance
		Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
<b>Buildings</b>	(37,621,456)	-	-	(1,302,146)	-	17,249,871	52,990	16,000,715	(21,620,741)
<b>Subtotal constructions</b>	(37,621,456)	-	-	(1,302,146)	-	17,249,871	52,990	16,000,715	(21,620,741)
<b>Complementary works</b>	(23,777,452)	23	23	(1,363,074)	-	4,576,094	14,877	3,227,897	(20,549,532)
<b>Production facilities</b>	(161,973,691)	511	511	(6,749,070)	-	16,036,896	-	9,287,826	(152,685,354)
<b>Potable water networks</b>	(330,487,121)	-	-	(6,825,057)	-	24,270,046	-	17,444,989	(313,042,132)
<b>Sewage networks</b>	(298,268,788)	-	-	(9,796,364)	-	44,037,066	-	34,240,702	(264,028,086)
<b>Sewage treatment plants</b>	(70,523,874)	138	138	(4,734,528)	-	8,498,996	-	3,764,468	(66,759,268)
<b>Other facilities</b>	(117,409,635)	(511)	(511)	(7,974,041)	-	16,934,765	15,210	8,975,934	(108,434,212)
<b>Non-operating assets</b>	(1,646,946)	-	-	(7,519)	-	-	-	(7,519)	(1,654,465)
<b>Subtotal other property, plant and equipment</b>	(1,004,087,507)	161	161	(37,449,653)	-	114,353,863	30,087	76,934,297	(927,153,049)
<b>Machinery</b>	(288,474,760)	(17,503)	(17,503)	(22,576,756)	-	41,284,144	92,552	18,799,940	(269,692,323)
<b>Transportation Equipment</b>	(4,566,416)	17,593	17,593	(304,949)	-	522,267	207,866	425,184	(4,123,639)
<b>Fixtures and fittings</b>	(4,954,789)	(23)	(23)	(210,987)	-	186,425	40,729	16,167	(4,938,645)
<b>Computer equipment</b>	(13,120,492)	-	-	(979,096)	-	1,247,571	14,171	282,646	(12,837,846)
<b>Leasehold improvements</b>	(636,684)	-	-	(50,144)	-	-	62,748	12,604	(624,080)
<b>Classes of property, plant and equipment, accumulated depreciation</b>	(1,353,462,104)	228	228	(62,873,731)	-	174,844,141	501,143	112,471,553	(1,240,990,323)



Previous fiscal year: December 31, 2019

Concept	Initial balance	Increments (decreases) for other changes	Subtotal increments (decreases) by other changes	Depreciation	Dispositions and withdrawals of service	Dispositions and withdrawals of service	Final balance
	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Buildings	(33,627,076)	-	-	(5,536,059)	1,541,679	(3,994,380)	(37,621,456)
Subtotal constructions	(33,627,076)	-	-	(5,536,059)	1,541,679	(3,994,380)	(37,621,456)
Complementary works	(22,423,726)	-	-	(1,690,510)	336,784	(1,353,726)	(23,777,452)
Production facilities	(154,536,973)	684	684	(7,468,380)	30,978	(7,437,402)	(161,973,691)
Potable water networks	(322,601,123)	-	-	(7,939,808)	53,810	(7,885,998)	(330,487,121)
Sewage networks	(285,247,787)	-	-	(13,021,001)	-	(13,021,001)	(298,268,788)
Sewage treatment plants	(64,323,218)	-	-	(6,486,803)	286,147	(6,200,656)	(70,523,874)
Other facilities	(110,349,548)	-	-	(7,458,500)	398,413	(7,060,087)	(117,409,635)
Non-operating assets	(1,646,601)	-	-	(7,782)	7,437	(345)	(1,646,946)
Subtotal other property, plant and equipment	(961,128,976)	684	684	(44,072,784)	1,113,569	(42,959,215)	(1,004,087,507)
Machinery	(268,965,094)	(684)	(684)	(20,300,857)	791,875	(19,508,982)	(288,474,760)
Transportation Equipment	(4,144,074)	-	-	(446,071)	23,729	(422,342)	(4,566,416)
Fixtures and fittings	(4,883,720)	-	-	(188,349)	117,280	(71,069)	(4,954,789)
Computer equipment	(11,823,891)	-	-	(1,296,601)	-	(1,296,601)	(13,120,492)
Leasehold improvements	(572,754)	-	-	(63,930)	-	(63,930)	(636,684)
Classes of property, plant and equipment, accumulated depreciation	(1,285,145,585)	-	-	(71,904,651)	3,588,132	(68,316,519)	(1,353,462,104)



## Commitments for the acquisition of property, plant and equipment

The detail for each company of the consolidated Group by amount of future commitments for the acquisition of property, plant and equipment, for the year 2020 is as follows:

Company	Th\$
Aguas Andinas S.A.	124,853,091
Aguas Cordillera S.A.	23,733,156
Aguas Manquehue S.A.	4,519,765
EcoRiles S.A.	228,500
Gestión y Servicios S.A.	106,000
Análisis Ambientales S.A.	1,050,000
<b>Total</b>	<b>154,490,512</b>

Idle property, plant and equipment, temporarily as of December 31, 2020:

Company	Gross value Th\$	Accumulated depreciation Th\$	Net value Th\$
Aguas Andinas S.A.	1,588,222	(1,530,704)	57,518
Aguas Cordillera S.A.	274,332	(123,761)	150,571
<b>Total</b>	<b>1,862,554</b>	<b>(1,654,465)</b>	<b>208,089</b>

## Restrictions on ownership of property, plant and equipment

As of December 31, 2020 and 2019, property, plant and equipment are not subject to restrictions on title, nor are they subject to guarantees of compliance with obligations, as required by IAS 16 paragraph 74 (a).

## Financial leasing contracts

As of December 31, 2020 and December 31, 2019, the lease contracts are recorded in the item "Usage rights assets" under IFRS 16 (see Note 13).

## Impairment of assets

As of December 31, 2020, as a result of the change in the accounting policy with respect to the measurement of Property, plant and equipment, an impairment loss was generated in income for those lands whose book value decreased regarding to their revalued value (see Note 30). The detail by company is as follows:

Company	31-12-2020
	Th\$
Aguas Andinas S.A.	1,101,872
Aguas Cordillera S.A.	277,536
Aguas Manquehue S.A.	25,538
<b>Total</b>	<b>1,404,946</b>

As of December 31, 2020 and 2019, the Company has not recognized in the profit or loss for the year, impairment losses on assets, reversals of impairment losses on assets, or compensation from third parties, as required by items (v) and (vi) of letter e) of paragraph 73 and letter d) of paragraph 74 of IAS 16, for which there is no indication of impairment in accordance with IAS 36.

## Revaluation of property, plant and equipment.

Land is initially recognized at acquisition cost and subsequently revalued using the revaluation method at fair value.

Appraisals of property, plant and equipment are made whenever there are significant variations in the variables that affect the determination of their fair values. Such frequent revaluations will be unnecessary for items of Property, plant and equipment with insignificant variations in their fair value. For these, revaluations made every three or five years may be sufficient.

The fair value of the land of property, plant and equipment was determined using the Market Comparison methodology, where a value is assigned to the land associated with the properties, based on a comparison with other properties of similar or comparable characteristics, according to

objective criteria such as location, suitability, level of exposure, surface, morphology, topography, building conditions, indicated in the respective Municipal Regulatory Plans in force, among others.

The sources used correspond to transactions of the Real Estate Registry, in the cases where such information is available, and offers registered in written media or real estate portals.

The appraisal of this land was carried out under the principle of highest and best use of land, in accordance with IAS 16, IFRS 13 and the requirements of the regulatory authority. The services of Transsa Consultores Inmobiliarios were hired, who are specialized independent appraisers with more than 35 years of experience throughout Chile and appraising all types of assets. Additionally, financial advice was hired from Valtin Capital, who carried out an analysis of the real estate funds during the period from December 2019 to September 2020.

As indicated in note 2.2.E, a decision has been made to change the accounting policy of IAS 16 from the cost method to the continuous revaluation method. The revaluation increase in assets has been as follows:

Reconciliation of the carrying value for revaluation of land	Th\$
Carrying amount of land as of January 1, 2020	155,968,467
Increase from revaluation recognized due to a change in accounting policy	227,369,445
Other increases	119,024
<b>Carrying value and fair value</b>	<b>383,456,936</b>
Dispositions and withdrawal of services	(199,398)
Revaluation loss	(1,404,946)
Held for sale	(7,859,040)
Loss of subsidiary control	(17,177,304)
<b>Carrying value and fair value of land as of December 31, 2020</b>	<b>356,816,248</b>



## Note 14. Lease

The following is a detail of the usage rights asset and the lease liability in accordance with IFRS 16.

### 14.1 Usage right asset

The detail of usage rights assets as of December 31, 2020 and 2019, is as follows:

Usage rights assets	Gross values		Accumulated depreciation		Net values	
	31-12-2020	31-12-2019	31-12-2020	31-12-2019	30-09-2020	31-12-2019
	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Buildings	1,956,203	507,087	(154,124)	(139,222)	1,802,079	367,865
Transportation equipment	3,645,756	4,035,456	(1,707,557)	(984,320)	1,938,199	3,051,136
<b>Total</b>	<b>5,601,959</b>	<b>4,542,543</b>	<b>(1,861,681)</b>	<b>(1,123,542)</b>	<b>3,740,278</b>	<b>3,419,001</b>

### Usage rights movements: Current period

Usage rights assets	01-01-2020	Increases (decreases) due to other changes	Subtotal increases (decreases) for transfers and other changes	Depreciation	Dispositions and withdrawals of service	Decrease due to the loss of control of a subsidiary	Subtotal depreciation, disposals and withdrawals	31-12-2020
	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Buildings	367,865	1,622,321	1,622,321	(188,085)	(22)	-	(188,107)	1,802,079
Transportation equipment	3,051,136	763,598	763,598	(1,264,428)	-	(612,107)	(1,876,535)	1,938,199
<b>Total</b>	<b>3,419,001</b>	<b>2,385,919</b>	<b>2,385,919</b>	<b>(1,452,513)</b>	<b>(22)</b>	<b>(612,107)</b>	<b>(2,064,642)</b>	<b>3,740,278</b>

### Previous period

Usage rights assets	01-01-2019	Increases (decreases) due to other changes	Subtotal increases (decreases) for transfers and other changes	Depreciation	Dispositions and withdrawals of service	Subtotal depreciation, disposals and withdrawals	31-12-2019
	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Buildings	-	537,521	537,521	(169,656)	-	(169,656)	367,865
Transportation equipment	-	4,190,774	4,190,774	(1,139,640)	2	(1,139,638)	3,051,136
<b>Total</b>	<b>-</b>	<b>4,728,295</b>	<b>4,728,295</b>	<b>(1,309,296)</b>	<b>2</b>	<b>(1,309,294)</b>	<b>3,419,001</b>

### 14.2 Lease liability

The present value of future payments under such contracts is as follows:

Lease liability	31-12-2020 Th\$	31-12-2019 Th\$
Up to 90 days	388,624	426,429
More than 90 days and no more than a year	1,024,801	1,070,104
<b>Current total</b>	<b>1,413,425</b>	<b>1,496,533</b>
More than one year and no more than two years	975,297	1,167,872
More than two years and no more than three years	455,073	647,193
More than three years and no more than four years	236,458	126,376
More than four years and no more than five years	199,015	642
More than five years	509,634	-
<b>Non-current total</b>	<b>2,375,477</b>	<b>1,942,083</b>
<b>Total lease liability</b>	<b>3,788,902</b>	<b>3,438,616</b>

### 14.3 Disclosures for operating leases as lessee

Under this concept we present renting of transportation services and commercial agencies.





Minimum future payments of the non-cancelable lease, tenants	31-12-2020 Th\$		31-12-2019 Th\$	
	Renting	Real Estate	Renting	Real Estate
Minimum future payments of the non-cancelable lease, up to one year, lessee	1,119,331	294,084	1,336,706	158,290
Minimum future payments of non-cancelable lease, more than one year and less than five years, lessee	860,490	1,005,353	1,724,259	208,490
Non-cancelable minimum future lease payments, lessees, total	1,979,821	1,299,437	3,060,966	366,780
Minimum payments for lease under operating leases (*)	1,806,344	493,340	1,984,207	518,515
Total lease and sub-lease fees recognized in the income statement, total	1,806,344	493,340	1,984,207	518,515

(\*) The interim consolidated income statement for the period ended December 31, 2020 and 2019 includes an expense of Th\$2,299,683 and Th\$2,502,722, which relates to short-term lease payments, which are exempted from the application of IFRS 16 (see Note 2.2 letter G).

### Significant operating lease agreements

The most significant operating leases are related to vehicle leasing. For these cases, the contracts correspond to periods of less than 12 months. Rental services are paid on a monthly basis upon submission and approval of payment statements.

**Termination of contract:** The company may terminate the rental contracts in advance in the event of serious breach of any of the conditions and obligations set out in the administrative bases and technical specifications. In such cases, the company must be entitled to enforce the guarantee for the faithful, complete and timely performance of the contract, by way of compensation for damages.

### 14.4 Disclosures on operating leases as lessors

The Company has contracts of this type in which it acts as lessor, which refers mainly to parts of operating premises, mostly with telecommunications companies, which have automatic renewal from 1 to 5 years, however, the Company has the power to give notice of termination between 30, 60, 90 and 180 days depending on the contract.

### Lessor's significant operating lease agreements

Income from these items is not material to the Company.

Future minimum lease charges of non-cancellable, lessors	31-12-2020 Th\$	31-12-2019 Th\$
Future minimum non-cancellable lease charges of up to one year, lessors	328,659	320,062
Amount of contingent rents recognized in the income statement	727,637	706,478
<b>Total</b>	<b>1,056,295</b>	<b>1,026,540</b>

### Significant operating lease agreements of the lessor

Income from these items is not material to the Company.



## Note 15. Deferred taxes and profit taxes

In accordance with IAS 12, the net position of deferred tax assets and liabilities, determined by each individual company and presented in the consolidated statement of financial position by aggregating each position, is presented below.

States of financial situation	31-12-2020		31-12-2019	
	Deferred tax asset Th\$	Deferred tax asset Th\$	Deferred tax asset Th\$	Deferred tax asset Th\$
Deferred tax assets	112,540,491	134,389,706	97,942,806	102,010,071
Deferred tax liability	(109,236,001)	(109,236,001)	(68,414,298)	(68,414,298)
<b>Net position of deferred taxes</b>	<b>3,304,490</b>	<b>25,153,705</b>	<b>29,528,508</b>	<b>33,595,773</b>

The net position presented has its origin in a variety of concepts constituting temporary and permanent differences which, at a consolidated level, allow it to be presented under the concepts mentioned below:

### Disclosure of deferred tax assets

Deferred tax assets	31-12-2020 Th\$	31-12-2019 Th\$
Water rights (amortization)	547,204	527,787
Provision for uncollectible receivables	9,108,051	8,707,858
Holiday provision	895,076	789,794
Litigation	43,666	1,007,686
Compensation for years of services	4,944,186	4,774,058
Other provisions	12,013,833	1,785,803
Amortization	1,600,140	1,668,123
Variation monetary correction and depreciation assets	79,371,395	75,108,148
Deferred income	1,985,898	1,969,571
Transaction Tranque La Dehesa	409,726	399,561
Liability for leases	1,026,146	931,568
Impairment losses due to change in accounting criterion	379,335	-
Others	215,835	272,849
<b>Deferred tax asset</b>	<b>112,540,491</b>	<b>97,942,806</b>

### Disclosure of deferred tax liabilities

Deferred tax liabilities	31-12-2020 Th\$	31-12-2019 Th\$
Depreciation of properties, plant and equipment	2,575,331	19,301,796
Amortization	1,196,267	1,078,051
Investment expense related companies	114,266	114,266
Revaluation of land due to change in accounting criterion	61,389,750	-
Revaluations of land first-time adoption of IFRS	22,484,085	24,279,526
Revaluations of water rights first time adoption of IFRS	45,611,780	46,829,517
Fair value of assets by business combination	-	9,339,856
Usage rights assets	1,013,137	926,392
Others	5,090	140,667
<b>Deferred tax liabilities</b>	<b>134,389,706</b>	<b>102,010,071</b>

### Movements in deferred tax assets

Movements of deferred tax assets	31-12-2020 Th\$	31-12-2019 Th\$
<b>Movements of deferred tax liabilities</b>	<b>97,942,806</b>	<b>89,838,528</b>
Increases (decreases) in deferred tax assets	9,934,245	3,427,641
Increases (decreases) due to variation in monetary correction and depreciation assets	4,263,247	5,199,232
Increases (decreases) due to the provision of uncollectible debtors	400,193	(522,595)
<b>Changes in deferred tax assets</b>	<b>14,597,685</b>	<b>8,104,278</b>
<b>Changes in total deferred tax assets</b>	<b>112,540,491</b>	<b>97,942,806</b>



## Movements in deferred tax liabilities

Movements of deferred tax liabilities	31-12-2020 Th\$	31-12-2019 Th\$
<b>Deferred tax liabilities, initial balance</b>	<b>102,010,071</b>	<b>102,205,544</b>
Increases (decreases) in deferred tax liabilities	41,719,491	1,004,130
Increases (decreases) in acquisitions through business combinations	(9,339,856)	(1,199,603)
<b>Changes in deferred tax liabilities</b>	<b>32,379,635</b>	<b>(195,473)</b>
<b>Changes in total deferred tax liabilities</b>	<b>134,389,706</b>	<b>102,010,071</b>

## Income Tax Expenses

Income (expense) for income tax on current and deferred parts	31-12-2020 Th\$	31-12-2019 Th\$
Expenditure on current taxes	(35,061,977)	(54,490,117)
Tax expenditure adjustment previous year	(50,790)	(428,747)
<b>Expenditure for current taxes on profits</b>	<b>(35,112,767)</b>	<b>(54,918,864)</b>
Income (expenses) deferred by taxes related to the creation and reversal of temporary differences	8,289,251	5,912,787
Expenses for a single tax (expenses rejected)	(164,063)	(345,961)
<b>Income (expenses) for other taxes</b>	<b>8,125,188</b>	<b>5,566,826</b>
<b>Income tax expense</b>	<b>(26,987,579)</b>	<b>(49,352,038)</b>

## Numerical reconciliation between income (expense) for tax and the result of multiplying the accounting profit by the applicable tax rate or tariffs

	31-12-2020 Th\$	31-12-2019 Th\$
<b>Expenses for taxes using the legal rate</b>	<b>(34,385,330)</b>	<b>(51,057,651)</b>
Permanent difference for monetary correction tax assets	5,557,246	3,990,729
Permanent difference for rejected expenses	(164,063)	(1,544,166)
Permanent income tax difference from previous years	(50,790)	(579,640)
Other permanent differences	2,055,358	(161,310)
<b>Adjustments to tax expense using the legal rate</b>	<b>7,397,751</b>	<b>1,705,613</b>
<b>Tax expense using the effective rate</b>	<b>(26,987,579)</b>	<b>(49,352,038)</b>

## Reconciliation of the statutory tax rate with the effective tax rate

	31-12-2020 Th\$	31-12-2019 Th\$
Legal tax rate	27.00%	27.00%
Permanent difference for monetary correction tax assets	(4.36%)	(2.11%)
Permanent difference for rejected expenses	0.13%	0.82%
Permanent difference for income tax from previous years	0.04%	0.31%
Other permanent differences	(1.62%)	0.08%
<b>Effective tax rate</b>	<b>21.19%</b>	<b>26.10%</b>

# Note 16. Financial instruments

## 16.1 Capital risk management

The Group manages its capital to ensure that the Group entities will continue as a going concern by maximizing shareholder returns through the optimization of the debt and equity structure. The Group's overall strategy has remained unchanged since 2009. The Group's capital structure consists of debt, which includes the loans disclosed in point 15.4, and equity attributable to the parent company's equity holders, which includes capital, reserves and retained earnings which are disclosed in Note 20.

## 16.2 Significant accounting policies

Details of the significant accounting policies and methods adopted, including the recognition criteria, measurement bases and bases on which income and expenses are recognized, with respect to each class of financial assets and financial liabilities are described in Note 2.2 letter H, 2.2 letter L and 2.2 letter M of these consolidated financial statements.

## 16.3 Class of financial instruments

The following is a summary of the financial instruments as of December 31, 2020 and 2019:



Types of financial instruments	Currency	Note	31-12-2020 Th\$	31-12-2019 Th\$
Trade debtors and other accounts receivable	CLP	5	87,476,311	115,919,449
Trade debtors and other accounts receivable	USD	5	4,570	9,230
Trade debtors and other accounts receivable	EUR	5	1,800	8,819
<b>Total commercial debtors and other accounts receivable, current</b>			<b>87,482,681</b>	<b>115,937,498</b>
Accounts receivable to related entities	CLP	6	982,856	25,324
<b>Information on related entities, current</b>			<b>982,856</b>	<b>25,324</b>
<b>Total financial assets, current</b>			<b>88,465,537</b>	<b>115,962,822</b>
Non-current financial assets				
Rights receivable	CLP	5	4,178,613	4,251,661
Other financial assets	CLP	10,1	7,895,863	7,852,912
<b>Total financial assets, non-current</b>			<b>12,074,476</b>	<b>12,104,573</b>
<b>Total financial assets</b>			<b>100,540,013</b>	<b>128,067,395</b>
Current financial liabilities				
Bank Loans	CLP	16,4	31,994,420	13,876,507
Bonds	CLP	16,4	18,566,508	16,320,558
Reimbursable financial contributions	CLP	16,4	20,182,473	6,188,750
Forward		16,4	320,893	-
<b>Other financial liabilities, current</b>			<b>71,064,294</b>	<b>36,385,815</b>
Lease liability	CLP	14	1,413,425	1,496,533
<b>Lease liability, current</b>			<b>1,413,425</b>	<b>1,496,533</b>
Trade accounts and other payable accounts	CLP	17	126,710,633	131,416,429
Trade accounts and other payable accounts	USD	17	652,557	758,814
Trade accounts and other payable accounts	EUR	17	130,233	276,608
<b>Commercial accounts and other payable accounts, current</b>			<b>127,493,423</b>	<b>132,451,851</b>
Accounts payable to related entities	CLP	6	17,739,128	41,030,704
Accounts payable to related entities	EUR	6	6,902	-
<b>Information on related entities, current</b>			<b>17,746,030</b>	<b>41,030,704</b>
<b>Total financial liabilities, current</b>			<b>217,717,172</b>	<b>211,364,903</b>
Financial liabilities non-current				
Bank loans	CLP	16,4	161,167,381	101,352,095
Bonds	CLP	16,4	665,413,008	715,030,769
Reimbursable financial contributions	CLP	16,4	172,149,573	186,572,529
<b>Other financial liabilities, non-current</b>			<b>998,729,962</b>	<b>1,002,955,393</b>
Lease liability	CLP	14	2,375,477	1,942,083
<b>Lease liability, non-current</b>			<b>2,375,477</b>	<b>1,942,083</b>
Other accounts payable	CLP	17	1,452,311	1,159,317
<b>Other accounts payable, non-current</b>			<b>1,452,311</b>	<b>1,159,317</b>
<b>Total financial liabilities, non-current</b>			<b>1,002,557,750</b>	<b>1,006,056,793</b>
<b>Total financial liabilities</b>			<b>1,220,274,922</b>	<b>1,217,421,696</b>



## 16.4 Disclosures on financial liabilities

### Other financial liabilities

Other financial liabilities include bank loans, obligations with the public (bonds), Reimbursable Financial Contributions (AFR) and lease liabilities, which are valued at amortized cost, as explained below:

### Reimbursable Financial Contributions (AFR, for its acronym in Spanish)

In accordance with article 42-A of D.S. MINECON No. 453 of 1989, "Reimbursable financial contributions for extension and capacity constitute a financing alternative available to the provider (company providing water utility services) for the execution of water utility works of extension and capacity which, according to the Law, are its charge and cost".

They consist of specific amounts of money or works that public water utility service providers can demand from those who apply to be incorporated as customers, or request an extension of service, which, in accordance with the regulations in force, have defined forms and deadlines for their return.

The return of the amounts contributed by customers is basically through the issue of 10- or 15-year endorsable promissory notes, and in some cases lesser amounts, through the return of water utility services.

The detail of refundable financial contributions as of December 31, 2020 and 2019 is as follows:

### Reimbursable Financial Contributions, current portion

Registration No. or identification of the instrument	Currency rate adjustment	Residual UF	Book value		Contract real interest rate	Effective rate	Placement in Chile or abroad	Issuing company	Issuer Tax Identification Number	Type of repayment	Guaranteed (Yes/No)
			31-12-2020 Th\$	31-12-2019 Th\$							
AFR	UF	527,765	15,589,908	5,098,343	3,44%	3,30%	Chile	Aguas Andinas S.A.	61.808.000-5	Al vencimiento	No
AFR	UF	83,853	2,474,212	1,090,407	3,25%	3,10%	Chile	Aguas Cordillera S.A.	96.809.310-k	Al vencimiento	No
AFR	UF	71,679	2,118,353	-	3,29%	3,13%	Chile	Aguas Manquehue S.A.	89.221.000-4	Al vencimiento	No
<b>Total</b>		<b>683,297</b>	<b>20,182,473</b>	<b>6,188,750</b>							

### Reimbursable Financial Contributions, non-current portion

Registration No. or identification of the instrument	Currency rate adjustment	Residual UF	Book value		Expiration Date	Contract real interest rate	Effective rate	Empresa emisora	Rut deudora	Tipo de amortización	Garantizada (Si/No)
			31-12-2020 Th\$	31-12-2019 Th\$							
AFR	UF	4,493,098	131,559,802	134,047,347	17-12-35	3,00%	2,87%	Aguas Andinas S.A.	61.808.000-5	Al vencimiento	No
AFR	UF	743,186	21,777,961	22,352,583	17-12-35	3,00%	2,88%	Aguas Cordillera S.A.	96.809.310-k	Al vencimiento	No
AFR	UF	641,857	18,811,810	19,488,860	15-07-35	3,07%	2,97%	Aguas Manquehue S.A.	89.221.000-4	Al vencimiento	No
AFR	UF	-	-	10,683,739	-	-	-	Essal S.A	96.579.800-5	Al vencimiento	No
<b>Total</b>		<b>5,878,141</b>	<b>172,149,573</b>	<b>186,572,529</b>							





The detail of bank loans as of December 31, 2020 and 2019 is as follows:

### Bank loan balances, current period

Tax ID debit entity	61,808,000-5	61,808,000-5	61,808,000-5	61,808,000-5	61,808,000-5	61,808,000-5	61,808,000-5	96,809,310-K	
Debtor entity name	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Cordillera S.A.	
Country of the debtor company	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	
RUT creditor entity	97,004,000-5	97,006,000-6	97,004,000-5	97,006,000-6	97,004,000-5	97,006,000-6	97,006,000-6	97,032,000-8	
Creditor entity name	Banco de Chile	Banco BCI	Banco de Chile	Banco BICE	Banco BCI	Banco Itau	Banco BTG Pactual	Banco BBVA	
Currency or reset unit	CLP	CLP	CLP	CLP	CLP	CLP	CLP	CLP	
Amortization rate	Biannual	Upon Expiration	Biannual	Upon Expiration	Biannual	Upon Expiration	Upon Expiration	Upon Expiration	
Effective rate	0,61%	0,59%	2,10%	2,39%	4,25%	2,18%	2,16%	0,61%	
Nominal rate	0,61%	0,59%	1,90%	1,85%	4,24%	1,72%	2,16%	0,61%	
	Loans	Loans	Loans	Loans	Loans	Loans	Loans	Loans	
Nominal amounts	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Until a year	8,861,253	30,950	140,389	96,611	22,733,215	46,655	251,904	42,361	32,203,338
Up to 90 days	-	30,950	140,389	96,611	22,733,215	46,655	251,904	42,361	23,342,085
More than 90 days up to a year	8,861,253	-	-	-	-	-	-	-	8,861,253
More than 1 year up to 3 years	17,699,562	19,270,304	-	16,000,000	-	10,500,000	32,800,000	20,000,000	116,269,866
More than 1 year up to 2 years	8,849,781	19,270,304	-	8,000,000	-	-	-	-	36,120,085
More than 2 years up to 3 years	8,849,781	-	-	8,000,000	-	10,500,000	32,800,000	20,000,000	80,149,781
More than 3 years up to 5 years	13,274,672	-	28,000,000	4,000,000	-	-	-	-	45,274,672
More than 3 years up to 4 years	8,849,781	-	28,000,000	4,000,000	-	-	-	-	40,849,781
More than 4 years up to 5 years	4,424,891	-	-	-	-	-	-	-	4,424,891
More than 5 years	-	-	-	-	-	-	-	-	-
More than 5 years	-	-	-	-	-	-	-	-	-
Total nominal amounts	39,835,487	19,301,254	28,140,389	20,096,611	22,733,215	10,546,655	33,051,904	20,042,361	193,747,876
Accounting values	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
Current bank loans	8,861,253	30,950	93,973	22,280	22,692,054	(355)	251,904	42,361	31,994,420
Up to 90 days	-	30,950	93,973	22,280	22,692,054	(355)	251,904	42,361	23,133,167
More than 90 days up to a year	8,861,253	-	-	-	-	-	-	-	8,861,253
Non-current bank loans	30,974,234	19,270,303	27,872,357	19,832,754	-	10,417,733	32,800,000	20,000,000	161,167,381
More than 1 year up to 3 years	17,699,562	19,270,303	-	15,832,754	-	10,417,733	32,800,000	20,000,000	116,020,352
More than 1 year up to 2 years	8,849,781	19,270,303	-	7,832,754	-	-	-	-	35,952,838
More than 2 years up to 3 years	8,849,781	-	-	8,000,000	-	10,417,733	32,800,000	20,000,000	80,067,514
More than 3 years up to 5 years	13,274,672	-	27,872,357	4,000,000	-	-	-	-	45,147,029
More than 3 years up to 4 years	8,849,781	-	27,872,357	4,000,000	-	-	-	-	40,722,138
More than 4 years up to 5 years	4,424,891	-	-	-	-	-	-	-	4,424,891
More than 5 years	-	-	-	-	-	-	-	-	-
More than 5 years	-	-	-	-	-	-	-	-	-
Total bank loans	39,835,487	19,301,253	27,966,330	19,855,034	22,692,054	10,417,378	33,051,904	20,042,361	193,161,801

Book value = capital +/- issue over/under - issue costs + interest earned by effective rate method - interest and capital paid.

Nominal value = capital +/- accrued interest at issue rate - capital/interest payments.



SBank loan balances, previous period

Bank loan balances, previous period	61,808,000-5	61,808,000-5	96,809,310-K	96,579,800-5	96,579,800-5	96,579,800-5	96,579,800-5	96,579,800-5
Nombre entidad deudora	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Cordillera S.A.	Essal S.A.	Essal S.A.	Essal S.A.	Essal S.A.	Essal S.A.
País de la empresa deudora	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile
RUT entidad acreedora	97,004,000-5	97,006,000-6	97,018,000-1	97,004,000-5	97,006,000-6	97,006,000-6	97,018,000-1	97,018,000-1
Nombre entidad acreedora	Banco de Chile	Banco BCI	Scotiabank	Banco de Chile	Banco BCI	Banco BCI	Scotiabank	Scotiabank
Moneda o unidad de reajuste	CLP	CLP	CLP	CLP	CLP	CLP	CLP	CLP
Tipo de amortización	Semestral	Al vencimiento	Al vencimiento	Al vencimiento	Al vencimiento	Al vencimiento	Al vencimiento	Al vencimiento
Tasa efectiva	3.05%	2.42%	2.73%	3.84%	3.70%	0.49%	2.79%	2.67%
Tasa nominal	3.05%	2.42%	2.73%	3.84%	3.70%	0.49%	2.79%	2.67%

Nominal amounts	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Until a year	4,492,373	126,948	189,583	8,721	9,030,745	6,179	19,065	2,893	13,876,507
Up to 90 days	67,482	-	189,583	8,721	30,745	6,179	19,065	2,893	324,668
More than 90 days up to a year	4,424,891	126,948	-	-	9,000,000	-	-	-	13,551,839
More than 1 year up to 3 years	17,699,562	19,270,303	-	2,500,000	-	10,757,777	6,000,000	3,000,000	59,227,642
More than 1 year up to 2 years	8,849,781	-	-	2,500,000	-	-	6,000,000	3,000,000	20,349,781
More than 2 years up to 3 years	8,849,781	19,270,303	-	-	-	10,757,777	-	-	38,877,861
More than 3 years up to 5 years	17,699,562	-	20,000,000	-	-	-	-	-	37,699,562
More than 3 years up to 4 years	8,849,781	-	20,000,000	-	-	-	-	-	28,849,781
More than 4 years up to 5 years	8,849,781	-	-	-	-	-	-	-	8,849,781
More than 5 years	4,424,891	-	-	-	-	-	-	-	4,424,891
More than 5 years	4,424,891	-	-	-	-	-	-	-	4,424,891
Total nominal amounts	44,316,388	19,397,251	20,189,583	2,508,721	9,030,745	10,763,956	6,019,065	3,002,893	115,228,602



Accounting values	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
<b>Current bank loans</b>	<b>4,492,373</b>	<b>126,948</b>	<b>189,583</b>	<b>8,721</b>	<b>9,030,745</b>	<b>6,179</b>	<b>19,065</b>	<b>2,893</b>	<b>13,876,507</b>
Up to 90 days	67,482	-	189,583	8,721	30,745	6,179	19,065	2,893	<b>324,668</b>
More than 90 days up to a year	4,424,891	126,948	-	-	9,000,000	-	-	-	<b>13,551,839</b>
<b>Non-current bank loans</b>	<b>39,824,015</b>	<b>19,270,303</b>	<b>20,000,000</b>	<b>2,500,000</b>	<b>-</b>	<b>10,757,777</b>	<b>6,000,000</b>	<b>3,000,000</b>	<b>101,352,095</b>
<b>More than 1 year up to 3 years</b>	<b>17,699,562</b>	<b>19,270,303</b>	<b>-</b>	<b>2,500,000</b>	<b>-</b>	<b>10,757,777</b>	<b>6,000,000</b>	<b>3,000,000</b>	<b>59,227,642</b>
More than 1 year up to 2 years	8,849,781	-	-	2,500,000	-	-	6,000,000	3,000,000	<b>20,349,781</b>
More than 2 years up to 3 years	8,849,781	19,270,303	-	-	-	10,757,777	-	-	<b>38,877,861</b>
<b>More than 3 years up to 5 years</b>	<b>17,699,562</b>	<b>-</b>	<b>20,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37,699,562</b>
More than 3 years up to 4 years	8,849,781	-	20,000,000	-	-	-	-	-	<b>28,849,781</b>
More than 4 years up to 5 years	8,849,781	-	-	-	-	-	-	-	<b>8,849,781</b>
<b>More than 5 years</b>	<b>4,424,891</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,424,891</b>
More than 5 years	4,424,891	-	-	-	-	-	-	-	<b>4,424,891</b>
<b>Total bank loans</b>	<b>44,316,388</b>	<b>19,397,251</b>	<b>20,189,583</b>	<b>2,508,721</b>	<b>9,030,745</b>	<b>10,763,956</b>	<b>6,019,065</b>	<b>3,002,893</b>	<b>115,228,602</b>

Book value = capital +/- issue over/under - issue costs + interest earned by effective rate method - interest and capital paid.

Nominal value = capital +/- accrued interest at issue rate - capital/interest payments

As of December 31, 2020, there is no variation between the nominal value and the book value, since no issue costs have been incurred in obtaining and/or renewing loans.



The detail of the bond obligations as of December 31, 2020 and 2019 is as follows:

Total liabilities to the public, current period

Tax ID debit entity	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	
Debtor entity name	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	
Country of the debtor company	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	
Registration number	630	655	655	713	713	778	778	806	777	806	887	886	887	
Series	BAGUA-M	BAGUA-P	BAGUA-Q	BAGUA-S	BAGUA-U	BAGUA-V	BAGUA-W	BAGUA-X	BAGUA-Z	BAGUA-AA	BAGUA-AD	BAGUA-AC	BAGUA-AE	
Expiration date	01-04-2031	01-10-2033	01-06-2032	01-04-2035	01-04-2036	01-04-2037	01-06-2037	01-02-2038	15-01-2023	15-01-2040	15-03-2043	15-03-2025	15-03-2044	
Currency or reset unit	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF	
Amortization rate	Upon Expiration	Upon Expiration	Upon Expiration	Upon Expiration	Upon Expiration	Upon Expiration	Upon Expiration	Upon Expiration	Biannual	Biannual	Biannual	Biannual	Biannual	
Effective rate	4.16%	3.83%	4.05%	3.92%	3.81%	3.50%	3.19%	3.14%	2.34%	3.32%	2.87%	1.97%	2.06%	
Nominal rate	4.20%	3.86%	4.00%	3.90%	3.80%	3.50%	3.30%	3.00%	2.40%	3.20%	2.80%	1.80%	2.50%	
Nominal amounts	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Until a year	528,673	416,803	158,320	645,651	547,191	504,341	182,377	577,104	7,467,462	851,142	476,016	5,680,769	425,344	18,461,193
Up to 90 days	-	-	-	-	-	-	-	577,104	3,833,671	851,142	476,016	230,082	425,344	6,393,359
More than 90 days up to a year	528,673	416,803	158,320	645,651	547,191	504,341	182,377	-	3,633,791	-	-	5,450,687	-	12,067,834
More than 1 year up to 3 years	-	-	-	-	-	-	-	-	10,901,374	-	-	21,802,748	-	32,704,122
More than 1 year up to 2 years	-	-	-	-	-	-	-	-	7,267,583	-	-	10,901,374	-	18,168,957
More than 2 years up to 3 years	-	-	-	-	-	-	-	-	3,633,791	-	-	10,901,374	-	14,535,165
More than 3 years	50,873,078	43,605,495	47,966,045	66,861,759	58,140,660	58,140,660	66,861,759	46,512,528	-	58,140,660	58,140,660	16,352,061	58,140,660	629,736,025
More than 3 years up to 4 years	-	-	-	-	-	-	-	-	-	-	-	10,901,374	-	10,901,374
More than 4 years up to 5 years	-	-	-	-	-	-	-	-	-	-	-	5,450,687	-	5,450,687
More than 5 years	50,873,078	43,605,495	47,966,045	66,861,759	58,140,660	58,140,660	66,861,759	46,512,528	-	58,140,660	58,140,660	-	58,140,660	613,383,964
Total nominal amounts	51,401,751	44,022,298	48,124,365	67,507,410	58,687,851	58,645,001	67,044,136	47,089,632	18,368,836	58,991,802	58,616,676	43,835,578	58,566,004	680,901,340



Accounting values	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
<b>Obligations with the public</b>	<b>542,255</b>	<b>425,672</b>	<b>171,628</b>	<b>638,203</b>	<b>543,424</b>	<b>504,341</b>	<b>223,769</b>	<b>554,616</b>	<b>7,472,012</b>	<b>829,984</b>	<b>461,434</b>	<b>5,614,893</b>	<b>584,277</b>	<b>18,566,508</b>
Up to 90 days	-	-	-	-	-	-	-	554,616	3,838,221	829,984	461,434	164,206	584,277	<b>6,432,738</b>
More than 90 days up to a year	542,255	425,672	171,628	638,203	543,424	504,341	223,769	-	3,633,791	-	-	5,450,687	-	<b>12,133,770</b>
<b>Obligations with the non-current public</b>	<b>51,028,766</b>	<b>43,738,950</b>	<b>48,163,447</b>	<b>66,740,023</b>	<b>58,068,432</b>	<b>58,140,660</b>	<b>67,699,404</b>	<b>45,667,877</b>	<b>10,909,752</b>	<b>57,184,267</b>	<b>57,552,511</b>	<b>38,048,041</b>	<b>62,470,878</b>	<b>665,413,008</b>
<b>More than 1 year up to 3 years</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,909,752</b>	<b>-</b>	<b>-</b>	<b>21,749,364</b>	<b>-</b>	<b>32,659,116</b>
More than 1 year up to 2 years	-	-	-	-	-	-	-	-	7,271,771	-	-	10,874,682	-	<b>18,146,453</b>
More than 2 years up to 3 years	-	-	-	-	-	-	-	-	3,637,981	-	-	10,874,682	-	<b>14,512,663</b>
<b>More than 3 years</b>	<b>51,028,766</b>	<b>43,738,950</b>	<b>48,163,447</b>	<b>66,740,023</b>	<b>58,068,432</b>	<b>58,140,660</b>	<b>67,699,404</b>	<b>45,667,877</b>	<b>-</b>	<b>57,184,267</b>	<b>57,552,511</b>	<b>16,298,677</b>	<b>62,470,878</b>	<b>632,753,892</b>
More than 3 years up to 4 years	-	-	-	-	-	-	-	-	-	-	-	10,874,682	-	<b>10,874,682</b>
More than 4 years up to 5 years	-	-	-	-	-	-	-	-	-	-	-	5,423,995	-	<b>5,423,995</b>
More than 5 years	51,028,766	43,738,950	48,163,447	66,740,023	58,068,432	58,140,660	67,699,404	45,667,877	-	57,184,267	57,552,511	-	62,470,878	<b>616,455,215</b>
<b>Total obligations with the public</b>	<b>51,571,021</b>	<b>44,164,622</b>	<b>48,335,075</b>	<b>67,378,226</b>	<b>58,611,856</b>	<b>58,645,001</b>	<b>67,923,173</b>	<b>46,222,493</b>	<b>18,381,764</b>	<b>58,014,250</b>	<b>58,013,944</b>	<b>43,662,935</b>	<b>63,055,155</b>	<b>683,979,516</b>





Total liabilities to the public, previous period

RUT debit entity	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	61.808.000-5	96.579.800-5	96.579.800-5	
Debtor entity name	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Aguas Andinas S.A.	Essal S.A.	Essal S.A.	
Country of the debtor company	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	Chile	
Registration Number	630	655	655	713	713	778	778	806	777	806	887	886	887	284	870	
Series	BAGUA-M	BAGUA-P	BAGUA-Q	BAGUA-S	BAGUA-U	BAGUA-V	BAGUA-W	BAGUA-X	BAGUA-Z	BAGUA-AA	BAGUA-AD	BAGUA-AC	BAGUA-AE	Besal-B	Besal-C	
Expiration date	01-04-2031	01-10-2033	01-06-2032	01-04-2035	01-04-2036	01-04-2037	01-06-2037	01-02-2038	15-01-2023	15-01-2040	15-03-2043	15-03-2025	15-03-2044	01-06-2028	01-12-2040	
Currency or reset unit	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF	UF	
Periodicity of depreciation	Upon Expiration	Upon Expiration	Upon Expiration	Upon Expiration	Upon Expiration	Upon Expiration	Upon Expiration	Upon Expiration	Biannual	Biannual	Biannual	Biannual	Biannual	Biannual	Biannual	
Effective rate	4.16%	3.83%	4.05%	3.92%	3.81%	3.50%	3.18%	3.15%	2.34%	3.33%	2.87%	1.97%	2.05%	6.63%	2.93%	
Nominal rate	4.20%	3.86%	4.00%	3.90%	3.80%	3.50%	3.30%	3.00%	2.40%	3.20%	2.80%	1.80%	2.50%	6.00%	2.80%	
Nominal amounts	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Until a year	514,845	405,901	154,179	628,762	532,878	491,149	177,606	562,009	7,348,491	824,299	463,565	224,064	414,218	3,415,277	163,997	16,321,240
Up to 90 days	-	-	-	-	-	-	-	562,009	3,809,748	824,299	463,565	224,064	414,218	-	163,997	6,461,900
More than 90 days up to a year	514,845	405,901	154,179	628,762	532,878	491,149	177,606	-	3,538,743	-	-	-	-	3,415,277	-	9,859,340
More than 1 year up to 3 years	-	-	-	-	-	-	-	-	14,154,970	-	-	15,924,342	-	6,495,446	-	36,574,758
More than 1 year up to 2 years	-	-	-	-	-	-	-	-	7,077,485	-	-	5,308,114	-	3,247,723	-	15,633,322
More than 2 years up to 3 years	-	-	-	-	-	-	-	-	7,077,485	-	-	10,616,228	-	3,247,723	-	20,941,436
More than 3 years	49,542,395	42,464,910	46,711,401	65,112,862	56,619,880	56,619,880	65,112,862	45,295,904	3,538,743	56,619,880	56,619,880	26,540,570	56,619,880	22,042,118	28,048,530	677,509,695
More than 3 years up to 4 years	-	-	-	-	-	-	-	-	3,538,743	-	-	10,616,228	-	3,247,723	-	17,402,694
More than 4 years up to 5 years	-	-	-	-	-	-	-	-	-	-	-	10,616,228	-	3,247,723	-	13,863,951
More than 5 years	49,542,395	42,464,910	46,711,401	65,112,862	56,619,880	56,619,880	65,112,862	45,295,904	-	56,619,880	56,619,880	5,308,114	56,619,880	15,546,672	28,048,530	646,243,050
Total nominal amounts	50,057,240	42,870,811	46,865,580	65,741,624	57,152,758	57,111,029	65,290,468	45,857,913	25,042,204	57,444,179	57,083,445	42,688,976	57,034,098	31,952,841	28,212,527	730,405,693



Accounting values	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Obligations with the public	527,872	414,438	168,619	621,600	529,251	491,149	222,549	524,372	7,358,696	786,205	443,450	157,987	570,241	3,340,132	163,997	16,320,558
Up to 90 days	-	-	-	-	-	-	-	524,372	3,819,953	786,205	443,450	157,987	570,241	3,340,132	163,997	9,806,337
More than 90 days up to a year	527,872	414,438	168,619	621,600	529,251	491,149	222,549	-	3,538,743	-	-	-	-	-	-	6,514,221
Obligations with the non-current public	49,711,499	42,607,147	46,921,832	64,983,746	56,543,915	56,619,880	65,991,224	44,429,043	17,706,018	55,642,582	56,017,217	42,295,104	61,111,397	26,811,234	27,638,931	715,030,769
More than 1 year up to 3 years	-	-	-	-	-	-	-	-	14,163,174	-	-	15,856,419	-	6,397,710	-	36,417,303
More than 1 year up to 2 years	-	-	-	-	-	-	-	-	7,081,587	-	-	5,274,153	-	3,198,855	-	15,554,595
More than 2 years up to 3 years	-	-	-	-	-	-	-	-	7,081,587	-	-	10,582,266	-	3,198,855	-	20,862,708
More than 3 years	49,711,499	42,607,147	46,921,832	64,983,746	56,543,915	56,619,880	65,991,224	44,429,043	3,542,844	55,642,582	56,017,217	26,438,685	61,111,397	20,413,524	27,638,931	678,613,466
More than 3 years up to 4 years	-	-	-	-	-	-	-	-	3,542,844	-	-	10,582,266	-	3,198,855	-	17,323,965
More than 4 years up to 5 years	-	-	-	-	-	-	-	-	-	-	-	10,582,266	-	3,198,855	-	13,781,121
More than 5 years	49,711,499	42,607,147	46,921,832	64,983,746	56,543,915	56,619,880	65,991,224	44,429,043	-	55,642,582	56,017,217	5,274,153	61,111,397	14,015,814	27,638,931	647,508,380
Total obligations with the public	50,239,371	43,021,585	47,090,451	65,605,346	57,073,166	57,111,029	66,213,773	44,953,415	25,064,714	56,428,787	56,460,667	42,453,091	61,681,638	30,151,366	27,802,928	731,351,327



## Reconciliation of other financial liabilities and lease liability:

The following is a reconciliation between the opening and closing balances of other financial liabilities as of December 31, 2020 and 2019:

### Current period:

Other financial liabilities and lease liability, current	Initial balance 31-12-2019	Additions	Payments	Transfers	Decrease due to the loss of control of a subsidiary	Closing balance 31-12-2020
	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Préstamos bancarios	13,876,507	52,000,000	(30,000,013)	5,185,529	(9,067,603)	31,994,420
Bonos	16,320,558	-	-	5,750,079	(3,504,129)	18,566,508
Aportes financieros reembolsables	6,188,750	-	-	13,993,723		20,182,473
Forward	-	320,893				320,893
<b>Total pasivos financieros</b>	<b>36,385,815</b>	<b>52,320,893</b>	<b>(30,000,013)</b>	<b>24,929,331</b>	<b>(12,571,732)</b>	<b>71,064,294</b>
Pasivos por arrendamiento	1,496,533	506,535	(1,427,137)	1,074,897	(237,403)	1,413,425
<b>Total pasivos por arrendamiento</b>	<b>1,496,533</b>	<b>506,535</b>	<b>(1,427,137)</b>	<b>1,074,897</b>	<b>(237,403)</b>	<b>1,413,425</b>
<b>Total pasivos financieros y pasivos por arriendos</b>	<b>37,882,348</b>	<b>52,827,428</b>	<b>(31,427,150)</b>	<b>26,004,228</b>	<b>(12,809,135)</b>	<b>72,477,719</b>

Other financial liabilities and lease liability, current	Initial balance 31-12-2019	Additions	Payments	Transfers	Decrease due to the loss of control of a subsidiary	Closing balance 31-12-2020
	Th\$	Th\$	Th\$	Th\$	Th\$	Th\$
Bank loans	101,352,095	91,300,000	(4,424,891)	(4,802,046)	(22,257,777)	161,167,381
Bonuses	715,030,769	-	(7,150,455)	11,982,858	(54,450,164)	665,413,008
Reimbursable financial contributions	186,572,529	17,143,444	(11,782,635)	(9,100,026)	(10,683,739)	172,149,573
<b>Total financial liabilities</b>	<b>1,002,955,393</b>	<b>108,443,444</b>	<b>(23,357,981)</b>	<b>(1,919,214)</b>	<b>(87,391,680)</b>	<b>998,729,962</b>
Lease liabilities	1,942,083	1,880,218	-	(1,074,552)	(372,272)	2,375,477
<b>Total lease liabilities</b>	<b>1,942,083</b>	<b>1,880,218</b>	<b>-</b>	<b>(1,074,552)</b>	<b>(372,272)</b>	<b>2,375,477</b>
<b>Total, other financial liabilities and lease liabilities</b>	<b>1,004,897,476</b>	<b>110,323,662</b>	<b>(23,357,981)</b>	<b>(2,993,766)</b>	<b>(87,763,952)</b>	<b>1,001,105,439</b>

### Previous period:

Other financial liabilities and lease liability, current	Initial balance	Additions	Payments	Transfers	Closing balance 31-12-2019
	Th\$	Th\$	Th\$	Th\$	Th\$
Bank loans	3,503,647	134,183,291	(128,108,621)	4,298,190	13,876,507
Bonuses	15,037,330	7,807	(6,886)	1,282,307	16,320,558
Reimbursable financial contributions	15,422,339	27,233,301	(26,985,986)	(9,480,904)	6,188,750
<b>Total financial liabilities</b>	<b>33,963,316</b>	<b>161,424,399</b>	<b>(155,101,493)</b>	<b>(3,900,407)</b>	<b>36,385,815</b>
Lease liabilities	-	2,014,766	(1,308,049)	789,816	1,496,533
<b>Total lease liabilities</b>	<b>-</b>	<b>2,014,766</b>	<b>(1,308,049)</b>	<b>789,816</b>	<b>1,496,533</b>
<b>Total, other financial liabilities and lease liabilities</b>	<b>33,963,316</b>	<b>163,439,165</b>	<b>(156,409,542)</b>	<b>(3,110,591)</b>	<b>37,882,348</b>

Other financial liabilities and lease liability, current	Initial balance	Additions	Payments	Transfers	Closing balance 31-12-2019
	Th\$	Th\$	Th\$	Th\$	Th\$
Bank loans	92,519,209	22,257,778	-	(13,424,892)	101,352,095
Bonuses	646,960,110	56,686,306	(9,799,598)	21,183,951	715,030,769
Reimbursable financial contributions	173,033,860	-	-	13,538,669	186,572,529
<b>Total financial liabilities</b>	<b>912,513,179</b>	<b>78,944,084</b>	<b>(9,799,598)</b>	<b>21,297,728</b>	<b>1,002,955,393</b>
Lease liabilities	-	2,731,897	-	(789,814)	1,942,083
<b>Total lease liabilities</b>	<b>-</b>	<b>2,731,897</b>	<b>-</b>	<b>(789,814)</b>	<b>1,942,083</b>
<b>Total, other financial liabilities and lease liabilities</b>	<b>912,513,179</b>	<b>81,675,981</b>	<b>(9,799,598)</b>	<b>20,507,914</b>	<b>1,004,897,476</b>

### Forward

As of December 31, 2020, the Group presents the effect in the interim consolidated financial statements of the market valuation of forward derived instruments operations for exchange rate in dollars, by an amount of Th\$ 320,893.



## 16.5 Fair value of financial instruments

Fair value of financial instruments carried at amortized cost.

The following is a summary of the fair values of the main financial assets and liabilities, including those that are not presented at fair value in the consolidated statement of financial position:

	31-12-2020	
	Amortized cost Th\$	Fair value Th\$
<b>Cash Equivalents</b>		
Term deposits, level 1	110,899,988	110,899,988
Mutual funds, level 1	60,905,513	60,905,513
<b>Investments held at fair value</b>	<b>171,805,501</b>	<b>171,805,501</b>
<b>Other financial assets</b>		
Bank debt, level 2	193,161,802	175,238,236
Bonuses, level 1	683,979,516	834,958,500
AFR, level 3	192,332,046	192,332,046
<b>Financial liabilities maintained at amortized cost</b>	<b>1,069,473,363</b>	<b>1,202,528,782</b>

## Methodology and assumptions used in the calculation of fair value

The fair value of financial assets and liabilities was determined using the following methodology:

- a)** The amortized cost of time deposits and mutual funds is a good approximation of fair value, because they are short-term transactions.
- b)** The market value of Forward derived instruments operations in foreign currency, corresponds to the value resulting from applying current quotations on the valuation date at the maturity of the operation and applying a rate.
- c)** The amortized cost of AFR liabilities is a good approximation of the fair value, since they are operations with little liquidity in the market, the rate applied corresponds to that indicated in the standard that regulates them (DFL No. 70).
- d)** The fair value of the bonds was determined based on market price references, as these instruments are Commercial in the market under standard conditions and with a high degree of liquidity.
- e)** The fair value of the bank debt was determined by discounting the cash flows of each loan (principal and interest disbursements) at an interpolated swap curve rate corresponding to the remaining term. This term corresponds to the number of days counted from the month-end date of the Financial Statements to the date corresponding to the disbursement of each flow.

## Recognition of hierarchy of measurements at fair value in the Consolidated Financial Statements

- **Level 1** corresponds to measurement methodologies at fair value through market shares (without adjustment) in active markets and considering the same assets and liabilities valued.
- **Level 2** corresponds to fair value measurement methodologies using quoted market prices data, not included in Level 1, that are observable for the valued assets and liabilities, either directly (prices) or indirectly (derived from prices).
- **Level 3** relates to fair value measurement methodologies using valuation techniques, including data on valued assets and liabilities, that are not based on observable market data.



## Note 17. Commercial and other accounts payable

The composition of commercial accounts payable and other current and non-current accounts payable as of December 31, 2020 and 2019, is as follows:

Commercial accounts and other accounts payable	Currency	31-12-2020 Th\$	31-12-2019 Th\$
Subcontractors	CLP	34,714,911	34,881,915
Dividends	CLP	131,299	22,294,725
Suppliers	CLP	19,495,020	40,958,556
Suppliers	USD	652,557	758,814
Suppliers	EUR	130,233	276,608
Accrued products and services	CLP	33,602,254	25,230,374
Personnel	CLP	5,110,683	3,863,611
Documents to pay	CLP	4,424,541	3,535,897
Others	CLP	496,636	651,351
<b>Current subtotal</b>		<b>98,758,134</b>	<b>132,451,851</b>
Notes payable	CLP	855,608	904,203
Suppliers	CLP	534,195	184,719
Various creditors	CLP	62,508	70,395
<b>Non-current subtotal</b>		<b>1,452,311</b>	<b>1,159,317</b>
<b>Total current and non-current</b>		<b>100,210,445</b>	<b>133,611,168</b>

Below is information regarding invoiced commercial accounts by due date:

### 17.1 Commercial accounts

#### Current period:

Commercial accounts per day according to deadline	31-12-2020			
	Goods Th\$	Services Th\$	Others Th\$	Total Th\$
Up to 30 days	1,802,389	15,424,200	396	<b>17,226,985</b>
Between 31 and 60 days	24,047	772,674	-	<b>796,721</b>
Between 61 and 90 days	-	-	-	-
Between 91 and 120 days	-	-	-	-
Between 121 and 365 days	-	-	252,894	<b>252,894</b>
<b>Total</b>	<b>1,826,436</b>	<b>16,196,874</b>	<b>253,290</b>	<b>18,276,600</b>

Commercial accounts expired according to term	31-12-2020			
	Goods Th\$	Services Th\$	Others Th\$	Total Th\$
Up to 30 days	6,675	1,255,629	899	<b>1,263,203</b>
Between 31 and 60 days	-	466,364	-	<b>466,364</b>
Between 61 and 90 days	-	213,580	-	<b>213,580</b>
Between 91 and 120 days	143	9,964	-	<b>10,107</b>
Between 121 and 365 days	-	47,789	4	<b>47,793</b>
More than 365 days	48	(289)	404	<b>163</b>
<b>Total</b>	<b>6,866</b>	<b>1,993,037</b>	<b>1,308</b>	<b>2,001,210</b>

#### Previous period:

Commercial accounts per day according to deadline	31-12-2019			
	Goods Th\$	Services Th\$	Others Th\$	Total Th\$
Up to 30 days	7,607,971	17,388,913	189,590	<b>25,186,474</b>
Between 31 and 60 days	1,179,791	10,888,431	2,720	<b>12,070,942</b>
Between 61 and 90 days	315,114	115,331	-	<b>430,445</b>
Between 91 and 120 days	-	230,670	-	<b>230,670</b>
<b>Total</b>	<b>9,102,876</b>	<b>28,623,345</b>	<b>192,310</b>	<b>37,918,531</b>

Commercial accounts expired according to term	31-12-2019			
	Goods Th\$	Services Th\$	Others Th\$	Total Th\$
Up to 30 days	(157,947)	681,169	9,194	<b>532,416</b>
Between 31 and 60 days	974,082	176,438	58	<b>1,150,578</b>
Between 61 and 90 days	361,633	673,907	11,008	<b>1,046,548</b>
Between 91 and 120 days	194,029	82,634	3,752	<b>280,415</b>
Between 121 and 365 days	48	1,049,148	8,219	<b>1,057,415</b>
More than 365 days	-	7,906	169	<b>8,075</b>
<b>Total</b>	<b>1,371,845</b>	<b>2,671,202</b>	<b>32,400</b>	<b>4,075,447</b>





## Note 18. Other provisions and contingent liabilities

### A. Other Provisions

The breakdown of this item as of December 31, 2020 and 2019 is as follows:

Other provisions	31-12-2020			
	Provision for guarantees Th\$	Provisions for legal processes Th\$	Provision for onerous contracts Th\$	Total, Other provisions Th\$
Other provisions at the beginning of the period 01,01,2020	-	3,732,169	1,380,132	5,112,301
Changes in other provisions				
Additional provisions, other provisions				
New provisions	28,735,289	185,904	-	28,921,193
Increase in existing provisions	-	-	-	-
<b>Total additional provisions</b>	28,735,289	185,904	-	28,921,193
(-) Unused reverse provisions	-	(47,920)	-	(47,920)
Increase for adjustments arising from the passage of time	-	-	39,748	39,748
(-)Decrease due to the loss of control of a subsidiary	-	(3,708,428)		(3,708,428)
<b>Total Increase (decrease)</b>	-	(3,756,348)	39,748	(3,716,600)
<b>Other current provisions</b>	28,735,289	161,725	-	28,897,014
<b>Other non-current provisions</b>	-	-	1,419,880	1,419,880

Other provisions	31-12-2019			
	Provision for guarantees Th\$	Provisions for legal processes Th\$	Provision for onerous contracts Th\$	Total, Other provisions Th\$
Other provisions at the beginning of the periodo 01,01,2019	2,130,122	862,123	1,341,233	4,333,478
Changes in other provisions				
Additional provisions, other provisions				
New provisions	-	3,281,818	-	3,281,818
Increase in existing provisions	-	1,012,448	-	1,012,448
<b>Total additional provisions</b>	-	4,294,266	-	4,294,266
(-) Used provisions	-	(1,424,220)	-	1,424,220
(-) Unused reverse provisions	2,130,122	-	-	2,130,122
Increase for adjustments arising from the passage of time	-	-	38,899	38,899
<b>Total Increase (decrease)</b>	2,130,122	1,424,220	38,899	3,515,443
<b>Other current provisions</b>	-	3,732,169	-	3,732,169
<b>Other non-current provisions</b>	-	-	1,380,132	1,380,132



The description of the provisions that make up this item are as follows:

## 1.- Other provisions, current

### i- Legal claims

The Company records the provision for lawsuits arising from its operations, mainly arising from sanctioning processes carried out by auditing agencies. In addition, Aguas Andinas and Subsidiaries are involved in civil and labor lawsuits, whose resolutions are pending in the corresponding courts.

The provisions associated with the Company's current lawsuits have been reflected in the heading "Provisions", in accordance with the provisions of IAS 37. In those cases, where Management considers that the matters have a low probability of success and do not represent a certain probability of material loss, no provision has been made.

The legal claims that could affect the Company are detailed below:

**The Superintendence of Sanitary Services (SISS)** has issued fines for Aguas Andinas S.A. and its subsidiaries mainly due to the failure to comply with instructions and infringement of the continuity and quality of the service provided by the Company. The total number of claims filed as of December 2020 amounts to UTA 4,764, which were paid prior to initiating the claim processes in each of the cases and are pending resolution of the final judgments.

Additionally, Aguas Andinas S.A. was notified of the initiation of sanctioning procedures by the Superintendence of Sanitary Services. This corresponds to alleged violations in the delivery of the service. Currently, there are administrative appeals and legal claims pending, so it is premature to estimate a result. The Company considers that it did not incur in the infractions filed, therefore, it is expected that the claims and appeals will be accepted.

**Regional Ministerial Health Secretariat (RM)**, sanctioning processes are pending against Aguas Andinas, initiated by Resolution for alleged infractions in the service provided. Administrative appeals and legal claims are currently underway. The ranges of fines vary between 1 and 1000 UTM.

**Labor Lawsuits:** Aguas Andinas was directly or indirectly sued for labor claims, mainly for unjustified dismissals. Total claims amount to Th\$343,030. The legal proceedings are pending at the respective courts or administrative bodies.

### ii. Provision for guarantees

La Sociedad ha reconocido provisiones de garantías derivados del contrato de compra venta de ESSAL S.A. e Iberaguas Ltda., suscrito entre Aguas Andinas S.A. y Algonquin Power & Utilities Corp. (APUC).

## 2.- Other provisions, non-current

It basically corresponds to the transaction dated July 10, 2007, signed at the Notary's office of María Gloria Acharan Toledo, between Aguas Cordillera S.A. and developers, in which it is assumed that in the event that Aguas Cordillera S.A. disaffects and sells the land that was transferred to it in the future, it will have to pay at least U.F. 52,273.29. This amount will be charged against the existing debt receivable from the developers.

## B. Contingent liabilities

- 1) Aguas Andinas S.A. was sued in an ordinary lawsuit for damages due to the damages allegedly suffered by a Mining Company, because of the installation of infrastructure by the company on land where the plaintiff would have mining properties, causing it alleged damage by preventing the extraction of minerals. The amount sued amounts to ThCh\$1,093,564. A first instance judgment was rendered which was reversed by the court of appeals, which upheld Aguas Andinas' claim. Pending ruling by the Supreme Court.
- 2) As a result of a potable water matrix break that affected the commune of Providencia in June 2016 and massive cuts in potable water supplies due to extreme turbidity in February and April 2017, the Company is in the process of being audited by the Superintendence of Sanitary Services. In the first case, it is pending that the Sanitary Authority resolves the reinstatement presented, while in the events of turbidity, the Company presented its disclaimers, which are pending resolution.

- 3) On December 24, 2020, the approval of the settlement in the class action lawsuit between SERNAC, CONADECUS and Aguas Andinas S.A. in relation to the massive potable water cut-off of April 2016, February and April 2017 was presented before the Court of Appeals of Santiago and the 4th Civil Court of Santiago. For this settlement, criteria such as daily compensation per cut-off, the recognition of timely notice and the duration of the supply cut-off were considered, which, consequently, resulted in a compensation to customers amounting to Th\$9,925,042. The compensation plan will be made through rebates to the monthly accounts of customers within 30 days from the date on which the settlement is certified and approved by a final or enforceable judgment.

On March 25, 2020, a first instance ruling was issued in a class action lawsuit filed by SERNAC in relation to a massive water cut-off in April 2016, caused by extreme turbidity of the Maipo River. The judgment condemns the company and orders it to compensate the users allegedly affected by the aforementioned cut-off, a decision that is considered erroneous and disproportionate, since it includes in the compensation requests not requested in the lawsuit and, likewise, extends the scope of the judgment to users who were not really affected by that interruption. The case is pending before the Court of Appeals due to the appeals filed by the company.

The Company and its Subsidiaries are involved in other minor lawsuits. It is considered that they will not have a material adverse effect on the financial statements of the respective Companies.



## Note 19. Employee benefits

The Company, at consolidated level, has a staff of 1,729 employees, 84 of whom are managers and senior executives. The number of workers covered by collective agreements and individual employment contracts with special compensation clauses is 1,461 and 18, respectively. Meanwhile, 250 workers are governed by the provisions of the Labor Code.

In January 2018, Aguas Andinas S.A. completed advance collective bargaining with employee, operators and professional unions No. 1, 2 and 3. The agreement was signed on January 29, 2018 and is valid for three years.

The collective contracts in force for Aguas Cordillera S.A., and personnel of Aguas Manquehue S.A., were signed on December 1, 2018 and October 1, 2018 for Unions No. 1, 2, and Workers' and Supervisors' Union, respectively, all have a three-year term.

The current collective agreements for Análisis Ambientales S.A, Gestión y Servicios S.A. and EcoRiles S.A. were signed in January 2019, November 2018 and May 2020, respectively. These contracts are valid for three years. The employees of these Subsidiaries are governed by the rules set forth in articles 159, 160 and 161 of the Labor Code, for which reason no provision for severance package is recorded.

### Policies on defined benefit plans

Workers who are not party to the collective agreements of Aguas Andinas S.A. and its Subsidiaries are governed by the rules established in Articles 159, 160 and 161 of the Labor Code, and therefore no provision is recorded for severance payments.

For those employees who recorded severance at current value up to 2002 (including severance payments for all events recognized at that date), the actuarial calculation is applied, as well as to the advances granted on account of this severance.

For employees who are part of or were assimilated to the collective bargaining agreements in force at the date of the consolidated financial statements, the actuarial value calculation for severance payments applies.

### Accounting policies on the recognition of profit and loss on defined benefit plans

The obligation for the severance payment, which is estimated to accrue to the workers who retire from Aguas Andinas S.A., Aguas Cordillera S.A., Aguas Manquehue S.A., and ESSAL S.A. The amount of the loan is recorded at the actuarial value, determined using the projected unit credit method.

Actuarial profit and loss on indemnities arising from changes in estimates of turnover tariffs, mortality tariffs, salary increases, or discount tariffs are recorded in accordance with revised IAS 19, in other comprehensive income, directly affecting Equity, which is subsequently reclassified to Retained Earnings. This procedure began to be applied in 2013, due to the entry into force of revised IAS 19. Until 2012, all variations in the estimates and parameters used determined a direct effect on the results of the year.

### Actuarial assumptions

**Years of service:** In Aguas Andinas S.A., Aguas Cordillera S.A., Aguas Manquehue S.A. and ESSAL S.A. the assumption is that workers will remain in these Companies until they reach the legal age of retirement (women up to 60 years of age and men up to 65 years of age). In the subsidiary ESSAL S.A. there is a maximum of 6 months' compensation and it is paid to persons who retire or die.

**Participants in each plan:** Workers who are party to union agreements or similar (as indicated above) and workers with individual contracts with an indemnity clause for all events. The employees who are part of the

calculation of actuarial compensation are as follows: Aguas Andinas S.A.: 921; Aguas Cordillera S.A.: 104 and Aguas Manquehue S.A.: 13.

**Mortality:** The Financial Market Commission's RV-2014 mortality tables are used.

**Employee turnover rate, disability, and early retirement:** According to the Group's statistical experience, the turnover used in the 2020 period for target workers is as follows: Aguas Andinas S.A.: 5.87%; Aguas Cordillera S.A.: 7.10%; Aguas Manquehue S.A. No disabilities or premature withdrawals have been considered due to the rarity of these events.

**Discount rate:** For the 2020 period, the rate of 3.34% was used for Aguas Andinas S.A., Aguas Cordillera S.A. and Aguas Manquehue S.A. which corresponds to the risk-free rate, and the expected long-term inflation estimate.

**Inflation rate:** Long-term estimates for 2020 were made using the estimated long-term inflation rate reported by the Central Bank of Chile, which amounts to 3.0%.

**Rate of pay increase:** The tariffs used for the period 2020 are as follows: Aguas Andinas S.A.: 1.7%; Aguas Cordillera S.A.: and Aguas Manquehue S.A.: No salary increase rate.



## Overview of defined benefit plans

In addition to the benefits indicated in note 2.2 letter O, the following are indicated:

In the event of the worker's death, compensation shall be paid to his immediate family members in accordance with article 60 of the Labor Code.

In the event that the worker withdraws from the Company in accordance with numbers 2, 4 or 5 of article 159, number 1 letter a) or number 6 of article 160 of the Labor Code, the amount accumulated for this concept until July 31, 2002 in Aguas Andinas S.A. and December 31, 2002 in Aguas Cordillera S.A., readjusted on a quarterly basis by the variation of the Consumer Price Index, will be paid as compensation, provided that this variation is positive.

For the workers of Aguas Andinas S.A. and its Subsidiaries, which are not part of their collective agreements, what is indicated in their individual work contracts applies. As for the non-water utility subsidiaries, i.e. Gestión y Servicios S.A., EcoRiles S.A., Análisis Ambientales S.A. and Aguas del Maipo S.A., the provisions of the Labor Code apply, unless individual contracts indicate otherwise.

The provision for indemnity is presented by deducting the advances granted to the workers.

The movements of the actuarial provisions as of December 31, 2020 and 2019, which include the movements of the provisions, are as follows:

Provisions for employee benefits	31-12-2020 Th\$	31-12-2019 Th\$
<b>Movements actuarial provision</b>		
Beginning balance	21,011,199	18,133,926
Cost of services	1,151,928	1,011,621
Cost for interest	777,770	808,754
(Gain) or actuarial losses	(387,032)	2,487,503
Benefits paid	(1,162,197)	(1,561,500)
Provision for termination benefits	168,904	130,894
Decrease for liabilities included in groups of assets for disposal classified as held for sale	(721,729)	-
<b>Sub-total</b>	<b>20,838,843</b>	<b>21,011,198</b>
Profit and bonds participation	4,426,787	4,941,519
<b>Total</b>	<b>25,265,630</b>	<b>25,952,717</b>

In the statement of financial position these balances are in the following items:

Pasivo por arrendamientos:	31-12-2020 Th\$	31-12-2019 Th\$
Provisions for employee benefits, current	4,926,436	5,184,148
Provisions for employee benefits, not current	20,339,194	20,768,569
<b>Cost of services</b>	<b>25,265,630</b>	<b>25,952,717</b>

## Expected payment flows

The collective agreement of Aguas Andinas S.A. indicates in its seventeenth clause that workers who voluntarily resign to take up retirement due to old age will have a period of 120 days, from the date they reach the legal age for retirement, to make their resignation effective.

The collective agreements of Aguas Cordillera S.A. and Aguas Manquehue S.A. indicate that compensation will be paid to workers who voluntarily resign because they have reached the legal age for old age pension.

During 2019, the company, together with the Aguas Andinas workers' Commercial unions, will recognize the contributions made by employees with serious health problems who have a duly accredited disabling illness that affects their work performance or prevents them from returning to their duties under normal conditions or who are close to reaching legal retirement age, this means that female workers with a permanent employment contract who have reached the age of 57 and male workers with a permanent employment contract who have reached the age of 62 have the option of taking part in a voluntary retirement plan. Those workers who have reached the age required by Article 3 of Decree Law No. 3,500 to obtain an old-age pension, i.e. over 60 years of age for women and over 65 years of age for men (age reached), are also eligible.

In accordance with the aforementioned defined benefit plans, the flows for the current year are indicated below:

Company	Number of employees	Expected flow of payment	Año
Th\$	Year	1,528,000	2021
Aguas Cordillera S.A.	-	-	2021
Aguas Manquehue S.A.	-	-	2021
<b>Total</b>	<b>20</b>	<b>1,528,000</b>	



## Projected liabilities as of December 31, 2020

In order to calculate the projected liabilities of the indemnities at the actuarial value, as of December 2020, in accordance with IAS 19, the actuarial assumptions in force on December 31, 2019, already informed in this note, have been used, only the amount of the legal bonus has been increased according to the increase in the minimum salary established in January of this year.

The summary by Company is as follows:

Company	Number of employees	Costs for services Th\$	Interest cost
Aguas Andinas S.A.	986	1,090,466	573,208
Aguas Cordillera S.A.	107	143,033	45,122
Aguas Manquehue S.A.	13	3,051	15,482
<b>Total</b>	<b>1,106</b>	<b>1,236,550</b>	<b>633,812</b>

## Sensitivity of assumptions

On the basis of the actuarial calculation as of December 31, 2020, the main assumptions were made and the following impacts were determined:

Discount Rate	Base	More than 0,5% Th\$	Less than 0,5% Th\$
Aguas Andinas S.A.	3,34%	(741,449)	801,460
Aguas Cordillera S.A.	3,34%	(58,134)	61,592
Aguas Manquehue S.A.	3,34%	(18,149)	19,271
<b>Total</b>		<b>(817,732)</b>	<b>882,323</b>

Turnover rate	Base	More than 0,5% Th\$	Less than 0,5% Th\$
Aguas Andinas S.A.	5,87%	(854,455)	816,360
Aguas Cordillera S.A.	7,10%	(64,062)	67,569
Aguas Manquehue S.A.	0,00%	(18,658)	-
<b>Total</b>		<b>(937,175)</b>	<b>883,929</b>

Salary increase rate	Base	More than 0,5% Th\$	Less than 0,5% Th\$
Aguas Andinas S.A.	1,70%	810,763	(756,524)
Aguas Cordillera S.A.	0,00%	63,385	-
Aguas Manquehue S.A.	0,00%	19,833	-
<b>Total</b>		<b>893,981</b>	<b>(756,524)</b>

## Disclosure of termination benefits

The compensation for termination of employment is governed by the provisions of the Labor Code, except for those special clauses in the respective collective or individual contracts.

## Profit sharing and bonds

This corresponds to the obligation that the Company has with its employees for participation certificates to be paid in February and March of the following year. The accrued participation payable to employees, as stipulated in current contracts, is re-determined in February on the basis of the statement of affairs for the immediately preceding business year. As of December 31, 2020 and 2019, the amounts are Th\$4,426,787 and Th\$4,941,519, respectively. In addition, advances on this bond are made in the months of March, June, September and December of each calendar year.

The annual amount will depend on the profits generated by each Company in the Group.

## Staff costs

Personnel expenses as of December 31, 2020 and 2019 are as follows:

Personnel expenses	31-12-2020 Th\$	31-12-2019 Th\$
Wages and salaries	35,006,299	31,388,350
Defined benefits	16,186,687	15,232,136
Severance pay	2,512,976	2,543,207
Other personnel costs	1,339,757	1,475,172
<b>Total</b>	<b>55,045,719</b>	<b>50,638,865</b>

## Note 20. Other non-financial liabilities

The breakdown of this current and non-current item as of December 31, 2020 and 2019 is as follows:

Other non-financial liabilities	31-12-2020 Th\$	31-12-2019 Th\$
Value-Added Tax	8,642,402	10,224,688
Monthly Provisional Payments	4,531,526	4,805,725
Other taxes	3,326,008	367,582
Agreement for real estate developments	1,606,453	2,508,098
Works requested by third parties	2,299,566	2,076,573
<b>Current totals</b>	<b>20,405,955</b>	<b>19,982,666</b>
Asociación Sociedad de Canalistas del Maipo	7,355,177	7,294,709
Agreement for real estate developments	2,829,386	2,737,146
<b>Total non-current</b>	<b>10,184,563</b>	<b>10,031,855</b>





## Note 21. Equity attributable to the owners of the controller

The Company's capital is divided into 6,118,965,160 nominative shares with no par value, fully subscribed and paid up as of December 31, 2020, corresponding to 94.97% of the series A and 5.03% of the series B.

The Series B shares have a veto or preference, contained in Article 5 of the Company's bylaws, consisting of the special quorum required by the Extraordinary Shareholders' Meeting to decide on acts and contracts relating to water use rights and water utility concessions of Aguas Andinas.

The composition of each series is as follows:

Currency	31-12-2020	31-12-2019
Series A shares	5,811,031,417	5,811,031,417
Series B shares	307,933,743	307,933,743

The capital as of December 31, 2020 and 2019 amounts to Th\$155,567,354. There are no own shares in the portfolio, nor are there any preferred shares.

The Company manages its capital with the aim of ensuring permanent and prompt access to the financial markets, enabling it to achieve its growth, solvency and profitability objectives.

There have been no changes in capital management objectives or policies in the years reported.

In the period ended December 31, 2020, the following dividend payment was agreed and made:

To distribute the amount of Th\$64,799,841,044, on account of 2020 profits, as an interim dividend. Due to the above, the Company's interim dividend number 70 will amount to \$10.59 per share and will be payable as of December 15, 2020. This dividend will be paid in two parts; the first part of Th\$61,771,783 was paid in December, while the second part of Th\$3,028,058 will be paid in January 2021.

In the period ended December 31, 2019, the following dividend payments were agreed and made:

At the Ordinary Shareholders' Meeting held on April 23, 2019, it was agreed the distribution of Th\$132,850,909. Considering the interim dividend paid in January 2019 amounting to Th\$43,223,758, the distributable profit amounted to Th\$89,627,151, corresponding to a dividend of \$14.6474 per share, payable as from May 23, 2019.

In the Essential Fact of December 19, 2019, the Board of Directors of the Company agreed to distribute the amount of Th\$44,433,477, on account of the profits of the year 2019, as an interim dividend. As a result, the Company's interim dividend will amount to \$7.2616 per share and will be payable as of January 20, 2020.

### • Minimum dividend provision

In accordance with the policy described in note 2.2 letter J, the Company as of December 31, 2020 and 2019, did not record a minimum dividend provision.

### • Accumulated earnings

The amounts recorded for the revaluation of land and intangible assets and other adjustments for first-time adoption of IFRSs are presented in retained earnings, and have restrictions for their distribution, since they must first be recognized as realized, through use or sale, in accordance with IFRS 1, IAS 16 and Circular Letter No. 456 of June 20, 2008, of the Financial Market Commission. Also included under this heading is the amount corresponding to actuarial profit and loss determined since 2009 as a result of changes in defined benefit plan obligations.

Additionally, as of December 31, 2019, modifications were made to the parameters for calculating actuarial profit and loss on severance payments, which generated a recognition in the accumulated results of Th\$(282,544).

The total balances of accumulated profit as of December 31, 2020 and 2019 amount to Th\$364,961,863 and Th\$330,787,492, respectively.

### • Share premiums.

The amount recorded in share premiums corresponds to the surcharge on the sale of shares produced in 1999 due to the capital increase. The balances as of December 31, 2020 and 2019 amount to Th\$164,064,038 in each period.

### • Other equity holdings.

The amount recorded under Other equity corresponds to the monetary correction of paid-in capital for 2008, the year of transition to IFRS, pursuant to the provisions of Circular Letter No. 456 of the Financial Market Commission on the effects of business combinations of companies under common control carried out in 2007 and 2008. The balances as of December 31, 2020 and 2019 amount to Th\$(5,965,550).

### • Other reserves.

The amount recorded in other reserves corresponds to the surplus from the revaluation of property, plant and equipment land, produced on December 31, 2020, which generated an increase in value of Th\$ 162,095,537 as a result of the change in accounting criteria described in note 2.2.

Additionally, a share-based payment reserve is considered for an amount of Th\$144,265, explained in note 22.

The total balance of other reserves as of December 31, 2020 amounts to M\$162,095,537



## Note 22. Equity attributable to non-controlling interests

The detail, by Company, of the effects arising from the participation of third parties in the equity and results as of December 31, 2020 and 2019 is as follows:

Company	% Interest		Non-controlling interest			
	31-12-2020	31-12-2019	Equity		Result	
	%	%	31-12-2020	31-12-2019	31-12-2020	31-12-2019
			Th\$	Th\$	Th\$	Th\$
Aguas Cordillera S.A.	0,00997%	0,00997%	25,565	20,467	1,706	2,133
Essal S.A. (1)	0%	46,49350%	-	42,999,662	1,672,121	(1,988,949)
<b>Total</b>			<b>25,565</b>	<b>43,020,129</b>	<b>1,673,827</b>	<b>(1,986,816)</b>

*(1) Includes the holdings of third parties due to the assignment at market value of the assets and liabilities arising from the purchase of Inversiones Iberaguas Ltda. and ESSAL S.A. at the time of the business combination.*

Dividends paid to non-controlling interests in the subsidiaries ESSAL S.A. 2020 amount to Th\$5,048,004.

On October 13, 2020, Aguas Andinas completed the sale of its direct and indirect participation (through Iberaguas Ltda.) in ESSAL to Eco Acquisitionco SpA, a company incorporated in Chile and controlled by the Canadian company Algonquin Power & Utilities Corp. therefore, as of that date these companies are not part of the consolidation perimeter.

## Nota 23. Share-based payment reserve

In 2019, SUEZ launched a new global employee share plan, called Sharing. This share issuance program for Group employees around the world is part of the policy to increase employee involvement and strengthen the existing relationship between SUEZ and its employees, offering them the possibility of being more closely associated with the Group's growth and performance. The effects of the plans have been recorded in accordance with the IFRS 2 criteria described in the note on accounting policies letter P.

For the 2019 plan it was offered to the employees the following two formulas:

**a) Sharing Classic:** in this formula, the employee benefits from a complementary contribution of free shares, under the following conditions:

- Reference price minus 20% discount.
- Potential dividends.
- Complementary contribution in shares, up to 25 free shares.

**b) Sharing Multiple:** this formula assures the minimum investment and profitability, under the following conditions:

- Discount of 10%.
- Guaranteed capital with a minimum guaranteed return of 3% per annum (in euros).
- Potential dividends.

Accordingly, in the consolidated financial statements as of December 31, 2020, the accrued expense as of December 31, 2020, for an amount of Th\$144,265 has been recognized, with a credit to share-based payment reserve, in accordance with IFRS 2.



## Note 24. Ordinary income

The detail of ordinary income recorded by the Group companies is as follows:

Classes of ordinary income	31-12-2020 Th\$	31-12-2019 Th\$
Drinking water	195,787,729	193,820,931
Wastewater	219,123,955	229,778,955
Other regulated income	13,004,110	13,017,906
Non-regulated businesses	50,857,769	47,711,292
<b>Total</b>	<b>478,773,563</b>	<b>484,329,084</b>

*(\*) As of December 31, 2020, the income of US\$10 million associated to the agreement for Alto Maipo project is included, due to that company exercised its extension option, as established in the contract signed between the parties.*

The effectiveness of the reading of customer consumption has decreased due to the quarantines decreed in the municipalities of the Metropolitan Region, reaching an average of 77% between April and December. This implies that when it is not possible to take a reading of the customer's consumption, the minimum is applied between the average of the last six months of consumption read according to the current regulations of the Superintendence of Sanitary Services and the customer's consumption in the same month of the previous year. Additionally, customers have the option of reporting their consumption directly, which in these cases, replaces the previous estimates.

## Note 25. Other expenses by nature

The following is information on other expenses, by nature:

Other expenses by nature	31-12-2020 Th\$	31-12-2019 Th\$
Operation of treatment plants	(28,806,240)	(27,739,420)
Services	(30,026,541)	(12,520,109)
Maintenance and repairs of networks	(15,207,039)	(13,709,943)
Commercial services	(9,122,133)	(11,522,374)
Costs for work requested by third parties	(7,485,243)	(9,499,793)
Maintenance of enclosures and equipment	(8,520,321)	(8,091,012)
Operating leases	(6,276,254)	(5,186,692)
Removal of waste and sludge	(5,097,746)	(4,707,510)
Contributions, patents, insurance, and rights	(6,999,453)	(5,840,699)
General expenses	(5,584,302)	(6,733,200)
Others	(21,728,289)	(5,314,597)
<b>Total</b>	<b>(144,853,561)</b>	<b>(110,865,349)</b>

*\* Corresponds to the compensation paid as a result of the restructuring plan that the Company has carried out, which consists of two parts: the redesign of the organization seeking greater efficiency, which entails a reduction in certain job positions, and a voluntary retirement plan.*

*\*\* It corresponds mainly to the gains (losses) generated by the guarantees associated with projects that have not yet been approved and/or projects that have been discarded.*

## Note 26. Other income and expenses

The following is additional information to be disclosed in accordance with IAS 1, referring to other income and expenses other than the operation:

Income and expenses other than the operation	31-12-2020 Th\$	31-12-2019 Th\$
Gain (loss) on sale of non-current assets, not held for sale	(244,180)	17,716,886
Organizational restructuring program *	(4,039,963)	(2,148,722)
Losses on replacements of property, plant and equipment	(31,431)	(698,296)
Discarded projects and guarantee tickets **	610,076	(147,532)
Other gains (losses)	(261,794)	(441,414)
<b>Other gains (losses)</b>	<b>(3,967,292)</b>	<b>14,280,922</b>
Bank loans	(4,218,358)	(3,073,189)
Interest expenses, AFR	(5,699,795)	(5,741,546)
Interest expenses, Bonuses	(17,385,279)	(17,438,861)
Interest expenses, lease liability	(100,902)	(67,091)
Interest expenses, other	(721,993)	(355,709)
Expenses for hedging instruments	(23,663)	-
Amortization of complementary costs related to loan contracts	(22,403)	(75,813)
<b>Financial costs</b>	<b>(28,172,393)</b>	<b>(26,752,209)</b>
Interest income	3,229,033	3,130,366
Profit in the rescue and extinction of debt	640,916	1,217,805
Income from derivative instruments	(1,388)	875,144
<b>Financial income</b>	<b>3,868,561</b>	<b>5,223,315</b>



## Note 27. Exchange rate difference effect

The detail of exchange rate differences as of December 31, 2020 and 2019 is as follows:

Category	Currency	31-12-2020 Th\$	31-12-2019 Th\$
Trade debtors and other accounts receivable	EUR	(17,703)	(13,590)
Trade debtors and other accounts receivable	USD	207	(24)
<b>Total variation by assets</b>		<b>(17,496)</b>	<b>(13,614)</b>
Commercial accounts payable and other accounts payable	EUR	(19,494)	(21,712)
Commercial accounts payable and other accounts payable	USD	(459,148)	(446,225)
<b>Total variation for liabilities</b>		<b>(478,642)</b>	<b>(467,937)</b>
<b>rofit (loss) due to exchange difference</b>		<b>(496,138)</b>	<b>(481,551)</b>

## Note 28. Incomes by units of readjustment

The composition of the results by unit of readjustment for the periods ended on December 31, 2020 and 2019, is as follows:

Income and expenses other than operating income	31-12-2020 Th\$	31-12-2019 Th\$
Accounts receivable from related entities	-	9,075
Current tax assets	(16,149)	692,668
Trade debtors and other accounts receivable	419,936	1,089,413
<b>Total variation by assets</b>	<b>403,787</b>	<b>1,791,156</b>
Other financial liabilities	(24,351,438)	(23,662,986)
Commercial accounts payable and other accounts payable	1,608,210	(689,829)
Accounts payable to related entities	(3,358)	(1,593)
Other non-financial liabilities	(481)	1,010,299
<b>Total variation for liabilities</b>	<b>(22,747,066)</b>	<b>(23,344,109)</b>
<b>Loss per unit of readjustments</b>	<b>(22,343,279)</b>	<b>(21,552,953)</b>

## Note 29. Discontinued operations

On October 13, 2020, Aguas Andinas completed the sale of its direct and indirect participation (through Iberaguas Ltda.) in ESSAL to Eco Acquisitionco SpA, a company incorporated in Chile and controlled by the Canadian company Algonquin Power & Utilities Corp. As a result of this operation and in accordance with IFRS 5, the line "Discontinued operations" reflects the after-tax results of the sale of the subsidiaries Iberaguas Ltda. and ESSAL S.A. together with the accumulated results as of September 2020 (date on which had control) and December 2019 of these companies.

Income and expenses other than operating income	31-12-2020 Th\$	31-12-2019 Th\$
Income before tax from discontinued operations	5,675,454	(2,659,518)
Income tax (expense) profit	(1,328,853)	(310,910)
<b>Profit after tax from discontinued operations</b>	<b>4,346,601</b>	<b>(2,970,428)</b>
Income before tax from the sale of subsidiaries	(14,738,596)	-
Income tax (expense) profit	22,063,438	-
<b>Result after tax from the sale of subsidiaries</b>	<b>7,324,842</b>	<b>-</b>
<b>Profit (loss) from discontinued operations</b>	<b>11,671,443</b>	<b>(2,970,428)</b>



The statements of income by nature of Iberaguas Ltda. and ESSAL (1) S.A. as of December 31, 2020 and 2019 are presented below:

Statements of income by nature	31-12-2020 Th\$	31-12-2019 Th\$
Income from ordinary activities	47,298,245	60,354,783
Raw materials and consumables used	(7,256,365)	(8,629,245)
Employee benefit expenses	(7,824,215)	(9,132,596)
Depreciation and amortization expense	(8,925,878)	(12,301,192)
Other expenses, by nature	(14,719,326)	(27,909,494)
Other (losses) income	512,818	(48,745)
<b>Profit (loss) from operating activities</b>	<b>9,085,279</b>	<b>2,333,511</b>
Financial income	230,761	543,930
Financial costs	(2,528,959)	(3,560,808)
Results per readjustment unit	(1,111,627)	(1,976,151)
<b>Income (loss) before taxes</b>	<b>5,675,454</b>	<b>(2,659,518)</b>
Income tax (expense) profit	(1,328,853)	(310,910)
<b>Profit (loss) from discontinued operations</b>	<b>4,346,601</b>	<b>(2,970,428)</b>
<b>Profit (loss) attributable to non-controlling interests of discontinued operations</b>	<b>1,672,121</b>	<b>(1,988,949)</b>

The net cash flows incurred by Iberaguas Ltda. and ESSAL S.A. are as follows:

Cash flow statements	31-12-2020 Th\$	31-12-2019 Th\$
<b>Types of operating activity charges</b>	<b>51,809,575</b>	<b>68,859,656</b>
Charges from the sale of goods and provision of services	49,895,883	68,092,921
Charges from premiums and benefits, annuities and other subscribed policy benefits	1,913,692	616,735
Other charges for operating activities	-	150,000
<b>Types of cash payments from operating activities</b>	<b>(43,887,558)</b>	<b>(57,289,018)</b>
Payments to suppliers for the supply of goods and services	(30,307,009)	(38,883,014)
Payments to and on behalf of employees	(9,875,638)	(9,745,724)
Other payments for operating activities	(3,704,910)	(8,660,280)
<b>Cash flows from (used in) operations</b>	<b>(32,731)</b>	<b>(31,445)</b>
Income taxes paid (reimbursed)	(32,731)	(31,445)
<b>Cash flows from (used in) operating activities</b>	<b>7,889,286</b>	<b>11,539,193</b>
Purchases of property, plant and equipment	(15,553,501)	(16,074,186)
<b>Cash flows from (used in) investing activities</b>	<b>(15,553,501)</b>	<b>(16,074,186)</b>
Amounts from long-term loans	554,583	1,179,916
Amounts from short-term loans	12,909,796	19,447,180
<b>Amounts from loans, classified as financing activities</b>	<b>13,464,379</b>	<b>20,627,096</b>
Loan repayments	(2,989,948)	(6,284,364)
Dividends paid	-	(10,819,546)
<b>Cash flows from (used in) financing activities</b>	<b>10,474,431</b>	<b>3,523,186</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>2,810,216</b>	<b>(1,011,807)</b>
Cash and cash equivalents at beginning of period	1,119,989	2,131,795
<b>Cash and cash equivalents at end of period</b>	<b>3,930,205</b>	<b>1,119,988</b>

(1) Includes third party participations for the allocation at market value of the assets and liabilities originated in the purchase of Inversiones Iberaguas Ltda. and ESSAL S.A., at the time of the business combination.





## Note 30. Business segments

The Group discloses segment information in accordance with IFRS 8, "Operating Segments", which establishes standards for reporting on operating segments and related disclosures for products and services. Operating segments are defined as components of an entity for which separate financial information exists and is regularly used by management to make decisions, allocate resources and evaluate performance.

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

- Operations related to the sanitary business (water).
- Non-sanitary business operations (non-water).

### Description of types of products and services that provide the ordinary income of each segment to be reported

In the Water segment, only water utility services are involved that allow the delivery of products and services for the production and distribution of potable water together with the collection and treatment of wastewater. This segment includes Aguas Andinas S.A. and its subsidiaries Aguas Cordillera S.A. and Aguas Manquehue S.A.

The Non-Water segment involves services relating to environmental analysis, industrial waste treatment (Riles, for its acronym in Spanish), integral engineering services, such as the sale of products relating to health services and energy projects. The subsidiaries included are EcoRiles S.A., Análisis Ambientales S.A., Gestión y Servicios S.A. and Aguas del Maipo S.A.

### General information on results, assets, liabilities, equity and cash flows

General information about results	31-12-2020		31-12-2019	
	Water Th\$	Non-water Th\$	Water Th\$	Non-water Th\$
Revenue from ordinary activities from external customers	450,436,685	28,336,878	455,752,043	28,577,041
Revenue from ordinary activities between segments	910,103	3,398,711	1,086,210	4,709,044
<b>Total revenue from ordinary activities from external customers and transactions with other operating segments of the same entity</b>	<b>451,346,788</b>	<b>31,735,589</b>	<b>456,838,253</b>	<b>33,286,085</b>
Raw materials and consumables used	(33,226,241)	(10,502,086)	(26,002,030)	(11,799,083)
Expenses for employee benefits	(46,111,746)	(9,194,593)	(42,371,116)	(8,402,037)
Operating expenses	(141,424,732)	(7,261,954)	(109,123,756)	(6,982,098)
Depreciation and amortization	(65,335,155)	(1,828,695)	(62,245,336)	(1,869,315)
Reversal of impairment losses	(1,404,946)	-	-	-
Other gains and expenses	(3,599,552)	(367,740)	14,565,857	(257,230)
Financial income	4,012,338	3,018	5,369,971	15,670
Financial costs	(28,121,037)	(198,182)	(26,713,300)	(203,216)
Result by units of adjustment and exchange difference	(22,871,070)	31,634	(21,680,760)	(353,731)
<b>Gain (loss) before taxes</b>	<b>113,264,647</b>	<b>2,416,991</b>	<b>188,637,783</b>	<b>3,435,045</b>
Income tax expense	(26,020,405)	(967,181)	(48,385,103)	(966,925)
Profit (loss) from discontinued operations	11,671,443	-	(2,970,428)	-
<b>Segment gain</b>	<b>98,915,685</b>	<b>1,449,810</b>	<b>137,282,252</b>	<b>2,468,120</b>
<b>Segment gain attributable to owners of the parent</b>	<b>97,241,858</b>	<b>1,449,810</b>	<b>139,269,068</b>	<b>2,468,120</b>
Gain (loss) of the segment attributable to non-controlling interests	1,673,827	-	(1,986,816)	-



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General information on assets, liabilities and equity	31-12-2020		31-12-2019	
	Water Th\$	Non-water Th\$	Water Th\$	Non-water Th\$
Current assets	301,682,738	17,521,603	189,359,896	17,693,519
Non-current assets	1,822,353,094	21,547,013	1,786,470,056	20,052,580
<b>Total assets</b>	<b>2,124,035,832</b>	<b>39,068,616</b>	<b>1,975,829,952</b>	<b>37,746,099</b>
Current liabilities	249,034,074	13,332,476	238,639,411	14,295,689
Non-current liabilities	1,058,441,216	1,547,876	1,071,480,597	1,686,891
<b>Total assets</b>	<b>1,307,475,290</b>	<b>14,880,352</b>	<b>1,310,120,008</b>	<b>15,982,580</b>
Equity attributable to the owners of the parent	816,534,977	24,188,264	622,689,815	21,763,519
Non-controlling interests	25,565	-	43,020,129	-
<b>Total equity</b>	<b>816,560,542</b>	<b>24,188,264</b>	<b>665,709,944</b>	<b>21,763,519</b>
<b>Total equity and liabilities</b>	<b>2,124,035,832</b>	<b>39,068,616</b>	<b>1,975,829,952</b>	<b>37,746,099</b>

Statement of Cash Flow	31-12-2020		31-12-2019	
	Water Th\$	Non-water Th\$	Water Th\$	Non-water Th\$
Cash flows from (used in) operating activities	180,852,268	4,441,013	221,980,894	978,575
Cash flows from (used in) investing activities	(76,282,770)	(993,800)	(111,932,613)	(698,750)
Cash flows from (used in) financing activities	(2,918,893)	(1,095,000)	(77,971,017)	737,000

## Significant income and expense items by segment

### Water and Non-Water Segment

Significant items of income and ordinary expenses are mainly those related to the segment's activity. On the other hand, there are also significant amounts in relation to depreciation, personnel and other miscellaneous expenses, within which outsourced services are relevant.

### Income

The Company's income is mainly derived from regulated services corresponding to: production and distribution of potable water, collection, treatment and disposal of wastewater and other regulated services (which include income related to supply cut-off and restoration of supply, liquid industrial waste discharge monitoring and fixed charges).

### Details of significant income items

#### Water segment

The significant items of ordinary income are mainly those related to the activity of the potable water and wastewater business, i.e. income from water sales, over-consumption, variable charge, fixed charge, sewerage service, use of sewerage and wastewater treatment.

#### Tariffs

The most important factor determining the results of the Company's operations and its financial position is the tariffs set for its regulated sales and services. As a regulated company, Aguas Andinas and its water utility subsidiaries are supervised by the SISS and their tariffs are set in accordance with the Law on Tariffs for Sanitation Services D.F.L. No. 70 of 1988.

The tariff levels are reviewed every five years and, during that period, are subject to additional readjustments linked to an indexation polynomial, if the accumulated variation since the previous adjustment is 3.0% or more, as calculated on the basis of various inflation indexes.

Specifically, adjustments are applied based on a formula that includes the Consumer Price Index, the Wholesale Price Index for Imported Industrial Goods and the National Industrial Goods Wholesale Price Index, all measured by the Chilean National Institute of Statistics. In addition, the tariffs are subject to readjustment to reflect additional services previously authorized by the SISS.

The current tariffs for the period 2015-2020 were approved by Decree No. 83 dated June 5, 2015, for Aguas Andinas S.A., of the Ministry of Economy, Development and Reconstruction and came into force on March 1, 2015 (published in the Official Gazette on September 3, 2015). The current tariffs for Aguas Cordillera S.A. for the same five-year period 2015-2020 were approved by Decree No. 152 dated October 19, 2015, and came into effect on June 30, 2015 (published in the Official Gazette on November 25, 2015) and the current tariffs for Aguas Manquehue S.A. 2015-2020 were approved by Decree No. 139 dated September 16, 2015, and came into effect on May 19, 2015 (published in the Official Gazette on November 25, 2015).

As of December 31, 2020, the new tariff decrees for Aguas Andinas, Aguas Cordillera and Aguas Manquehue, for the period 2020-2025, are in the process of being published, following the respective agreements with the Superintendence of Sanitary Services.

#### Non-water segment

Significant items of ordinary income are mainly those related to the activity of the segment and are closely related to the main activity of each subsidiary, this involves sale of materials to third parties, income from operation of liquid industrial waste treatment plant, income from services and analysis of potable water and sewage and sale of biogas.

### Details of significant expense items

#### Water segment

The significant items of expenses are mainly those related to compensation, electricity, Operation of Wastewater Treatment Plant, depreciation of real estate and personal property, interest expense and income tax expense.

#### Non-water segment

Significant expense items are mainly those related to salaries, cost of materials for sale and income tax expense.



## Explanation of measurement of results, assets, liabilities, equity and cash flows of each segment

The measurement applicable to the segments corresponds to the grouping of those subsidiaries directly related to the segment.

The accounting criterion corresponds to the recording of those economic events in which rights and obligations in the same sense arise between economic relations with third parties. What is particular, is that these records will generate committed balances in an asset and liability account according to the spirit of the transaction in each related company according to the segment in which it participates. These accounts, called accounts receivable from or payable to related companies, must be netted when consolidating financial statements in accordance with the consolidation rules explained in IAS 27.

There are no differences in the nature of the measurement of results, since according to the standard there are no accounting policies that thus manifest different criteria for the allocation of costs or similar.

Reconciliation of income from ordinary activities	31-12-2020 Th\$	31-12-2019 Th\$
Revenue from the ordinary activities of the segments	483,082,377	490,124,338
Elimination of ordinary activities between segments	(4,308,814)	(5,795,254)
<b>Ordinary activities income</b>	<b>478,773,563</b>	<b>484,329,084</b>

Profit reconciliation	31-12-2020 Th\$	31-12-2019 Th\$
Consolidation total segment profit (loss)	98,691,668	141,737,188
Consolidation of elimination of gain (loss) between segments	1,673,827	(1,986,816)
<b>Profit (loss) consolidation</b>	<b>100,365,495</b>	<b>139,750,372</b>

There are no differences in the nature of the measurement of assets and liabilities since, according to the standard, there are no accounting policies that would indicate different allocation criteria.

Reconciliation of the assets, liabilities and equity of the segments	31-12-2020 Th\$	31-12-2019 Th\$
<b>Asset reconciliation</b>		
Consolidation of total assets of the segments	2,163,104,448	2,013,576,051
Elimination of accounts between segments	(18,667,960)	(12,131,749)
<b>Total assets</b>	<b>2,144,436,488</b>	<b>2,001,444,302</b>
<b>Liability reconciliation</b>		
Consolidation of total liabilities of the segments	1,322,355,642	1,326,102,588
Elimination of accounts between segments	(18,667,961)	(12,131,749)
<b>Total liabilities</b>	<b>1,303,687,681</b>	<b>1,313,970,839</b>
<b>Reconciliation of patrimony</b>		
Consolidation of the total assets of the segments	840,723,242	644,453,334
<b>Equity attributable to owners of the controller</b>	<b>840,723,242</b>	<b>644,453,334</b>

There are no differences in the nature of the cash flow measurement since, according to the standard, there are no accounting policies that would indicate different allocation criteria.

Reconciliation of cash flows of the segments	31-12-2020 Th\$	31-12-2019 Th\$
Consolidation of the operating flows of the segments	185,293,280	222,959,469
Elimination of corporate headquarter accounts with segments	-	(2,200,000)
<b>Total operating flows</b>	<b>185,293,280</b>	<b>220,759,469</b>

Reconciliation of financing flows of the segments	31-12-2020 Th\$	31-12-2019 Th\$
Consolidation of investing flows of the segments	(77,276,570)	(112,631,363)
Elimination of corporate headquarter accounts with segments	(1,095,000)	2,937,001
<b>Total financing flows</b>	<b>(78,371,570)</b>	<b>(109,694,362)</b>

Reconciliation of financing flows of the segments	31-12-2020 Th\$	31-12-2019 Th\$
Consolidation of financing flows of the segments	(4,013,893)	(77,234,016)
Elimination of accounts between segments	(24,989)	(1,748,807)
<b>Total financing flows</b>	<b>(4,038,882)</b>	<b>(78,982,823)</b>

## Information about the main customers

Main customers in the water segment:

- I. Municipalidad de Puente Alto
- Administradora de Centros Comerciales CENCOSUD SpA.
- I. Municipalidad de Santiago
- Ministerio de Obras Públicas
- I. Municipalidad de La Florida
- Metro S.A.
- El Peñón SpA.
- I. Municipalidad de San Bernardo
- I. Municipalidad de Peñalolén
- Gobierno Regional Región Metropolitana

## Main customers in the non-water segment

Main customers in the water no segment:

- Papeles Cordillera S.A.
- Soprole S.A.
- EME Servicios Generales Ltda.
- Echeverría Izquierdo Ingeniería y Construcción S.A.
- Inmobiliaria Constructora Nueva Pacífico
- Constructora Pérez y Gómez Ltda.
- Cartulinas CMPC S.A.
- Agroindustrial El Paico S.A.
- Watt's S.A.
- Cooperativa Agrícola y Lechera La Unión



## Product types water segment – non-water

### Water segment

The types of products and services for the water segment are:

- Production and distribution of potable water.
- Sewage collection and wastewater treatment.

Segment composed of Aguas Andinas S.A., Aguas Cordillera S.A. and Aguas Manquehue S.A.

### Non-water segment

The types of products and services for the non-water segment are:

- Outsourcing service in operations of industrial waste treatment plants and treatment of excess organic load (subsidiary EcoRiles S.A.)
- Physical, chemical and biological analysis on water, air and solids (subsidiary Análisis Ambientales S.A.).
- Comprehensive engineering services and sale of products such as pipes, valves, taps and other related products (subsidiary Gestión y Servicios S.A.).
- Energy projects (subsidiary Aguas del Maipo S.A.).

## Note 31. Earnings per share

Basic earnings per share is calculated as the ratio of the profit (loss) attributable to holders of equity instruments of the Parent Company to the weighted average number of ordinary shares outstanding during that period.

Earnings per share		31-12-2020	31-12-2019
Profit attributable to holders of equity instruments in the net equity of the controlling company	Th\$	98,691,668	141,737,188
Results available for common shareholders, basic	Th\$	98,691,668	141,737,188
Weighted average number of shares, basic		6,118,965,160	6,118,965,160
<b>Earnings per share</b>	<b>\$</b>	<b>16,129</b>	<b>23,164</b>

## Diluted earnings (loss) per share disclosure

The Company has not carried out any transactions with a potential dilutive effect that would result in a diluted earnings per share different from the basic earnings per share.

## Note 32. Financial statements of subsidiaries

The summary information of the statement of financial position and the statement of comprehensive income of each of the Subsidiaries included in the consolidated financial statements is as follows:

### Summary Financial Information of Subsidiaries (Statement of Financial Position) as of December 31, 2020

31-12-2020	Current assets	Non- current assets	Current liabilities	Current liabilities	Equity
Subsidiaries	Th\$	Th\$	Th\$	Th\$	Th\$
Aguas Cordillera S.A.	14,164,001	358,800,642	52,557,958	63,989,171	256,417,514
Aguas Manquehue S.A.	5,660,146	98,536,028	17,975,680	27,715,600	58,504,894
EcoRiles S.A.	7,691,327	842,044	2,726,102	39,421	5,767,848
Gestión y Servicios S.A.	4,986,928	2,734,194	3,300,483	1,067,776	3,352,863
Análisis Ambientales S.A.	3,789,679	5,782,463	1,570,420	436,408	7,565,314
Aguas del Maipo S.A.	1,308,730	12,188,311	5,990,531	4,272	7,502,238



## Summary financial information of subsidiaries (Statement of Comprehensive Income) as of December 31, 2020

31-12-2020 Filiales	Income for the period	Ordinary revenues	Operating costs	Other net income (expenses)	Discontinued operations
Subsidiaries	Th\$	Th\$	Th\$	Th\$	Th\$
Aguas Cordillera S.A.	17,105,385	55,124,290	(36,454,036)	(1,564,869)	-
Aguas Manquehue S.A.	3,314,924	16,316,315	(10,761,326)	(2,240,065)	-
Inversiones Iberaguas Ltda. (*)	2,730,979	-	-	-	2,730,979
ESSAL S.A. (*)	5,361,039	-	-	-	5,361,039
EcoRiles S.A.	2,018,827	16,282,874	(13,390,610)	(873,437)	-
Gestión y Servicios S.A.	120,654	8,917,094	(8,708,217)	(88,223)	-
Análisis Ambientales S.A.	1,058,153	9,616,567	(8,015,058)	(543,356)	-
Aguas del Maipo S.A.	(994,535)	339,931	(1,341,031)	6,565	-

(\*) These balances correspond to September 30, 2020, since on October 13, 2020, Aguas Andinas completed the sale of its direct and indirect participation (through Iberaguas Ltda.) in ESSAL to Eco Acquisicionco SpA, a company incorporated in Chile and controlled by the Canadian company Algonquin Power & Utilities Corp. therefore, as of that date these companies are not part of the consolidation perimeter.

## Summary Financial Information of Subsidiaries (Statement of Financial Position) as of December 31, 2019

31-12-2020 Subsidiaries	Current assets	Non- current assets	Current liabilities	Current liabilities	Equity
Aguas Cordillera S.A.	17,473,944	273,535,992	38,783,323	46,936,937	205,289,676
Aguas Manquehue S.A.	4,781,637	94,244,894	16,555,430	27,164,059	55,307,042
Inversiones Iberaguas Ltda.	4,726	61,005,602	37,336	-	60,972,992
ESSAL S.A.	20,984,804	180,028,688	29,613,229	104,167,148	67,233,115
EcoRiles S.A.	6,022,761	701,223	2,855,498	73,381	3,795,105
Gestión y Servicios S.A.	6,198,235	858,838	3,756,652	91,949	3,208,472
Análisis Ambientales S.A.	4,121,603	5,558,458	1,901,857	1,515,036	6,263,168
Aguas del Maipo S.A.	1,575,347	12,934,062	6,006,111	6,525	8,496,773

## Summary financial information of Subsidiaries (Statement of Comprehensive Income) as of December 31, 2019

31-12-2020 Subsidiaries	Income for the period	Ordinary revenues	Operating costs	Other net income (expenses)	Discontinued operations
Aguas Cordillera S.A.	21,389,838	57,835,599	(34,743,353)	(1,702,408)	-
Aguas Manquehue S.A.	5,408,434	17,115,014	(8,680,557)	(3,026,023)	-
Inversiones Iberaguas Ltda.	(567,316)	-	-	-	(567,316)
ESSAL S.A.	(1,034,535)	-	-	-	(1,034,535)
EcoRiles S.A.	1,841,713	14,432,857	(11,908,959)	(682,185)	-
Gestión y Servicios S.A.	192,123	10,454,700	(9,983,482)	(279,095)	-
Análisis Ambientales S.A.	1,069,049	9,450,854	(7,868,702)	(513,103)	-
Aguas del Maipo S.A.	(634,767)	1,071,511	(1,415,227)	(291,051)	-

## Detail of significant subsidiaries

The definition of significant subsidiaries is based on their percentage share of operating results and their share of fixed assets and results for the period with respect to the consolidated financial statements. The following companies are considered significant subsidiaries:

31-12-2020 Subsidiaries	Aguas Cordillera S.A.	Aguas Manquehue S.A.
Country	Chile	Chile
Functional currency	Chilean pesos	Chilean pesos
Percentage of participation in a significant subsidiary	99.99003%	100.00000%
Percentage of voting power in a significant subsidiary	99.99003%	100.00000%

## Percentage of consolidated values as of December 31, 2020

Contribution margin	11.15%	3.32%
Properties, plant and equipment	12.53%	4.73%
Period's result	14.02%	3.45%





## Note 33. Asset impairment

### Disclosures on Impairment of Assets by Cash-generating Unit

A Cash Generating Unit (CGU) is defined as each company as a whole, since each one individually is capable of generating future economic benefits and represents the smallest group of assets that generate independent cash flows. In accordance with the standard, the Company assesses at each closing date of the statement of financial position whether there is any indication of impairment in the value of any asset. If any such indication exists, the Company estimates the recoverable amount of the asset. Assets with indefinite useful lives and goodwill are tested for impairment at least at the end of the financial year or when there is an indication of impairment.

For intangible assets with indefinite useful lives, water rights, a valuation study is carried out at market prices, which are compared with the values assigned as deemed cost at the date of adoption of IFRS standards.

For lower values, the value in use is calculated, considering the different companies as CGUs, using recent medium-term budget estimates, determining the different parameters according to models widely used in the market. The parameters are established through the information in force for risk-free tariffs typical of the relevant market, the useful life of each company's own assets and the usual income growth tariffs for the Companies, considering population growth and variations in consumption over the years.

The Company and its Subsidiaries carry out annual impairment tests for their intangible assets with indefinite useful lives and goodwill.

December 31, 2020 the respective impairment tests were performed, based on estimates and projections available to the Group. These estimates indicated that the profits attributable to the investments with lower associated values individually exceeded their consolidated carrying amount in all cases, and also that the intangible assets with indefinite useful lives were evaluated resulting in a higher value than that recorded in the books.

As of December 31, 2020, due to a change in accounting policy regarding to the measurement of Property, plant and equipment. An impairment loss was generated in income, for those lands whose book value decreased regarding to their revalued value. This resulted in an impairment loss amounting to Th\$ 1,404,946. For further information see note 12.

Except as mentioned in the preceding paragraph, as of December 31, 2020 and 2019, no other type of impairment in assets has been recorded, nor are there any indications of impairment.

**COVID-19:** the company shows no signs of impairment, since the company provides basic services under a concession regime, and therefore the Group has not had a significant impact on its financial statements as a result of the COVID-19 pandemic.



## Note 34. Guarantees and Restrictions

### A) DIRECT GUARANTEES

Policies and performance bonds have been granted to different institutions, the main ones being the Superintendence of Sanitary Services to guarantee the conditions of service provision and development programs in the company's concession areas, Metropolitan SERVIU to guarantee pavement replacement and other institutions for the total amount of Th\$41,393,103 and Th\$51,663,831 as of December 31, 2020 and December 31, 2019, respectively.

Assurance creditor	Debtor Name	Type of assurance	31-12-2020 Th\$	31-12-2019 Th\$
Asociacion de Canalistas Del Maipo	A. Andinas S.A.	Performance Bond	8,298,964	8,059,241
Compañía General de Electricidad Distribución S.A.	A. Andinas S.A.	Performance Bond	-	53,349
Comité Innova Chile	A. Andinas S.A.	Performance Bond	240,000	216,096
Constructora San Francisco	A. Andinas S.A.	Performance Bond	145,352	141,550
Dirección General de Aeronáutica Civil	A. Andinas S.A.	Performance Bond	11,628	11,324
Dirección Obras Hidráulicas	A. Andinas S.A.	Performance Bond	430,804	4,647,118
Dirección Vialidad	A. Andinas S.A.	Performance Bond	-	33,066
Ferrocarriles	A. Andinas S.A.	Performance Bond	43,605	84,930
Gobierno Regional Metropolitano	A. Andinas S.A.	Performance Bond	39,624	160,040
Municipalidad de Paine	A. Andinas S.A.	Performance Bond	-	19,837
Municipalidad de Providencia	A. Andinas S.A.	Performance Bond	88,723	58,092
Municipalidad de La Reina	A. Andinas S.A.	Performance Bond	72,676	70,775
Municipalidad de Santiago	A. Andinas S.A.	Performance Bond	27,035	26,328
Inmobiliaria Macul S.A.	A. Andinas S.A.	Performance Bond	-	28,310
Municipalidad La Florida	A. Andinas S.A.	Performance Bond	507,809	494,526
Municipalidad Peñalolen	A. Andinas S.A.	Performance Bond	47,205	45,971
Ministerio de Obras Publicas	A. Andinas S.A.	Performance Bond	380,206	-
Municipalidad de Vitacura	A. Andinas S.A.	Performance Bond	55,234	-
SERVIU Metropolitano	A. Andinas S.A.	Performance Bond	17,548,872	12,890,555
Superintendencia de Servicios Sanitarios	A. Andinas S.A.	Performance Bond	2,903,457	6,306,351
Sociedad Conc. Melipilla	A. Andinas S.A.	Performance Bond	-	33,972
Tesorería Municipal de La Florida	A. Andinas S.A.	Performance Bond	-	30,078
Asociacion de Canalistas Del Maipo	A. Cordillera S.A.	Performance Bond	1,003,785	977,529

Assurance creditor	Debtor Name	Type of assurance	31-12-2020 Th\$	31-12-2019 Th\$
Dirección Obras Hidráulicas	A. Cordillera S.A.	Performance Bond	-	421,309
Municipalidad de Las Condes	A. Cordillera S.A.	Performance Bond	171,000	171,000
Municipalidad de Lo Barnechea	A. Cordillera S.A.	Performance Bond	336,290	14,155
Municipalidad de Vitacura	A. Cordillera S.A.	Performance Bond	58,141	56,620
Ministerio de Obras Publicas	A. Cordillera S.A.	Performance Bond	432,625	-
Serviu Metropolitano	A. Cordillera S.A.	Performance Bond	596,442	926,992
Superintendencia de Servicios Sanitarios	A. Cordillera S.A.	Performance Bond	34,884	1,263,812
Asociacion de Canalistas del Maipo	A.Manquehue S.A.	Performance Bond	1,601,841	1,559,942
Municipalidad de Vitacura	A.Manquehue S.A.	Performance Bond	11,628	11,324
Superintendencia de Servicios Sanitarios	A.Manquehue S.A.	Performance Bond	986,996	1,016,214
Serviu Metropolitano	A.Manquehue S.A.	Performance Bond	113,506	110,537
Dirección Obras Hidráulicas	Essal S.A	Performance Bond	-	1,922,988
Serviu Metropolitano	Essal S.A	Performance Bond	-	140,202
Bienes Nacionales	Essal S.A	Performance Bond	-	92,220
Gobierno Regional de La Región de Los Ríos	Essal S.A	Performance Bond	-	60,951
Dirección Vialidad	Essal S.A	Guarantee Policy	-	4,105,007
Superintendencia de Servicios Sanitarios	Essal S.A	Performance Bond	-	42,465
Empresa de Los Ferrocarriles del Estado	Essal S.A	Performance Bond	-	18,692
Flesan S.a.	Gest. y Serv. S.A.	Performance Bond	-	29,095
Serviu Metropolitano	Gest. y Serv. S.A.	Performance Bond	2,033,686	2,330,686
Aguas Antofagasta	Anam S.A.	Performance Bond	37,326	36,350
Cmpc Pulp Spa	Anam S.A.	Performance Bond	11,105	16,533
Corporación Nacional del Cobre	Anam S.A.	Performance Bond	18,881	18,387
Dirección General del Territorio Marítimo y Marina Mercante de Chile	Anam S.A.	Performance Bond	115,226	115,226
Superintendencia del Medio Ambiente	Anam S.A.	Performance Bond	14,535	14,155
			<b>38,419,091</b>	<b>48,883,900</b>



## B) RESTRICTIONS ON BOND ISSUES

### i) Aguas Andinas S.A.

The Company has restrictions and obligations arising from bond issues in the domestic market, as follows:

#### 1. Series M, P, S, U, V, W, X, Z and AA Bonds:

MaMaintain, at the close of each quarter of the Financial Statements of the Issuer, a Debt Level not exceeding 1.5 times. Without prejudice to this, the previous limit will be adjusted according to the quotient between the Consumer Price Index for the month in which the Indebtedness Level is calculated and the Consumer Price Index for December of 2009. However, the previous limit will be adjusted up to a maximum level of 2 times. For these purposes, the Indebtedness Level will be defined as the ratio between the Total Current Liability and the Total Net Equity. The Issuer's Required Liabilities will be defined as the sum of the Total Current Liabilities and Total Non-Current Liabilities. For the purposes of determining the index, the amount of all the guarantees, simple or solidary bonds, joint debt or other guarantees, personal or real, that the Issuer or its subsidiaries have granted to secure obligations are included

in the Required Liability. of third parties, with the exception of: (i) those granted by the Issuer or its Subsidiaries for obligations of other Subsidiary Companies of the Issuer, (ii) those granted by Subsidiaries of the Issuer for obligations of the Issuer, and (iii) those granted to institutions public to ensure compliance with health legislation and the execution of works in public spaces. For these purposes, the Total Net Equity will correspond to the amount resulting from the difference between the Total Assets accounts and the sum of the Total Current Liabilities and Total Non-Current Liabilities of the Issuer's consolidated financial statements.

Limit of Indebtedness Level adjustment as of December 31, 2020: 2 times, being 40.3% the accumulated inflation.

Level of indebtedness as of December 31, 2020: 1.55

#### 2. Series AC, AD and AE Bonds:

Maintain, at the close of each quarter of the Financial Statements of the Issuer, a Debt Level not exceeding 1.5 times. Without prejudice to this, the previous limit will be adjusted according to the quotient between the Consumer Price Index for the month in which the Indebtedness Level is calculated and the Consumer Price Index for December of 2009. For these purposes, the Indebtedness Level will be defined as the

ratio between the Total Current Liability and the Total Net Equity. The Issuer's Required Liabilities will be defined as the sum of the Total Current Liabilities and Total Non-Current Liabilities less the account "Cash and cash equivalent" of its Financial Statements. For the purposes of determining the index, the amount of all the guarantees, simple or solidary bonds, joint debt or other guarantees, personal or real, that the Issuer or its subsidiaries have granted to secure obligations are included in the Required Liability. of third parties, with the exception of: (i) those granted by the Issuer or its Subsidiaries for obligations of other Subsidiary Companies of the Issuer, (ii) those granted by Subsidiaries of the Issuer for obligations of the Issuer, and (iii) those granted to institutions public to ensure compliance with health legislation and the execution of works in public spaces and the provision of technical advisory and inspection services for rural potable water projects. For these purposes, the Total Net Equity will correspond to the amount resulting from the difference between the Total Assets accounts and the sum of the Total Current Liabilities and Total Non-Current Liabilities of the Issuer's consolidated financial statements.

Limit of Indebtedness Level adjustment as of December 31, 2020: 2.09 times, being 40.3% the accumulated inflation. Indebtedness level as of December 31, 2020: 1.34

As of December 31, 2020, the tables for the determination of Indebtedness Levels are the following:

Level of indebtedness	31-12-2020	
	Th\$	
	Bonds M, P, Q, S, U, V, W, X, Z and AA	Bonds AC, AD and AE
Total current liabilities	244,032,589	244,032,589
Total non-current liabilities	1,059,655,092	1,059,655,092
<b>Total liabilities IFRS</b>	<b>1,303,687,681</b>	<b>1,303,687,681</b>
Cash and cash equivalents	-	174,945,586
Guarantees with third parties	529,774	529,774
<b>Total liability required</b>	<b>1,304,217,455</b>	<b>1,129,271,869</b>
Total assets	2,144,436,488	2,144,436,488
Total current liabilities	(244,032,589)	(244,032,589)
Total non-current liabilities	(1,059,655,092)	(1,059,655,092)
<b>Total net equity</b>	<b>840,748,807</b>	<b>840,748,807</b>
<b>Level of indebtedness</b>	<b>1.55</b>	<b>1.34</b>

Debt levels prior to the adjustment for the revaluation of property, plant and equipment as of December 31, 2020, were as follows:

Previous indebtedness level to the revaluation adjustment	31-12-2020	
	Th\$	
	Bonos M, P, Q, S, U, V, W, X, Z y AA 244,032,589	Bonos AC, AD y AE
Total current liabilities	244,032,589	244,032,589
Total non-current liabilities	1,039,687,120	1,039,687,120
<b>Total liabilities IFRS</b>	<b>1,283,719,709</b>	<b>1,283,719,709</b>
Cash and cash equivalents	-	174,945,586
Guarantees with third parties	529,774	529,774
<b>Total liability required</b>	<b>1,284,249,483</b>	<b>1,109,303,897</b>
Total assets	1,959,514,431	1,959,514,431
Total current liabilities	(244,032,589)	(244,032,589)
Total non-current liabilities	(1,039,687,120)	(1,039,687,120)
<b>Total net equity</b>	<b>675,794,722</b>	<b>675,794,722</b>
<b>Level of indebtedness</b>	<b>1.90</b>	<b>1.64</b>



### 3. Not to sell, assign or transfer essential assets (concession of public services granted by S.I.S.S. for Greater Santiago), except in the case of contributions or transfers of essential assets to Subsidiaries.

The Company complies with all the requirements established in the bond contracts as of December 31, 2020 and 2019

## C) RESTRICTIONS ON BANK LOANS

### i) Aguas Andinas S.A.

The Company has obligations and restrictions for obtaining loans from several national banks, within which the following financial conditions are established:

#### a) Restrictions on Banco BCI loans:

1) A level of indebtedness not greater than one point five times, measured on the figures of its consolidated balance sheets. Notwithstanding the foregoing, the previous limit will be adjusted according to the quotient between the Consumer Price Index for the month in which the level of indebtedness is calculated and the consumer price index for December of 2009. With the previous limit will be adjusted up to a maximum level of two times, for the period ended December 31, 2020, the variation of the limit of the level of indebtedness amounts to 2.0 times, with accumulated inflation 40.3%. For these purposes, the level of indebtedness will be defined as the ratio between current liabilities and total net equity. Liabilities are defined as the sum of Total Current Liabilities and Total Non-Current Liabilities in its consolidated financial

statements. In determining the aforementioned ratio, Net Liabilities include the amount of all guarantees, simple or joint and several bonds, joint and several co-debts or other guarantees, personal or real, that the Issuer or its subsidiaries may have granted to guarantee obligations of third parties, except for: (i) those granted by the Issuer or its subsidiaries to guarantee obligations of third parties: (i) those granted by the Issuer or its Subsidiaries for obligations of other Subsidiaries of the Issuer, (ii) those granted by Subsidiaries of the Issuer for obligations of the Issuer, and (iii) those granted to public institutions to guarantee compliance with sanitary legislation, the execution of works in public spaces and the provision of advisory and technical inspection services for rural potable water projects. Finally, as of December 31, 2020, the level of indebtedness amounts to 1.55 times.

2) Prohibition on the disposal or loss of ownership of essential assets, except in the case of contributions or transfers of essential assets to subsidiary companies.

3) Prohibition to distribute dividends, except for the mandatory minimum if there is a situation of default or delay in the payment of any installment of the loan.

4) Maintain a financial expense coverage ratio equal to or greater than 3 times, measured as EBITDA over Financial Expenses, on a consolidated basis. EBITDA will be understood as the result of the sum of the items of Income from Ordinary Activities, Other Income by Nature, Raw Materials and Consumables Used, Employee Benefits Expense and Other Expenses by Nature. As of December 31, 2020, the financial expense coverage is 8.35 times.

HEDGING OF FINANCIAL EXPENSES	WITHOUT REVALUATION 31-12-2020 Th\$	WITH REVALUATION 31-12-2020 Th\$
Income from ordinary activities	478,773,563	478,773,563
Raw materials and consumables used	(43,542,356)	(43,542,356)
Employee benefit expenses	(55,045,719)	(55,045,719)
Other expenses, by nature	(144,853,561)	(144,853,561)
<b>EBITDA</b>	<b>(235,331,927)</b>	<b>(235,331,927)</b>
Financial costs	(28,172,393)	(28,172,393)
<b>Hedging of Financial Expenses</b>	<b>8,35</b>	<b>8,35</b>



#### b) Restriction on Banco de Chile loans:

1) A level of indebtedness not greater than one point five times, measured on the figures of its consolidated balance sheets. Notwithstanding the foregoing, the previous limit will be adjusted according to the quotient between the Consumer Price Index for the month in which the level of indebtedness is calculated and the consumer price index for December of 2009. With the previous limit will be adjusted up to a maximum level of two times, for the period ended December 31, 2020, the variation of the limit of the level of indebtedness amounts to 2.10 times, with accumulated inflation 40.3%. For these purposes, the level of indebtedness will be defined as the ratio between current liabilities and total net equity. Liabilities are defined as the sum of Total Current Liabilities and Total Non-Current Liabilities in its consolidated financial statements. In determining the aforementioned ratio, Net Liabilities include the amount of all guarantees, simple or joint and several bonds, joint and several co-debts or other guarantees, personal or real, that the Issuer or its subsidiaries may have granted to guarantee obligations of third parties, except for: (i) those granted by the Issuer or its subsidiaries to guarantee obligations of third parties: (i) those granted by the Issuer or its Subsidiaries for obligations of other Subsidiaries of the Issuer, (ii) those granted by Subsidiaries of the Issuer for obligations of the Issuer, and (iii) those granted to public institutions to guarantee compliance with sanitary legislation, the execution of works in public spaces and the provision of advisory and technical inspection services for rural potable water projects. Finally, as of December 31, 2020, the level of indebtedness amounts to 1.34 times.

2) Prohibition on the disposal or loss of ownership of essential assets, except in the case of contributions or transfers of essential assets to subsidiary companies.

3) Prohibition to distribute dividends, except for the mandatory minimum if there is a situation of default or delay in the payment of any installment of the loan.

#### c) Restrictions on Banco BICE and ITAÚ loans:

1) A level of indebtedness not greater than one point five times, measured on the figures of its consolidated balance sheets. Notwithstanding the foregoing, the previous limit will be adjusted according to the quotient between the Consumer Price Index for the month in which the level of indebtedness is calculated and the consumer price index for December of 2009. With the previous limit will be adjusted up to a maximum level of two times, for the period ended December 31, 2020, the variation of the limit of the level of indebtedness amounts to 2.09 times, with accumulated inflation 40.3%. For these purposes, the level of indebtedness will be defined as the ratio between current liabilities and total net equity. Liabilities are defined as the sum of Total Current Liabilities and Total Non-Current Liabilities, less the account of Cash and Cash Equivalent of its consolidated financial statements. Finally, as of December 31, 2020, the level of indebtedness amounts to 1.34 times.

2) Prohibition on the disposal or loss of ownership of essential assets, except in the case of contributions or transfers of essential assets to subsidiary companies.

3) Prohibition to distribute dividends, except for the mandatory minimum if there is a situation of default or delay in the payment of any installment of the loan.

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## SUMMARY OF BANKING RESTRICTIONS

As of December 31, 2020, the tables for the determination of the Indebtedness Levels are as follows:

Level of indebtedness	31-12-2020		
	Th\$		
	Banco BCI	Banco de Chile	Banco BICE e ITAÚ
Total current liabilities	244,032,589	244,032,589	244,032,589
Total non-current liabilities	1,059,655,092	1,059,655,092	1,059,655,092
<b>Total liabilities IFRS</b>	<b>1,303,687,681</b>	<b>1,303,687,681</b>	<b>1,303,687,681</b>
Cash and cash equivalents	-	174,945,586	174,945,586
Guarantees with third parties	529,774	529,774	-
<b>Total liability required</b>	<b>1,304,217,455</b>	<b>1,129,271,869</b>	<b>1,128,742,095</b>
Total assets	2,144,436,488	2,144,436,488	2,144,436,488
Total current liabilities	(244,032,589)	(244,032,589)	(244,032,589)
Total non-current liabilities	(1,059,655,092)	(1,059,655,092)	(1,059,655,092)
<b>Total net equity</b>	<b>840,748,807</b>	<b>840,748,807</b>	<b>840,748,807</b>
<b>Level of indebtedness</b>	<b>1.55</b>	<b>1.34</b>	<b>1.34</b>

Debt levels prior to the adjustment for the revaluation of property, plant and equipment as of December 31, 2020, were as follows:

Level of indebtedness	31-12-2020		
	Th\$		
	Banco BCI	Banco de Chile	Banco BICE e ITAÚ
Total current liabilities	244,032,589	244,032,589	244,032,589
Total non-current liabilities	1,039,687,120	1,039,687,120	1,039,687,120
<b>Total liabilities IFRS</b>	<b>1,283,719,709</b>	<b>1,283,719,709</b>	<b>1,283,719,709</b>
Cash and cash equivalents	-	174,945,586	174,945,586
Guarantees with third parties	529,774	529,774	-
<b>Total liability required</b>	<b>1,284,249,483</b>	<b>1,109,303,897</b>	<b>1,108,774,123</b>
Total assets	1,959,514,431	1,959,514,431	1,959,514,431
Total current liabilities	(244,032,589)	(244,032,589)	(244,032,589)
Total non-current liabilities	(1,039,687,120)	(1,039,687,120)	(1,039,687,120)
<b>Total net equity</b>	<b>675,794,722</b>	<b>675,794,722</b>	<b>675,794,722</b>
<b>Level of indebtedness</b>	<b>1.90</b>	<b>1.64</b>	<b>1.64</b>

The Company complies with all bank loan restrictions as of December 31, 2020 and 2019.

### ii) Aguas Cordillera S.A.

The Company has obligations and restrictions for obtaining a loan contracted with Banco Scotiabank (formerly BBVA), within which, the restrictions associated with financial metrics are detailed below:

1) A level of indebtedness not greater than one point five times, measured on the figures of its consolidated balance sheets. Notwithstanding the foregoing, the previous limit will be adjusted according to the quotient between the Consumer Price Index for the month in which the level of indebtedness is calculated and the consumer price index for December of 2009. With the previous limit will be adjusted up to a maximum level of two times, for the period ended December 31, 2020, the variation of the limit of the level of indebtedness amounts to 2.0 times, with accumulated inflation 40.3%. For these purposes, the level of indebtedness will be defined as the ratio between current liabilities and total net equity. Liabilities are defined as the sum of Total Current Liabilities and Total Non-Current Liabilities in its consolidated financial statements. In determining the aforementioned ratio, Net Liabilities include the amount of all guarantees, simple or joint and several bonds, joint and several co-debts or other guarantees, personal or real, that the Issuer or its subsidiaries may have granted to guarantee obligations of third parties, except for: (i) those granted by the Issuer or its subsidiaries to guarantee obligations of third parties: (i) those granted by the Issuer or its Subsidiaries for obligations of other Subsidiaries of the Issuer, (ii) those granted by Subsidiaries of the Issuer for obligations of the Issuer, and (iii) those granted to public institutions to guarantee compliance with sanitary legislation, the execution of works in public spaces and the provision of advisory and technical inspection services for rural potable water projects. Finally, as of December 31, 2020, the level of indebtedness amounts to 0.63 times. This ratio, prior to the adjustment for revaluation of property, plant and equipment, amounted to 0.70 times.

Level of indebtedness	31-12-2020	
	Th\$	
	Without revaluation	With revaluation
Total current liabilities	69,051,362	69,051,362
Total non-current liabilities	71,736,799	91,704,771
<b>Total IFRS liabilities</b>	<b>140,788,161</b>	<b>160,756,133</b>
Guarantees with third parties (*)	-	-
<b>Total liabilities</b>	<b>140,788,161</b>	<b>160,756,133</b>
Total assets	343,218,448	417,173,898
Total current liabilities	(69,051,362)	(69,051,362)
Total non-current liabilities	(71,736,799)	(91,704,771)
<b>Total net equity</b>	<b>202,430,287</b>	<b>256,417,765</b>
<b>Level of indebtedness</b>	<b>0.70</b>	<b>0.63</b>



2) Maintain a financial expense coverage ratio equal to or greater than 3 times, measured on the figures of its annual consolidated balance sheet, defined as the ratio between EBITDA and Financial Expenses. Ebitda shall be understood as the sum of the items Income from ordinary activities, Other income by nature, Raw materials and consumables used, Expenses for employee benefits and Expenses by nature.

Hedging of Financial Expenses	Without Revaluation 31-12-2020 Th\$	With Revaluation 31-12-2020 Th\$
Income from ordinary activities	70,582,730	70,582,730
Raw materials and consumables used	(7,286,225)	(7,286,225)
Employee benefit expenses	(4,304,344)	(4,304,344)
Other expenses, by nature	(26,143,904)	(26,143,904)
<b>EBITDA</b>	<b>(32,848,257)</b>	<b>(32,848,257)</b>
Financial costs	(1,748,064)	(1,748,064)
<b>Hedging of Financial Expenses</b>	<b>18.79</b>	<b>18.79</b>

The Company complies with all bank loan restrictions as of December 31, 2020 and 2019.

### 3) Guarantees obtained from third parties

As of December 31, 2020 and 2019, the Company has received documents in guarantee for Th\$65,336,000 and Th\$45,012,353, respectively, arising mainly from work contracts with construction companies to ensure the faithful compliance with the contract. In addition, there are other guarantees for service contracts and procurement of materials that ensure timely delivery of these.

A detail of the most significant bank guarantees received as of December 31, 2020, is summarized below:

Contractor or Supplier	Company	31-12-2020 Th\$	Due date
Constructora Olbertz Ltda.	Aguas Andinas S.A.	117,771	28-05-2021
Inmobiliaria y Constructora Nueva Pacifico Sur Ltda.	Aguas Andinas S.A.	244,544	16-07-2021
I C M S.A.	Aguas Andinas S.A.	234,593	24-08-2021
Telefonica Empresas Chile S.a.	Aguas Andinas S.A.	151,306	31-08-2021
Soc. de Tercerizacion de Serv. Prov	Aguas Andinas S.A.	103,761	11-12-2021
Montecorvo Ingenieria Y Construccion	Aguas Andinas S.A.	117,115	06-08-2022
Empresas Jordan S.A.	Aguas Andinas S.A.	157,730	06-12-2022
Suez Medioambiente Chile S.A.	Aguas Andinas S.A.	120,891	02-01-2024

Contractor or Supplier	Company	31-12-2020 Th\$	Due date
Inmobiliaria Viviendas 2000 Spa	Aguas Andinas S.A.	116,281	04-01-2021
Emp.depuradora de A.S. Mapocho El Trebal	Aguas Andinas S.A.	15,082,968	30-01-2021
Emp.const.moller y Perez-Cotapos S.A.	Aguas Andinas S.A.	133,287	09-02-2021
C. De Petroleos de Chile Copec S.a.	Aguas Andinas S.A.	488,813	06-03-2021
Constructora Concreta S.A.	Aguas Andinas S.A.	109,973	30-03-2021
Suez Advanced Solutions Chile Ltda.	Aguas Andinas S.A.	789,085	30-03-2021
Inmobiliaria Bbi S.A.	Aguas Andinas S.A.	370,327	30-04-2021
Enel Distribucion Chile S.A.	Aguas Andinas S.A.	290,703	10-05-2021
Inmobiliaria y Constructora Nueva Pacifico Sur Ltda.	Aguas Andinas S.A.	232,563	01-06-2021
Empresa Constructora Ricardo	Aguas Andinas S.A.	313,167	01-06-2021
Consortio Nac. de Dist. Y Log. S.a.	Aguas Andinas S.A.	116,281	03-06-2021
Constructora Perez y Gomez Ltda.	Aguas Andinas S.A.	105,700	29-06-2021
Agbar Solutions Chile Ltda.	Aguas Andinas S.A.	105,467	29-06-2021
Marketing Relacional Upcom Ltda.	Aguas Andinas S.A.	232,563	30-06-2021
Cobra Montaje Servicios Y Agua Ltda.	Aguas Andinas S.A.	100,620	07-08-2021
Consortio Bapa Gramatec Spa	Aguas Andinas S.A.	408,562	13-08-2021
Inmobiliaria Monte Aconcagua S.a.	Aguas Andinas S.A.	232,563	27-11-2021
Servicio de Rehabilitacion Industrial	Aguas Andinas S.A.	108,554	30-11-2021
Consortio Bapa Gramatec Spa	Aguas Andinas S.A.	191,818	30-11-2021
Empresa Constructora Cota Mil Ltda.	Aguas Andinas S.A.	116,281	01-12-2021
A Denham Y Cia Ltda.	Aguas Andinas S.A.	244,104	31-12-2021
Arrigoni Ingenieria y Construccion S.a.	Aguas Andinas S.A.	325,064	23-01-2022
Metlife Chile Seguros de Vida S.a.	Aguas Andinas S.A.	427,045	31-01-2022
Consortio Nac. De Dist. y Log. S.a.	Aguas Andinas S.A.	116,281	22-02-2022
Terra Australis Inversiones Inmobiliaria	Aguas Andinas S.A.	232,563	28-02-2022
Aes Gener S.A.	Aguas Andinas S.A.	290,703	01-04-2022
Transporte Centro Sur-Norte S.A.	Aguas Andinas S.A.	158,695	05-05-2022
Suez Medioambiente Chile S.A.	Aguas Andinas S.A.	897,973	30-05-2022



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Contractor or Supplier	Company	31-12-2020 Th\$	Due date
Constructora Perez Y Gomez Ltda.	Aguas Andinas S.A.	116,281	22-06-2022
Anida Consultores S.A.	Aguas Andinas S.A.	131,066	01-12-2022
Telefonica Empresas Chile S.A.	Aguas Andinas S.A.	143,578	30-12-2022
Centurylink Chile S.A.	Aguas Andinas S.A.	269,203	31-05-2023
Autorentas Del Pacifico Spa	Aguas Andinas S.A.	103,490	31-07-2023
Inmobiliaria Y Comercial Quilicura Ltda.	Aguas Andinas S.A.	406,985	14-10-2023
Aes Gener S.A.	Aguas Andinas S.A.	988,391	01-02-2024
Motorola Chile S.A.	Aguas Andinas S.A.	804,085	01-12-2025
Consorcio Aquambiente - Edam	Aguas Andinas S.A.	30,467,159	10-05-2028
Brenntag Chile Ltda.	Aguas Andinas S.A.	114,463	05-04-2021
Inlac S.a.	Aguas Cordillera S.A.	397,689	02-07-2021
Constructora Olbertz Ltda.	Aguas Cordillera S.A.	132,732	31-10-2022
Constructora Vespucio Oriente S.A.	Aguas Cordillera S.A.	303,058	31-01-2021
Constructora Vespucio Oriente S.A.	Aguas Cordillera S.A.	178,695	28-02-2021
Constructora Vespucio Oriente S.A.	Aguas Cordillera S.A.	145,352	30-06-2021
Inmobiliaria Terramerica S.A.	Aguas Manquehue S.A.	181,021	30-05-2021
<b>Totales</b>		<b>58,585,244</b>	

## Note 35. Capitalized financing costs

The detail of capitalized financing costs as of December 31, 2020 and 2019 is as follows:

### Disclosure of capitalized interest costs

Capitalized interest costs, property, plant and equipment		31-12-2020	31-12-2019
Rate of capitalization of capitalized interest costs, property, plant and equipment	%	6.33%	5.82%
Amount of capitalized interest costs, property, plant and equipment	Th\$	4,676,809	3,880,277

## Note 36. Environment

### Disclosure of environmental investments

According to Circular Letter No. 1901 of October 30, 2008 of the Financial Market Commission, the following information is disclosed from investments related to the environment.

The following is a detail of the investments related to the environment:

### Aguas Andinas S.A.

Name of the Project	31-12-2020	31-12-2019
Expansion and Improvements WWTP Buin Maipo	479,094	2,528,543
Expansion and Improvements WWTP Canelo-Vertientes-La Obra	284,645	9,416
Expansion and Improvements WWTP El Monte	462,252	2,170,174
Expansion and Improvements WWTP Talagante	31,201	1,727,626
Expansion and Improvement of Other Localities	76,540	11,380
Improvement and renovation purification equipment and facilities	1,244,007	783,577
La Farfana Plant	7,172,473	4,248,396
Mapocho - Trebal Plant	14,942,814	13,338,645
External platform handling and disposal of sludges El Rutil	74,920	10,889
<b>Total</b>	<b>24,767,946</b>	<b>24,828,647</b>

### Aguas Manquehue S.A.

Name of the Project	31-12-2020 Th\$	31-12-2019 Th\$
Improvement and renovation purification equipment and facilities	85.430	37.044
<b>Total</b>	<b>85.430</b>	<b>37.044</b>

### Projected investment in the environment for 2020:

Company	Th\$
Aguas Andinas S.A.	25,905,574
Aguas Manquehue S.A.	39,000
<b>Total</b>	<b>25,944,574</b>



### Indication if the disbursement is part of the cost of an asset or was reflected as an expense, period disbursements

All the above projects are part of the cost of construction of the respective works.

### Certain or estimated date on which future disbursements will be made, disbursements of the period

The projected disbursements are estimated to be made during the year 2020.

Subsidiaries are companies that are affected by disbursements related to the environment, i.e. compliance with ordinances, laws relating to industrial processes and facilities and any other that could directly or indirectly affect the protection of the environment.

## Note 37. Events occurring after the date of the tatement of financial position

At the date of issuance of these consolidated financial statements, the Management of the Company and Subsidiaries are not aware of any other subsequent events affecting the financial position as of December 31, 2020.

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# Earnings Release

## Aguas Andinas S.A.

*Period ended December 31, 2020*



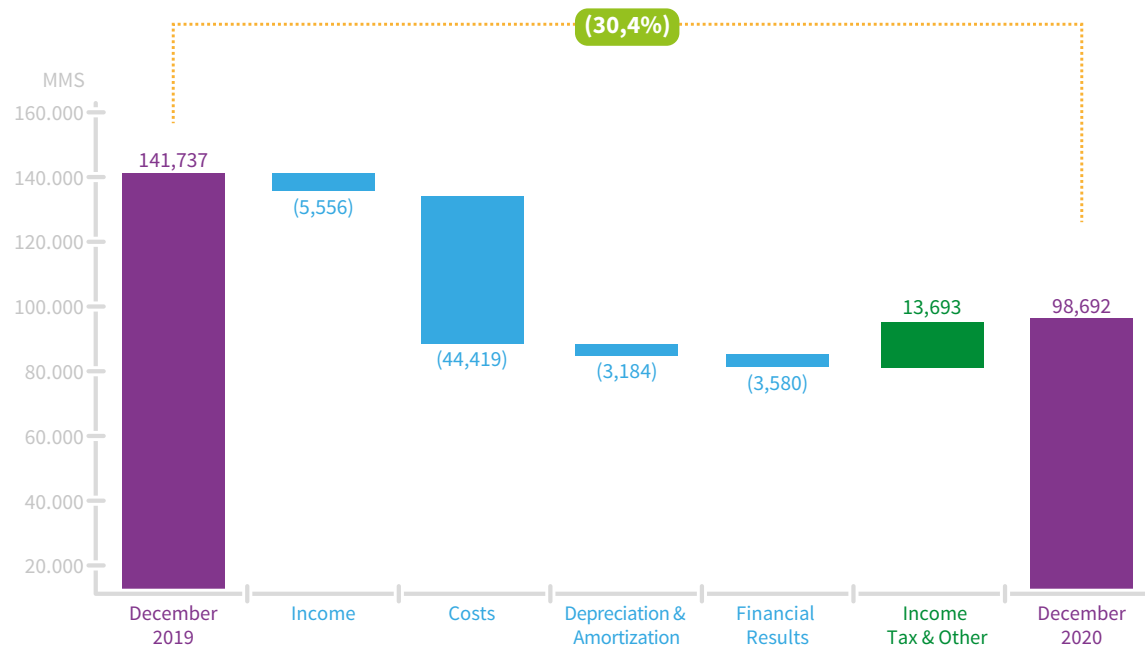




## Summary of the period

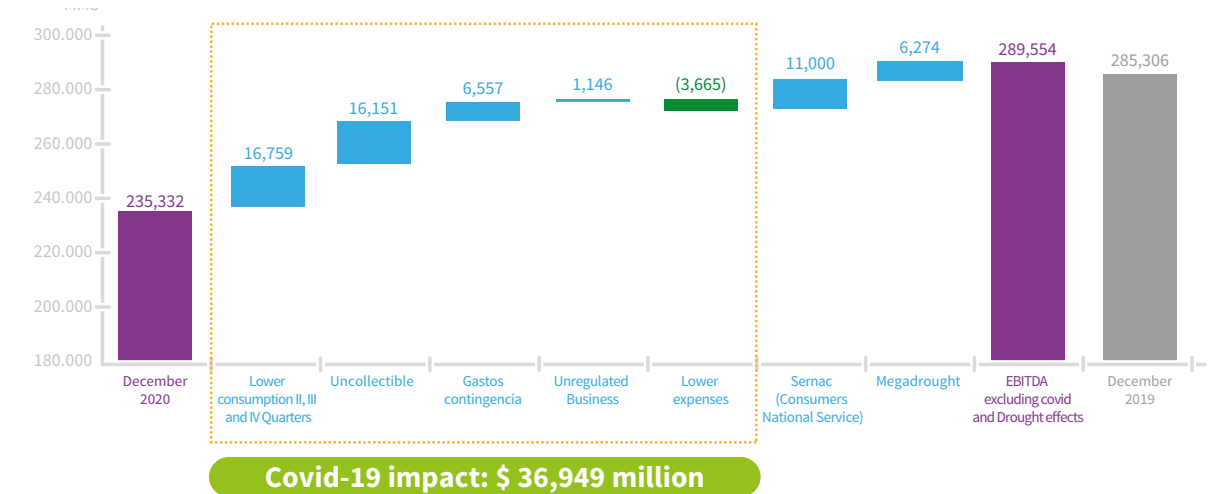
Net income as of December 31, 2020 amounted to \$98,692 million. The main changes from the same period last year are shown in the following chart:

### Net income (Million \$)



**The EBITDA as of December 31, 2020 was \$235,332 million**, decreasing 17.5% regarding the same period of previous year, strongly influenced by impacts derived of Coronavirus contingency, expenses and compensation to customers due to massive cuts from 2016-2017 and higher costs for the Mega-drought. These effects are presented below:

### EBITDA



**Situation of Covid-19.** The Company has developed an action plan to ensure service continuity in the regions it operates, implementing various measures to manage the exceptional situation resulting from the Coronavirus Pandemic.

- As of December 31, 2020, a global impact of \$36,949 million is estimated due to the direct and indirect effects presumably derived from the exceptional situation by Covid-19, which are explained below:
- A decrease in sales volumes of \$16,759 million, associated with lower sales to Residential customers by 0.3% and to non-Residential customers by 13.4%.

A lower collection of regulated client accounts that increased the age of the accounts receivable balance, having to recognize an amount of \$20,172 million as a provision for bad debts, generating a higher bad debt expense of \$16,151 million with respect to the same period of the previous year.

The bad debt recognition policy used by the Company is based on collection statistics according to the age of the invoice. In this sense, the debt of customers with more than 8 balances is 100% provisioned. Additionally, debts for consumption transformed into payment agreements are provisioned at 100% of the agreed balance.



The evolution of gross debt as of the third quarter of 2020 is shown below:

Age of gross debt (in million of \$)	Dec. 20	Dec. 19*	2020/2019
less than three months	80,768	108,705	(27,937)
between three and six months	3,975	5,047	(1,072)
between six and eight months	2,186	1,705	481
more than eight months	18,736	13,852	4,884
Agreements	19,729	23,156	(3,427)
<b>Total</b>	<b>125,395</b>	<b>152,465</b>	<b>(27,070)</b>

\*2019 contains the effect of uncollectibles of Essal company for \$6,152 million.

- There were direct costs of \$6,557 million associated with containment plans, personnel transportation, hygiene supplies, teleworking, safety measures, worker health monitoring program, logistics and communications.
- A decrease in activity associated with unregulated income of \$1,146 million, mainly due to home and engineering services, with a decrease in business volume of nearly 32%.
- The lower expenses of \$3,665 million are mainly associated with services to customers for reduced cut-off and replenishment services, meter reading, savings on printing commercial documents, together with reduced corporate activities and administration expenses.

On October 13, 2020 **Aguas Andinas completed the sale of the subsidiary ESSAL** to Eco Acquisitionco SpA, a company incorporated in Chile and controlled by the Canadian company Algonquin Power & Utilities Corp. As a result of this operation and in accordance with IFRS 5, the item "Discontinued operations" reflects the after-tax results of the sale of the subsidiaries Iberaguas Ltda. and ESSAL S.A. together with the accumulated results as of December 2020 and 2019 of these companies. It should also be noted that in the balance sheet as of December 31, 2019 Iberaguas and ESSAL are contained in assets and liabilities.

In the last quarter of 2020, following settlements signed by **SERNAC, Conadecus and Aguas Andinas**, the company must compensate customers who were affected by the massive cuts of 2016 and 2017. The payment of compensation will be credited to customers' accounts in the billing, within 30 days from the date the settlement is approved by the respective court.

### Mega-drought.

Due to the fact that the region is going through the greatest drought the biggest drought since records began and the one that has been going on for more than a decade, the Company has recorded higher costs by a total of \$6,274 million associated to raw water purchase and an increase in electric energy consumption mainly related to higher potable water lift and higher average rate. It should be noted that the Company has invested and several projects are underway to strengthen supply security in the face of this extreme drought scenario.

Revenues were lower by \$5,556 million (1.1%), mainly associated with lower regulated consumption, which is partially offset by higher unregulated revenues together with higher resulting average rates associated to the tariff indexation for security works in Pirque Tanks, VII Tariff Process and the tariff indexation due to inflation in the period, the latest being January 2020 for Aguas Andinas, March 2020 for Aguas Cordillera and May 2020 for Aguas Manquehue.

At the non-operating level, the financial result presented a loss of \$3,580 million with respect to the same previous period, mainly associated with higher interest on financial debt as a result of the greater volume of debt obtained to finance the company's investment plan and to strengthen the position of cash to face the Coronavirus situation.

### Generation and Position of Cash.

During the fourth quarter of 2020, the balance of cash and cash equivalent decreased by \$6,788 million regarding end of September, reaching \$174,946 million. This figure is in turn 2.4 times higher than the \$72,063 million held by the Company as of December 2019. The decrease in the balance of cash and cash equivalent in the fourth quarter is mainly explained by the dividends distribution, loans reimbursement and lower operating cash flow, which are partially offset by the revenues from the sale of ESSAL. The levels of cash and cash equivalents allow the company to have a margin to face the uncertainties of the current environment.



## INVESTMENTS

- Pirque Ponds: operational as of February 2020. This project will increase the autonomy of potable water supply to the capital from 11 to 34 hours, in order to face the effects of climate change, and thus minimize drinking water outages caused by increases in turbidity levels caused by rainfall in the high mountain range.

- Drilling and reinforcement of the potable water supply system: work began on the Cerro Negro - Lo Mena Wells project, an infrastructure that will reinforce the potable water supply in the southern sector of the city, consisting of 15 wells for the extraction of groundwater, a 20,000 m3 tank, a lifting plant and a chlorination and fluoridation unit. This backup infrastructure will be activated only in case of emergencies and will have a flow of 1,500 l/s.

- Renovation of potable water and sewage networks.
- Expansion of Padre Hurtado Potable water Treatment Plant.
- Expansion of Arsenic Treatment Plant Quilicura.
- Renovation of potable water and sewage networks.
- Nitrate Treatment La Farfana and Mapocho-Trebal Biofactories.
- Replacement of La Farfana and Mapocho-Trebal Biofactories Assets.
- Starters and meters.

The **Pirque Tanks** project is in operation since February 2020. This project allows to increase the autonomy of the capital city from 11 to 34 hours of potable water, to cope with the effects of climate change, and thereby minimize the potable water cuts caused by increased levels of turbidity caused by rainfall in the high mountain range.

To face the effects of the Mega-drought, the Company has carried out investment works such as the Hydraulic Efficiency Plan to be able to reduce the losses of potable water in the network and the new Operational Control Center for the constant monitoring of the networks. In addition, a plan of future investments has been contemplated to ensure consumption by the inhabitants, such as new drillings in wells and reinforcements in the potable water supply system such as the expansion of the Padre Hurtado Potable Water Treatment Plant.

In addition, works to face extreme turbidity events for up to 48 hours are considered, as well as Aguas Andinas has committed new fundamental works to address drought and climate change, which will be incorporated into the Company's updated Development Plan, prior approval by the SISS, highlighting the following:

- (i) Works to reuse 3 m3/s of wastewater
- (ii) Drilling in the central aquifer by 1.8 m3/s

## KEY FACTS

Aguas Andinas concretes sale of ESSAL - On October 13, 2020, Aguas Andinas concluded the sale and assignment to Eco Acquisitionco SpA, a company established in Chile and controlled by the Canadian company Algonquin Power & Utilities Corp., from 100% of its direct and indirect participation in Inversiones Iberaguas Ltda., which in turn owns 488,712,657 Series A shares of Empresa de Servicios Sanitarios de Los Lagos S.A. ("ESSAL"), representing approximately 51% of the total shares issued by the latter, at a price of US\$ 87,975,000, which was received on this same date.

Additionally and in the context of this operation, Aguas Andinas S.A., participated in the public offer for the acquisition of ESSAL shares ("OPA") announced by Eco Acquisitionco SpA on September 24, 2020, accepting the sale of Aguas Andinas S.A.'s direct participation in ESSAL, amounting to 24,018,816 Series A shares, equivalent to 2.51% of the total shares issued by said company, at the total price of US\$ 4,323,717, amount that will be received in the terms, time and conditions offered in the OPA.

Thus, as a result of this operation and in accordance with the provisions of the contract signed with Algonquin Power & Utilities Corp on September 11, 2020, Aguas Andinas S.A. will receive the total amount of US\$ 92,298,717 from the sale of its entire direct and indirect participation in ESSAL, which will generate an expected impact on the company's net results, after taxes, of approximately \$7,000 million.

## Revaluation of Assets

As of December 31, 2020, Aguas Group decided to use the revaluation model for the "Lands" asset class classified within the property, plant and equipment grouping. In this way, the value of this asset class will be periodically updated according to its market value. The prospective application of this policy resulted in an increase in value of the property, plant, and equipment grouping of \$225,965 million.

## Results VII Tariff Process.

As of December 31, 2020, the new tariff decree for Aguas Andinas, for the period 2020-2025, is published, after the agreement with the Superintendence of Sanitary Services. For Aguas Cordillera and Aguas Manquehue the tariff decrees are in the process of being published in the official gazette.

In the case of Aguas Andinas, a reduction in the tariff for potable water and wastewater treatment of -3% was determined. Within this new tariff framework, the execution of various investments that will progressively increase the autonomy of the capital before episodes of extreme turbidity up to 48 hours, and new fundamental works to address the drought and climate change. The result of the tariff process for the companies Aguas Cordillera and Aguas Manquehue, considered a decrease of -1.5% compared to the tariffs agreed for the previous five-year period. The agreement also included works to ensure quality and continuity of service in the context of climate change and water scarcity, in order to extend the companies' operational autonomy.



## 2. EARNINGS FOR THE PERIOD

### 2.1. Accumulated earnings

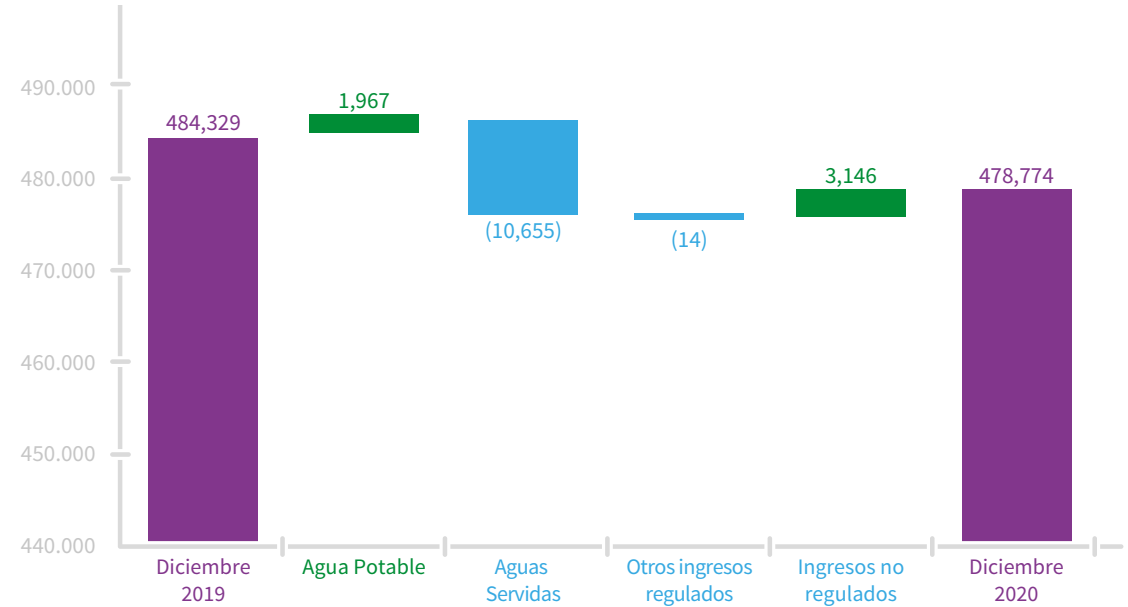
Income Statement (Th\$)	Dic. 20	Dec. 19	% Var.	2020 / 2019
Ordinary Revenues	478,773,563	484,329,084	(1.1%)	(5,555,521)
Operational Costs and Expenses	(243,441,636)	(199,022,597)	22.3%	(44,419,039)
<b>EBITDA</b>	<b>235,331,927</b>	<b>285,306,487</b>	<b>(17.5%)</b>	<b>(49,974,560)</b>
Depreciation and Amortization	(67,134,809)	(63,951,173)	5.0%	(3,183,636)
<b>Income From Operations</b>	<b>168,197,118</b>	<b>221,355,314</b>	<b>(24.0%)</b>	<b>(53,158,196)</b>
Other Earnings	(3,967,292)	14,280,922	(127.8%)	(18,248,214)
Impairment losses	(1,404,946)	-	>200%	(1,404,946)
Financial Result*	(47,143,249)	(43,563,398)	8.2%	(3,579,851)
Tax expense	(26,987,579)	(49,352,038)	(45.3%)	22,364,459
Discontinued operations	11,671,443	(2,970,428)	<(200%)	14,641,871
<b>Net earnings</b>	<b>98,691,668</b>	<b>141,737,188</b>	<b>(30.4%)</b>	<b>(43,045,520)</b>

\*Includes financial income, financial costs, exchange rate differences and results by readjustment units

### 2.2. Revenue analysis

Revenues present a decrease of 1.1% regarding previous year, according the following:

	Dec. 20		Dec. 19	
	Sales Th\$	Participation	Sales Th\$	Participation
Potable Water	195,787,729	40,9%	193,820,931	40.0%
Wastewater	219,123,955	45,8%	229,778,955	47.4%
Other Regulated Income	13,004,110	2,7%	13,017,906	2.7%
Non-Regulated Income	50,857,769	10,6%	47,711,292	9.9%
<b>Total</b>	<b>478,773,563</b>	<b>100,0%</b>	<b>484,329,084</b>	<b>100.0%</b>





Sales Volume (Thousands of m3 accrued)	Dec. 20	Dec. 19	% Var.	Difference
Potable Water	533,881	559,408	(4.6%)	(25,527)
Wastewater Collection	511,267	535,956	(4.6%)	(24,689)
Wastewater Treatment and Disposal	440,582	461,803	(4.6%)	(21,221)
Interconnections*	124,710	128,799	(3.2%)	(4,089)
Customers	Dic. 20	Dic. 19	% Var.	Difference
Potable Water	2,169,426	2,132,607	1.7%	36,819
Wastewater Collection	2,125,918	2,089,505	1.7%	36,413

\* Interconnections include the Treatment and Disposal of Wastewater from other Water Utility Companies

## REGULATED BUSINESSES

### a) Potable water

Potable water income at the end of 2020 reached Th\$195,787,729, which meant an increase of Th\$1,966,798, mainly due to a tariff indexation for Security Works in Pirque Tanks together with inflation indexations applied, the last being in January 2020 for Aguas Andinas, March 2020 for Aguas Cordillera and May for Aguas Manquehue. The above is partially offset by the lower consumption registered in the period and for the recognition of the VII Tariff Process results in Aguas Andinas, Aguas Cordillera and Aguas Manquehue.

### b) Wastewater

As of December 31, 2020 the wastewater income reached Th\$219,123,955, which represented a decrease of 4.6%, mainly due to lower volume registered together with the tariffs reduction related to the last tariff process, which was partially offset with the indexations applied during 2020.

### c) Other regulated income

This line item presented a decrease of Th\$13,796, mainly due to lower incomes for cutting and replacement of services, which is partially offset with the customer growth of the period.

## UNREGULATED INCOME

### a) Sanitary services

Includes the income of US\$10 million associated to the agreement for the Alto Maipo project, since that company exercised its option to extension, established in the contract signed between the parties. The above is partially offset by lower activity in home services to customers and technical advice on rural potable water, which finally results in an increase of Th\$3,362,359.

### b) Non-sanitary services

A decrease of Th\$215,882 was mainly explained by lower material sales in Gestión y Servicios, which is offset by higher plant operating revenues in EcoRiles and higher potable water analysis and sampling in Anam.

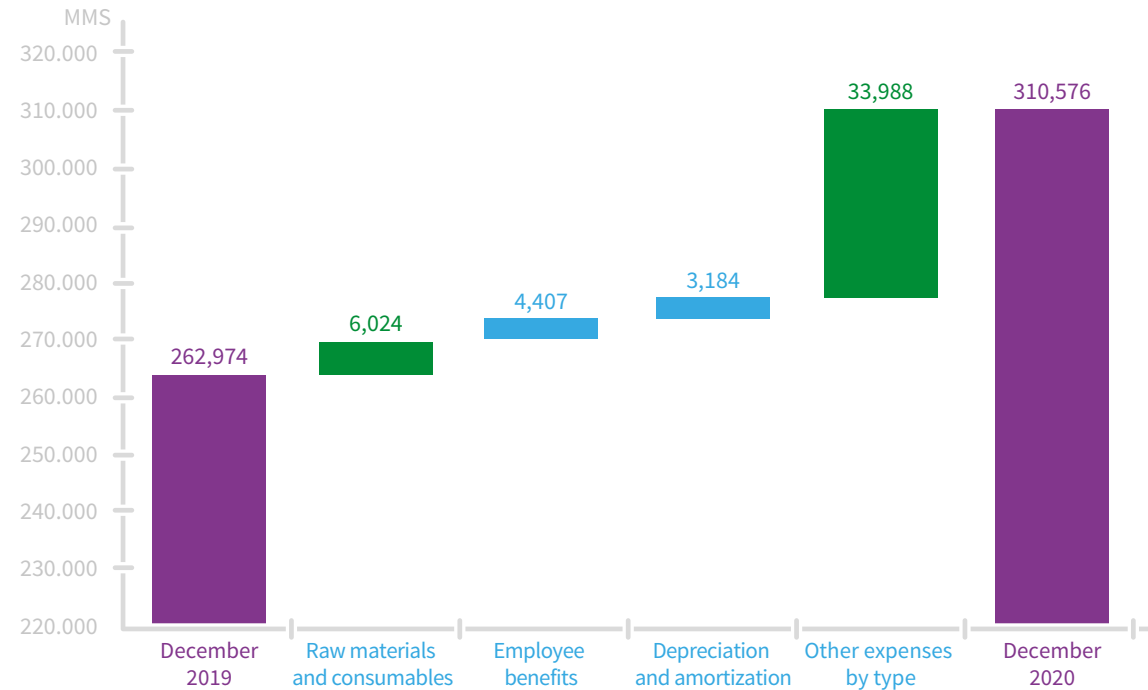
(Th\$)	Dec. 20	Dec. 19	% Var.
EcoRiles S.A.	16,172,407	14,394,635	12.4%
Gestión y Servicios S.A.	6,257,482	8,359,396	(25.1%)
Anam S.A.	5,480,489	4,640,649	18.1%
Aguas del Maipo S.A.	339,931	1,071,511	(68.3%)
<b>Non-sanitary non-regulated products</b>	<b>28,250,309</b>	<b>28,466,191</b>	<b>(0.8%)</b>





## 2.3. Expense analysis

The variation in expenses with respect to the previous year is shown in the following graph:



### a) Raw materials and consumables

As of December 31, 2020, the costs of raw materials and consumables reached Th\$43,542,356, Th\$ 6,023,973 higher than the one obtained in 2019. The increase was mainly due to purchase of raw water by Th\$3,932,239, to increase the security of supply of our customers due to the low flow in the Maipo river basin, and to higher costs in electric power by Th\$2,341,499, associated to higher potable water lift and higher average rate. Additionally, a higher cost of chemical inputs by Th\$1,365,828, due to the increase in the dollar exchange rate, and costs of hygiene supplies and personal security for contingency Covid-19 by Th\$419,095 million. The above is offset with lower material sale of subsidiary Gestión y Servicios by Th\$1,678,817 million.

### b) Employee benefits

At the end of 2020, employee benefit expenses reached Th\$55,045,719, which was Th\$4,406,854 higher than the one obtained in the previous year. This increase is mainly related to higher costs associated to confinement plans by Covid-19, CPI adjustments and increased provision for accrued vacation.

### c) Depreciation and amortization

As of December 31, 2020, depreciation and amortization amounted to Th\$67,134,809, Th\$3,183,636 higher than the one obtained in the previous year. This was due to the depreciations related to new incorporated assets in the period, as the Pirque tanks.

### d) Other expenses by nature

At the end of 2020, these expenses amounted to Th\$144,853,561, which was Th\$33,988,212 higher mainly due to higher level of uncollectibility in Th\$16,151,172, contingency for massive cuts for 2016-2017 by \$11,000,000, following agreements signed between Aguas Andinas, Sernac and Conadecus, and expenses for Covid-19 in Th\$4,252,188, related to confinement plans, teleworking, measures of security, health, logistic and communications.

In addition, there was a higher expense in maintenance of potable water and sewage networks of Th\$1,497,096, higher expenses in real estate contributions of Th\$405,931 and insurances of Th\$796,500. The above is offset by lower expenses in customer services of Th\$2,400,242 mainly associated with lower activity in cutting and replacement of services, meter reading, savings from printing commercial documents together with lower corporate activities and administration expenses of Th\$1,264,759. Finally, due to lower activity in the sale of home services, lower costs of Th\$1,773,154 were generated.

## 2.4. Analysis of Financial revenues and others

### a) Impairment losses

As of December 31, 2020, impairment losses of M\$1,404,946 were recognized, which was explained by the effect on the revaluation of the Company's lands.

### b) Other gains (losses)

At the end of 2020, losses were Th\$18,248,214 higher than those obtained in 2019, mainly explained by the gain on the sale of land in 2019, together with higher expenses for voluntary retirement plans.



### c) Financial income

At the end of 2020, financial income amounted to Th\$3,868,561, a decrease of Th\$1,354,754, mainly explained by lower interest on repurchase of promissory notes for reimbursable financial contributions together with an inflation insurance from 2019 by Th\$875,144.

### d) Financial costs

As of December 31, 2020, financial costs amounted to Th\$28,172,393, an increase of Th\$1,420,184. This was mainly explained by higher interest on financial debt as a result of the higher volume of debt obtained to finance the company's investment plan and strengthen the position of cash of the Company, partially offset by higher financial activation.

### e) Results by readjustment unit

At the end of 2020, the readjustment unit fees were Th\$22,343,279, resulting in a higher expense of Th\$790,326, due to higher level of financial debt.

### f) Income Tax Expenses

Income tax expense as of December 31, 2020 was Th\$26,987,579, Th\$22,364,459 lower, mainly explained by lower before taxes income.

### g) Discontinued operations

As of December 31, 2020, discontinued operations reached a higher profit of Th\$14,641,871 regarding previous year, due to profit on sale of ESSAL together with ESSAL's higher profit of 2020 regarding 2019, due to previous year presented losses by expenses derived from the Osorno contingency.

### h) Earnings

Net income as of December 31, 2020 amounted to Th\$98,691,668, Th\$43,045,520 lower than the one obtained in the previous year, representing a decrease of 30.4%.

## 2.5. Results by segment

### a) Accumulated income, Water segment

Income Statement (Th\$)	Dec. 20	Dec. 19	% Var.	2020 / 2019
External Revenue	450,436,685	455,752,043	(1.2%)	(5,315,358)
Revenues Segments	910,103	1,086,210	(16.2%)	(176,107)
Operating Costs and Expenses	(220,762,718)	(177,496,902)	24.4%	(43,265,816)
<b>EBITDA</b>	<b>230,584,070</b>	<b>279,341,351</b>	<b>(17.5%)</b>	<b>(48,757,281)</b>
Depreciation and Amortization	(65,335,155)	(62,245,336)	5.0%	(3,089,819)
<b>Income from Operations</b>	<b>165,248,915</b>	<b>217,096,015</b>	<b>(23.9%)</b>	<b>(51,847,100)</b>
Other Earnings (Losses)	(3,599,552)	14,565,857	(124.7%)	(18,165,409)
Impairment losses	(1,404,946)	-	>200%	(1,404,946)
Financial Results*	(46,979,769)	(43,024,089)	9.2%	(3,955,680)
Tax Expense	(26,020,405)	(48,385,103)	(46.2%)	22,364,698
Discontinued operations	11,671,443	(2,970,428)	<(200%)	14,641,871
<b>Net earnings</b>	<b>97,241,858</b>	<b>139,269,068</b>	<b>(30.2%)</b>	<b>(42,027,210)</b>

\* Includes financial income, financial costs, exchange rate differences and results by readjustment units



The results of this segment showed a decrease of 30.7%, mainly due to:

A decrease in external income, mainly associated with lower regulated income due to a lower sale volumes registered in the period. In terms of tariffs, the results of the VII tariff process are recognized for Aguas Andinas, Aguas Cordillera, and Aguas Manquehue, together with the tariff indexation for Security Works in Pirque Tanks and the indexation applied for inflation, the latest being January 2020 for Aguas Andinas, March 2020 for Aguas Cordillera, and May 2020 for Aguas Manquehue.

In non-regulated income, there was less activity in home services to customers and technical advice on rural potable water.

Costs increased mainly due to higher uncollectibility in Th\$16,065,498, contingency for massive cuts for 2016-2017 by \$11,000,000, following agreements signed between Aguas Andinas, Sernac and Conadecus and expenses for Covid-19 in Th\$5,992,390, related to confinement plans, personnel costs, hygiene supplies, teleworking, measures of security, health, logistic and communications. In addition, due to the extreme drought affecting the central area of the country, there have been increases in water purchase expenses of Th\$3,932,239 due to the low flow in the Maipo river basin and higher electricity costs of Th\$2,341,499, mainly associated with higher potable water lift and higher average rate.

Depreciation was Th\$3,089,819 higher than that obtained previous year. This was the result of the depreciation associated with the new assets incorporated in the period, such as the Pirque tanks.

In Other gains (losses), there was a lower result of Th\$18,165,409 compared to that obtained in 2019, mainly explained by the gain on the sale of land in 2019, together with a higher expense for voluntary retirement plans.

As of December 31, 2020, impairment losses of Th\$1,404,946 were recognized, which was explained by the effect on the revaluation of the Company's lands.

The financial result presented a higher expense by Th\$3,955,680 regarding 2019, mainly associated with higher interest on financial debt as a result of the higher volume of debt obtained to finance the company's investment plan.

Income tax expense as of December 31, 2020 was Th\$26,020,405, Th\$22,364,698 lower, mainly explained by lower before taxes income.

At the end of 2020, discontinued operations reached a higher profit of Th\$13,888,582 compared to the same period of the previous year, due to profit on sale of ESSAL together with ESSAL's higher profit of 2020 regarding 2019, due to previous year presented losses by expenses derived from the Osorno contingency.

## b) Accumulated income, Non-Water segment

Income Statement (Th\$)	Dec. 20	Dec. 19	% Var.	2020 / 2019
External Revenue	28,336,877	28,577,041	(0.8%)	(240,164)
Revenues Segments	3,398,711	4,709,044	(27.8%)	(1,310,333)
Operating Costs and Expenses	(26,958,633)	(27,183,218)	(0.8%)	224,585
<b>EBITDA</b>	<b>4,776,955</b>	<b>6,102,867</b>	<b>(21.7%)</b>	<b>(1,325,912)</b>
Depreciation and Amortization	(1,828,695)	(1,869,315)	(2.2%)	40,620
<b>Income from Operations</b>	<b>2,948,260</b>	<b>4,233,552</b>	<b>(30.4%)</b>	<b>(1,285,292)</b>
Other Earnings (Losses)	(367,740)	(257,230)	43.0%	(110,510)
Financial Results*	(163,530)	(541,277)	(69.8%)	377,747
Tax Expense	(967,181)	(966,925)	0.0%	(256)
<b>Net Earnings</b>	<b>1,449,809</b>	<b>2,468,120</b>	<b>(41.3%)</b>	<b>(1,018,311)</b>

\* Includes financial income, financial costs, exchange rate differences and results by readjustment units

The results of the Non-Water segment showed an increase of Th\$1,018,311 in relation to the previous year, mainly due to:

A decrease of material sales in Gestión y Servicios, which is partially offset by higher plant operating revenues in Ecoriles, together with higher water analysis and samples in Anam.



The decrease in costs by 0.8% is mainly associated with the lower activity in the sale of materials of the company Gestión y Servicios, partially offset by the cost associated with the operation of plants of the company EcoRiles, together with an increase in personnel expenses due to a higher endowment of the company Anam.

The financial result presented a higher expense regarding previous year by Th\$377,747, mainly associated to exchange rate differences

### 3. QUARTERLY RESULTS

Income Statement (M\$)	4T20	4T19	% Var.	4Q20 - 4Q19
Ordinary Revenues	129,721,186	123,372,144	5.1%	6,349,042
Operational Costs and Expenses	(77,210,262)	(51,801,527)	49.1%	(25,408,735)
<b>EBITDA</b>	<b>52,510,924</b>	<b>71,570,617</b>	<b>(26.6%)</b>	<b>(19,059,693)</b>
Depreciation and Amortization	(17,417,464)	(17,078,072)	2.0%	(339,392)
<b>Income From Operations</b>	<b>35,093,460</b>	<b>54,492,545</b>	<b>(35.6%)</b>	<b>(19,399,085)</b>
Other (Losses) Earnings	(2,093,189)	16,044,377	(113.0%)	(18,137,566)
Financial Result*	(34,520)	-	>200%	(34,520)
Impairment losses	(14,939,258)	(13,555,576)	10.2%	(1,383,682)
Tax expense	(2,523,215)	(14,645,197)	(82.8%)	12,121,982
Discontinued operations	7,324,842	(1,216,493)	<(200%)	8,541,335
<b>Net earnings</b>	<b>26,175,218</b>	<b>37,817,198</b>	<b>(30.8%)</b>	<b>(11,641,980)</b>

\* Includes financial income, financial costs, exchange rate differences and results by readjustment units

### 3.1. Income analysis

#### a) Operating income

Ordinary revenues for the fourth quarter of 2020 amounted to Th\$129,720,051, which is higher by Th\$6,349,012 than that obtained in the same quarter of the previous year, mainly due to tariff indexation for Security Works in Pirque Tanks together with an increase in registered consumption. In addition, the results of the VII Tariff Process of Aguas Andinas, Aguas Cordillera and Aguas Manquehue are recognized in tariffs, together with the tariff indexations, the latest being in January 2020 for Aguas Andinas, March 2020 for Aguas Cordillera and May 2020 for Aguas Manquehue.

### 3.2. Expenses analysis

#### a) Raw materials and consumables

During the fourth quarter of 2020, the costs of raw materials and consumables amounted to Th\$10,784,792, Th\$86,400 lower than the one obtained in the same quarter of 2019, mainly associated with lower purchase of water for Th\$991,591, which is partially offset by lower cost of productive energy by Th\$745,517.

#### b) Employee benefits

Employee benefit expenses for the fourth quarter of 2020 reached Th\$14,304,198, which was Th\$693,408 higher than the one obtained in the previous year. This increase is mainly related to higher costs associated to confinement plans by Covid-19, CPI adjustments and increased provision for accrued vacation.

#### c) Depreciation and amortization

During the fourth quarter of 2020, depreciation and amortization amounted to Th\$17,417,464, Th\$339,392 higher than the one obtained in 2019, due to the depreciations related to new incorporated assets in the period, as the Pirque tanks.

#### d) Other expenses

In the fourth quarter of 2020, the other expenses amounted to Th\$52,121,272, Th\$24,801,727 higher than the one obtained in 2019, mainly explained by higher uncollectibility in Th\$7,025,751, contingency for massive cuts for 2016-2017 by \$11,000,000, following agreements signed between Aguas Andinas, Sernac and Conadecus, expenses for Covid-19 in Th\$1,714,882, related to confinement plans, teleworking, measures of security, health, logistic and communications, maintenance of networks and enclosures by Th\$1,190,141 and higher costs of sale of home services and sanitary infrastructure modifications by Th\$539,258.



### 3.3. Financial result analysis and others

#### a) Other gains (losses)

During the fourth quarter of 2020, losses of Th\$18,137,566 were higher than those obtained in the same quarter of 2019, mainly explained by the gain on the sale of land in 2019 together with higher expenses for voluntary retirement plans.

#### b) Impairment losses

In the fourth quarter, impairment losses of Th\$34,520 were recognized, which was explained by the effect on the revaluation of the Company's lands.

#### c) Financial income

The financial result for the fourth quarter of 2020 losses of Th\$14,939,258 were obtained, which increased by Th\$1,383,682 compared to the same quarter of 2019, mainly explained by higher debt revaluation due to the higher variation of the Unidad de Fomento (1.26% in 2020 versus 0.93% in 2019).

#### d) Income Tax Expenses

Income tax expense in the third quarter of 2020 was Th\$2,523,215, Th\$12,121,982 lower regarding the same quarter of the previous year, mainly explained by lower before taxes income.

#### e) Discontinued operations

In the fourth quarter of 2020, discontinued operations reached a higher profit of Th\$8,541,335 compared to the same quarter of the previous year, due to profit on sale of ESSAL together with ESSAL's higher profit of 2020 regarding 2019, due to previous year presented losses by expenses derived from the Osorno contingency.

#### f) Earnings

Net income of the fourth quarter of 2020 amounted to Th\$26,175,218, Th\$11,641,980 lower than the one obtained in the same quarter of 2019.

### 4. STATEMENT OF FINANCIAL POSITION

Assets	Dec. 20 Th\$	*Dec. 19 Ths	% Var.
Current Assets	298,418,476	197,676,646	51.0%
Non-Current Assets	3,836,023	-	>200%
Assets held for sale	1,842,181,989	1,803,767,656	2.1%
<b>Total assets</b>	<b>2,144,436,488</b>	<b>2,001,444,302</b>	<b>7.1%</b>
<b>LIABILITIES AND EQUITY</b>			
Current Liabilities	244,032,589	242,137,717	0.8%
Non- Current Liabilities	1,059,655,092	1,071,833,122	(1.1%)
<b>Total liabilities</b>	<b>1,303,687,681</b>	<b>1,313,970,839</b>	<b>(0.8%)</b>
Shareholders' Equity	840,723,242	644,453,334	30.5%
Minority Interest	25,565	43,020,129	(99.9%)
<b>Total Shareholders' Equity</b>	<b>840,748,807</b>	<b>687,473,463</b>	<b>22.3%</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>2,144,436,488</b>	<b>2,001,444,302</b>	<b>7.1%</b>

\*\*The information as of December 31, 2020 contains ESSAL and Inversiones Iberaguas Ltda.





#### 4.1. Assets analysis

The total assets of Inversiones Aguas Metropolitanas S.A. at consolidated level on December 31, 2020 showed an increase of 7.1% with respect to December 31, 2019, equivalent to Th\$142,992,186.

Current assets increased by Th\$100,741,830 mainly due to an increase in cash and cash equivalents of Th\$102,882,829, as a result of bank loans managed during the year and higher tax assets by Th\$23,862,047. The above is partially offset by lower commercial debtors and other receivables of Th\$28,454,817 mainly explained by the effect of the sale of the company ESSAL.

Non-current assets increased by Th\$38,414,333 mainly explained by the revaluation of Lands and to the investments made in the period, which is partially offset by the effect of the sale of ESSAL. The main investment works of the period are:

Investments (Th\$)	Dec. 20
Drillings and water supply system reinforcements	15,476,490
Treatment of nitrates La Farfana and Mapocho-Trebal Biofactories	13,495,097
Renovation of potable water networks	12,154,077
Renovation of wastewater networks	9,363,553
Asset replenishment La Farfana and Mapocho-Trebal Biofactories	7,487,595
Pirque Tank Construction	6,464,265
Starter and meters	5,792,445
Expansion of Padre Hurtado Potable Water Treatment Plant	4,581,857
Expansion of Quilicura Arsenic Treatment Plant	3,470,496

#### 4.2. Liabilities and equity analysis

Liabilities payable as of December 2020 decreased by Th\$10,283,158 compared to December 2019.

Current liabilities increased by Th\$1,894,872. This variation was mainly due to new bank loans and reimbursable financial contributions, partially offset by a decrease in accounts payable associated with investments and the distribution of interim dividends during the first and last quarters of 2020.

Non-current liabilities presented a decrease of Th\$12,078,030 (1.1%). This variation corresponds mainly to a decrease in deferred taxes of Th\$8,442,068 together with Other financial liabilities of Th\$4,225,442 associated with the effect of the sale of the company ESSAL and lower refundable financial contributions, which is partially offset by an increase in bank loans.

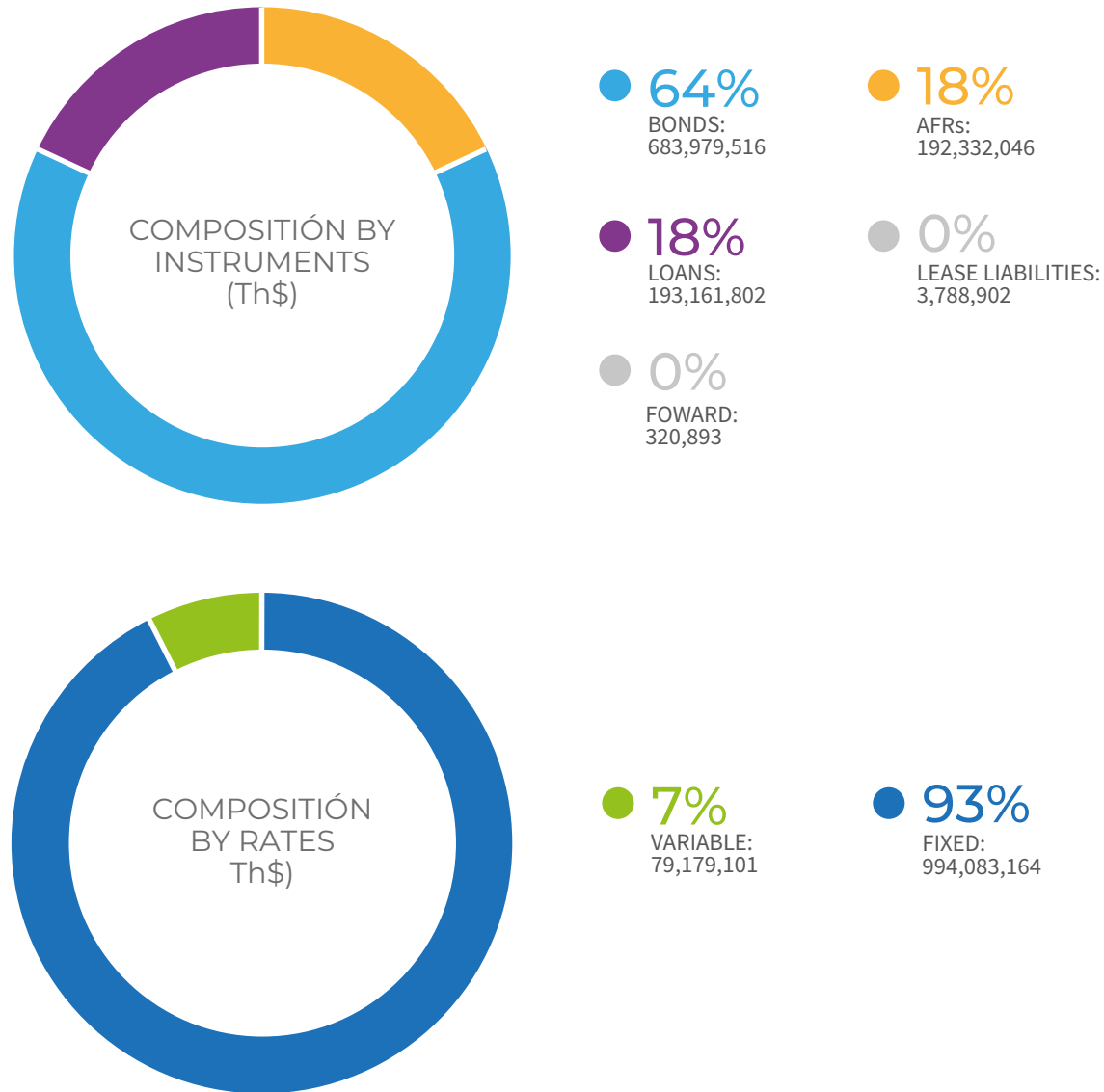
Total equity increased by Th\$153,275,344 and net shareholders' equity attributable to the owners of the parent company increased by Th\$196,269,908, mainly explained by the revaluation of Lands and the profit for the year, which is partially offset with the fourth quarter earnings distribution.

The maturity profile of the financial debt as of December 31, 2020 is as follows:

Financial Debt Th\$	Currency	Total	12 months	1 to 3 years	3 to 5 years	More than 5 years
AFRs	Th\$	192,332,046	20,182,473	51,169,685	34,103,965	86,875,923
Bonds	Th\$	683,979,516	18,566,508	32,659,116	16,298,677	616,455,215
Loans	Th\$	193,161,802	31,994,420	116,020,353	45,147,028	-
Forward	USD	320,893	320,893	-	-	-
<b>Total other financial liabilities</b>		<b>1,069,794,257</b>	<b>71,064,294</b>	<b>199,849,154</b>	<b>95,549,670</b>	<b>703,331,138</b>
Lease liabilities	Th\$	3,788,902	1,413,425	1,430,370	435,473	509,634
<b>Total lease liabilities</b>		<b>3,788,902</b>	<b>1,413,425</b>	<b>1,430,370</b>	<b>435,473</b>	<b>509,634</b>
<b>Total</b>		<b>1,073,583,159</b>	<b>72,477,719</b>	<b>201,279,524</b>	<b>95,985,143</b>	<b>703,840,772</b>



#### 4.3. Structure of financial liabilities



#### 5. CASH FLOW STATEMENTS

Cash Flow Statement (Th\$)	Dec. 20	Dec. 19	% Var.
Operating Activities	185,293,280	220,759,469	(16.1%)
Investment Activities	(78,371,570)	(109,694,362)	(28.6%)
Financing Activities	(4,038,882)	(78,982,823)	(94.9%)
Net Cash Flow for the Period	102,882,828	32,082,284	>200%
<b>Final Cash Balance</b>	<b>174,945,586</b>	<b>72,062,758</b>	<b>142.8%</b>

Cash flow from operating activities decreased by Th\$35,466,189, when compared to December 2020 and December 2019.

The main variations were the following:

- Decrease in collections from the sale of goods and provision of services for Th\$29,900,153, as a result of lower collections from regulated customer accounts due to the situation of COVID-19, since there are no cut-off instances, only collections through virtual platforms are made, which increased the age of the debt between three and over eight months.
- Increase in payments to suppliers of Th\$7,398,498, mainly associated with infrastructure suppliers.
- Increase in payments to and on behalf of employees of \$2,792,563, this increase is mainly associated with higher costs associated with the Covid-19 confinement plans, CPI adjustments and higher accrued vacation provision.
- Increase in interest paid by M\$3,245,630, mainly related to higher financial debt interests due to the higher volume of debt obtained.

These variations were partially offset by the following concepts:

- Increase in other charges for operating activities derived from the policies signed for Th\$7,816,230, mainly associated with the Alto Maipo project agreement, since AES GENER exercised its option to extend the contract term.
- Decrease in payments for premiums and benefits, annuities and other obligations arising from policies subscribed for M\$2,480,282, associated with the payment of corporate all-risk insurance on physical goods for 18 months and the renewal of liability insurance also for 18 months.
- Decrease in other payments for operating activities for \$1,908,243, due to lower sales received in 2020 due to the COVID-19 situation.



Disbursements for investment activities decreased by Th\$31,322,792, mainly due to the fact that in October 2020, Aguas Andinas completed the sale of its direct and indirect participation in ESSAL, for which the company received an amount of Th\$73,499,770. Additionally, in 2019, further investments and reinforcements were made in the potable water supply system and the construction of the Pirque tanks, which has been operational since February 2020.

The financing activities made a net cash flow (decrease) of Th\$74,943,941, which is mainly explained by a lower payment of bank loans and reimbursable financial contributions, together with a lower payment of dividends made during 2020.

## 6. FINANCIAL RATIOS

		Dec. 20	*Dec. 19
<b>LIQUIDITY</b>			
Current liquidity	times	1.24	0.82
Acid Test Ratio	times	0.72	0.30
<b>LEVERAGE</b>			
Total Leverage	times	1.55	1.91
Current Leverage	times	0.19	0.18
Non-Current Leverage	times	0.81	0.82
Annualized Financial Expenses Coverage	times	5.11	8.18
<b>PROFITABILITY</b>			
Annualized equity profitability attributable to the controller's property owners	%	13.29	22.09
Annualized asset profitability	%	4.76	7.25
Annualized earnings per share	\$	16.13	23.16
Dividend yield (*)	%	7.80	6.81

**Current liquidity:** *current assets/current liabilities*

**Acid test ratio:** *cash and cash equivalents/current liabilities*

**Total indebtedness:** *total liabilities / total shareholders' equity.*

**Current debt:** *current liabilities / total liabilities.*

**Non-current debt:** *non-current liabilities / current liabilities.*

**Financial expense coverage:** *annualized profit before tax and interest / annualized financial expense.*

**Equity profitability:** *annualized profit for the year/annualized average total equity for the year.*

**Asset profitability:** *annualized profit for the year / average total assets for the year annualized.*

**Earnings per share:** *annualized profit for the year/ number of shares subscribed and paid.*

**Dividend yield:** *dividends paid per share / share price.*

(\*) The share price as of December 2020 amounts to \$228.99 while as of December 2019 it amounts to \$319.

As of December 2020, current liquidity increased by 51.2%, due to the increase in current assets of Th\$ 104,577,853, mainly explained by higher cash and cash equivalents, resulting from bank loans arranged during the year and the proceeds from the sale of the direct and indirect participation in ESSAL.

The indebtedness ratio decreased by 18.9%, mainly due to an increase in total equity of Th\$153,275,344, mainly explained by the revaluation of Lands and the earnings of the period, offset with the dividends payment made in the fourth quarter of 2020. On the other hand, the current liabilities decreased by Th\$10,283,158 due to a decrease of deferred taxes and the other financial liabilities, associated to the effect of sale of company ESSAL.

The profitability of shareholders' equity attributable to the owners of the parent company decreased by 39.8% due to an increase of average equity by Th\$101,051,293, due to the revaluation of Lands and a decrease in the profit for the year by Th\$43,045,520.

## 7. OTHER BACKGROUND INFORMATION

### 7.1. Tariffs

The most important factor determining the results of our operations and financial condition is the tariffs set for our regulated sales and services. As a water utility, we are regulated by the S.I.S.S. and our tariffs are established in accordance with the D.F.L. No. 70 of 1988 on Sanitation Service Tariffs Law.

Our tariff levels are reviewed every five years and, during that period, are subject to additional readjustments linked to an indexation polynomial, which are applied when the accumulated variation since the previous adjustment is 3.0% or higher, as calculated based on various inflation indexes. Specifically, adjustments are applied based on a formula that includes the Consumer Price Index (IPC, for its acronym in Spanish), the Price Index for Imported Goods in the Manufacturing Sector and the Manufacturing Producer Price Index, all measured by the Chilean National Institute of Statistics. The latest indexations made by each Company of the Group were applied on the following dates:



#### Aguas Andinas S.A.

Group 1 January 2020

Group 2 January 2020

Rinconada de Maipú May 2019 and January 2020

#### Aguas Cordillera S.A.

March 2020

#### Aguas Manquehue S.A.

Santa María may 2020

Los Trapenses may 2020

Chamisero may 2020

Chicureo January 2020

Valle Grande 3 January 2020

In addition, the tariffs are subject to readjustment to reflect additional services previously authorized by the S.I.S.S.

The current tariffs for the period 2020-2025 for Aguas Andinas S.A., were approved by Decree No. 33 dated May 5, 2020, for Aguas Andinas, of the Ministry of Economy, Development and Reconstruction and came into force on March 1, 2020 (published in the Official Gazette on December 2, 2020). The current tariffs of Aguas Cordillera S.A. for the same five-year period 2015-2020 were approved by Decree No. 152 dated October 19, 2015 and came into force on June 30, 2015 (published in the Official Gazette on November 25, 2015) and the current tariffs of Aguas Manquehue S.A. 2015-2020 were approved by Decree No. 139 dated September 16, 2015, and came into force on May 19, 2015 (published in the Official Gazette on November 25, 2015).

As of December 31, 2020, the new tariff decrees for Aguas Andinas, Aguas Cordillera and Aguas Manquehue, for the period 2020-2025, are in the process of being published, following the respective agreements with the Superintendence of Sanitary Services

## 7.2. Market risk

Our company presents a favorable situation in terms of risk, which is mainly due to the particular characteristics of the water utility sector. Our business is seasonal and operating results may vary from quarter to quarter. The highest levels of demand and income are recorded during the summer months (December to March) and the lowest levels of demand and income during the winter months (June to September). In general, water demand is higher in the warmer months than in the temperate ones, mainly due to additional water requirements generated by irrigation systems and other external water uses.

Adverse climatic conditions may eventually affect the optimal delivery of water utility services, because the processes of collecting and producing drinking water depend to a large extent on the climatic conditions that develop in the river basins. Factors such as meteorological precipitation (snow, hail, rain, fog), temperature, humidity, dragging of sediments, river flows and turbidity determine not only the quantity, quality, and continuity of raw water available in each intake, but also the possibility of it being properly treated in potable water treatment plants.

In case of drought, we have important water reserves that we maintain in the El Yeso, Laguna Negra and Lo Encañado reservoirs, in addition to the contingency plans that we have developed, which allow us to reduce the possible negative impacts that adverse weather conditions could generate for our operations. In the current period, the drought that has existed since 2010 persists, which means that contingency plans are being applied, such as the purchase of raw water, intensive use of wells, and the lease and purchase of water rights, among others. All of this is aimed at reducing the impact of the drought and to provide our services normally, both in terms of quality and continuity.

## 7.3. Market analysis

The Company has no change in the market in which it participates because, due to the nature of its services and current legal regulations, it does not have competitors in its concession area.

Aguas Andinas S.A. has 100% coverage of potable water, 98.8% of sewerage services and 100% of wastewater treatment in the Santiago basin.

Aguas Cordillera S.A. has 100% coverage of potable water, 98.9% of sewerage service and 100% of wastewater treatment.

Aguas Manquehue S.A. has 100% coverage in potable water, 99.5% in sewerage service and 100% in wastewater treatment.

## 7.4. Capital investments

One of the variables that most affect the result of our operations and financial situation is capital investments. These are of two types:



### Committed investments.

We have an obligation to agree on an investment plan with the S.I.S.S., which describes the investments we must make during the 15 years following the date on which the corresponding investment plan comes into force. Specifically, the investment plan reflects a commitment on our part to carry out certain projects related to maintaining certain standards of quality and coverage of services. The aforementioned investment plan is subject to review every five years, with the possibility of requesting amendments when certain relevant facts are verified.

Approval and update dates of the Aguas Group's development plans:

#### **Aguas Andinas S.A.**

Greater Santiago: October 29, 2020.

Locations: November 17, 2015, December 12, 2016, April 6, 2018, October 29, 2020, and November 16, 2020.

#### **Aguas Cordillera S.A.**

Aguas Cordillera and Villa Los Dominicos: October 29, 2020.

#### **Aguas Manquehue S.A.**

Santa María and Los Trapenses: November 9, 2020.

Chicureo, Chamisero and Valle Grande III: August 10, 2016

Alto Lampa: December 6, 2018

### Uncommitted investments.

Uncommitted investments are those that are not contemplated in the investment plan and that we make voluntarily in order to ensure the quality of our services and replace obsolete assets. These generally relate to the replacement of network infrastructure and other assets, the acquisition of water rights and investments in non-regulated businesses, among others.

In accordance with international financial reporting standards in force in Chile, in particular IAS 23, interest on capital investments in works in progress is capitalized. IAS 23 establishes that when an entity acquires debt to finance investments, interest on that debt must be deducted from interest expense and included in the financed construction work, up to the total amount of such interest, applying the respective rate to disbursements made at the date of submission of the financial statements. Accordingly, financial costs associated with our capital investment plan affect the amount of interest expense recorded in the income statement and are reported along with the work in progress under the line item "property, plant and equipment" in our statement of financial position.

## 7.5. Financial aspects

### a) Currency risks

Our revenues are largely linked to the evolution of the local currency. As a result, our debt is primarily issued in local currency so we do not have significant foreign currency risks.

### b) Interest rate risks

As of December 31, 2020, the interest rate risk held by Aguas Andinas S.A. was 92.6% at a fixed rate and 7.4% at a variable rate. The fixed-rate debt is made up of: issues of short and long-term bonds (68.8%), reimbursable financial contributions (19.3%), bank loans (11.5%) and lease liabilities (0.4%), while the variable-rate debt corresponds to loans with domestic banks.

As of December 31, 2019, the interest rate risk held by Aguas Andinas S.A. was 88.9% at a fixed rate and 11.1% at a variable rate. The fixed-rate debt is made up of: issues of short and long-term bonds (78.8%), reimbursable financial contributions (20.8%) and lease liabilities (0.4%), while the variable-rate debt corresponds to loans with domestic banks.

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

All this favorable situation has meant that the credit rating agencies have assigned us a risk rating of AA+ for long-term debt. In the case of shares, Feller Rate and ICR assigned us a classification of first-class level 1 for series A and first-class level 4 for series B.





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# Summarized Financial Statements

## Aguas Cordillera and subsidiary 12-2020

*Fiscal year ended December 31, 2020*





## Note 1. General information

Aguas Cordillera S.A. (hereinafter the "Company") and its subsidiary are part of the Aguas Andinas Group (hereinafter the "Group"). Its legal domicile is Avenida Presidente Balmaceda No 1398, Santiago, Chile and its taxpayer's identification number is 96.809.310-K.

Aguas Cordillera S.A. was incorporated as an open stock corporation by public deed on April 22, 1996 in Santiago, before the Notary Public Mr. Rene Benavente Cash. An excerpt of the by-laws was published in the Official Gazette on May 4, 1996 and ratified on May 9 of the same year, being registered in the Registry of Commerce on page 14,143, No. 8,258 and ratified on page 11,059, No. 8,996 both in 1996 of Santiago Real Estate Registry.

The Company and its subsidiary Aguas Manquehue S.A.'s corporate purpose, as established in article two of its bylaws, is the provision of sanitary services, which includes the construction and operation of public utilities to produce and distribute potable water and collect and dispose of wastewater. Its current concession area is distributed in the districts of Vitacura, Las Condes, Lo Barnechea, Colina and Lampa.

Aguas Cordillera S.A. and its subsidiary Aguas Manquehue S.A. are registered in the Special Registry of Reporting Entities of the Superintendence of Securities and Insurance under No. 170 and No. 2, respectively. As sanitary sector companies, they are supervised by the Superintendence of Sanitary Services, in accordance with Law No. 18,902 and Decrees with Force of Law No. 382 and No. 70, both of 1988.

For the purposes of preparing consolidated financial statements, a group is deemed to exist when the parent company has one or more subsidiaries, over which the parent company has control either directly or indirectly. The accounting policies applied in the preparation of the Group's consolidated financial statements are detailed in Note 2.2.

The direct controlling entity is Aguas Andinas S.A., whose direct controlling entity is Inversiones Aguas Metropolitanas S.A. ("IAM"), a corporation controlled by Suez Inversiones Aguas del Gran Santiago Ltda. ("IAGSA"), which is controlled by Suez Andinas S.A., its controller is Suez Spain, S.L., a company based in Spain and one of the largest operators of water utility services in the world, which in turn is controlled by Suez Groupe S.A.S. (France).

## Note 2. Preparation basis and accounting policies

### 2.1 Preparation basis

These consolidated financial statements correspond to the consolidated statements of financial position as of December 31, 2020 and the consolidated statements of comprehensive income, changes in net equity and cash flows for the years ended at that date, which have been prepared in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (hereinafter "IASB"), and represent the full, explicit and unreserved adoption of the aforementioned IFRS.

The Group complies with the legal conditions of the environment in which it operates, in particular the water utility Subsidiaries with respect to the regulations pertaining to the water utility sector. Aguas Cordillera and its subsidiary present normal operating conditions in each area in which they develop their activities, their projections show a profitable operation and they have the capacity to access the financial system to finance their operations, which in the opinion of management determines their capacity to continue as a going concern, as established in the accounting standards under which these consolidated financial statements are issued.

### Functional and presentation currency

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

### New accounting pronouncements

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

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Standards and Interpretations	Date of mandatory enforcement
Conceptual framework	Annual periods beginning on or after January 1, 2020

Amendments	Date of mandatory enforcement
IFRS 3, Business combinations - Definition of a business	Annual periods beginning on or after January 1, 2020
IAS 1, Presentation of financial statements and IAS 8, Investments in associated companies - Definition of material	Annual periods beginning on or after January 1, 2020
IFRS 9, IAS 39 and IFRS 7 Financial Instruments - Reference Rate Reform	Annual periods beginning on or after January 1, 2020
IFRS 16, Leases - Rent reductions related to Covid-19	Annual periods beginning on or after January 1, 2020

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

Standards and Interpretations	Date of mandatory enforcement
IFRS 17, Insurance Contracts	Annual periods beginning on or after January 1, 2023

Amendments	Date of mandatory enforcement
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Benchmark Interest Rate Reform - Phase 2	Annual periods beginning on or after January 1, 2021
IFRS 3, Business Combinations - Reference to the Conceptual Framework	Annual periods beginning on or after January 1, 2022
IFRS 16, Leases - Property, plant and equipment: proceeds obtained before intended use	Annual periods beginning on or after January 1, 2022
IAS 37, Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - cost of fulfilling a contract	Annual periods beginning on or after January 1, 2022
IAS 1, Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current	Annual periods beginning on or after January 1, 2023
IFRS 10 and IAS 28, Consolidated Financial Statements - sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Company's management considers that the adoption of the aforementioned Standards, Amendments and Interpretations, which could be applied to Aguas Cordillera S.A. and Subsidiary, is in the process of being assessed and it is estimated that, to date, they would not have a significant impact on the Company's consolidated financial statements in the period of their first application. Management is periodically assessing these implications.

### Responsibility for the information and estimates made

The information contained in these consolidated financial statements is the responsibility of the Company's Board of Directors, which states that all principles and criteria included in International Financial Reporting Standards (IFRS) have been applied. The Board of Directors, at its meeting held on March 21, 2021, approved these consolidated financial statements.

The consolidated financial statements of Aguas Cordillera S.A. and Subsidiary corresponding to fiscal year 2019 were approved by its Board of Directors in a session held on March 21, 2020.



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

- Useful life of property, plant and equipment and intangibles
- Impairment losses on assets
- Assumptions used in the actuarial calculation of employee termination benefits
- Assumptions used for the calculation of the fair value of financial instruments
- Income from supplies pending billing
- Provisions for commitments to third parties
- Risks arising from current litigation

Although these estimates and judgments were made on the basis of the best information available at the date of issuance of these consolidated financial statements, it is possible that events that may occur in the future, such as what happened in this period regarding Covid-19, as may require them to be modified (upwards or downwards) in future periods which would be recorded prospectively, when the variation is known, recognizing the effects of such changes in the corresponding future consolidated financial statements.

## 2.2 Accounting policies

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

### A. BASIS OF CONSOLIDATION

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

All transactions, balances, gains and losses between Group entities are eliminated on consolidation.

The Company and its Subsidiary have uniformity in the policies used.

The subsidiaries included in the consolidated financial statements of Aguas Cordillera S.A. are the following:

Aguas Cordillera S.A. consolidates only with Aguas Manquehue S.A., in the other companies it has a direct and/or indirect non-controlling interest.

Tax ID	Company Name	Direct %	Indirect %	Total 2020 %	Direct %	Indirect %	Total 2019 %
89,221,000-4	Aguas Manquehue S.A.	99.99957	0.00000	99.99957	99.99957	0.00000	99.99957
96,945,219-8	EcoRiles S.A.	0.96154	0.00000	0.96154	0.96154	0.00000	0.96154
96,828,120-8	Gestión y Servicios S.A.	2.15217	0.00000	2.15217	2.15217	0.00000	2.15217
96,967,550-1	Análisis Ambientales S.A.	1.00000	0.00000	1.00000	1.00000	0.00000	1.00000
76,190,084-6	Aguas del Maipo S.A.	8.37904	8.97100	17.35004	8.37904	8.97100	17.35004

### B. INTANGIBLE ASSETS OTHER THAN GOODWILL

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

#### i. Separately acquired intangible assets:

Separately acquired intangible assets are shown at cost less accumulated amortization and accumulated impairment losses. Amortization is calculated on a straight-line basis over the estimated useful lives. The estimated useful lives and the amortization method are reviewed at the end of each statement of financial position, with the effect of any changes in the estimate recorded prospectively.

#### ii. Amortization method for intangibles:

##### Intangibles with a defined useful life

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

##### Software

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

##### Intangibles of indefinite useful life

Intangible assets with indefinite useful lives correspond mainly to water and easement rights, which were obtained indefinitely, as established in the acquisition contracts and the rights obtained from the Directorate General of Water, dependent on the Ministry of Public Works.



## Determination of useful life

The factors to be considered for the estimation of the useful life are, among others, the following:

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

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

## C. PROPERTY, PLANT AND EQUIPMENT

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

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

## Depreciation method and estimated useful life for properties, plant and equipment:

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

When the value of an asset exceeds its estimated recoverable amount, its value is immediately reduced to its recoverable amount (Note 26).

## Useful lives

The useful lives considered for the purposes of calculating depreciation are based on technical studies prepared by specialized external companies, which are reviewed to the extent that background information emerges that would allow the useful life of an asset to be considered modified.

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

1. Nature of the materials that make up the equipment or construction.
2. Means of operation of the equipment
3. Intensity of use
4. Legal, regulatory or contractual limitations.

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

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





### Cost estimate policy for dismantling, decommissioning or restoration of property, plant and equipment:

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

### Property, plant and equipment sales policy

The result from the sale of property, plant and equipment is calculated by comparing the income obtained with the carrying amount and is recorded in the Consolidated Statement of Comprehensive Income.

## D. IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS OTHER THAN GOODWILL

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

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

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

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

## E. LEASES

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

When the Company and its subsidiary act as a lessee, at the beginning of the lease (i.e. on the date the underlying asset is available for use) it records in the statement of financial position an asset for the right of use and a liability for the lease.

The Company and its Subsidiary initially recognize the usage right assets at cost, adjusted by any new measurement of the lease liability, less accumulated depreciation and accumulated impairment losses. The usage right assets is depreciated over the term of the lease. To determine whether the right-of-use asset is impaired, the same criteria detailed in Note 2.D is applied.

The lease liability is initially measured at the present value of the lease payments, discounted at the company's incremental lending rate, if the interest rate implicit in the lease cannot be easily determined.

After the start date, the lease liability is increased to reflect the accumulation of interest and is reduced by the lease payments made. In addition, the carrying value of the liability is remeasured if there is a change in the terms of the lease (changes in the term, in the amount of the payments or in the assessment of an option to purchase or change in the amounts to be paid). Interest expense is recognized as a financial cost in the result of the period.

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

When the company acts as the lessor, it classifies at the beginning of the agreement whether the lease is an operating or finance lease, based on the essence of the transaction. Leases that transfer substantially all the risks and rewards incidental to ownership of the underlying asset are classified as finance leases. All other leases are classified as operating leases.

## F. FINANCIAL ASSETS

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

Financial assets are classified in the following categories:

- Financial assets at fair value with changes in results
- Financial assets at fair value with changes in comprehensive results
- Financial assets at amortized cost

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

Aguas Cordillera S.A. and its Subsidiary invest in low-risk instruments, which comply with classification standards established in their investment policies. Thus, mutual investment funds must have an AAfm / M1 rating (Quotas with very high protection against loss, associated with credit / quotas risks with the lowest sensitivity to changes in economic conditions). Fixed-term deposits and covenants, contracted are instruments with a N-1 classification (Instruments with the highest capacity to pay the capital and interest in the terms and conditions agreed).



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

### **i. Effective interest rate method**

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

### **ii. Fair value with changes in other comprehensive income**

For the classification of an asset with fair value through other comprehensive income, the selling of financial assets for which the principal amount is expected to be recovered in a given period of time in addition to interest, if applicable, must be complied with as a principle.

### **iii. Financial assets at fair value with changes in results**

Financial assets are presented at fair value through results when the financial asset is held for trading or is designated as at fair value with changes in results.

Financial assets at fair value with changes in results are measured at fair value and any resulting gains or losses are recognized in profit or loss. The net gain or loss recognized in income includes any dividends or interest received on the financial asset.

The subsidiary Aguas Manquehue S.A. hold shares in Sociedad Eléctrica Puntilla S.A., which have been measured at fair value at the date of acquisition in accordance with IFRS 9. They are subsequently measured at cost since there is no active market in accordance with the provisions of the same standard.

### **iv. Financial assets at amortized cost**

#### **Loans and accounts receivable**

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

#### **Trade debtors and other accounts receivable**

Trade debtors correspond to the amounts billed for consumption of potable water, sewage services, wastewater treatment and other services and to the earned income from consumption between the date of

the last meter reading (according to the established monthly calendar) and the closing date of the Financial Statement. These are recorded at the net value of the estimated bad debts or those with a low probability of being collected.

Trade debtor policy is subject to the credit policy, which establishes the payment conditions, as well as the different scenarios to be agreed upon for delinquent customer.

### **Policy on impairment of trade debtors and other accounts receivable**

The Company periodically assesses the losses in value affecting its financial assets. The amount is recorded in the uncollectible provisions account. The carrying amount of the asset is reduced as the provision account is used and the loss is recognized in the consolidated statement of comprehensive income under "other expenses". When an account receivable is uncollectible, it is recorded against the provision account for accounts receivable based on credit loss model expected according to IFRS 9.

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

In Aguas Cordillera S.A. and its subsidiary Aguas Manquehue S.A., the debt of customers with more than 8 balances is 100% provisioned. The debts for consumption transformed into payment agreements are provisioned at 100% of the agreed balance.

Provisions are made for 100% of notes receivable that are overdue.

### **G. INVENTORIES**

Materials, spare parts, and supplies are presented at acquisition cost, which does not exceed net realizable value. The costing method corresponds to the weighted average cost. Every six months, an estimate of impairment is made for those materials that are damaged, partially or totally obsolete, or have had no turnover during the last twelve months and their price in the market has fallen by more than 20%.

### **H. DIVIDEND POLICY**

The Company's dividend policy, as ratified at the ordinary shareholders' meeting held on April 20, 2017, is to maintain as its dividend distribution policy the distribution of 50% of the net profits for the corresponding fiscal year, that is, 30% as a mandatory dividend and the remaining 20% as an additional dividend.

In addition to this and with the prior authorization of the Ordinary Shareholders' Meeting, the remaining 50% may be distributed as an additional dividend, provided that the current level of capitalization of the Company is maintained and that it is compatible with the investment policies.



## I. FOREIGN CURRENCY TRANSACTIONS

Assets and liabilities in foreign currencies are presented at the respective financial year-end exchange rates, according to the following parities:

Currency	31-12-2020 CLP	31-12-2019 CLP
US Dollar	710.95	748.74
Euro	873.3	839.58

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency gains and losses resulting from the liquidation of these transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of comprehensive income.

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

## J. FINANCIAL LIABILITIES

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

## K. PROVISIONS AND CONTINGENT LIABILITIES

Provisions are recognized when Aguas Cordillera S.A. and Subsidiary have a present obligation resulting from past events, for which it is probable that use resources to settle the obligation and for which it can make a reasonable estimate of the amount of the obligation.

Provisions are quantified taking into consideration the best available information on the event and its consequences and are re-estimated at the time of each accounting close. The provisions recorded are used to address the specific risks for which they were originally recognized and are revised, in full or in part, when these risks disappear or diminish.

Contingent liabilities are all possible obligations arising from past events, the future materialization of which and the associated loss in equity is considered to be of low probability. In accordance with IFRS, Aguas Cordillera S.A. and Subsidiary do not recognize any provision for these items, although, as required by the same standard, they are detailed in Note 15.

## L. EMPLOYEE BENEFITS

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

Severance package in Aguas Cordillera S.A., and Aguas Manquehue S.A., is governed by the provisions of the Labor Code, except for the amount of severance pay for all events accrued as of December 31, 2002, and the payment for termination of one salary without limit of amount or years, for workers who are part of the collective bargaining agreements in force and to whom the same benefit was extended through their individual work contract. The amount for any event accumulated at that date is readjusted quarterly according to the variation of the consumer price index. In addition, the aforementioned collective bargaining agreements provide that workers who retire from Aguas Cordillera S.A. and Aguas Manquehue S.A. continue to accrue this benefit after December 2002.

Advances granted to personnel against these funds are presented net of current obligations. They will be charged to the final liquidation on an adjusted basis, in accordance with the stipulations of the aforementioned agreements.

## M. SHARE-BASED PAYMENT RESERVE

In accordance with IFRS 2, the Group has recognized an expense (personnel costs) corresponding to the benefits granted by the Suez Parent to the employees of all subsidiaries worldwide, in the form of share-based payments, in consideration for services rendered, which benefit was subscribed by the employees of Aguas Cordillera and its subsidiary. These services are valued at the fair value of the instruments awarded and the effects are described in Note 19.

The share purchase plans implemented by the Suez controller for employees of subsidiaries around the world allow employees to subscribe to Company shares at a lower cost than the market. The fair value of instruments awarded under employee share purchase plans is estimated at the grant date based on the value of this discount granted to employees and the vesting period applicable to the share subscribed. As this is a service provided by employees to each subsidiary, in accordance with IFRS 2, Aguas Cordillera and its subsidiary recognize the cost of the agreement as an expense for the year, which is offset by a credit to equity.

## N. INCOME TAX AND DEFERRED TAXES

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



The income tax payable is determined based on the taxable income of the period. The income tax payable by Aguas Cordillera S.A. and its Subsidiary is calculated using the tax rates that have been approved, or are in the final process of approval, on the closing date of the statement of financial position.

Deferred taxes are recognized on the basis of the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the calculation of the tax result and are accounted for in accordance with the balance sheet liability method. Deferred tax liabilities are recognized for all taxable temporary differences, and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the differences can be utilized. No deferred tax assets or liabilities are recognized if the temporary differences arise from the initial recognition (except in a business combination) of other assets and liabilities in a transaction that does not affect either taxable profit or financial performance.

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

Deferred tax assets and liabilities are measured at the tax rates expected to apply in the period when the liability is settled or the asset is realized, based on tax rates that have been approved, or the approval process is substantially completed, at the end of the period of the statement of financial position. The measurement of deferred tax assets and liabilities reflects the tax consequences that would arise from the manner in which Aguas Cordillera S.A. and its Subsidiary expect, at the reporting date, to recover or settle the carrying value of its assets and liabilities.

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

## O. ORDINARY INCOME

### Revenue recognition policy

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

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

### Revenue recognition policy for sales of goods

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

### Revenue recognition policy for sales of services

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

The service area of the Water Utility Companies is divided into billing groups, which determines dates for readings and subsequent billing. This process is developed on the basis of a monthly calendar, which means that at the end of each month there is unread consumption and therefore not billed.

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

In those cases, where the Company and its subsidiary do not have all of the consumption read, the best estimate of the income pending billing will be made, that is, based on physical data from the previous month valued at the current rate, considering in both cases (billing or estimate) normal rate or over-consumption as appropriate.

The transfer of risks and benefits varies according to the business line. For the companies of Water Utility Services, the provision of services and all its associated charges are made according to the real consumption and a monthly provision is made on the consumptions made and not billed on the basis of previous invoicing.

### Method for determining completion of service status

The provision of water utility services is verified by measuring consumption, in accordance with the provisions of the associated legal regulations.

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



## P. INFORMATION ON ENVIRONMENT

Assets of an environmental nature are considered to be those used on a lasting basis in the activity of the Company and its Subsidiary, the main purpose of which is to minimize adverse environmental impacts and to protect and improve the environment, including the reduction or elimination of future pollution from the operations of Aguas Cordillera S.A. and its Subsidiary.

These assets are valued, like any other asset, at acquisition cost. The Company and its Subsidiary depreciate these assets on a straight-line basis over the remaining years of estimated useful life of the various assets.

## Q. CONSOLIDATED STATEMENTS OF CASH FLOW

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

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

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

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

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

## R. CONSTRUCTION CONTRACTS

For construction contracts, Aguas Cordillera S.A. and its Subsidiary use the "Percentage of Completion Method" to recognize income and expenses relating to a contract in progress. Under this method, contract income is compared with contract costs incurred at the stage of completion, thereby disclosing the amount of income from ordinary activities, expenses and profits that can be attributed to the portion of the contract executed.

Contract costs are recognized when incurred. When the outcome of a construction contract can be reliably estimated and it is probable that the contract will be profitable, contract income is recognized over the period of the contract. When it is probable that total contract costs will exceed total contract income, the estimated loss is immediately recognized as an expense for the year. When the outcome of a construction contract cannot be estimated with sufficient reliability, contract incomes are recognized only up to the extent of contract costs incurred that it is probable that they will be recovered.

Aguas Cordillera S.A. and its Subsidiary present as an asset the gross amount owed by customers for work on all contracts in progress for which the costs incurred plus recognized profits (less recognized losses) exceed partial turnover. Unpaid partial billings from customers and withholdings are included in "Commercial debtors and other accounts receivable".

Aguas Cordillera S.A. and its Subsidiary present as a liability the gross amount owed to customers for work on all contracts in progress for which partial billing exceeds costs incurred plus recognized profits (less recognized losses).

## S. CAPITALIZED FINANCING COSTS

### Policy on interest-bearing loans:

Loan costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of those assets.

### Policy on capitalization of interest costs:

Interest paid or accrued on debts that finance qualified assets is capitalized, as required by IAS 23. IAS 23 establishes that when the entity acquires debt to finance investments, the interest on that debt must be deducted from interest expense and incorporated into the financed construction work, up to the total amount of such interest, applying the respective rate to disbursements made at the date of presentation of the financial statements.

## T. NON-CURRENT ASSETS HELD FOR SALE OR FOR DISTRIBUTION TO OWNERS

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

Assets or groups subject to divestiture classified as held for sale are valued at the lower of their carrying amount or fair value less selling costs and are no longer amortized from the moment they acquire this classification.

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





Assets in a single item called "Non-current assets or groups of assets for disposal classified as held for sale". Liabilities that are part of a group of assets for disposal classified as held for sale will be presented in the statement of financial position separately from other liabilities, i.e. in the item "Liabilities included in groups of assets for disposal classified as held for sale". These assets and liabilities will not be offset, nor will they be presented as a single amount.

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

## U. RECLASSIFICATIONS

For the year ended December 31, 2020, certain reclassifications have been made to facilitate comparison on December 31, 2019, as follows:

Reclassifications	"Increase/(Decrease) Th\$"
<b>Statement of financial position:</b>	
Properties, plant and equipment	(406,175)
Usage rights assets	406,175
Other current financial liabilities	(161,043)
Current lease liabilities	161,043
Other non-current financial liabilities	(246,730)
Non-current lease liabilities	246,730

## V. CHANGE IN ACCOUNTING POLICY

As of September 30, 2020, the Company and its Subsidiary decided to use the revaluation model for the asset class "Land" classified within the property, plant and equipment group. Thus, the value of this asset class will be periodically updated according to its market value. The prospective application of this policy implied an increase in value in the property, plant and equipment group of Th\$74,258,524. (See Note 10)

## Aguas Cordillera S.A. and Subsidiaries

### General Background

<b>Name:</b>	Aguas Cordillera S.A.
<b>Type of entity:</b>	Open Stock Corporation
<b>Legal address:</b>	Avenida Presidente Balmaceda N° 1398, Santiago Chile
<b>Telephone:</b>	(56-2) 569 2500
<b>Fax:</b>	(56-2) 569 2509
<b>Single Tax Role (RUT):</b>	96,809,310-K
<b>Mailbox:</b>	1818 Santiago- centro
<b>Business line:</b>	Collection, purification, distribution of potable water and wastewater disposal.
<b>Subscribed and paid-in capital:</b>	M\$ 153,608,183
<b>External auditors:</b>	Ernst & Young
<b>Single Tax Role (RUT):</b>	77,802,430-6

### Corporate purpose

The corporate purpose of the Company and its subsidiary Aguas Manquehue S. A., as established in article two of its bylaws, is the provision of sanitary services, which includes the construction and operation of public utilities to produce and distribute potable water and collect and dispose of wastewater. Its current concession area is distributed in the districts of Vitacura, Las Condes, Lo Barnechea, Colina and Lampa.



## Constitutive Documents

The company was incorporated on April 22, 1996, through a public deed granted at the Santiago Notary Office of Mr. René Benavente Cash, an extract of the bylaws was registered in the Registry of Commerce of Santiago Real Estate Registry of that year, on page 14,143, No. 8,258 and ratified on page 11,059, No. 8,996, both of 1996, published in the Official Gazette on May 4, 1996, ratified on May 9, 1996.

The Company is registered in the Special Registry of reporting entities of the Superintendence of Securities and Insurance under No. 170. As a sanitary sector company, it is supervised by the Superintendence of Sanitary Services, in accordance with Law No. 18,902 and DFL No. 382 and No. 70, both of 1988.

## Board

**Chair:** Marta Colet Gonzalo

**Regular Directors:** Camilo Larraín Sánchez (Vicechair)

Iván Yarur Sairafi

Daniel Tugues Andrés

José Sáez Albornoz

**General Manager:** Eugenio Rodríguez Mingo

## Percentage of parent company:

99,99003% direct

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

The investment in the company represents the proportion of 15.60%.

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

During the business year ended December 31, 2020, the Company maintained contracts for interconnection of potable water and wastewater, leases, purchase and sales of materials with its parent company, which are paid within a maximum period of 30 days. Similar commercial relationships are expected to be maintained in the future.

Statements of financial position	2020 Th\$	2019 Th\$
<b>ASSETS</b>		
Current assets	18,593,041	20,489,459
Non-current assets	398,580,857	312,222,909
<b>Total Assets</b>	<b>417,173,898</b>	<b>332,712,368</b>
<b>LIABILITIES</b>		
Current liabilities	69,051,362	53,321,458
Non-current liabilities	91,704,771	74,100,996
Equity	256,417,513	205,289,676
Minority interests	252	238
<b>Total Liabilities and Equity</b>	<b>417,173,898</b>	<b>332,712,368</b>
<b>STATEMENT OF COMPREHENSIVE RESULTS</b>		
Ordinary income	70,582,730	74,177,612
Cost of operation	(46,054,414)	(42,650,910)
Financial result	(1,274,458)	(2,009,866)
Other than the operation	(1,309,387)	(1,474,514)
Income tax	(4,535,997)	(6,652,461)
Minority interest	(14)	(23)
<b>Profit attributable to owners of controlling company</b>	<b>17,408,460</b>	<b>21,389,838</b>
<b>STATEMENT OF CASH FLOW</b>		
Cash flows provided by (used in) operating activities	27,225,039	35,731,053
Cash flows provided by (used in) investing activities	(21,261,540)	(12,376,686)
Cash flows from (used in) financing activities	(7,318,788)	(18,993,227)
Net increase (decrease) in cash and cash equivalents	(1,355,289)	4,361,140
Cash and cash equivalents at beginning of period	5,096,793	735,653
<b>Cash and cash equivalents at the end of the period</b>	<b>3,741,504</b>	<b>5,096,793</b>
<b>STATEMENT OF CHANGES IN EQUITY</b>		
Issued capital	153,608,183	153,608,183
Other equity interests	(61,060,426)	(61,060,426)
Retained earnings (loss)	109,643,595	112,741,919
Non-controlling interests	252	238
<b>Total equity</b>	<b>202,191,604</b>	<b>205,289,914</b>



## Note 6. Information to be disclosed about related entities

### Balances and transactions with related entities

Transactions between the Company and its Subsidiary are carried out on an arm's length basis. These transactions have been eliminated on consolidation and are not disclosed in this note.

### Balances and transactions with related entities

Accounts receivable from related parties are originated in Chile, the type of currency of transactions is in Chilean pesos, maturities are 30 days and there are no guarantees.

Tax ID related company	Related company name	Nature of relationship	Nature of transactions with related parties	Terms	Guarantees	31-12-2020 Th\$	31-12-2019 Th\$
61,808,000-5	Aguas Andinas S.A.	Controller	Collections, sale of materials, lease guarantees, contract for potable water and sewage interconnections without interest, short term loan in pesos	30 days	Without guarantees	91,807	156,833
61,808,000-5	Aguas Andinas S.A.	Controller	Lease guarantee	30 days	Without guarantees	1,116	5,569
96,945,210-3	Ecoriles S.A.	Related to the controller	Provision for dividends	30 days	Without guarantees	5,824	5,313
96,967,550-1	Análisis Ambientales S.A.	Related to the controller	Provision for dividends	30 days	Without guarantees	3,174	3,207
96,828,120-8	Gestión y Servicios S.A.	Related to the controller	Provision for dividends	30 days	Without guarantees	796	1,240
96,828,120-8	Gestión y Servicios S.A.	Related to the controller	Sale of materials	30 days	Without guarantees	-	3,073
<b>Total</b>						<b>102,717</b>	<b>175,235</b>



## Accounts payable to related entities

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

Tax ID related company	Related company name	Nature of relationship	Nature of transactions with related parties	Terms	Guarantees	31-12-2020 Th\$	31-12-2019 Th\$
61,808,000-5	Aguas Andinas S.A.	Controller	Sewage interconnections, potable water interconnections, collections payable and real estate leases.	30 days	Without guarantees	3,938,425	7,340,428
61,808,000-5	Aguas Andinas S.A.	Related to the controller	Loans and interest payable	30 days	Without guarantees	31,094,653	16,691,401
61,808,000-5	Aguas Andinas S.A.	Controller	Dividend payable to Aguas Andinas S.A.	30 days	Without guarantees	5,131,107	6,416,319
96,828,120-8	Gestión y Servicios S.A.	Related to the controller	Sale of materials	30 days	Without guarantees	-	10,209
96,828,120-8	Gestión y Servicios S.A.	Related to the controller	Leak Detection and Repair	30 days	Without guarantees	2,010	-
96,828,120-8	Gestión y Servicios S.A.	Related to the controller	Meter Verification Contract	30 days	Without guarantees	65	96
96,945,210-3	Ecoriles S.A.	Related to the controller	San Antonio Project	30 days	Without guarantees	86,344	86,344
96,967,550-1	Análisis Ambientales S.A.	Related to the controller	Laboratory analysis and sampling services	30 days	Without guarantees	69,644	112,807
76,080,553-K	Suez Advanced Solutions Chile Ltda.	Related to the controller	Virtual platform	30 days	Without guarantees	4,341	4,446
76,080,553-K	Suez Advanced Solutions Chile Ltda.	Related to the controller	Process reengineering and implementation of new information systems for customer service.	30 days	Guarantee faithful fulfillment of contract for Th\$ 845,149	3,605	59,693
76,080,553-K	Suez Advanced Solutions Chile Ltda.	Related to the controller	Specialized customer service	30 days	Without guarantees	18,254	-
77,441,870-9	Suez Medioambiente Chile S.A.	Related to the controller	San Antonio Arsenic Plant	30 days	Contract compliance guarantee Amount UF24,264	-	249,326
77,441,870-9	Suez Medioambiente Chile S.A.	Related to the controller	Chamisero Plant	30 days	Contract compliance guarantee Amount UF66,809,74	-	350,000
<b>Total</b>						<b>40,348,448</b>	<b>31,321,069</b>



## Transactions with related entities

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

Tax ID related company	Related company name	Nature of relationship	Country of Origin	Nature of transactions with related parties	Currency Type	Currents Th\$			
						31-12-2020		31-12-2019	
						Amount	Effects on Result (Charge) / Credit	Amount	Effects on Result (Charge) / Credit
76,080,553-K	Suez Advanced Solutions Chile Ltda	Related to the controller	CL	Purchase of materials and maintenance of Siebel and Aquacis virtual platform, consulting and evolutionary maintenance.	CL	259,720	(211,255)	158,632	(119,285)
77,441,870-9	Suez Medioambiente Chile S.A.	Related to the controller	CL	Chamisero Plant	CL	423,119	-	1,460,329	-
77,441,870-9	Suez Medioambiente Chile S.A.	Related to the controller	CL	San Antonio Arsenic Plant	CL	2,658	-	680,571	-
70,009,410-3	Asociación de Canalistas del Canal del Maipo	Common Director	CL	Lease of water rights Batuco Canal	CL	74,948	(62,981)	132,420	-
61,808,000-5	Aguas Andinas S.A.	Controller	CL	Drinking water and sewage interconnections	CL	16,452,811	(19,009,879)	17,592,727	(14,799,521)
96,967,550-1	Análisis Ambientales S.A.	Related to the controller	CL	Laboratory services	CL	672,897	(569,282)	277,689	(277,689)
61,808,000-5	Aguas Andinas S.A.	Controller	CL	Obtaining Loans	CL	22,090,000	-	20,213,000	-
61,808,000-5	Aguas Andinas S.A.	Controller	CL	Loan payment	CL	(8,150,000)	-	(16,890,000)	-
61,808,000-5	Aguas Andinas S.A.	Controller	CL	Loan payment	CL	(21,387,705)	-	(18,306,401)	-

The materiality criterion for reporting transactions with related entities is for amounts in excess of the cumulative Th\$100,000.





Compensation paid to directors of Aguas Cordillera S.A. are:

Aguas Cordillera S.A.	31-12-2020 Th\$	31-12-2019 Th\$
Board	-	12,752
Total	-	12,752

Correspond only to fees associated with their functions as defined and agreed at the Ordinary Shareholders' Meeting. As of fiscal year 2020, it was agreed that the directors would not receive remuneration for this work.

**Details of related entities and transactions with related entities between Directors and Executives**

The Company's management is not aware of the existence of transactions between related parties and directors and/or executives, other than their allowances and compensation.

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FINANCIAL



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FINANCIAL

# Summarized Financial Statements

## Aguas del Maipo 12-2020

*Fiscal year ended December 31, 2020*





## Note 1. Preparation basis and accounting policies

### 1.1 Preparation basis

These financial statements correspond to the consolidated statements of financial position as of December 31, 2020 and 2019 and the statements of results, changes in net equity and cash flows for the years ended at that date, which have been prepared in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (hereinafter "IASB"), and represent the full, explicit and unreserved adoption of the aforementioned IFRS.

The Company complies with the legal conditions of the environment in which it operates, presents normal operating conditions in each area in which they develop their activities, their projections show a profitable operation and they have the capacity to access the financial system to finance their operations, which in the opinion of management determines their capacity to continue as a going concern, as established in the accounting standards under which these financial statements are issued.

### Functional and presentation currency

The financial statements are presented in the currency of the main economic environment in which the Company operates (functional currency). For purposes of the financial statements, the results and financial position of the Company are expressed in Chilean pesos (rounded to thousands of pesos), which is the functional currency of the Company and the presentation currency for the financial statements.

### New accounting pronouncements

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

Standards and Interpretations	Date of mandatory enforcement
Conceptual framework	Annual periods beginning on or after January 1, 2020

Amendments	Date of mandatory enforcement
IFRS 3, Business combinations - Definition of a business	Annual periods beginning on or after January 1, 2020
IAS 1, Presentation of financial statements and IAS 8, Investments in associated companies - Definition of material	Annual periods beginning on or after January 1, 2020
IFRS 9, IAS 39 and IFRS 7 Financial Instruments - Reference Rate Reform	Annual periods beginning on or after January 1, 2020
IFRS 16, Leases - Rent reductions related to Covid-19	Annual periods beginning on or after January 1, 2020*

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

Standards and Interpretations	Date of mandatory enforcement
IFRS 17, Insurance Contracts	Annual periods beginning on or after January 1, 2023

Amendments	Date of mandatory enforcement
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Benchmark Interest Rate Reform - Phase 2	Annual periods beginning on or after January 1, 2021
IFRS 3, Business Combinations - Reference to the Conceptual Framework	Annual periods beginning on or after January 1, 2022
IFRS 16, Leases - Property, plant and equipment: proceeds obtained before intended use	Annual periods beginning on or after January 1, 2022
IAS 37, Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - cost of fulfilling a contract	Annual periods beginning on or after January 1, 2022
IAS 1, Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current	Annual periods beginning on or after January 1, 2023
IFRS 10 and IAS 28, Consolidated Financial Statements - sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Company's management considers that the adoption of the aforementioned Standards, Amendments and Interpretations, which could be applied to Aguas Andinas and Subsidiaries, is in the process of being assessed and it is estimated that, to date, they would not have a significant impact on the Group's consolidated financial statements in the period of their first application. Management is periodically assessing these implications.

### Responsibility for the information and estimates made

The information contained in these consolidated financial statements is the responsibility of the Company's Board of Directors, which states that all principles and criteria included in International Financial Reporting Standards (IFRS) have been applied. The Board of Directors, at its meeting held on March 25, 2021, approved these financial statements.

The financial statements of Aguas del Maipo S.A. corresponding to fiscal year 2019 were approved by its Board of Directors in a session held on March 25, 2020.

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

- Useful life of fixed assets and intangibles
- Impairment losses on assets
- Income from supplies pending billing
- Provisions for commitments to third parties

Although these estimates and judgments were made on the basis of the best information available at the date of issuance of these comparative financial statements, it is possible that events that may occur in the future, such as what happened in this period regarding Covid-19, as may require them to be modified (upwards or downwards) in future periods which would be recorded prospectively, when the variation is known, recognizing the effects of such changes in the corresponding future financial statements.

### 1.2 Accounting policies

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



## A. INTANGIBLE ASSETS OTHER THAN GOODWILL

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

### i. Separately acquired intangible assets:

Separately acquired intangible assets are shown at cost less accumulated amortization and accumulated impairment losses. Amortization is calculated on a straight-line basis over the estimated useful lives. The estimated useful lives and the amortization method are reviewed at the end of each statement of financial position, with the effect of any changes in the estimate recorded prospectively.

### ii. Amortization method for intangibles:

#### Intangibles with a defined useful life

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

#### Software

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

#### Intangibles of indefinite useful life

Intangible assets with indefinite useful lives correspond mainly to water rights, which were obtained indefinitely, as established in the acquisition contracts and the rights obtained from the Directorate General of Water, dependent on the Ministry of Public Works.

#### Determination of useful life

The factors to be considered for the estimation of the useful life are, among others, the following:

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

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

## B. PROPERTY, PLANT AND EQUIPMENT

The Company uses the cost method for the valuation of Property, Plant and Equipment. The historical cost includes expenses that are directly attributable to the acquisition of the good.

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

### Depreciation method and estimated useful life for properties, plant and equipment:

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

When the value of an asset exceeds its estimated recoverable amount, its value is immediately reduced to its recoverable amount.

### Useful lives

The useful lives considered for the purposes of calculating depreciation are based on technical studies prepared by specialized external companies, which are reviewed to the extent that background

information emerges that would allow the useful life of an asset to be considered modified.

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

1. Nature of the materials that make up the equipment or construction.
2. Means of operation of the equipment.
3. Intensity of use.
4. Legal, regulatory or contractual limitations.

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

Item	Minimum useful life (years)	Maximum useful life (years)
Buildings	25	25
Machinery	7	15
Wastewater treatment plants	10	15
Other facilities	10	40

### Cost estimate policy for dismantling, decommissioning or restoration of property, plant and equipment:

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



### Fixed asset sales policy

The results from the sale of fixed assets are calculated by comparing the revenues obtained with the book value and are recorded in the statement of comprehensive income.

### C. IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS OTHER THAN GOODWILL

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

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

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

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

### D. LEASES

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

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

The Company initially recognizes the usage right assets at cost, adjusted by any new measurement of the lease liability, less accumulated depreciation and accumulated impairment losses. The usage right assets is depreciated over the term of the lease. To determine whether the right-of-use asset is impaired, the same criteria detailed in Note 2.C is applied.

The lease liability is initially measured at the present value of the lease payments, discounted at the company's incremental lending rate, if the interest rate implicit in the lease cannot be easily determined.

After the start date, the lease liability is increased to reflect the accumulation of interest and is reduced by the lease payments made. In addition, the carrying value of the liability is remeasured if there is a change in the terms of the lease (changes in the term, in the amount of the payments or in the assessment of an option to purchase or change in the amounts to be paid). Interest expense is recognized as a financial cost in the result of the period.

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

When the Company acts as the lessor, it classifies at the beginning of the agreement whether the lease is an operating or finance lease, based on the essence of the transaction. Leases that transfer substantially all the

risks and rewards incidental to ownership of the underlying asset are classified as finance leases. All other leases are classified as operating leases.

### E. FINANCIAL ASSETS

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

Financial assets are classified in the following categories:

- Financial assets at fair value with changes in comprehensive results
- Financial assets at fair value with changes in results
- Financial assets at amortized cost

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

The Company invests in low-risk instruments, which comply with classification standards established in their investment policies. Thus, mutual investment funds must have an AAfm / M1 rating (Quotas with very high protection against loss, associated with credit / quotas risks with the lowest sensitivity to changes in economic conditions). Fixed-term deposits and covenants, contracted are instruments with a N-1 classification (Instruments with the highest capacity to pay the capital and interest in the terms and conditions agreed).

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

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### i. Effective interest rate method

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

### ii. Fair value with changes in other comprehensive income

For the classification of an asset with fair value through other comprehensive income, the selling of financial assets for which the principal amount is expected to be recovered in a given period of time in addition to interest, if applicable, must be complied with as a principle.

### iii. Financial assets at fair value with changes in results

Financial assets are presented at fair value through results when the financial asset is held for trading or is designated as at fair value with changes in results.

Financial assets at fair value with changes in results are measured at fair value and any resulting gains or losses are recognized in profit or loss. The net gain or loss recognized in income includes any dividends or interest received on the financial asset.

Aguas del Maipo S.A. hold shares in Sociedad Eléctrica Puntilla S.A., which have been measured at fair value at the date of acquisition in accordance with IFRS 9. They are subsequently measured at cost since there is no active market in accordance with the provisions of the same standard.

### iv. Financial assets at amortized cost Loans and accounts receivable

Trade debtors, loans and other accounts receivable are non-derivative financial assets which have fixed or determinable payments and are not quoted in an active market and are classified as loans and accounts receivable. Loans and accounts receivable are measured at amortized cost using the effective interest rate method, less any impairment

losses, except for short-term accounts receivable where recognition of interest would be immaterial.

### Trade debtors and other accounts receivable

Trade and other receivables are initially recognized at fair value and are recorded net of allowances for doubtful accounts or those with a low probability of collection.

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

### Policy on impairment of trade debtors and other accounts receivable

The Company periodically assesses the losses in value affecting its financial assets. The amount is recorded in the uncollectible provisions account. The carrying amount of the asset is reduced as the provision account is used and the loss is recognized in the consolidated statement of comprehensive income under "other expenses". When an account receivable is uncollectible, it is recorded against the provision account for accounts receivable based on credit loss model expected according to IFRS 9.

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

Clients with debts over 120 days are provisioned at 100% of the overdue debt.

Notes receivable with overdue debt are provisioned at 100%.

### F. DIVIDEND POLICY

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

In addition to this, and with the prior authorization of the ordinary shareholders' meeting, the remaining 70% may be distributed as an

additional dividend, provided that it is maintained at the Company's current level of capitalization and is compatible with the investment policies.

### G. FOREIGN CURRENCY TRANSACTIONS

Assets and liabilities in foreign currencies are presented at the respective financial year-end exchange rates, according to the following parities:

Currency	31-12-2020 CLP	31-12-2019 CLP
US Dollar	710.95	748.74
Euro	873.30	839.58

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency gains and losses resulting from the liquidation of these transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income.

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

### H. FINANCIAL LIABILITIES

Loans and similar are initially recorded at fair value, net of transaction costs incurred. Subsequently, they are valued at amortized cost, using the effective interest rate.

### I. PROVISIONS AND CONTINGENT LIABILITIES

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

Provisions are quantified taking into consideration the best available information on the event and its consequences and are re-estimated at the time of each accounting close. The provisions recorded are used to address the specific risks for which they were originally recognized and are revised, in full or in part, when these risks disappear or diminish.



Contingent liabilities are all possible obligations arising from past events, the future materialization of which and the associated loss in equity is considered to be of low probability. In accordance with IFRS, the company does not recognize any provision for these items, although, as required by the same standard, they are detailed if any.

## J. EMPLOYEE BENEFITS

The Company has 2 workers, distributed in 1 headship and 1 technician.

### Policies on defined benefit plans

The employees of Aguas del Maipo S.A. are governed by the rules established in Articles 159, 160 and 161 of the Labor Code.

## K. INCOME TAX AND DEFERRED TAXES

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

The income tax payable is determined based on the taxable income of the period. The income tax payable by the Company is calculated using the tax rates that have been approved, or are in the final process of approval, on the closing date of the statement of financial position.

Deferred taxes are recognized on the basis of the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the calculation of the tax result and are accounted for in accordance with the balance sheet liability method. Deferred tax liabilities are recognized for all taxable temporary differences, and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the differences can be utilized. No deferred tax assets or liabilities are recognized if the temporary differences arise from the initial recognition (except in a business combination) of other assets and liabilities in a transaction that does not affect either taxable profit or financial performance.

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

Deferred tax assets and liabilities are measured at the tax rates expected to apply in the period when the liability is settled or the asset is realized,

based on tax rates that have been approved, or the approval process is substantially completed, at the end of the period of the statement of financial position. The measurement of deferred tax assets and liabilities reflects the tax consequences that would arise from the manner in which the Company expects, at the reporting date, to recover or settle the carrying value of its assets and liabilities.

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

## L. ORDINARY INCOME

### Revenue recognition policy

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

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

### Revenue recognition policy for sales of goods

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

### Revenue recognition policy for sales of services

Revenue from the sale of services is measured at fair value. Billings are made based on actual consumption or work performed of the consideration receivable, net of returns, trade discounts and rebates,

so that revenue is recognized when it is transferred to the customer and recovery is considered probable, associated costs and possible discounts for erroneous collections can be reliably estimated.

## M. INFORMATION ON ENVIRONMENT

Assets of an environmental nature are considered to be those used on a lasting basis in the activity of the Company, the main purpose of which is to minimize adverse environmental impacts and to protect and improve the environment, including the reduction or elimination of future pollution from the operations of the company.

These assets are valued, like any other asset, at acquisition cost. The Company depreciates these assets on a straight-line basis over the remaining years of estimated useful life of the various assets.

## N. CONSOLIDATED STATEMENTS OF CASH FLOW

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

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

**Operating activities:** these represent activities typical of the normal operation of the business of the Company, as well as other activities not classified as investment or financing activities.

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

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

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## O. RECLASSIFICATIONS

For the year ended December 31, 2019, certain reclassifications have been made to facilitate comparison on December 31, 2020, as follows:

### Current accounts payable to related entities

Reclassifications	Increase / (Decrease) Th\$
<b>Statement of financial position:</b>	
Usage right assets	8,782
Properties, plant and equipment	(8,782)
Current lease liabilities	2,272
Other current financial liabilities	(2,272)
Non-current lease liabilities	6,525
Other non-current financial liabilities	(6,525)

## INFORMATION TO BE DISCLOSED ABOUT RELATED ENTITIES

### Balances and transactions with related entities

Transactions between the Company and related entities are on an arm's length basis.

### Accounts receivable to related entities

Tax ID related company	Related company name	Nature of relationship	Country of Origin	Nature of transactions with related parties	Currency Type	Terms	Guarantees	Currents ( Thousand \$ )	
								dec-20	dic-19
61,808,000-5	Aguas Andinas S.A.	Controller	CL	La Farfana office lease guarantee	CLP	30 days	Without guarantees	698	679
<b>Total Accounts Receivable</b>								<b>698</b>	<b>679</b>

### Accounts payable to current related entities

Tax ID related company	Related company name	Nature of relationship	Country of Origin	Nature of transactions with related parties	Currency Type	Terms	Guarantees	Currents ( Thousand \$ )	
								dec-20	dec-19
61,808,000-5	Aguas Andinas S.A.	Controller	CL	Biogas Supply	CLP	30 days	Without guarantees	184,483	195,629
61,808,000-5	Aguas Andinas S.A.	Controller	CL	Loan	CLP	30 days	Without guarantees	5,411,500	5,506,500
61,808,000-5	Aguas Andinas S.A.	Controller	CL	Interest	CLP	30 days	Without guarantees	329,907	210,744
76,078,231-9	Emp. Dep. Agua Serv. Mapocho-Trebal Ltda.	Related to the controller	CL	Operation of Biogas purification plant La Farfana, control and monitoring of electricity costs	CLP	30 days	Without guarantees	30,990	59,739
<b>Total Accounts Payable</b>								<b>5,956,880</b>	<b>5,972,612</b>



### Transactions with related entities

Tax ID related company	Related company name	Nature of relationship	Country of Origin	Nature of transactions with related parties	Currency Type	Currents (Thousand of \$)			
						dec-20		dec-19	
						Amount	Effects on Result (Charge) / Credit	Amount	Effects on Result (Charge) / Credit
61,808,000-1	Aguas Andinas S.A.	Controller	CL	Biogas supply	CLP	362,572	(177,916)	92,069	(251,912)
61,808,000-1	Aguas Andinas S.A.	Controller	CL	Obtaining loans	CLP	240,000	(329,907)	3,147,000	(210,744)
61,808,000-1	Aguas Andinas S.A.	Controller	CL	Loan amortization	CLP	(335,000)	-	(865,000)	-
76,078,231-9	Emp. Dep. Agua Serv. Mapocho-Trebal Ltda.	Related to the controller	CL	Biogas plant operation and maintenance services	CLP	198,553	(168,251)	225,970	(195,795)

The materiality criterion for reporting transactions with related entities is for amounts in excess of the cumulative Th\$100,000.



## AGUAS DEL MAIPO S.A.

### General background

**Name:** Aguas del Maipo S.A.

**Type of entity:** Closed Stock Corporation, is governed by the provisions of the Articles of Incorporation and by the applicable legal provisions.

**Legal address:** Avenida Presidente Balmaceda N° 1398, Santiago Chile

**Telephone:** (56-2) 569 21 18

**Single Tax Role (RUT):** 76.190.084-6

**Subscribed and paid-in capital:** M\$ 7.971.221

**External auditors:** EY Chile

**Single Tax Role (RUT):** 77.802.430-6

### Corporate purpose

The purpose of the Company is to carry out all types of activities carried out with water exploitation rights, the development and exploitation of any energy project derived from the use and exploitation of facilities and natural assets of sanitary water companies, their products and/or by-products, including electric cogeneration, biogas generation and hydroelectricity.

### Constitutive Documents

The company was incorporated on April 22, 1996, through a public deed granted at the Santiago Notary Office of Mr. René Benavente Cash, an extract of the bylaws was registered in the Registry of Commerce of Santiago Real Estate Registry of that year, on page 14,143, No. 8,258 and ratified on page 11,059, No. 8,996, both of 1996, published in the Official Gazette on May 4, 1996, ratified on May 9, 1996.

### Board

**Chair:** Marta Colet Gonzalo

**Regular Directors:** Eugenio Rodriguez Mingo, Iván Yarur Sairafi

**General Manager:** Francesco Iula Cusumano

**Percentage of parent company:** 82,64996%

**Proportion that represents the investment in the parent company's assets:**

**The investment in the company represents the proportion of:** 0,31%

### Commercial Relationship with Parent Company

During the business year ended December 31, 2020, the Company maintained contracts for the supply of biogas and leases with its Parent Company, which are in accordance with market conditions. Similar commercial relationships are expected to be maintained in the future.

STATEMENTS OF FINANCIAL POSITION	2020 Th\$	2019 Th\$
<b>ASSETS</b>		
Current assets	1,308,730	1,575,347
Non-current assets	12,188,311	12,934,061
<b>Total Assets</b>	<b>13,497,041</b>	<b>14,509,408</b>
<b>LIABILITIES</b>		
Current liabilities	5,990,531	6,006,110
Non-current liabilities	4,272	6,525
Equity	7,502,238	8,496,773
<b>Total Liabilities and Equity</b>	<b>13,497,041</b>	<b>14,509,408</b>

STATEMENT OF COMPREHENSIVE RESULTS	2020 Th\$	2019 Th\$
Ordinary income	339,931	1,071,511
Cost of operation	(1,341,031)	(1,415,228)
Other (losses) income	-	-
Financial result	(119,509)	(117,399)
Other than the operation	26,375	(303,405)
Income tax	99,699	129,754
<b>Profit for the period</b>	<b>(994,535)</b>	<b>(634,767)</b>

STATEMENT OF CASH FLOW	2020 Th\$	2019 Th\$
Net Cash Flows from Operating Activities	73,629	(2,258,720)
Net Cash Flows from Investing Activities	-	-
Net Cash Flows from Financing Activities	(95,000)	2,282,000
Net Increase (Decrease) in Cash and Cash Equivalents	(21,371)	23,280
Initial Balance Cash and Cash Equivalents	32,059	8,779
<b>Closing Balance Cash and Cash Equivalents</b>	<b>10,688</b>	<b>32,059</b>

STATEMENT OF CHANGES IN EQUITY	2020 Th\$	2019 Th\$
Issued capital	7,971,221	7,971,221
Other equity interests	(410,716)	(410,716)
Retained earnings (loss)	(58,267)	936,268
<b>Closing Balance Equity</b>	<b>7,502,238</b>	<b>8,496,773</b>





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# Summarized Financial Statements

## Environmental Analysis 12-2020

*Fiscal year ended December 31, 2020*





## Note 1. Preparation basis and accounting policies

### 1.1 Preparation basis

These financial statements correspond to the consolidated statements of financial position as of December 31, 2020 and 2019 and the statements of results, changes in net equity and cash flows for the years ended at that date, which have been prepared in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (hereinafter "IASB"), and represent the full, explicit and unreserved adoption of the aforementioned IFRS.

The Company complies with the legal conditions of the environment in which it operates, presents normal operating conditions in each area in which they develop their activities, their projections show a profitable operation and they have the capacity to access the financial system to finance their operations, which in the opinion of management determines their capacity to continue as a going concern, as established in the accounting standards under which these financial statements are issued.

### Functional and presentation currency

The financial statements are presented in the currency of the main economic environment in which the Company operates (functional currency). For purposes of the financial statements, the results and financial position of the Company are expressed in Chilean pesos (rounded to thousands of pesos), which is the functional currency of the Company and the presentation currency for the financial statements.

### New accounting pronouncements

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

Standards and Interpretations	Date of mandatory enforcement
Conceptual framework	Annual periods beginning on or after January 1, 2020

Amendments	Date of mandatory enforcement
IFRS 3, Business combinations - Definition of a business	Annual periods beginning on or after January 1, 2020
IAS 1, Presentation of financial statements and IAS 8, Investments in associated companies - Definition of material	Annual periods beginning on or after January 1, 2020
IFRS 9, IAS 39 and IFRS 7 Financial Instruments - Reference Rate Reform	Annual periods beginning on or after January 1, 2020
IFRS 16, Leases - Rent reductions related to Covid-19	Annual periods beginning on or after January 1, 2020*

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

Standards and Interpretations	Date of mandatory enforcement
IFRS 17, Insurance Contracts	Annual periods beginning on or after January 1, 2023

Amendments	Date of mandatory enforcement
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Benchmark Interest Rate Reform - Phase 2	Annual periods beginning on or after January 1, 2021
IFRS 3, Business Combinations - Reference to the Conceptual Framework	Annual periods beginning on or after January 1, 2022
IFRS 16, Leases - Property, plant and equipment: proceeds obtained before intended use	Annual periods beginning on or after January 1, 2022
IAS 37, Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - cost of fulfilling a contract	Annual periods beginning on or after January 1, 2022
IAS 1, Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current	Annual periods beginning on or after January 1, 2023
IFRS 10 and IAS 28, Consolidated Financial Statements - sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Company's management considers that the adoption of the aforementioned Standards, Amendments and Interpretations, which could be applied to Aguas Andinas and Subsidiaries, is in the process of being assessed and it is estimated that, to date, they would not have a significant impact on the Group's consolidated financial statements in the period of their first application. Management is periodically assessing these implications.

### Responsibility for the information and estimates made

The information contained in these consolidated financial statements is the responsibility of the Company's Board of Directors, which states that all principles and criteria included in International Financial Reporting Standards (IFRS) have been applied. The Board of Directors, at its meeting held on March 25, 2021, approved these financial statements.

The financial statements of Análisis Ambientales S.A. corresponding to fiscal year 2019 were approved by its Board of Directors in a session held on March 25, 2020.

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

- Useful life of fixed assets and intangibles
- Impairment losses on assets.
- Income from supplies pending billing.
- Provisions for commitments to third parties.

Although these estimates and judgments were made on the basis of the best information available at the date of issuance of these comparative financial statements, it is possible that events that may occur in the future, such as what happened in this period regarding Covid-19, as may require them to be modified (upwards or downwards) in future periods which would be recorded prospectively, when the variation is known, recognizing the effects of such changes in the corresponding future financial statements.



## 1.2 Accounting policies

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

### A. INTANGIBLE ASSETS OTHER THAN GOODWILL

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

#### I. Separately acquired intangible

##### assets:

Separately acquired intangible assets are shown at cost less accumulated amortization and accumulated impairment losses. Amortization is calculated on a straight-line basis over the estimated useful lives. The estimated useful lives and the amortization method are reviewed at the end of each statement of financial position, with the effect of any changes in the estimate recorded prospectively.

#### II. Amortization method for intangibles:

##### Intangibles with a defined useful life

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

##### Software

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

##### Intangibles of indefinite useful life

Intangible assets with indefinite useful lives correspond mainly to water rights, which were obtained indefinitely, as established in the

acquisition contracts and the rights obtained from the Directorate General of Water, dependent on the Ministry of Public Works.

#### Determination of useful life

The factors to be considered for the estimation of the useful life are, among others, the following:

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

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

### B. PROPERTY, PLANT AND EQUIPMENT

The Company uses the cost method for the valuation of Property, Plant and Equipment. The historical cost includes expenses that are directly attributable to the acquisition of the good.

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

#### Depreciation method and estimated useful life for properties, plant and equipment:

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

When the value of an asset exceeds its estimated recoverable amount, its value is immediately reduced to its recoverable amount.

#### Useful lives:

The useful lives considered for the purposes of calculating depreciation are based on technical studies prepared by specialized external companies, which are reviewed to the extent that background information emerges that would allow the useful life of an asset to be considered modified.

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

1. Nature of the materials that make up the equipment or construction.
2. Means of operation of the equipment.
3. Intensity of use.
4. Legal, regulatory or contractual limitations.

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

Item	Minimum useful life (years)	Maximum useful life (years)
Buildings	25	80
Machinery	5	15
Fixed installations and accessories	10	10
IT equipment	4	4
Leasehold improvements	5	5
Complementary works	15	40
Other facilities	10	30



## Cost estimate policy for dismantling, decommissioning or restoration of property, plant and equipment:

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

### Fixed asset sales policy

The results from the sale of fixed assets are calculated by comparing the revenues obtained with the book value and are recorded in the statement of comprehensive income.

## C. IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS OTHER THAN GOODWILL

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

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

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

When the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of that asset (or cash-generating unit) is adjusted to its recoverable amount and an impairment loss is recognized immediately in income. When an impairment loss reverses, the carrying amount of the asset (or cash-generating unit) is adjusted to the revised estimate of its

recoverable amount, provided that the adjusted carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years.

## D. LEASES

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

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

The Company initially recognizes the usage right assets at cost, adjusted by any new measurement of the lease liability, less accumulated depreciation and accumulated impairment losses. The usage right assets are depreciated over the term of the lease. To determine whether the right-of-use asset is impaired, the same criteria detailed in Note 2.C is applied.

The lease liability is initially measured at the present value of the lease payments, discounted at the company's incremental lending rate, if the interest rate implicit in the lease cannot be easily determined.

After the start date, the lease liability is increased to reflect the accumulation of interest and is reduced by the lease payments made. In addition, the carrying value of the liability is remeasured if there is a change in the terms of the lease (changes in the term, in the amount of the payments or in the assessment of an option to purchase or change in the amounts to be paid). Interest expense is recognized as a financial cost in the result of the period.

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

When the Company acts as the lessor, it classifies at the beginning of the agreement whether the lease is an operating or finance lease, based

on the essence of the transaction. Leases that transfer substantially all the risks and rewards incidental to ownership of the underlying asset are classified as finance leases. All other leases are classified as operating leases.

## E. FINANCIAL ASSETS

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

Financial assets are classified in the following categories:

- Financial assets at fair value with changes in comprehensive results.
- Financial assets at fair value with changes in results.
- Financial assets at amortized cost.

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

The Company invests in low-risk instruments, which comply with classification standards established in their investment policies. Thus, mutual investment funds must have an AAfm / M1 rating (Quotas with very high protection against loss, associated with credit / quotas risks with the lowest sensitivity to changes in economic conditions). Fixed-term deposits and covenants, contracted are instruments with a N-1 classification (Instruments with the highest capacity to pay the capital and interest in the terms and conditions agreed).

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

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## I. Effective interest rate method

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

## II. Fair value with changes in other comprehensive income

For the classification of an asset with fair value through other comprehensive income, the selling of financial assets for which the principal amount is expected to be recovered in a given period of time in addition to interest, if applicable, must be complied with as a principle.

### iii. Financial assets at fair value with changes in results

Financial assets are presented at fair value through results when the financial asset is held for trading or is designated as at fair value with changes in results.

Financial assets at fair value with changes in results are measured at fair value and any resulting gains or losses are recognized in profit or loss. The net gain or loss recognized in income includes any dividends or interest received on the financial asset

## IV. Financial assets at amortized cost

### Loans and accounts receivable

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

## Trade debtors and other accounts receivable

Trade debtors correspond to invoiced amounts for services of physical, chemical and biological analysis of water, air and solid. These are recorded at net value of the allowance for doubtful accounts or doubtful accounts with low probability of collection.

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

### Policy on impairment of trade debtors and other accounts receivable

The Company periodically assesses the losses in value affecting its financial assets. The amount is recorded in the uncollectible provisions account. The carrying amount of the asset is reduced as the provision account is used and the loss is recognized in the consolidated statement of comprehensive income under "other expenses". When an account receivable is uncollectible, it is recorded against the provision account for accounts receivable based on credit loss model expected according to IFRS 9.

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

Customers with debts over 120 days are provisioned at 100% of the overdue debt.

Notes receivable with overdue debt are provisioned at 100%.

## F. INVENTORIES

Materials, spare parts, and supplies are presented at acquisition cost, which does not exceed net realizable value. The costing method corresponds to the weighted average cost. Every six months, an estimate of impairment is made for those materials that are damaged, partially or totally obsolete, or have had no turnover during the last twelve months and their price in the market has fallen by more than 20%.

## G. DIVIDEND POLICY

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

In addition to this, and with the prior authorization of the ordinary shareholders' meeting, the remaining 70% may be distributed as an additional dividend, provided that it is maintained at the Company's current level of capitalization and is compatible with the investment policies.

## H. FOREIGN CURRENCY TRANSACTIONS

Assets and liabilities in foreign currencies are presented at the respective financial year-end exchange rates, according to the following parities:

Currency	31-12-2020 CLP	31-12-2019 CLP
US Dollar	710.95	748.74
Euro	873.30	839.58

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency gains and losses resulting from the liquidation of these transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income.

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





## I. FINANCIAL LIABILITIES

Loans and similar are initially recorded at fair value, net of transaction costs incurred. Subsequently, they are valued at amortized cost, using the effective interest rate.

## J. PROVISIONS AND CONTINGENT LIABILITIES

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

Provisions are quantified taking into consideration the best available information on the event and its consequences and are re-estimated at the time of each accounting close. The provisions recorded are used to address the specific risks for which they were originally recognized and are revised, in full or in part, when these risks disappear or diminish.

Contingent liabilities are all possible obligations arising from past events, the future materialization of which and the associated loss in equity is considered to be of low probability. In accordance with IFRS, the company does not recognize any provision for these items, although, as required by the same standard, they are detailed if any.

## K. EMPLOYEE BENEFITS

The Company has 250 workers, distributed in 2 chief executives, 106 professionals and 142 technician and clerical workers.

### Policies on defined benefit plans

The employees of Análisis Ambientales S.A. are governed by the rules established in Articles 159, 160 and 161 of the Labor Code.

## L. SHARE-BASED PAYMENT RESERVE

In accordance with IFRS 2, Análisis Ambientales has recognized an expense (personnel costs) corresponding to the benefits granted by the Suez Parent to the employees of all subsidiaries worldwide, in the form of share-based payments, in consideration for services rendered, which benefit was subscribed by the employees of Análisis

Ambientales. These services are valued at the fair value of the instruments awarded.

The share purchase plans implemented by the Suez controller for employees of subsidiaries around the world allow employees to subscribe to Company shares at a lower cost than the market. The fair value of instruments awarded under employee share purchase plans is estimated at the grant date based on the value of this discount granted to employees and the vesting period applicable to the shares subscribed. As this is a service provided by employees to each subsidiary, in accordance with IFRS 2, Análisis Ambientales recognizes the cost of the agreement as an expense for the year, which is offset by a credit to equity.

## M. INCOME TAX AND DEFERRED TAXES

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

The income tax payable is determined based on the taxable income of the period. The income tax payable by the Company is calculated using the tax rates that have been approved, or are in the final process of approval, on the closing date of the statement of financial position.

Deferred taxes are recognized on the basis of the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the calculation of the tax result and are accounted for in accordance with the balance sheet liability method. Deferred tax liabilities are recognized for all taxable temporary differences, and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the differences can be utilized. No deferred tax assets or liabilities are recognized if the temporary differences arise from the initial recognition (except in a business combination) of other assets and liabilities in a transaction that does not affect either taxable profit or financial performance.

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

Deferred tax assets and liabilities are measured at the tax rates expected to apply in the period when the liability is settled or the asset is realized, based on tax rates that have been approved, or the approval process is substantially completed, at the end of the period of the statement of financial position. The measurement of deferred tax assets and liabilities reflects the tax consequences that would arise from the manner in which the Company expects, at the reporting date, to recover or settle the carrying value of its assets and liabilities.

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

## N. ORDINARY INCOME

### Revenue recognition policy

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

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

### Revenue recognition policy for sales of goods

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



## Revenue recognition policy for sales of services

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

## O. INFORMATION ON ENVIRONMENT

Assets of an environmental nature are considered to be those used on a lasting basis in the activity of the Company, the main purpose of which is to minimize adverse environmental impacts and to protect and improve the environment, including the reduction or elimination of future pollution from the operations of the company.

These assets are valued, like any other asset, at acquisition cost. The Company depreciates these assets on a straight-line basis over the remaining years of estimated useful life of the various assets.

## P. CONSOLIDATED STATEMENTS OF CASH FLOW

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

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

**Operating activities:** these represent activities typical of the normal operation of the business of the Company, as well as other activities not classified as investment or financing activities.

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

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

## Q. RECLASSIFICATIONS

For the year ended December 31, 2019, certain reclassifications have been made to facilitate comparison on December 31, 2020, as follows:

Reclassifications	Increase/ (Decrease) Th\$
<b>Statement of financial position:</b>	
Usage right assets	330,957
Properties, plant and equipment	(330,957)
Current lease liabilities	151,376
Other current financial liabilities	(151,376)
Non-current lease liabilities	181,036
Other non-current financial liabilities	(181,036)

## R. CHANGE IN ACCOUNTING POLICY

As of September 30, 2020, the Company decided to use the revaluation model for the asset class "Land" classified within the property, plant and equipment group. Thus, the value of this asset class will be periodically updated according to its market value. The prospective application of this policy implied an increase in value in the property, plant and equipment group of Th\$314,948.

For further information see Note 9.



INFORMATION TO BE DISCLOSED ABOUT RELATED ENTITIES

Balances and transactions with related entities

ansactions between the Company and related entities are on an arm's length basis.

Accounts receivable to related entities

Tax ID related company	Related company name	Nature of relationship	Country of Origin	Nature of transactions with related parties	Currency Type	Terms	Guarantees	Currents ( Thousand \$ )	
								dic-20	dic-19
61,808,000-5	Aguas Andinas S.A.	Controller	CL	Laboratory analysis and sampling service	CLP	30 days	Without guarantees	270,182	369,656
96,809,310-K	Aguas Cordillera S.A.	Related to the Controller	CL	Laboratory analysis and sampling service	CLP	30 days	Without guarantees	42,051	71,234
89,221,000-4	Aguas Manquehue S.A.	Related to the Controller	CL	Laboratory analysis and sampling service	CLP	30 days	Without guarantees	27,593	41,573
96,579,800-5	ESSAL S.A.	Related to the Controller	CL	Laboratory analysis and sampling service	CLP	30 days	Without guarantees	-	943,667
96,945,210-3	Ecoriles S.A.	Related to the Controller	CL	Laboratory analysis and sampling service	CLP	30 days	Without guarantees	89,440	78,621
76,078,231-9	Emp. Dep. Agua Serv. Mapocho-Trebal Ltda.	Related to the Controller	CL	Laboratory analysis and sampling service	CLP	30 days	Without guarantees	3,820	6,141
77,441,870-9	Suez Medioambiente Chile S.A.	Related to the Controller	CL	Laboratory analysis and sampling service	CLP	30 days	Without guarantees	1,741	-
65,113,732-2	Corp. Chilena de Investigación del Agua	Related to the Controller	CL	Laboratory analysis and sampling service	CLP	30 days	Without guarantees	-	86
Total Accounts Receivable								434,827	1,510,978



## Accounts payable to current related entities

Tax ID related company	Related company name	Nature of relationship	Country of Origin	Nature of transactions with related parties	Currency Type	Terms	Guarantees	Currents ( Thousand \$ )	
								dec-20	dec-19
61,808,000-5	Aguas Andinas S.A.	Controller	CL	Aqua Development Network S.A. Payments	CLP	30 days	Without guarantees	-	34,387
61,808,000-5	Aguas Andinas S.A.	Controller	CL	Interest	CLP	30 days	Without guarantees	299,018	271,385
61,808,000-5	Aguas Andinas S.A.	Controller	CL	Dividends	CLP	30 days	Without guarantees	314,271	317,508
96,809,310-K	Aguas Cordillera S.A.	Related to the Controller	CL	Dividends	CLP	30 days	Without guarantees	3,175	3,207
96,828,120-8	Gestión y Servicios S.A.	Related to the Controller	CL	Laboratory materials	CLP	30 days	Without guarantees	39,359	-
96,828,120-8	Gestión y Servicios S.A.	Related to the Controller	CL	Entel Agreement	CLP	30 days	Without guarantees	-	154
<b>Total Accounts Payable</b>								<b>655,823</b>	<b>626,641</b>

## Accounts payable to non-current related entities

Tax ID related company	Related company name	Nature of relationship	Country of Origin	Nature of transactions with related parties	Currency Type	Guarantees	Non-currents ( Th\$ )	
							dic-20	dic-19
61,808,000-5	Aguas Andinas S.A.	Controller	CL	Debt	CLP	Sin Garantías	334,000	1,334,000
<b>Total Account Payable</b>							<b>334,000</b>	<b>1,334,000</b>

## Transactions with related entities

Tax ID related company	Related company name	Nature of relationship	Country of Origin	Nature of transactions with related parties	Currency Type	Currents ( Th\$ )			
						'31-12-2020		'31-12-2019	
						Amount	Effects on Result (Charge) / Credit	Amount	Effects on Result (Charge) / Credit
61,808,000-5	Aguas Andinas S.A.	Controller	CL	Laboratory analysis and sampling contract	CLP	2,770,987	2,344,729	2,819,648	2,338,308
61,808,000-5	Aguas Andinas S.A.	Controller	CL	Dividend Payment	CLP	-	-	495,000	-
61,808,000-5	Aguas Andinas S.A.	Controller	CL	Obtaining loans	CLP	-	(299,018)	1,965,000	(271,385)
61,808,000-5	Aguas Andinas S.A.	Controller	CL	Loan amortization	CLP	(1,000,000)	-	(1,310,000)	-
96,809,310-K	Aguas Cordillera S.A.	Related to the Controller	CL	Laboratory analysis and sampling contract	CLP	435,872	368,486	561,834	465,900
89,221,000-4	Aguas Manquehue S.A.	Related to the Controller	CL	Laboratory analysis and sampling contract	CLP	237,025	200,796	277,689	228,398
96,579,800-5	ESSAL S.A.	Related to the Controller	CL	Laboratory analysis and sampling contract	CLP	835,723	689,448	1,633,943	1,375,818
96,945,210-3	Ecoriles S.A.	Related to the Controller	CL	Laboratory analysis and sampling contract	CLP	577,259	486,931	469,874	395,318
96,828,120-8	Gestión y Servicios S.A.	Related to the Controller	CL	Sampling services	CLP	(231,594)	(194,617)	-	-

*The materiality criterion for reporting transactions with related entities is for amounts in excess of the cumulative Th\$100,000.*



# Environmental analysis S.A.

## General background

**Name:** Análisis Ambientales S.A.

**Type of entity:** Closed Stock Corporation, is governed by the provisions of the Articles of Incorporation and by the applicable legal provisions.

**Legal address:** Américo Vespucio 451, Quilicura

**Telephone:** 56-2) 569 44 00

**Single Tax Role (RUT):** 6,967,550-1

**Subscribed and paid-in capital:** M\$ 262,456

**External auditors:** EY Chile

**Single Tax Role (RUT):** 77,802,430-6

## Corporate purpose

The purpose of the Company is to perform all types of physical, chemical and biological analysis of water, air and solids, including soil, sludge and waste, as well as any other element directly or indirectly related to the environment.

## Constitutive Documents

Análisis Ambientales S.A., was incorporated by public deed dated August 20, 2001, before the notary public Mr. Ivan Torrealba Acevedo and its extract was published in the Official Gazette on September 20, 2001, its fantasy name is ANAM S.A.

## Board

**Chair:** Marta Colet Gonzalo

**Regular Directors:** Eugenio Rodriguez Mingo,

Iván Yarur Sairafi

**General Manager:** Paola Arata Zapico

**Percentage of parent company:** 99.00%

**Proportion that represents the investment in the parent company's assets:**

**The investment in the company represents the proportion of:** 0.37%

## Commercial Relationship with Parent Company

During the business year ended December 31, 2020, the Company maintained contracts of service for physical, chemical and biological analysis of water and sludge, and laboratory operation. Similar commercial relationships are expected to be maintained in the future.

STATEMENTS OF FINANCIAL POSITION	2020 Th\$	2019 Th\$
<b>ASSETS</b>		
Current assets	3,789,679	4,121,604
Non-current assets	5,782,464	5,558,457
<b>Total Assets</b>	<b>9,572,143</b>	<b>9,680,061</b>
<b>LIABILITIES</b>		
Current liabilities	1,570,421	1,901,856
Non-current liabilities	436,408	1,515,036
Equity	7,565,314	6,263,169
<b>Total Liabilities and Equity</b>	<b>9,572,143</b>	<b>9,680,061</b>
<b>STATEMENT OF COMPREHENSIVE RESULTS</b>	<b>2020 Th\$</b>	<b>2019 Th\$</b>
Ordinary income	9,616,567	9,450,854
Cost of operation	(8,015,057)	(7,868,702)
Other (losses) income	(174,901)	(84,093)
Financial result	(43,993)	(48,775)
Other than the operation	5,294	8,262
Income tax	(329,757)	(388,496)
<b>Profit for the period</b>	<b>1,058,153</b>	<b>1,069,050</b>
<b>STATEMENT OF CASH FLOW</b>	<b>2020 Th\$</b>	<b>2019 Th\$</b>
Net Cash Flows from Operating Activities	1,506,030	849,959
Net Cash Flows from Investing Activities	(541,472)	(627,518)
Net Cash Flows from Financing Activities	(1,000,000)	155,000
Net Increase (Decrease) in Cash and Cash Equivalents	(35,442)	377,441
Initial Balance Cash and Cash Equivalents	449,730	72,289
<b>Closing Balance Cash and Cash Equivalents</b>	<b>414,288</b>	<b>449,730</b>
<b>STATEMENT OF CHANGES IN EQUITY</b>	<b>2020 Th\$</b>	<b>2019 Th\$</b>
Issued capital	262,456	262,456
Other equity interests	(21,450)	(21,450)
Retained earnings (loss)	7,324,308	6,022,163
<b>Closing Balance Equity</b>	<b>7,565,314</b>	<b>6,263,169</b>





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# Summarized Financial Statements

## EcoRiles 12-2020

*Fiscal year ended December 31, 2020*





## Note 1. General information

EcoRiles S.A. (hereinafter the "Company"), is a closed stock corporation of indefinite duration. Its legal domicile is Avenida Walter Lihn N°1868, Santiago, Chile, Rut 96.945.210-3.

The Company was incorporated by public deed dated December 15, 2000 before the notary Mr. Juan Ricardo San Martín Urrejola, and its extract was published in the Official Gazette on January 16, 2001.

EcoRiles S.A. is a company that provides liquid waste treatment services, as well as any activity associated or linked to the treatment of sewage and wastewater, through the provision of technical advice and development of training services, design, construction, commercialization of equipment, maintenance and operation of all types of facilities.

The direct controller company is Aguas Andinas S.A., whose direct controlling entity is Inversiones Aguas Metropolitanas S.A. ("IAM"), a corporation controlled by Suez Inversiones Aguas del gran Santiago Ltda. ("IAM"), a corporation that is controlled by Suez Inversiones Aguas del gran Santiago Ltda. ("IAGSA") which is controlled by Suez Andinas A.A., its controlling entity is Suez Spain, S.L., an entity based in Spain and one of the largest sanitary services operators worldwide, which in turn is controlled by Suez Groupe, S.A.S. (France).

## Note 2. Preparation basis and accounting policies

### 2.1 Preparation basis

These financial statements correspond to the consolidated statements of financial position as of December 31, 2020 and 2019 and the statements of comprehensive income, changes in net equity and cash flows for the years ended at that date, which have been prepared in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (hereinafter "IASB"), and represent the full, explicit and unreserved adoption of the aforementioned IFRS.

The Company complies with the legal conditions of the environment in which it operates, presents normal operating conditions in each area in which they develop their activities, their projections show a profitable operation and they have the capacity to access the financial system to finance their operations, which in the opinion of management determines their capacity to continue as a going concern, as established in the accounting standards under which these financial statements are issued.

### Functional and presentation currency

The items included in the financial statements are valued using the currency of the primary economic environment in which the Company operates (functional currency), the financial statements are presented in Chilean pesos, which is the Company's functional currency.

### New accounting pronouncements

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



Standards and Interpretations	Date of mandatory enforcement
Conceptual framework	Annual periods beginning on or after January 1, 2020

Amendments	Date of mandatory enforcement
IFRS 3, Business combinations - Definition of a business	Annual periods beginning on or after January 1, 2020
IAS 1, Presentation of financial statements and IAS 8, Investments in associated companies - Definition of material	Annual periods beginning on or after January 1, 2020
IFRS 9, IAS 39 and IFRS 7 Financial Instruments - Reference Rate Reform	Annual periods beginning on or after January 1, 2020
IFRS 16, Leases - Rent reductions related to Covid-19	Annual periods beginning on or after January 1, 2020*

\* Early application is permitted, including financial statements not yet authorized for issue as of May 28, 2020.

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

Standards and Interpretations	Date of mandatory enforcement
IFRS 17, Insurance Contracts	Annual periods beginning on or after January 1, 2023

Amendments	Date of mandatory enforcement
IFRS 9, IAS 39, IFRS 7, IFRS4 and IFRS 16 - Benchmark interest Rate Reform - Phase 2	Annual periods beginning on or after January 1, 2021
IFRS 3, Business Combinations - Reference to the Conceptual Framework	Annual periods beginning on or after January 1, 2022
IFRS 16, Leases - Property, plant and equipment: proceeds obtained before intended use	Annual periods beginning on or after January 1, 2022
IAS 37, Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - cost of fulfilling a contract	Annual periods beginning on or after January 1, 2022
IAS 1, Presentation of Financial Statements - Classification of Liabilities as Current or non-Current	Annual periods beginning on or after January 1, 2023
IFRS 10 and IAS 28 Consolidated Financial Statements - sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Company's management considers that the adoption of the aforementioned Standards, Amendments and Interpretations, which could be applied, is in the process of being assessed and it is estimated that, to date, they would not have a significant impact on the Company's financial statements in the period of their first application. Management is periodically assessing these implications.

### Responsibility for the information and estimates made

The information contained in these financial statements is the responsibility of the Company's Board of Directors, which states that all principles and criteria included in International Financial Reporting Standards (IFRS) have been applied. The Board of Directors, at its meeting held on March 25, 2021, approved these financial statements.

The financial statements of EcoRiles S.A. corresponding to fiscal year 2020 were approved by its Board of Directors in a session held on March 25, 2019.



Estimates have been used in the preparation of the financial statements, such as:

- Useful life of fixed assets and intangibles
- Impairment losses on assets
- Provisions for commitments to third parties

Although these estimates and judgments were made on the basis of the best information available at the date of issuance of these consolidated financial statements, it is possible that events that may occur in the future, such as what happened in this period regarding Covid-19, as may require them to be modified (upwards or downwards) in future periods which would be recorded prospectively, when the variation is known, recognizing the effects of such changes in the corresponding future consolidated financial statements.

## 2.2 Accounting policies

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

### A. INTANGIBLE ASSETS OTHER THAN GOODWILL

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

#### i. Separately acquired intangible assets:

Separately acquired intangible assets are shown at cost less accumulated amortization and accumulated impairment losses. Amortization is calculated on a straight-line basis over the estimated useful lives. The estimated useful lives and the amortization method are reviewed at the end of each statement of financial position, with the effect of any changes in the estimate recorded prospectively.

#### ii. Amortization method for intangibles:

##### Intangibles with a defined useful life

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

##### Software

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

### Intangibles of indefinite useful life

Intangible assets with indefinite useful lives correspond mainly to water rights, which were obtained indefinitely, as established in the acquisition contracts.

#### Determination of useful life

The factors to be considered for the estimation of the useful life are, among others, the following:

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

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

### B. PROPERTY, PLANT AND EQUIPMENT

The Company uses the cost method for the valuation of Property, Plant and Equipment. The historical cost includes expenses that are directly attributable to the acquisition of the good.

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

#### Depreciation method and estimated useful life for properties, plant and equipment:

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

When the value of an asset exceeds its estimated recoverable amount, its value is immediately reduced to its recoverable amount.



### Useful lives:

The useful lives considered for the purposes of calculating depreciation are based on technical studies prepared by specialized external companies, which are reviewed to the extent that background information emerges that would allow the useful life of an asset to be considered modified.

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

1. Nature of the materials that make up the equipment or construction.
2. Means of operation of the equipment
3. Intensity of use
4. Legal, regulatory or contractual limitations..

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

ITEM	Minimum useful life	Maximum useful life
Buildings	25	25
Plant and equipment	5	20
IT equipment	4	4
Fixed installations and accessories	10	10

### Cost estimate policy for dismantling, decommissioning or restoration of property, plant and equipment:

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

### Fixed assets sales policy

The results from the sale of fixed assets are calculated by comparing the income obtained with the carrying amount and is recorded in the Statement of Comprehensive Income.

### C. IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS OTHER THAN GOODWILL

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

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

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

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

### D. LEASES

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

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

The Company initially recognizes the usage right assets at cost, adjusted by any new measurement of the lease liability, less accumulated depreciation and accumulated impairment losses. The usage right assets is depreciated over the term of the lease. To determine whether the right-of-use asset is impaired, the same criteria detailed in Note 2.2.C is applied.





The lease liability is initially measured at the present value of the lease payments, discounted at the company's incremental lending rate, if the interest rate implicit in the lease cannot be easily determined.

After the start date, the lease liability is increased to reflect the accumulation of interest and is reduced by the lease payments made. In addition, the carrying value of the liability is remeasured if there is a change in the terms of the lease (changes in the term, in the amount of the payments or in the assessment of an option to purchase or change in the amounts to be paid). Interest expense is recognized as a financial cost in the result of the period.

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

When the company acts as the lessor, it classifies at the beginning of the agreement whether the lease is an operating or finance lease, based on the essence of the transaction. Leases that transfer substantially all the risks and rewards incidental to ownership of the underlying asset are classified as finance leases. All other leases are classified as operating leases.

## E. FINANCIAL ASSETS

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

Financial assets are classified in the following categories:

- Financial assets at fair value with changes in results
- Financial assets at fair value with changes in comprehensive results
- Financial assets at amortized cost

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

The Company invests in low-risk instruments, which comply with classification standards established in their investment policies. Thus, mutual investment funds must have an AAfm / M1 rating (Quotas with very high protection against loss, associated with credit / quotas risks with the lowest sensitivity to changes in economic conditions). Fixed-term deposits and covenants, contracted are instruments with a N-1 classification (Instruments with the highest capacity to pay the capital and interest in the terms and conditions agreed).

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

### i. Effective interest rate method

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

### ii. Fair value with changes in other comprehensive income

For the classification of an asset with fair value through other comprehensive income, the selling of financial assets for which the principal amount is expected to be recovered in a given period of time in addition to interest, if applicable, must be complied with as a principle.

### iii. Financial assets at fair value with changes in results

Financial assets are presented at fair value through results when the financial asset is held for trading or is designated as at fair value with changes in results.

Financial assets at fair value with changes in results are measured at fair value and any resulting gains or losses are recognized in profit or loss. The net gain or loss recognized in income includes any dividends or interest received on the financial asset.

The Company and Subsidiaries hold shares in Sociedad Eléctrica Puntilla S.A., which have been measured at fair value at the date of acquisition in accordance with IFRS 9. They are subsequently measured at cost since there is no active market in accordance with the provisions of the same standard.

### iv. Financial assets at amortized cost

#### Loans and accounts receivable

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

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## Trade debtors and other accounts receivable

Trade debtors correspond to amounts invoiced for liquid industrial waste treatment services, sewage treatment and other services. These are registered at net value of the allowance for doubtful accounts or those with a low probability of collection

Trade debtor policy is subject to the credit policy, which establishes the payment conditions, as well as the different scenarios to be agreed upon for delinquent customer.

## Policy on impairment of trade debtors and other accounts receivable

The Company periodically assesses the losses in value affecting its financial assets. The amount is recorded in the uncollectible provisions account. The carrying amount of the asset is reduced as the provision account is used and the loss is recognized in the consolidated statement of comprehensive income under "other expenses". When an account receivable is uncollectible, it is recorded against the provision account for accounts receivable based on credit loss model expected according to IFRS 9.

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

## F. INVENTORIES

Materials, spare parts, and supplies are presented at acquisition cost, which does not exceed net realizable value. The costing method corresponds to the weighted average cost. Every six months, an estimate of impairment is made for those materials that are damaged, partially or totally obsolete, or have had no turnover during the last twelve months and their price in the market has fallen by more than 20%.

## G. DIVIDEND POLICY

The dividend policy is to record at the end of each year a minimum dividend of 30% of net income, as established in the Corporations Law, and to the extent that financing conditions permit, a final dividend approved at the Ordinary Shareholders' Meeting.

## H. FOREIGN CURRENCY TRANSACTIONS

Assets and liabilities in foreign currencies are presented at the respective financial year-end exchange rates, according to the following parities:

Currency	31-12-20 CLP	31-12-19 CLP
US Dollar	710.95	748.74
Euro	873.30	839.58

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency gains and losses resulting from the liquidation of these transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income.

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

## I. FINANCIAL LIABILITIES

Loans and similar are initially recorded at fair value, net of transaction costs incurred. Subsequently, they are valued at amortized cost, using the effective interest rate.

## J. PROVISIONS AND CONTINGENT LIABILITIES

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

Provisions are quantified taking into consideration the best available information on the event and its consequences and are re-estimated at the time of each accounting close. The provisions recorded are used to address the specific risks for which they were originally recognized and are revised, in full or in part, when these risks disappear or diminish.

Contingent liabilities are all possible obligations arising from past events, the future materialization of which and the associated loss in equity is considered to be of low probability. In accordance with IFRS, the Company does not recognize any provision for these items.

## K. EMPLOYEE BENEFITS

The Company has 2535 workers, distributed in 2 chief executives, 6 headship, 36 professionals, 15 technician, 4 clerical workers and 170 operators.

## Policies on defined benefit plans

The employees of EcoRiles S.A. are governed by the rules established in Articles 159, 160 and 161 of the Labor Code.



## L. SHARE-BASED PAYMENT RESERVE

In accordance with IFRS 2, EcoRiles has recognized an expense (personnel costs) corresponding to the benefits granted by the Suez Parent to the employees of all subsidiaries worldwide, in the form of share-based payments, in consideration for services rendered, which benefit was subscribed by the employees of EcoRiles. These services are valued at the fair value of the instruments awarded.

The share purchase plans implemented by the Suez controller for employees of subsidiaries around the world allow employees to subscribe to Company shares at a lower cost than the market. The fair value of instruments awarded under employee share purchase plans is estimated at the grant date based on the value of this discount granted to employees and the vesting period applicable to the share subscribed. As this is a service provided by employees to each subsidiary, in accordance with IFRS 2, EcoRiles recognizes the cost of the agreement as an expense for the year, which is offset by a credit to equity.

## M. INCOME TAX AND DEFERRED TAXES

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

The income tax payable is determined based on the taxable income of the period. The income tax payable by the Company is calculated using the tax rates that have been approved, or are in the final process of approval, on the closing date of the statement of financial position.

Deferred taxes are recognized on the basis of the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the calculation of the tax result and are accounted for in accordance with the balance sheet liability method. Deferred tax liabilities are recognized for all taxable temporary differences, and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the differences can be utilized. No deferred tax assets or liabilities are recognized if the temporary differences arise from the initial recognition (except in a business combination) of other assets and liabilities in a transaction that does not affect either taxable profit or financial performance.

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

Deferred tax assets and liabilities are measured at the tax rates expected to apply in the period when the liability is settled or the asset is realized, based on tax rates that have been approved, or the approval process is substantially completed, at the end of the period of the statement of financial position. The measurement

of deferred tax assets and liabilities reflects the tax consequences that would arise from the manner in which the Company expects, at the reporting date, to recover or settle the carrying value of its assets and liabilities. Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off tax assets against tax liabilities and the liabilities relate to the same entity and tax authority.

## N. ORDINARY INCOME

### Revenue recognition policy

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

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

### Revenue recognition policy for sales of goods

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

### Revenue recognition policy for sales of services

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

Invoicing and eventual provision is made on the basis of work performed.



## O. INFORMATION ON ENVIRONMENT

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

These assets are valued, like any other asset, at acquisition cost. The Company depreciates these assets on a straight-line basis over the remaining years of estimated useful life of the various assets.

## P. CONSOLIDATED STATEMENTS OF CASH FLOW

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

### Cash and cash equivalents:

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

### Operating activities:

these represent activities typical of the normal operation of the business of the Company, as well as other activities not classified as investment or financing activities.

### Investing activities:

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

### Financing activities:

represent activities that produce changes in the amount and composition of net equity and liabilities that are not part of ordinary activities.

## Q. RECLASSIFICATIONS

For the year ended December 31, 2020, certain reclassifications have been made to facilitate comparison on December 31, 2019, as follows:

Reclassifications	Increase/ (Decrease) Th\$
Statement of financial position:	
Usage right assets	148,178
Properties, plant and equipment	(148,178)
Current lease liabilities	76,364
Other current financial liabilities	(76,364)
Non-current lease liabilities	73,381
Other non-current financial liabilities	(73,381)



## INFORMATION TO BE DISCLOSED ABOUT RELATED ENTITIES

### Balances and transactions with related entities

Transactions between the Company and related entities are carried out on an arm's length basis

#### Accounts receivable to related entities

Tax ID related company	Related company name	Nature of relationship	Origin Country	Nature of transactions with related parties	Currency Type	Terms	Guarantees	Currents (Thousand \$) dic-20	Currents (Thousand \$) dic-19
61,808,000-5	Aguas Andinas S.A.	Controller	CL	Lease of real estate	CLP	30 Días	Without guarantees	3,520	3,428
96,809,310-K	Aguas Cordillera S.A.	Related to the Controller	CL	San Antonio Project	CLP	30 Días	Without guarantees	86,344	86,344
Total Cuentas por Cobrar								89,864	89,772

#### Accounts payable to related entities

Tax ID related company	Related company name	Nature of relationship	Origin Country	Nature of transactions with related parties	Currency Type	Terms	Guarantees	Currents (Thousand \$) dic-20	Currents (Thousand \$) dic-19
61,808,000-5	Aguas Andinas S.A.	Controller	CL	Excess organic discharge to the network	CLP	30 days	Without guarantees	551,784	229,351
61,808,000-5	Aguas Andinas S.A.	Controller	CL	Lease of real estate	CLP	30 days	Without guarantees	19,721	-
61,808,000-5	Aguas Andinas S.A.	Controller	CL	Dividends payable	CLP	30 days	Without guarantees	599,825	547,201
96,809,310-k	Aguas Cordillera S.A.	Related to the Controller	CL	Dividends payable	CLP	30 days	Without guarantees	5,824	5,313
96,967,550-1	Análisis Ambientales S.A.	Related to the Controller	CL	Chemical and bacteriological analysis services	CLP	30 days	Without guarantees	89,440	78,621
96,828,120-8	Gestión y Servicios S.A.	Related to the Controller	CL	Materials and supplies	CLP	30 days	Without guarantees	126,260	145,650
Total Accounts Receivable								1,392,854	1,006,136





### Transactions with related entities

RUT Related Party	Name of Related Party	Nature of Relationship	Country of Origin	Nature of Related Party Transactions	Type of Currency	Current (Thousands of \$)			
						Dec-20		Dec-19	
						Amount	Effects on Results	Amount	Effects on Result
61,808,000-5	Aguas Andinas S.A.	Controller	CL	Loans granted	CLP				-
61,808,000-5	Aguas Andinas S.A.	Controller	CL	Loan Payment	CLP	-	-	870,000	(5,097)
61,808,000-5	Aguas Andinas S.A.	Controller	CL	Excess organic load to the network	CLP	587,122	(493,379)	762,248	(643,479)
61,808,000-5	Aguas Andinas S.A.	Controller	CL	Lease of real estate	CLP	75,182	(75,182)	43,500	(43,500)
61,808,000-5	Aguas Andinas S.A.	Controller	CL	Dividends paid	CLP	-	-	1,436,058	-
96,967,550-1	Análisis Ambientales S.A.	Related to the controller	CL	Laboratory analysis	CLP	577,259	(485,092)	469,874	(395,318)
96,828,120-8	Gestión y Servicios S.A.	Related to the controller	CL	Buy supplies chemicals	CLP	2,364,758	(1,987,192)	2,056,761	(1,728,370)

The materiality criterion for reporting transactions with related entities is for amounts greater than M\$100,000.



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STATEMENT OF FINANCIAL POSITION	2020 Th\$	2019 Th\$
<b>ASSETS</b>		
Current assets	7,691,327	6,022,761
Non-current assets	842,045	701,223
<b>Total assets</b>	<b>8,533,372</b>	<b>6,723,984</b>
<b>LIABILITIES</b>		
Current liabilities	2,726,103	2,855,498
Non-current liabilities	39,421	73,381
Equity	5,767,848	3,795,105
Minority interests	-	-
<b>Total Liabilities and Equity</b>	<b>8,533,372</b>	<b>6,723,984</b>
<b>STATEMENT OF RESULTS</b>		
Ordinary income	16,282,874	14,432,857
Cost of operation	(13,390,610)	(11,908,959)
Financial result	(4,602)	(6,749)
Other than the operation	(150,258)	12,956
Income tax	(718,577)	(688,392)
Minority interests	-	-
<b>Profit attributable to owners of controlling company</b>	<b>2,018,827</b>	<b>1,841,713</b>
<b>STATEMENT OF CASH FLOW</b>		
Net Cash Flows from Operating Activities	3,193,739	1,662,395
Net Cash Flows from Investing Activities	(257,625)	(47,123)
Net Cash Flows from Financing Activities	-	(1,450,000)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>2,936,113</b>	<b>165,273</b>
Initial Balance Cash and Cash Equivalents	394,046	228,773
<b>Closing Balance Cash and Cash Equivalents</b>	<b>3,330,159</b>	<b>394,046</b>
<b>STATEMENT OF CHANGES IN EQUITY</b>		
Issued capital	333,787	333,787
Other equity interests	(27,279)	(27,279)
Retained earnings (loss)	5,461,340	3,488,597
Non-controlling interests		
<b>Total Equity</b>	<b>5,767,848</b>	<b>3,795,105</b>



## EcoRiles S.A.

### ANTECEDENTES GENERALES

<b>Name:</b>	Ecoriles S.A.
<b>Type of entity:</b>	Closed Stock Corporation, is governed by the provisions of the Articles of Incorporation and by the applicable legal provisions.
<b>Legal address :</b>	Av. Walter Lihn 1868 - Santiago
<b>Telephone:</b>	(56-2) 569 22 29
<b>Single Tax Role (RUT):</b>	96,945,210-3
<b>Subscribed and paid-in capital:</b>	Th\$ 333,787
<b>External auditors:</b>	EY Chile
<b>Single Tax Role (RUT):</b>	77,802,430-6

### OBJETO SOCIAL

The Company's objective is the treatment of liquid waste as well as all activities associated or related to the treatment of sewage and wastewater, through the provision of technical advice and development of training services, design, construction, commercialization of equipment, maintenance and operation of all types of facilities.

### CONSTITUTIVE DOCUMENTS

Ecoriles S. A. was incorporated by public deed dated December 15, 2000 before the notary public Mr. Juan Ricardo San Martín Urrejola and its extract was published in the Official Gazette on January 16, 2001.

**Fax:** (56-2) 569 22 44

### BOARD

<b>Chair:</b>	Marta Colet Gonzalo
<b>Regular Directors:</b>	Ivan Yarur Sairafi (Main executive of Aguas Andinas S.A.) Eugenio Rodriguez Mingo (Main executive of Aguas Andinas S.A.) Paola Arata Zapico
<b>General Manager:</b>	99.03846%
<b>Percentage of parent company:</b>	
<b>Proportion that represents the investment in the parent company's assets:</b>	
<b>The investment in the company represents the proportion of:</b>	0.28%

### COMMERCIAL RELATIONSHIP WITH PARENT COMPANY

During the business year ended December 31, 2020, the Company maintained a service contract for the treatment of excess load and lease of real estate. Similar business relationships are expected to be maintained in the future.



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# Summarized Financial Statements

## Management and Services 12-2020

*Fiscal year ended December 31, 2020*





## Note 1. General information

Gestión y Servicios S.A. (hereinafter the "Company") is a closed stock corporation. Its legal domicile is Avenida Presidente Balmaceda N° 1398, Santiago, Chile and its tax identification number is 96.828.120-8.

The Company was incorporated by public deed dated June 6, 1997 before the Notary Public of Santiago, Mr. Patricio Zaldivar Mackenna, under the corporate name Aguas del Maipo S.A., subsequently reformed the bylaws as stated in a deed dated November 10, 2000, at the Notary Office of Mr. Patricio Zaldivar Mackenna, changing its corporate name to Gestión y Servicios S.A.

Gestión y Servicios is a closed stock corporation and is not registered in the Securities Registry of the Financial Market Commission. Its corporate purpose is the urbanization, purchase and sale of sanitary materials, construction and consulting of specialty work.

Gestión y Servicios S.A. is a marketer of materials and other services related to the sanitary sector. The direct controller company is Aguas Andinas S.A., whose direct controlling entity is Inversiones Aguas Metropolitanas S.A. ("IAM"), a corporation controlled by Suez Inversiones Aguas del gran Santiago Ltda. ("IAM"), a corporation that is controlled by Suez Inversiones Aguas del gran Santiago Ltda. ("IAGSA") which is controlled by Suez Andinas A.A., its controlling entity is Suez Spain, S.L., an entity based in Spain and one of the largest sanitary services operators worldwide, which in turn is controlled by Suez Groupe, S.A.S. (France).

## Note 2. Preparation basis and accounting policies

### 2.1 Preparation basis

These financial statements correspond to the consolidated statements of financial position as of December 31, 2020 and the statements of comprehensive income, changes in net equity and cash flows for the years ended at that date, which have been prepared in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (hereinafter "IASB"), and represent the full, explicit and unreserved adoption of the aforementioned IFRS.

The Company complies with the legal conditions of the environment in which it operates, presents normal operating conditions in each area in which they develop their activities, their projections show a profitable operation and they have the capacity to access the financial system to finance their operations, which in the opinion of management determines their capacity to continue as a going concern, as established in the accounting standards under which these financial statements are issued.

### Functional and presentation currency

The items included in the financial statements are valued using the currency of the primary economic environment in which the Company operates (functional currency), the financial statements are presented in Chilean pesos, which is the Company's functional currency.

### New accounting pronouncements

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

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Standards and Interpretations	Date of mandatory enforcement
Conceptual framework	Annual periods beginning on or after January 1, 2020

Amendments	Date of mandatory enforcement
IFRS 3, Business combinations - Definition of a business	Annual periods beginning on or after January 1, 2020
IAS 1, Presentation of financial statements and IAS 8, Investments in associated companies - Definition of material	Annual periods beginning on or after January 1, 2020
IFRS 9, IAS 39 and IFRS 7 Financial Instruments - Reference Rate Reform	Annual periods beginning on or after January 1, 2020
IFRS 16, Leases - Rent reductions related to Covid-19	Annual periods beginning on or after January 1, 2020*

\*Early application is permitted, including financial statements not yet authorized for issue as of May 28, 2020.

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

Standards and Interpretations	Date of mandatory enforcement
IFRS 17, Insurance Contracts	Annual periods beginning on or after January 1, 2023

Amendments	Date of mandatory enforcement
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Benchmark Interest Rate Reform - Phase 2	Annual periods beginning on or after January 1, 2021
IFRS 3, Business Combinations - Reference to the Conceptual Framework	Annual periods beginning on or after January 1, 2022
IFRS 16, Leases - Property, plant and equipment: proceeds obtained before intended use	Annual periods beginning on or after January 1, 2022
IAS 37, Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - cost of fulfilling a contract	Annual periods beginning on or after January 1, 2022
IAS 1, Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current	Annual periods beginning on or after January 1, 2023
IFRS 10 and IAS 28, Consolidated Financial Statements - sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Company's management considers that the adoption of the aforementioned Standards, Amendments and Interpretations, which could be applied, is in the process of being assessed and it is estimated that, to date, they would not have a significant impact on the Company's consolidated financial statements in the period of their first application. Management is periodically assessing these implications.

### Responsibility for the information and estimates made

The information contained in these financial statements is the responsibility of the Company's Board of Directors, which states that all principles and criteria included in International Financial Reporting Standards (IFRS) have been applied. The Board of Directors, at its meeting held on March xx, 2021, approved these financial statements.

The financial statements of Gestión y Servicios S.A. corresponding to fiscal year 2019 were approved by its Board of Directors in a session held on March 25, 2020.



Estimates have been used in the preparation of the financial statements, such as:

- Useful life of fixed assets and intangibles.
- Impairment losses on assets.
- Assumptions used in the actuarial calculation of employee termination benefits.
- Provisions for commitments to third parties.
- Risks arising from litigation.

Although these estimates and judgments were made on the basis of the best information available at the date of issuance of these consolidated financial statements, it is possible that events that may occur in the future, such as what happened in this period regarding Covid-19, as may require them to be modified (upwards or downwards) in future periods which would be recorded prospectively, when the variation is known, recognizing the effects of such changes in the corresponding future consolidated financial statements.

## 2.2 Accounting policies

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

### A. INTANGIBLE ASSETS OTHER THAN GOODWILL

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

#### i. Separately acquired intangible assets:

Separately acquired intangible assets are shown at cost less accumulated amortization and accumulated impairment losses. Amortization is calculated on a straight-line basis over the estimated useful lives. The estimated useful lives and the amortization method are reviewed at the end of each statement of financial position, with the effect of any changes in the estimate recorded prospectively.

#### ii. Amortization method for intangibles:

##### Intangibles with a defined useful life

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

##### Software

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

### Intangibles of indefinite useful life

Intangible assets with indefinite useful lives correspond mainly to water rights, which were obtained indefinitely, as established in the acquisition contracts and the rights obtained from the Directorate General of Water, dependent on the Ministry of Public Works.

#### Determination of useful life

The factors to be considered for the estimation of the useful life are, among others, the following:

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

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

### B. PROPERTY, PLANT AND EQUIPMENT

The Company uses the cost method for the valuation of Property, Plant and Equipment. The historical cost includes expenses that are directly attributable to the acquisition of the good.

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

#### Depreciation method and estimated useful life for properties, plant and equipment:

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

When the value of an asset exceeds its estimated recoverable amount, its value is immediately reduced to its recoverable amount (Note 9).



### Useful lives:

The useful lives considered for the purposes of calculating depreciation are based on technical studies prepared by specialized external companies, which are reviewed to the extent that background information emerges that would allow the useful life of an asset to be considered modified.

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

1. Nature of the materials that make up the equipment or construction.
2. Means of operation of the equipment
3. Intensity of use
4. Legal, regulatory or contractual limitations.

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

Item	Minimum useful life (years)	Maximum useful life (years)
Plant and equipment	7	20
IT equipment	4	4
Fixed installations and accessories	10	10
Motor vehicles	7	7

### Cost estimate policy for dismantling, decommissioning or restoration of property, plant and equipment:

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

### Fixed assets sales policy

The results from the sale of fixed assets are calculated by comparing the income obtained with the carrying amount and is recorded in the Statement of Comprehensive Income.

### C. IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS OTHER THAN GOODWILL

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

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

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

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

### D. LEASES

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

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



The Company initially recognizes the usage right assets at cost, adjusted by any new measurement of the lease liability, less accumulated depreciation and accumulated impairment losses. The usage right assets is depreciated over the term of the lease. To determine whether the right-of-use asset is impaired, the same criteria detailed in Note 2.2.C is applied.

The lease liability is initially measured at the present value of the lease payments, discounted at the company's incremental lending rate, if the interest rate implicit in the lease cannot be easily determined.

After the start date, the lease liability is increased to reflect the accumulation of interest and is reduced by the lease payments made. In addition, the carrying value of the liability is remeasured if there is a change in the terms of the lease (changes in the term, in the amount of the payments or in the assessment of an option to purchase or change in the amounts to be paid). Interest expense is recognized as a financial cost in the result of the period.

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

When the company acts as the lessor, it classifies at the beginning of the agreement whether the lease is an operating or finance lease, based on the essence of the transaction. Leases that transfer substantially all the risks and rewards incidental to ownership of the underlying asset are classified as finance leases. All other leases are classified as operating leases.

## E. FINANCIAL ASSETS

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

Financial assets are classified in the following categories:

- Financial assets at fair value with changes in results
- Financial assets at fair value with changes in comprehensive results
- Financial assets at amortized cost

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

The Company invests in low-risk instruments, which comply with classification standards established in their investment policies. Thus, mutual investment funds must have an AAfm / M1 rating (Quotas with very

high protection against loss, associated with credit / quotas risks with the lowest sensitivity to changes in economic conditions). Fixed-term deposits and covenants, contracted are instruments with a N-1 classification (Instruments with the highest capacity to pay the capital and interest in the terms and conditions agreed).

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

### i. Effective interest rate method

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

### ii. Fair value with changes in other comprehensive income

For the classification of an asset with fair value through other comprehensive income, the selling of financial assets for which the principal amount is expected to be recovered in a given period of time in addition to interest, if applicable, must be complied with as a principle.

### iii. Financial assets at fair value with changes in results

Financial assets are presented at fair value through results when the financial asset is held for trading or is designated as at fair value with changes in results.

Financial assets at fair value with changes in results are measured at fair value and any resulting gains or losses are recognized in profit or loss. The net gain or loss recognized in income includes any dividends or interest received on the financial asset.

### iv. Financial assets at amortized cost

#### Loans and accounts receivable

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

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## Trade debtors and other accounts receivable

Trade debtors correspond to amounts invoiced for sale of sanitary materials, sale of chemical supplies and other services. These are registered at net value of the allowance for doubtful accounts or those with a low probability of collection.

Trade debtor policy is subject to the credit policy, which establishes the payment conditions, as well as the different scenarios to be agreed upon for delinquent customer.

## Policy on impairment of trade debtors and other accounts receivable

The Company periodically assesses the losses in value affecting its financial assets. The amount is recorded in the uncollectible provisions account. The carrying amount of the asset is reduced as the provision account is used and the loss is recognized in the consolidated statement of comprehensive income under "other expenses". When an account receivable is uncollectible, it is recorded against the provision account for accounts receivable based on credit loss model expected according to IFRS 9.

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

## F. INVENTORIES

Materials, spare parts, and supplies are presented at acquisition cost, which does not exceed net realizable value. The costing method corresponds to the weighted average cost. Every six months, an estimate of impairment is made for those materials that are damaged, partially or totally obsolete, or have had no turnover during the last twelve months and their price in the market has fallen by more than 20%.

## G. DIVIDEND POLICY

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

In addition to this, and with the prior authorization of the ordinary shareholders' meeting, the remaining 70% may be distributed as an additional dividend, provided that it is maintained at the Company's current level of capitalization and is compatible with the investment policies.

## H. FOREIGN CURRENCY TRANSACTIONS

Assets and liabilities in foreign currencies are presented at the respective financial year-end exchange rates, according to the following parities:

Currency	31-12-20 CLP	31-12-19 CLP
US Dollar	710.95	748.74
Euro	873.30	839.58

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency gains and losses resulting from the liquidation of these transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income.

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

## I. FINANCIAL LIABILITIES

Loans and similar are initially recorded at fair value, net of transaction costs incurred. Subsequently, they are valued at amortized cost, using the effective interest rate.

## J. PROVISIONS AND CONTINGENT LIABILITIES

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

Provisions are quantified taking into consideration the best available information on the event and its consequences and are re-estimated at the time of each accounting close. The provisions recorded are used to address the specific risks for which they were originally recognized and are revised, in full or in part, when these risks disappear or diminish.

Contingent liabilities are all possible obligations arising from past events, the future materialization of which and the associated loss in equity is considered to be of low probability. In accordance with IFRS, the Company does not recognize any provision for these items.

## K. EMPLOYEE BENEFITS

The Company has 33 workers, distributed in 1 chief executive, 16 professionals and 17 distributed in technician, clerical workers and operators.





## Policies on defined benefit plans

The employees of Gestión y Servicios S.A. are governed by the rules established in Articles 159, 160 and 161 of the Labor Code.

### L. SHARE-BASED PAYMENT RESERVE

In accordance with IFRS 2, Gestión y Servicios has recognized an expense (personnel costs) corresponding to the benefits granted by the Suez Parent to the employees of all subsidiaries worldwide, in the form of share-based payments, in consideration for services rendered, which benefit was subscribed by the employees of Gestión y Servicios. These services are valued at the fair value of the instruments awarded.

The share purchase plans implemented by the Suez controller for employees of subsidiaries around the world allow employees to subscribe to Company shares at a lower cost than the market. The fair value of instruments awarded under employee share purchase plans is estimated at the grant date based on the value of this discount granted to employees and the vesting period applicable to the share subscribed. As this is a service provided by employees to each subsidiary, in accordance with IFRS 2, Gestión y Servicios recognizes the cost of the agreement as an expense for the year, which is offset by a credit to equity.

### M. INCOME TAX AND DEFERRED TAXES

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

The income tax payable is determined based on the taxable income of the period. The income tax payable by the Company is calculated using the tax rates that have been approved, or are in the final process of approval, on the closing date of the statement of financial position.

Deferred taxes are recognized on the basis of the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the calculation of the tax result and are accounted for in accordance with the balance sheet liability method. Deferred tax liabilities are recognized for all taxable temporary differences, and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the differences can be utilized. No deferred tax assets or liabilities are recognized if the temporary differences arise from the initial recognition (except in a business combination) of other assets and liabilities in a transaction that does not affect either taxable profit or financial performance.

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

Deferred tax assets and liabilities are measured at the tax rates expected to apply in the period when the liability is settled or the asset is realized, based on tax rates that have been approved, or the approval process

is substantially completed, at the end of the period of the statement of financial position. The measurement of deferred tax assets and liabilities reflects the tax consequences that would arise from the manner in which the Company expects, at the reporting date, to recover or settle the carrying value of its assets and liabilities.

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

### N. ORDINARY INCOME

#### Revenue recognition policy

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

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

#### Revenue recognition policy for sales of goods

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

#### Revenue recognition policy for sales of services

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

Invoicing and eventual provision is made on the basis of work performed.

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## O. INFORMATION ON ENVIRONMENT

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

These assets are valued, like any other asset, at acquisition cost. The Company depreciates these assets on a straight-line basis over the remaining years of estimated useful life of the various assets.

## P. CONSOLIDATED STATEMENTS OF CASH FLOW

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

### Cash and cash equivalents:

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

### Operating activities:

these represent activities typical of the normal operation of the business of the Company, as well as other activities not classified as investment or financing activities.

### Investing activities:

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

### Financing activities:

represent activities that produce changes in the amount and composition of net equity and liabilities that are not part of ordinary activities.

## Q. RECLASSIFICATIONS

For the year ended December 31, 2019, certain reclassifications have been made to facilitate comparison on December 31, 2020, as follows:

Reclassifications	Increase / (Decrease) Th\$
<b>Statement of financial position:</b>	
Usage rights assets	75,935
Properties, plant and equipment	(75,935)
Current lease liabilities	34,128
Other current financial liabilities	(34,128)
Non-current lease liabilities	42,708
Other non-current financial liabilities	(42,708)



## INFORMATION TO BE DISCLOSED ABOUT RELATED ENTITIES

### Balances and transactions with related entities

Transactions between the Company and related entities are carried out on an arm's length basis.

#### Accounts receivable to related entities

Tax ID related company	Related company name	Nature of relationship	Country of Origin	Nature of transactions with related parties	Currency Type	Terms	Guarantees	Currents (Th\$) dec-20	Currents (Th\$) dec-19
61,808,000-5	Aguas Andinas S.A.	Controller	CL	Lease of real estate, guarantee U.F. 18.73	CLP	30 days	Guarantees	544	530
61,808,000-5	Aguas Andinas S.A.	Controller	CL	Retention of sewer renovation work	CLP	30 days	Without guarantees	137,465	137,465
61,808,000-5	Aguas Andinas S.A.	Controller	CL	Sale of Materials	CLP	30 days	Without guarantees	29,944	57,284
61,808,000-5	Aguas Andinas S.A.	Controller	CL	Meter Verification	CLP	30 days	Without guarantees	650	445
61,808,000-5	Aguas Andinas S.A.	Controller	CL	Entel Agreement	CLP	30 days	Without guarantees	.	39,064
61,808,000-5	Aguas Andinas S.A.	Controller	CL	Leak Detection and Repair	CLP	30 days	Without guarantees	94,068	222,998
96,809,310-K	Aguas Cordillera S.A.	Related to the Controller	CL	Leak Detection and Repair	CLP	30 days	Without guarantees	310	9,716
96,809,310-K	Aguas Cordillera S.A.	Related to the Controller	CL	Sale of Materials	CLP	30 days	Without guarantees	-	366
96,809,310-K	Aguas Cordillera S.A.	Related to the Controller	CL	Meter Verification	CLP	30 days	Without guarantees	-	95
89,221,000-4	Aguas Manquehue S.A.	Related to the Controller	CL	Sale of Materials	CLP	30 days	Without guarantees	-	127
89,221,000-4	Aguas Manquehue S.A.	Related to the Controller	CL	Meter Verification	CLP	30 days	Without guarantees	65	-
96,967,550-1	Analsis Ambientales S.A.	Related to the Controller	CL	Sale of Materials	CLP	30 days	Without guarantees	39,359	-
96,967,550-1	Analsis Ambientales S.A.	Related to the Controller	CL	Entel Agreement	CLP	30 days	Without guarantees	-	156
A85788065	Aqua Development Network	Related to the Controller	CL	Talent Management	CLP	30 days	Without guarantees	-	-
76,080,553-K	AQUALOGY SOLUTIONS CHILE LTDA.	Related to the Controller	CL	Sale of Materials	CLP	30 days	Without guarantees	238	18,681
96,945,210-3	Ecoriles S.A.	Related to the Controller	CL	Sale of Chemical Supplies	CLP	30 days	Without guarantees	126,261	145,651
Total Accounts Receivable								430,604	632,578



## Accounts payable to related entities

Tax ID related company	Related company name	Nature of relationship	Country of Origin	Nature of transactions with related parties	Currency Type	Terms	Guarantees	Currents (Th\$) dec-20	Currents (Th\$) dec-19
61,808,000-5	Aguas Andinas S.A.	Controller	CL	Purchase of Materials	CLP	30 days	Without guarantees	7,979	120
61,808,000-5	Aguas Andinas S.A.	Controller	CL	Leases	CLP	30 days	Without guarantees	31,757	10,043
61,808,000-5	Aguas Andinas S.A.	Controller	CL	Interim dividend	CLP	30 days	Without guarantees	36,204	56,396
96,809,310-K	Aguas Cordillera S.A.	Related to the Controller	CL	Purchase of Materials	CLP	30 days	Without guarantees	-	3,073
96,809,310-K	Aguas Cordillera S.A.	Related to the Controller	CL	Interim dividend	CLP	30 days	Without guarantees	796	1,240
76,080,553-K	AQUALOGY SOLUTIONS CHILE LTDA.	Related to the Controller	CL	Purchase of Materials	CLP	30 days	Without guarantees	6,902	36,270
<b>Total Accounts Payable</b>								<b>83,638</b>	<b>107,142</b>

## Transactions with related entities

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

Tax ID related company	Related company name	Nature of relationship	Country of Origin	Nature of transactions with related parties	Currency Type	Currents (Thousand of \$)			
						dec-20		dec-19	
						Amount	Effects on Result (Charge) / Credit	Amount	Effects on Result (Charge) / Credit
61,808,000-5	Aguas Andinas S.A.	Controller	CL	Dividend	CLP	36,204	-	244,620	-
61,808,000-5	Aguas Andinas S.A.	Controller	CL	Lease	CLP	112,961	(104,885)	111,882	(100,867)
96,945,210-3	Ecoriles	Related to the Controller	CL	Sale of Chemical Supplies	CLP	2,364,758	1,987,192	2,056,761	1,728,370
96,967,550-1	Analisis Ambientales S.A.	Related to the Controller	CL	Sale of materials	CLP	231,594	194,617	-	-
76,080,553-K	AQUALOGY SOLUTIONS CHILE LTDA.	Related to the Controller	CL	Sale of materials	CLP	7,687	6,459	181,944	152,894
76,080,553-K	AQUALOGY SOLUTIONS CHILE LTDA.	Related to the Controller	CL	Purchase of materials	CLP	581,525	(262,758)	902,543	(699,064)

The materiality criterion for reporting transactions with related entities is for amounts in excess of the cumulative Th\$100,000.



STATEMENT OF FINANCIAL POSITION	2020 Th\$	2019 Th\$
<b>ASSETS</b>		
Current assets	4,986,927	6,198,235
Non-current assets	2,734,194	858,838
<b>Total assets</b>	<b>7,721,121</b>	<b>7,057,073</b>
<b>LIABILITIES</b>		
Current liabilities	3,300,482	3,756,652
Non-current liabilities	1,067,776	91,949
Equity	3,352,863	3,208,472
Minority interests	-	-
<b>Total Liabilities and Equity</b>	<b>7,721,121</b>	<b>7,057,073</b>
<b>STATEMENT OF RESULTS</b>		
Ordinary income	8,917,094	10,454,700
Cost of operation	(8,708,216)	(9,983,482)
Financial result	(27,217)	(14,904)
Other than the operation	(42,461)	(244,401)
Income tax	(18,546)	(19,790)
Minority interests	-	-
<b>Profit attributable to owners of controlling company</b>	<b>120,654</b>	<b>192,123</b>
<b>STATEMENT OF CASH FLOW</b>		
Net Cash Flows from Operating Activities	(332,385)	724,940
Net Cash Flows from Investing Activities	(194,703)	(24,109)
Net Cash Flows from Financing Activities	-	(250,000)
Net Increase (Decrease) in Cash and Cash Equivalents	(527,088)	450,831
Initial Balance Cash and Cash Equivalents	1,401,165	950,334
<b>Closing Balance Cash and Cash Equivalents</b>	<b>874,077</b>	<b>1,401,165</b>
<b>STATEMENT OF CHANGES IN EQUITY</b>		
Issued capital	506,908	506,908
Other equity interests	(41,428)	(41,428)
Retained earnings (loss)	2,887,383	2,742,992
Non-controlling interests		
<b>Total Equity</b>	<b>3,352,863</b>	<b>3,208,472</b>

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## Management and services S.A.

### GENERAL BACKGROUND

<b>Name:</b>	Gestión y Servicios S.A.
<b>Type of entity:</b>	Closed Stock Corporation.
<b>Legal Address:</b>	Av. Presidente Balmaceda N° 1398
<b>Telephone:</b>	(56 2) 569 23 42
<b>Single Tax Role (RUT):</b>	96,828,120-8
<b>Subscribed and paid-in capital:</b>	Th\$ 506,908
<b>External auditors:</b>	EY Chile
<b>Single Tax Role (RUT):</b>	77,802,430-6

### CORPORATE PURPOSE

The object of the Company is the urbanization, purchase and sale of sanitary materials, sale of biogas, construction and consulting of specialty works.

### CONSTITUTIVE DOCUMENTS

The Company was incorporated as a corporation under the name Aguas del Maipo S.A., by public deed dated June 6, 1997, granted at the Santiago notary's office of Mr. Patricio Zaldivar Mackenna, and subsequently amended its bylaws as recorded in a deed dated November 10, 2000, at the notary's office of Mr. Patricio Zaldivar Mackenna, changing its corporate name to Gestión y Servicios S.A.

**Fax:** (56 2) 569 23 98

### BOARD

<b>Chair:</b>	Marta Colet Gonzalo
<b>Regular Directors:</b>	Ivan Yarur Sairafi (Ejecutivo Principal en Aguas Andinas S.A.) Eugenio Rodriguez Mingo (Ejecutivo Principal en Aguas Andinas S.A.)
<b>General Manager:</b>	Francesco Iula Cusumano
<b>Percentage of parent company :</b>	97.84783%
<b>Proportion that represents the investment in the parent company's assets:</b>	
<b>The investment in the company represents the proportion of :</b>	0.16%

### COMMERCIAL RELATIONSHIP WITH PARENT COMPANY

During the business year ended December 31, 2020, the Company maintained contracts for the purchase and sale of materials and leases with its Parent Company. Similar commercial relationships are expected to be maintained in the future.



STATEMENTS OF FINANCIAL POSITION <i>ENDED AS OF DECEMBER 31, 2020</i>	Aguas Andinas S.A.		Aguas Cordillera S.A.		Aguas Manquehue S.A.		EcoRiles S.A.	
	2020 Th\$	2019 Th\$	2020 Th\$	2019 Th\$	2020 Th\$	2019 Th\$	2020 Th\$	2019 Th\$
<b>ASSETS</b>								
Current Assets	302,254,499	197,676,646	18,593,041	20,489,459	5,660,145	4,781,637	7,691,327	6,022,761
Non-current Assets	1,842,181,989	1,803,767,656	398,580,857	312,222,909	98,536,029	94,244,894	842,045	701,223
<b>Total Assets</b>	<b>2,144,436,488</b>	<b>2,001,444,302</b>	<b>417,173,898</b>	<b>332,712,368</b>	<b>104,196,174</b>	<b>99,026,531</b>	<b>8,533,372</b>	<b>6,723,984</b>
<b>LIABILITIES</b>								
Current Liabilities	244,032,589	242,137,717	69,051,362	53,321,458	17,975,680	16,555,430	2,726,103	2,855,498
Non-current Liabilities	1,059,655,092	1,071,833,122	91,704,771	74,100,996	27,715,600	27,164,059	39,421	73,381
Equity	840,723,242	644,453,334	256,417,513	205,289,676	58,504,894	55,307,042	5,767,848	3,795,105
Minority Interests	25,565	43,020,129	252	238	-	-	-	-
<b>Total Liabilities and Equity</b>	<b>2,144,436,488</b>	<b>2,001,444,302</b>	<b>417,173,898</b>	<b>332,712,368</b>	<b>104,196,174</b>	<b>99,026,531</b>	<b>8,533,372</b>	<b>6,723,984</b>
<b>STATEMENT OF RESULTS</b>								
Ordinary income	478,773,563	484,329,084	70,582,730	74,177,612	16,316,315	17,115,014	16,282,874	14,432,857
Cost of operation	(311,981,391)	(262,973,770)	(46,357,488)	(42,650,910)	(10,761,326)	(8,680,556)	(13,390,610)	(11,908,959)
Financial result	(24,303,832)	(21,528,894)	(1,274,458)	(2,009,866)	(700,170)	(743,779)	(4,602)	(6,749)
Other than the operation	(26,806,709)	(7,753,582)	(1,309,387)	(1,474,514)	(676,501)	(626,121)	(150,258)	12,956
Income tax	(26,987,579)	(49,352,038)	(4,535,997)	(6,652,461)	(863,393)	(1,656,124)	(718,577)	(688,392)
Minority interests	1,673,827	(1,986,816)	(14)	(23)	-	-	-	-
Profit attributable to owners of controlling company	98,691,668	141,737,188	17,105,386	21,389,838	3,314,925	5,408,434	2,018,827	1,841,713
<b>STATEMENT OF CASH FLOW</b>								
Net Cash Flows from Operating Activities	185,293,280	220,759,469	27,225,039	35,731,053	9,213,683	10,479,195	3,193,739	1,662,395
Net Cash Flows from Investing Activities	(78,371,570)	(109,694,362)	(21,261,540)	(12,376,686)	(3,587,493)	(6,926,409)	(257,625)	(47,123)
Net Cash Flows from Financing Activities	(4,038,882)	(78,982,823)	(7,318,788)	(18,993,227)	(4,881,983)	(2,794,953)	-	(1,450,000)
Net Increase (Decrease) in Cash and Cash Equivalents	102,882,828	32,082,284	(1,355,289)	4,361,140	744,206	757,833	2,936,113	165,273
<b>Initial Balance Cash and Cash Equivalents</b>	<b>72,062,758</b>	<b>39,980,474</b>	<b>5,096,793</b>	<b>735,653</b>	<b>961,612</b>	<b>203,779</b>	<b>394,046</b>	<b>228,773</b>
<b>Closing Balance Cash and Cash Equivalents</b>	<b>174,945,586</b>	<b>72,062,758</b>	<b>3,741,504</b>	<b>5,096,793</b>	<b>1,705,818</b>	<b>961,612</b>	<b>3,330,159</b>	<b>394,046</b>



STATEMENTS OF FINANCIAL POSITION <i>ENDED AS OF DECEMBER 31, 2020</i>	Aguas del Maipo S.A		Gestión y Servicios S.A		Análisis Ambientales S.A	
	2020 Th\$	2019 Th\$	2020 Th\$	2019 Th\$	2020 Th\$	2019 Th\$
<b>ASSETS</b>						
Current Assets	1,308,730	1,575,347	4,986,927	6,198,235	3,789,679	4,121,604
Non-current Assets	12,188,311	12,934,061	2,734,194	858,838	5,782,464	5,558,457
<b>Total Assets</b>	<b>13,497,041</b>	<b>14,509,408</b>	<b>7,721,121</b>	<b>7,057,073</b>	<b>9,572,143</b>	<b>9,680,061</b>
<b>LIABILITIES</b>						
Current Liabilities	5,990,531	6,006,110	3,300,482	3,756,652	1,570,421	1,901,856
Non-current Liabilities	4,272	6,525	1,067,776	91,949	436,408	1,515,036
Equity	7,502,238	8,496,773	3,352,863	3,208,472	7,565,314	6,263,169
Minority Interests	-	-	-	-	-	-
<b>Total Liabilities and Equity</b>	<b>13,497,041</b>	<b>14,509,408</b>	<b>7,721,121</b>	<b>7,057,073</b>	<b>9,572,143</b>	<b>9,680,061</b>
<b>STATEMENT OF RESULTS</b>						
Ordinary income	339,931	1,071,511	8,917,094	10,454,700	9,616,567	9,450,854
Cost of operation	(1,341,030)	(1,415,228)	(8,708,216)	(9,983,482)	(8,015,057)	(7,868,702)
Financial result	(119,509)	(117,399)	(27,217)	(14,904)	(43,837)	(48,493)
Other than the operation	26,375	(303,405)	(42,461)	(244,401)	(169,763)	(76,113)
Income tax	99,699	129,754	(18,546)	(19,790)	(329,757)	(388,496)
Minority interests	-	-	-	-	-	-
Profit attributable to owners of controlling company	(994,535)	(634,767)	120,654	192,123	1,058,153	1,069,050
<b>STATEMENT OF CASH FLOW</b>						
Net Cash Flows from Operating Activities	73,629	(2,258,720)	(332,385)	724,940	1,506,030	849,959
Net Cash Flows from Investing Activities	-	-	(194,703)	(24,109)	(541,472)	(627,518)
Net Cash Flows from Financing Activities	(95,000)	2,282,000	-	(250,000)	(1,000,000)	155,000
Net Increase (Decrease) in Cash and Cash Equivalents	(21,371)	23,280	(527,088)	450,831	(35,442)	377,441
<b>Initial Balance Cash and Cash Equivalents</b>	<b>32,059</b>	<b>8,779</b>	<b>1,401,165</b>	<b>950,334</b>	<b>449,730</b>	<b>72,289</b>
<b>Closing Balance Cash and Cash Equivalents</b>	<b>10,688</b>	<b>32,059</b>	<b>874,077</b>	<b>1,401,165</b>	<b>414,288</b>	<b>449,730</b>

