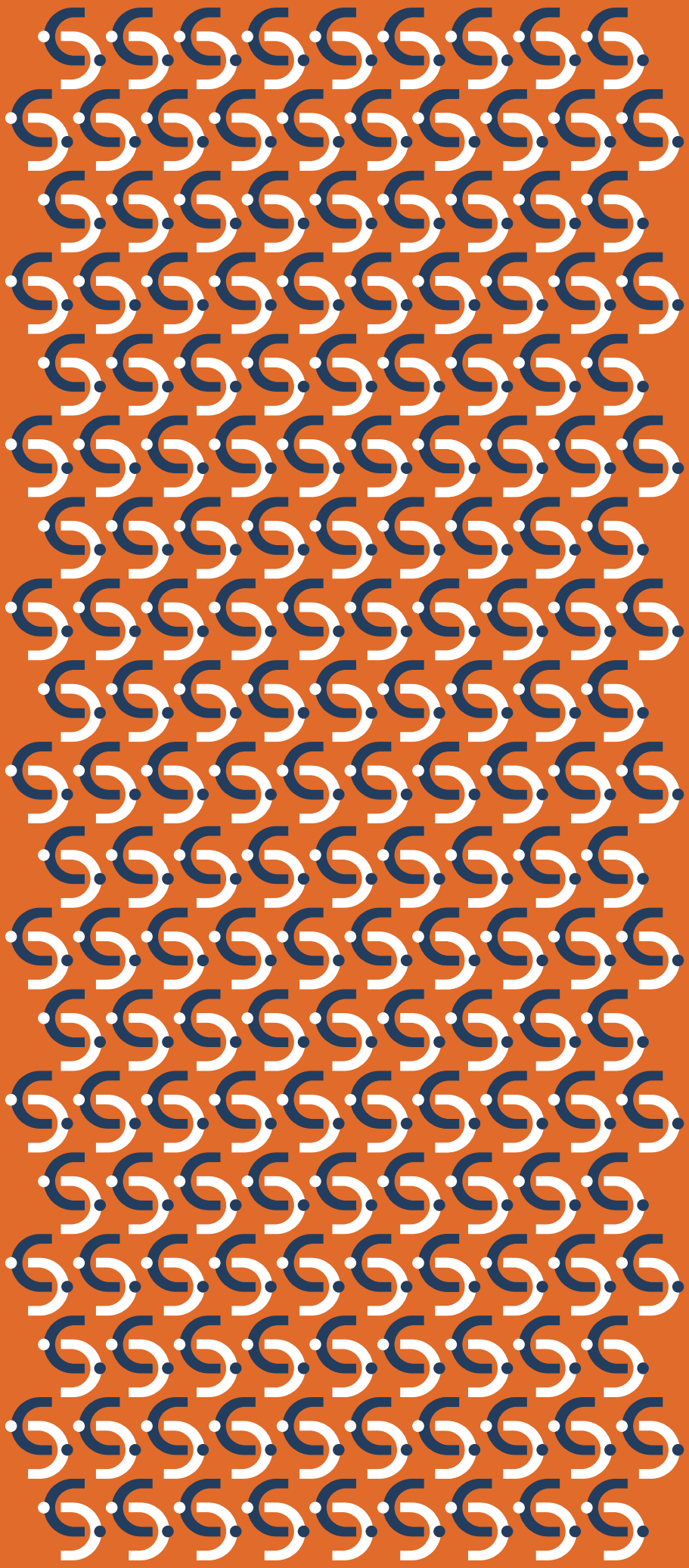
together

CERRO DOMINADOR
CONCENTRATED SOLAR POWER

2021 SUSTAINABILITY **REPORT**



together

Name of the organization (102-1)
Cerro Dominador

Office Locations (102-3)
Central Office
Isidora Goyenechea 2800, Ste. 2501,
Las Condes. Santiago.

Project Office
María Elena, Antofagasta.

Ownership and Type of Company (102-5)
EIG Atacama Management SpA
Company in charge of
managing the projects in Chile

EIG Atacama Management Company LLC
Company in charge of the global
management of projects

Cerro Dominador CSP S.A.
Company that owns the 110 MW
concentrated solar power plant

Cerro Dominador PV S.A.
Company that owns the 100 MW
photovoltaic power plant

Pampa Unión SpA
Company that owns the 600 MW PV project

Likana Solar SpA
Company that owns the 690 MW CSP project

Period reported (102-50)
January 1 to December 31, 2021

Contact Person (102-53)
María José López
mjlopez@cerrodominador.com

Website
www.cerrodominador.com

CERRO DOMINADOR
CONCENTRATED SOLAR POWER

2021 SUSTAINABILITY REPORT

Table of Contents


CERRO
DOMINADOR

1

We are Cerro Dominador

Chile needs a diverse energy matrix and Cerro Dominador has proposed being a contribution to sustainable development by generating 100% renewable, flexible and stable energy available 24 hours a day.

We work under the highest operating standards that incorporate the vision of sustainability from the moment our projects are conceived. This enables us to prevent and manage the impacts of our activity and to identify the areas where we can make real contributions both to the places where our facilities located and to society as a whole.

Our work in 2021 was focused on successfully starting up the Cerro Dominador Concentrated Solar Power Plant in the municipality of María Elena. The inauguration was attended by the President of the Republic, national and regional authorities, which fills us with pride and helps us look with confidence towards the future. This year we also worked on our corporate identity and together we defined our purpose: *Leading the energy transition innovatively so that each person can choose a sustainable future.*

Message from our CEO

GRI 102-14

It is my pleasure to present our fourth sustainability report in which the team of Cerro Dominador reports on the environmental, social and governance (ESG) perspective of our work in 2021.

The great achievement in this period was, without any doubt, the startup of our concentrated solar power plant in María Elena, the first to generate concentrated solar power in Latin America. Combined with the photovoltaic plant that has been in operation in this location since 2017, we now have an energy complex with 210 MW of installed capacity that can supply electricity 24 hours a day. We have now ended the period of uncertainty and difficulties that we experienced during construction and we have proven that we have the resilience to go forward and, above all, a passion for what we do.

Beginning operation filled our team with great pride and spawned admiration among the diverse stakeholders. The image of the 250-meter tower receiving the sun's reflection from 10,600 mirrors that from afar look like seeds in a sunflower has traveled the globe as a symbol of the worldwide deployment of Unconventional Renewable Energy (URE). This is an emblem of the effort to progress toward making the energy industry carbon-neutral in the universal fight against climate change.

Apart from the innovation implicit in using CSP, in which we use salt from the same Chilean desert, this technology has the attribute of strengthening energy security in a country that is transitioning quickly towards decarbonization. The road that we are paving at Cerro Dominador is key, and an increasing number of customers are using this to their advantage in the search to reduce their own Greenhouse Gas Emissions (GHG) and make their processes sustainable.

We are happy to say that thanks to our work, clean energy is now being supplied to companies in the south of Chile, to production plants, service stations, car charging points, city government buildings and public lighting in one municipality in Santiago.

Certain that producing clean energy is our most important contribution, how we develop our processes — with respect for the environment, communities and in harmony with the interests and needs of our employees and suppliers — is of utmost importance to us. In other words, we are aware that it is not enough to supply a good product, it is also crucial how we do it.

There lies the relevance of showing the progress in our "24/7 Solar Revolution Strategy" in this report. The five pillars of that strategy support and promote the contribution of Cerro Dominador to sustainable development, with a particular focus on the Region of Antofagasta. The dialog to build solutions and the collaboration with other players imprint a seal on our way toward making it happen.

As part of the Energy Cluster promoted by the Corfo Committee for the region, we are working on developing local suppliers and forming specialized human capital. Together with two other companies, we implemented an initiative in 2021 to improve the operating standards of a group of 17 suppliers in María Elena in order to help them become a part of the chain of production and trade. We also implemented a program to train 55 professionals and technicians to be operators and maintenance technicians at our plants. At the close of the program, 30 had become company employees.

Another of the aspects on which we are impressing our seal is the push for gender equity in operations. 41% of our staff is comprised of women. We want to foster and strengthen female employment, so under the "Together We Can" program, we joined the Energy + Women initiative of the Ministry of Energy and the Women's Empowerment Principles (WEPs) of UN Women. In 2021 we began a mentorship program for young female engineers at universities in Antofagasta in conjunction with the Chilean Association of Renewable Energy and Storage (ACERA) and REDEG, in the hope that they will develop their careers in the URE industry.

Both local inhabitants and the people who wish to visit Cerro Dominador can enjoy the Tourist-Scientific Observation Center that we delivered to the community in May. Three universities participated in its design and implementation and the talented sculptor Federico Assler created two unique, imposing sculptures for display at the Center. The Center's management was handed over to the municipality of María Elena and is an important contribution by our company to the community and the country.

As we promised, in 2021, as part of our environmental work, we began measuring our carbon footprint and analyzing the climate risks of our operations according to recommendations of the Task Force on Climate-Related Disclosures (TCFD). As a company that aims to be a solution to the challenges implicit in preserving our planet, we are aware that we are a part of the chain of value of our customers and we are responsible for providing precise and verifiable information to them and to the lenders involved in our projects.

These dynamics in 2021 left us very optimistic about the near future because we are a part of the great movement towards sustainable development.

We closed the year with the good news that our Likana project received approval of its environmental impact statement. This means that we can begin the construction of a plant that will have three energy storage towers and a generation capacity of 2,700 GWh per year, making it the most important CSP complex in the world.

I thank the Cerro Dominador team for their commitment and all our stakeholders for their collaboration. We will continue to progress with passion and conviction in the challenge to provide 100% renewable, flexible and stable energy to Chile.

Fernando González
CEO of Cerro Dominador

Company Profile

GRI 102-2 102-3 102-4 102-6 102-7

We are Cerro Dominador, a company that aims to strengthen Chile's energy industry by supplying clean, reliable electricity through innovative and sustainable solutions that contribute to the decarbonization of Chile's energy matrix. We are also the group behind the first Concentrated Solar Power (CSP) plant in Latin America.

Our first complex in operation is the Cerro Dominador Complex, located in the municipality of María Elena, Region of Antofagasta. It is comprised of a photovoltaic plant with an installed capacity of 100 MW and a concentrated solar power plant with a capacity of 110 MW, emplaced on more than 900 hectares. The CSP plant connected to the National Grid in August 2021 to supply customers throughout Chile.

The group also intends to expand its projects throughout the nation. We have two other projects: Likana Solar, in Calama, and Pampa Unión, in Sierra Gorda. The common dominator to all is the supply of clean energy available 24/7 and the seal of being an operation of excellence.

Cerro Dominador Complex
In Operation

A photovoltaic plant with an installed capacity of 100 MW that has 392,000 panels capturing the sun's energy and conveying it directly to the grid.

It has been in operation since 2017.

A concentrated solar power plant that uses 10,600 heliostats installed on a solar field measuring more than 900 hectares. CSP technology solves the problem of intermittent power generation caused by the absence of sunlight or wind because it has an autonomous storage capacity of 17.5 hours without any sunlight.

In operation since 2021.

Pampa Unión
In development

A photovoltaic plant that will produce 210 MW. Its environmental approval (RCA) is pending.

It is in the process of being amplified to 600 MW, requested through an Environmental Impact Statement (DIA).

Likana Solar
In development

A power plant (DIA approved) with an installed capacity of 690 MW, comprised of three towers capable of storing energy for 12 hours.

Its capacity to produce a net amount of 2,700 GWh/year of electricity will make it the largest CSP tower complex in the world.

Its DIA was approved in December 2021.

2021 Highlights

April

The Cerro Dominador CSP plant was connected to the National Grid.

May

55 scholarship recipients graduated from the Competitive Training Program sponsored by Cerro Dominador and CORFO.

The Tourist-Scientific Observation Center was inaugurated with sculptures by Federico Assler.

We were awarded the tender of the municipality of Lo Barnechea to supply energy in the unregulated customer format to its Civic Center offices and the Community Development Office (Dideco).

June

President Sebastián Piñera inaugurated the concentrated solar power plant in a ceremony attended by Juan Carlos Jobet, Minister of Energy, Carolina Schmidt, Minister of the Environment, EIG officers and the senior management of Cerro Dominador.

July

Firmamos un PPA[1] entre Cerro Cerro Dominador and PF Alimentos signed a four-year PPA to supply clean energy to six production plants in Talca and two distribution centers in Santiago.

August

We became chairperson of the Extended Executive Council of the Integrated Territorial Program (PTI) – Energy Cluster of the CORFO Antofagasta Committee.

September

We signed an agreement with the Municipality of Las Condes to supply clean energy to three municipal buildings and public lighting in this municipality in Santiago.

October

The proposed optimization of Likana Solar was approved in the Environmental Impact Assessment System (SEIA), expanding its capacity from 450 MW to 690 MW.

We began to measure the carbon footprint of the organization and we committed to measuring according to the TCFD method.

We were a finalist in the REDMAD awards, Women in High Office, because of an ongoing commitment to gender equity in the energy industry.

November

We won a co-funding contest to implement Green Hydrogen projects.

We received the “Best Project in 2021” recognition from the Association of Engineering Consultants (AIC) because of our contribution to the economic and social development of the country.

December

We received certification from Great Place to Work.

[1] Power Purchase Agreement

Our Ties

GRI 102-12 102-13

Cerro Dominador believes in collaboration among peers and with anyone who is interested in contributing to the sustainable future of the energy business. We are active in different spaces of dialogue to listen and offer our best ideas and practices.

We are members of the Association of Renewable Energy and Storage that has around 150 members who are developers, generators and suppliers in this industry.

We are part of the Generator Trade Association of Chile that represents power generating companies operating in the country.

We are members of Amcham Chile, a chamber that promotes free trade, investment and a total integration of Chile and the United States while creating value for members and society.

We are members of the World Energy Council Chile, a platform for dialogue among the highest leaders in the public, private and academic spheres. The most important issues of the energy business are debated by this council.

We are one of the founders of the Concentrated Solar Power Association that aims to advertise the benefits of concentrated solar power technology in the country.

We joined ACCIÓN Empresas, the representative in Chile of the World Business Council for Sustainable Development (WBCSD). We are active members of the Climate Change and People Committees.


ABENGOA
O&M

2

Our Leadership

We are oriented towards generating clean energy under the unrestricted commitment to the values of sustainability. Our Board and Executive Committee ensure that all work is done according to our values, the voluntary commitments we have assumed and governing regulations.

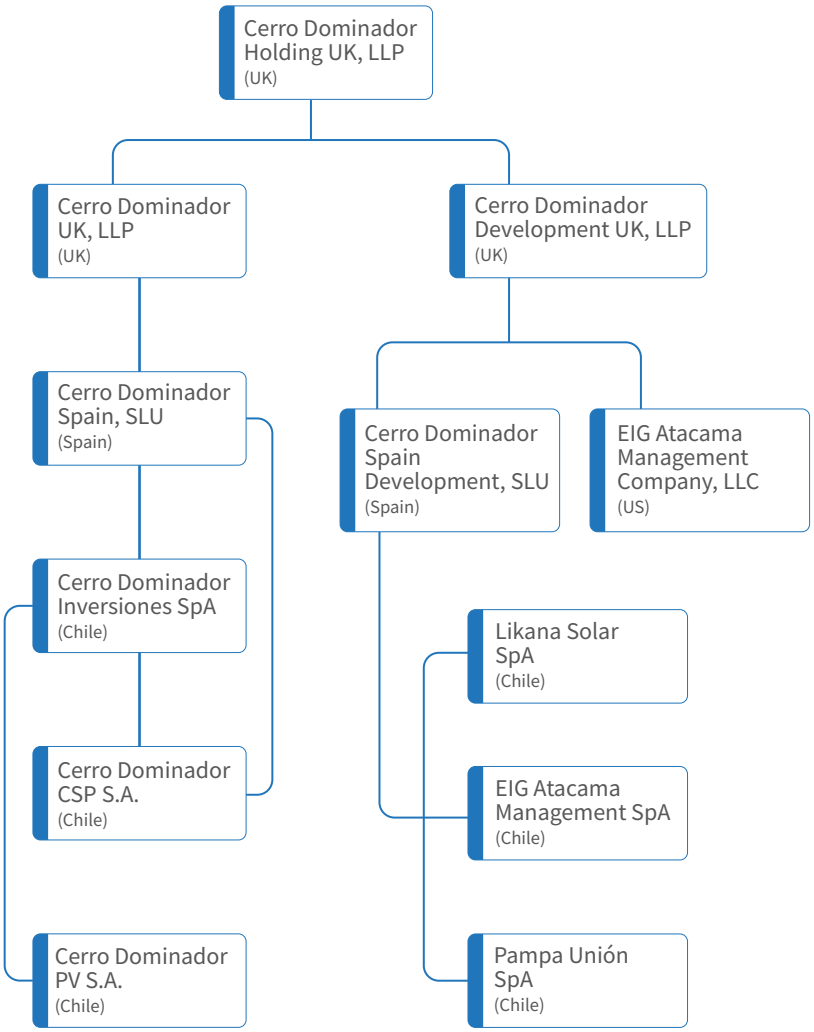
Corporate Governance

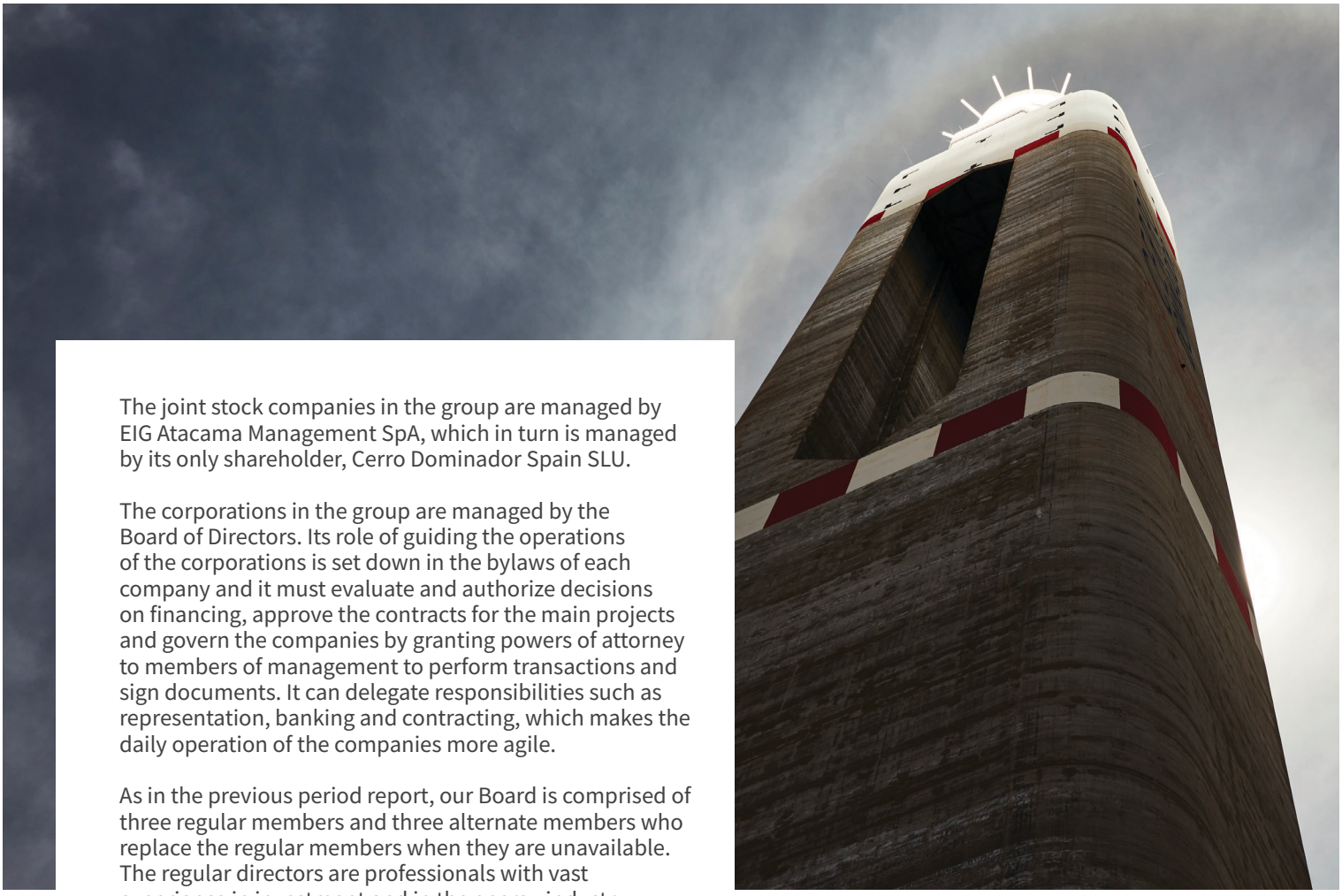
GRI 102-18 102-22 102-23

Ownership

The Cerro Dominador Group is managed by funds owned by EIG, a leading fund manager in the energy business. EIG has adopted strict guidelines for the companies comprising the group to meet Environmental, Social and Governance (ESG) standards.

Cerro Dominador PV S.A. and Cerro Dominador CSP S.A. are closed corporations forming part of the holding and are also project companies owning the assets that are in operation. Likana Solar SpA and Pampa Unión SpA are owners of the projects bearing the same names that we expect will begin to be built soon.





The joint stock companies in the group are managed by EIG Atacama Management SpA, which in turn is managed by its only shareholder, Cerro Dominador Spain SLU.

The corporations in the group are managed by the Board of Directors. Its role of guiding the operations of the corporations is set down in the bylaws of each company and it must evaluate and authorize decisions on financing, approve the contracts for the main projects and govern the companies by granting powers of attorney to members of management to perform transactions and sign documents. It can delegate responsibilities such as representation, banking and contracting, which makes the daily operation of the companies more agile.

As in the previous period report, our Board is comprised of three regular members and three alternate members who replace the regular members when they are unavailable. The regular directors are professionals with vast experience in investment and in the energy industry:

Jean-Daniel Bourgeaud, Chairman of the Board
Alternate: Pablo Cavallaro

He is a Managing Director who runs the EIG office in London and oversees investment in energy and renewable energy. He is a member of the Executive and Investment Committees. Prior to coming to EIG, he worked at the Inter-American Development Bank (IDB).

Walid Mouawad, Director
Alternate: Francisco Vizcaíno

He is a Managing Director and member of the investment team that focuses mainly on energy, infrastructure and renewable energy transactions in Europe. He was a director on the West LB Global Energy team, where he spent four years designing and organizing finance transactions for projects in the EMEA.

Fernando González, Director
Alternate: Nicole Pitronello

Fernando has more than 25 years of executive experience in the energy industry. He has worked in the four large Fortune 500 accounting firms and emerging companies backed by private capital.

Executive Committee

GRI 102-19 102-24 405-1 405-2

An Executive Committee manages the companies in the Group and is the body that makes decisions according to the authority delegated to it by the Board. It is headed by Fernando González, who is Chief Executive Officer (CEO). This Committee handles the daily operation of our project portfolio, deciding on operating, commercial, legal, strategic, sustainability and communicational guidelines, among other aspects.

The committee is comprised of six directors (four men and two women) who are Argentine, Chilean and Spanish.

As of December 2021, the following professionals comprised the Executive Committee:

Fernando González
Chief Executive Officer (CEO)

Pablo Cavallaro
Chief Legal Director

María José López
Corporate Affairs and HR Director

Diego Rausei
Chief Financial Director (CFO)

Claudia Onetto
Regulation and Governance Director

Francisco Vizcaíno
Project Director

Our Purpose and Values

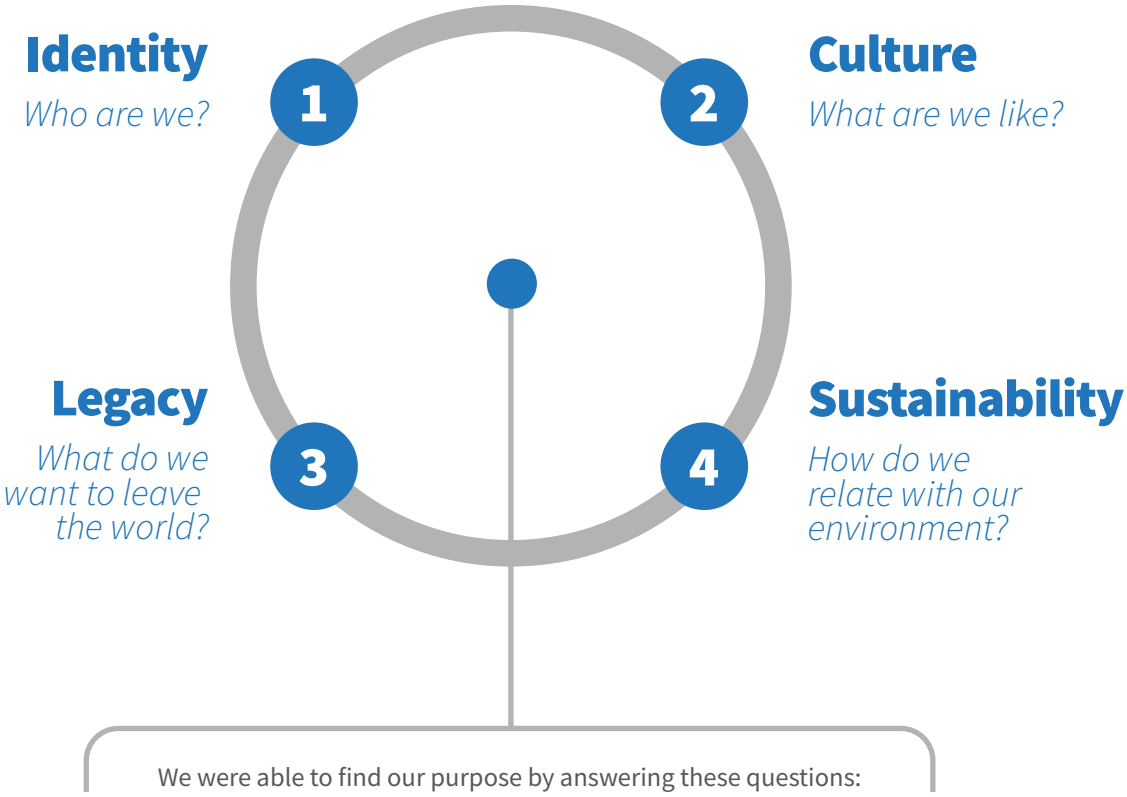
GRI 102-16

Our purpose

We know that working to secure and cement our organizational culture is a key step to guaranteeing that we all share the same codes, which increases our possibilities of operating cohesively in alignment with the corporate values.

In the aim of deepening these cultural aspects, in 2021 we decided to take another step: working on defining our business purpose. Given the moment of growth and the possibilities of expanding our operations, we believe that it is time to ask who we are, to evaluate our organizational culture and dream about the legacy that we want to leave as a young team committed to the development of clean energy.

This process was structured on the basis of four questions that were answered by our Executive Committee and by employees.



Purpose of Cerro Dominador

Leading the energy transition innovatively so that each person can choose a sustainable future

This statement reflects who we are and what we want to achieve. Each of the words in this statement is an invitation to make the best of our abilities.

Lead: We have been invited to **be professional and efficient pioneers** in the industry.

Energy transition: We feel called upon to **develop and deliver** clean, renewable energy leading to **carbon-neutrality.**

Innovation: We have proposed that we be a company that **promotes and facilitates innovation** in daily operations.

People: We are guided by the values of **integrity and respect** when we interact amongst ourselves and with our stakeholders.

Choice: We want to **democratize** people's choice of energy source

Sustainable future: We are daring to dream about a future where **values of sustainability** are a tangible reality that contributes to the happiness and realization of people.

Our Values

When we committed to helping the energy transition in Chile, we decided that from the beginning, we would be recognized in all that we do for our expertise and ethical behavior. Our corporate values are the principles guiding our decisions, operations and the way in which we relate to all our stakeholders.

Commitment to the environment and sustainability

We are committed to working to improve the actual environmental conditions of the planet.

Integrity and respect

We do our work according to the highest standards of ethics and value and we respect the work of each member of the organization and our counterparties.

Professionalism and efficiency

We are a high-performing team characterized by delivering joint work where both the content and the way in which we present it is high quality.

Innovation

We are always looking for new ways to improve our work by incorporating technology to what we do and being open to new ideas. We are decided and unafraid of change.

Ethical management

GRI 102-17 205-2 205-3

The way in which we have decided to conduct ourselves as professionals within our teams and with our stakeholders is set down in the Group's Code of Conduct. All employees must understand and respect this rule, which is explained to them at the time they join the company. The content of the Code of Conduct (and other similar standards on honesty in business) are reinforced by annual training and monthly reminders.

Ethics Committee

This committee is responsible for ensuring ethical behavior and honesty in our conduct and decisions. The members are the CEO, the Chief Legal Officer and the Compliance Officer.

The Chief Legal Officer is responsible for supervising and ensuring that our company works properly and abides by the rules. His job is to prevent situations and conduct that might violate the legal and regulatory framework governing us.

We have socialized our Code of Conduct

1. All employees receive the Code of Conduct and supplementary policies as soon as they join the company.
2. Employees are required to take ethical behavior and business honesty training annually.
3. A relevant matter in the Code or in policies is chosen monthly and a reminder is sent to all employees to reinforce it.
4. The Code of Conduct and supplementary policies are available on the company's server any day at any time.

Actions in 2021

The three members of the Board (100%), the six members of the Executive Committee (100%) and all of our staff (41) have received the anti-corruption policies and procedures. Our only shareholder (EIG) also collaborates in applying our ethics management mechanisms and results.

As a part of the EIG group, we are also subject to the U.S. Foreign Corrupt Practices Act of 1977 (FCPA) and the UK 2010 Bribery Act, as subsequently amended. EIG has its own Compliance Department, but we still must report any cases occurring in the year. According to our Code of Ethics, if complaints cannot be settled by the Ethics Committee, they must be sent directly to the EIG Compliance Officer.

Thus far there have been no cases of corruption in our company, but other actions have been taken when conflicts of interest, abusive behavior and other situations have occurred.

How does our code work?

All employees must resolve any doubts or request assistance in ethics or the law by contacting the Compliance Officer or the Chief Legal Officer directly or by e-mail to **denuncia@cerrodominador.com.**

Employees may also contact our Ethics Committee directly or by the above e-mail to report or notify any concern they may have in relation to unethical or illegal conduct.

People outside Cerro Dominador may submit complaints or questions by filling in the contact form on our website. Whistleblowers, whether an employee or an outsider, can decide to submit the complaint anonymously.

The whistleblower policy ensures that complaints will be kept confidential so that there will be no reprisals for defending or reporting in good faith real or suspected misconduct that deviates from our corporate values. Once the complaint is received, there will be an internal investigation during which the Ethics Committee will attempt to determine the truth and severity of the facts reported and the type of measures that should be adopted to resolve them.

All cases are investigated under a strict confidentiality and whistleblowers are kept abreast of the investigation unless that would affect the investigation.

Once the investigation is completed, a detailed report is prepared on the complaint that will specify the information that has been reviewed and analyzed, the actions to take, potential penalties and recommendations to prevent this type of violation in the future.

Some of the penalties could be:

- A written or verbal admonition;
- Termination of the employment contract;
- Termination of a contract with the third parties involved in the proven events.

Climate change risk management

GRI 102-15 205-1
SASB RR-ST-410a.1
Cerro 1

Managing the risks to which our operations are exposed is a key component in ensuring the sustainability of our business model. Each of the teams manages the specific risks in their areas that include environmental, social and governance (ESG) considerations for the purpose of aligning all our actions to our commitments and sustainability goals.

Having proposed leading the country's energy transition is an invitation to systematically examine the potential and real effects of climate change. For that reason, in 2021 we decided to study the implications of this phenomenon for our industry in order to understand the risks to which we are exposed and the way in which our operations can help mitigate the effects of the change in climate conditions.

During the period reported, we began to build a risk management model based on recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), a standard designed by the Financial Stability Board (FSB) to consistently communicate the financial impact of climate change to stakeholders. Using this standard facilitates showing the way in which climate change is being addressed in the organization's governance, its corporate strategy and risk management, together with the results of impact measurements and the goals set by the organization.

The financial impact involves of four variables:

We identified the following risks in the fiscal year:

RISK OR OPPORTUNITY	TYPE	DESCRIPTION
Physical risks	Chronic	Impacts caused by specific events such as extreme weather that has increased in intensity and/or frequency.
	Acute	Impacts resulting from long-term changes in climate patterns.
Risks of a transition towards a low-carbon economy (i.e., transition risks).	Regulatory	Political actions that attempt to limit the actions helping to counteract the adverse effects of climate change or political actions that are intended to promote adapting to climate change.
	Technological	Changes in the demand for certain products and services due to the development of better or more innovative technologies that contribute to a more energy-efficient and low-carbon economic system.
	Market	Impacts that may occur to the company's chain of production due to variations in the supply and demand for products, services or changes in the behavior of customers and suppliers.
	Reputational	A change in the perception of customers and the community regarding the organization or production sector because of its contribution to GHG emissions and the measures that have been adopted to support climate change action.
Opportunities arising from climate change	Resource efficiency	A reduction in operating costs by improving process efficiency.
	Energy sources	Energy production using low-emission alternatives.
	Products and services	Development of new low-emission products and services that may improve its competitive position.
	Markets	Participation in emerging markets better positioned for a low-carbon transition, who may receive financial support.
	Resilience	Implementation of actions to handle the physical and transitional risks.

According to the definition of risks developed by the Intergovernmental Panel on Climate Change (IPCC), a method was prepared to qualitatively evaluate the risks identified in terms of:

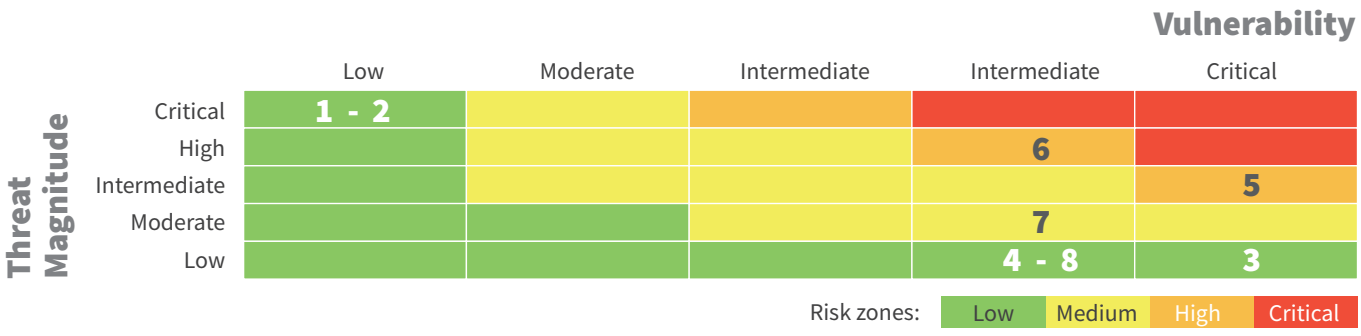
- **Threat:** meaning changes that may cause damage to Cerro Dominador;
- **Exposure:** the degree of exposure to those threats.
- **Vulnerability:** our level of readiness to face those threats.

We also held a workshop where we qualitatively estimated the magnitude and vulnerability to each threat identified.

The result was a heat map of the physical risks and transition risks that indicates the level of risk by magnitude of the threat and degree of vulnerability to which it exposes us. The categories of both variables were: critical, high, intermediate, moderate and low.

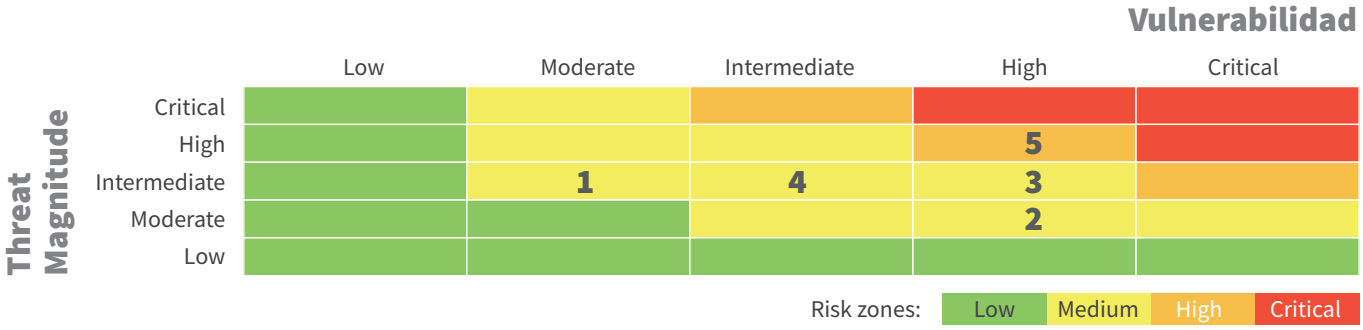
PHYSICAL RISK IDENTIFICATION MATRIX

	THREAT	MAGNITUDE OF THREAT
1	Increase in temperature	Critical
2	Increase in heat waves	Critical
3	Decrease in sunlight	Low
4	Increase in cold waves	Low
5	Increasing water shortage: operations	Low
6	Increasing water shortage: market	High
7	Increase in heavy winds	Moderate
8	Increase in the frequency of mud slides	Low



TRANSITION RISK IDENTIFICATION MATRIX

	THREAT	MAGNITUDE OF THREAT
1	Decarbonization of the matrix: greater share of renewable energy	Intermediate
2	Bill of law on renewable energy storage	Moderate
3	Increase in the price of coal and green tax offsetting	Intermediate
4	Decarbonization of the chain of value	Intermediate
5	Regulatory changes	High



This exercise will help us make more balanced financial and technical decisions that consider the physical risks (potential adverse impacts of climate phenomenon) and transition risks (resulting from the uncertainty of activities undertaken to reduce our GHG emissions).

See the full TCFD recommendations report on page 97.

Cerro Dominador is convinced that the efforts made to mitigate and adapt to the impacts of climate change create an opportunity to innovate and to continue developing our technical abilities.

Our sustainability strategy

GRI 102-26 102-40

The “24/7 Solar Revolution” is our sustainability strategy by which we aim to ensure that all our activities consider the potential impact of our operations and the contributions that we might make to our neighboring communities, industry and society as a whole.

The commitments we have assumed internally and to our stakeholders are included in this strategy, which gives us a roadmap to ensure that we are a true contribution to society, especially in the scope of being carbon-neutral.

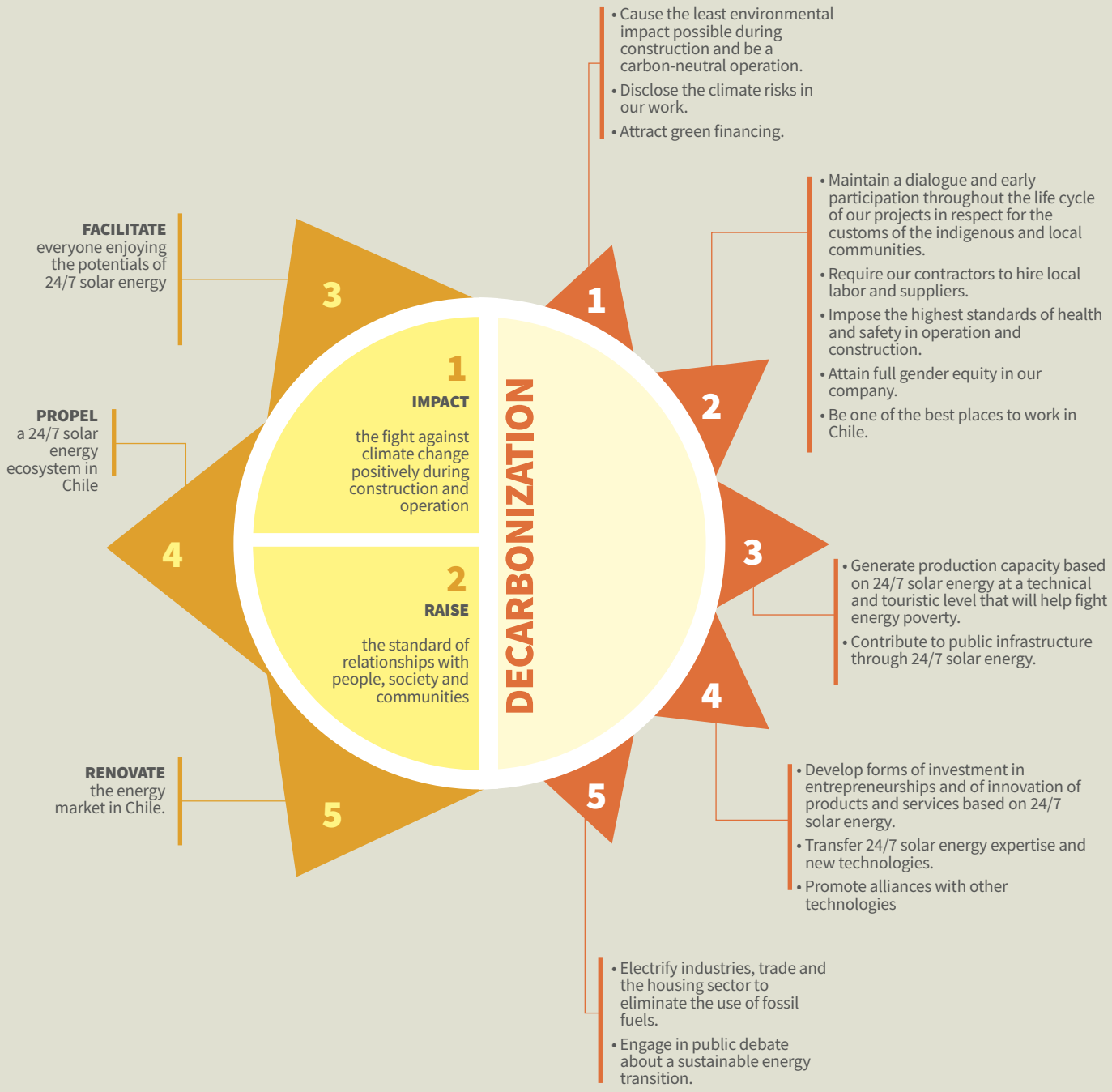
Our ability to innovate has made us solar energy pioneers in Chile, which not only fills us with pride but also entails great responsibility to contribute permanently to the country’s sustainable development 24 hours a day, 7 days a week.

The “24/7 Solar Revolution” was presented in 2020, so 2021 was a time when we were dedicated to ensuring that its components were a true reflection of our business purpose and of our commitment to contribute by creating value for society. This report reports on the progress in each of the goals proposed to attain the strategy’s objectives.

Our strategy is structured on five pillars: two of them address our internal management and the remaining three refer to our ties to citizens, entrepreneurs, suppliers, regulators and the industry.

These pillars help us interact in a structured way with our stakeholders:

24/7 SOLAR REVOLUTION – STRATEGY



SUSTAINABLE DEVELOPMENT GOALS TO WHICH THE STRATEGY CONTRIBUTES

3

The energy market

We are part of a highly dynamic industry and market. Chile is a country that offers a regulatory environment propitious to developing business that contributes to the country's 2050 goal of becoming carbon-neutral. In this setting, we have proposed leading the solar energy market by our characteristic professionalism in providing a safe solar energy service available 24 hours a day, 7 days a week.

A dynamic setting

GRI 201-2

The energy industry in Chile and the world

Globally, the energy industry is urgently addressing the effects of climate change. This has resulted in a dynamic scientific, technological and business ecosystem focused on becoming carbon-neutral by 2050.

One example of these efforts was reported by the International Energy Agency (IEA), which predicts that renewable energy capacity will increase by close to 60% around 2026, totaling 4,800 GW, equal to the combined capacity of fossil fuel and nuclear energy.

In this setting, Chile wants to fulfill international commitments through the Bill on the Climate Change Framework Law. Both the competent authorities and actors in the industry are aware of the diverse opportunities available in Chile for a quick deployment of Unconventional Renewable Energy (URE) generated by solar, hydraulic, wind and geothermal sources, accompanied by a robust and favorable regulatory setting and a market interested in transforming the energy matrix.

As a result, in 2021 more than 40% of direct foreign investment in the country was allocated to renewable energy and Chile was rated the most attractive investment in this respect.

This is added to the fact that in 2020, Chile set a goal of producing 25% of its energy from clean sources by 2025, an achievement strongly aided by solar and wind plant production. Given this movement, experts are predicting that all energy that Chile needs could come from green sources by 2040, one decade before the world goal deadline.

But not everything has worked in our favor. We have also had to face challenges. The results of the tender to guarantee power supply to regulated customers for the next 15 years were revealed in September.

Initially, we understood from the situation that we would obtain good prices, but the question arose about guaranteeing supply 24 hours a day given the great penetration of renewable energy. **So, in the tender, we felt there were no concrete signals to attract the participation of technologies that would make the electric system more resilient, especially considering the narrow scenario in the last few months.** If the drought becomes very severe and there is no access to fuels like gas, we are risking meeting the needs of the energy system using fossil fuels, which is not a sustainable alternative.

[2] Goal set at the COP25.
[3] Climatescope 2021 report by Bloomberg New Energy Finance https://global.climatescope.org/

Renovation of the legal framework

The results that we discussed are part of the national energy plan designed in 2014 and updated by the administration of Sebastián Piñera to project a new horizon of 30 years. The National Energy Policy is currently in a consultation process. That policy stipulates that power demand could triple by 2050, going from an energy usage of 24% to 73% due to the electrification of cities, transportation and industrial processes. It also identifies poles of development in the provinces of Tocopilla and Antofagasta and for the first time incorporates storage alternatives, including, concentrated solar power (CSP).

The initiatives under way to modernize the regulation of the electric sector are:

Climate Change Framework Law: The goal is for Chile to become GHG-neutral by orienting climate governance towards the decarbonization of society. The bill of law has been under debate by Congress since 2021 and is appreciated by all sectors. Members of the Concentrated Solar Power Association have asked that this technology be included because of the benefits it will create by being a part of the National Grid.

Energy transition law: Among other aspects, this initiative promotes the storage of electricity by encouraging the development of technologies that make that possible. It also aims to legally recognize projects that combine electricity consumption with injection so that they are charged only for the net electricity that they effectively withdraw from the system. Measures are also included to encourage electromobility. The project was sent by the Administration to the House of Representatives in November 2021.

Power connection portability bill of law: This initiative establishes the right to electricity portability through a reform to the distribution system and creates the figure of an electricity merchandiser who will be responsible for buying and selling energy on the price-regulated market. This will give homes and small industries the possibility of choosing their power supplier at lower prices with better service and the choice of renewable energy. This project was submitted to the House of Representatives in September 2020.

General electricity law: This initiative aims to make changes to the law to allow storage systems to participate in the energy and capacity transfer market. This means that stand-alone batteries may be installed, without having to be coupled to a solar or wind project. The law has technical impacts (a limited storage capacity) and economic impacts (the cost of making up for the storage limitation).

TYPES OF CUSTOMERS ON THE CHILEAN MARKET

Our regulations identify two types of main customers, differentiated by their energy needs.

PRICE-REGULATED CUSTOMERS

These are the end users whose connected capacity is less than or equal to 5,000 kW (homes, businesses, different types of facilities). They receive service from distribution companies that are by nature monopolies, so the law stipulates that these users are price-regulated to protect them both in terms of price and quality of service.

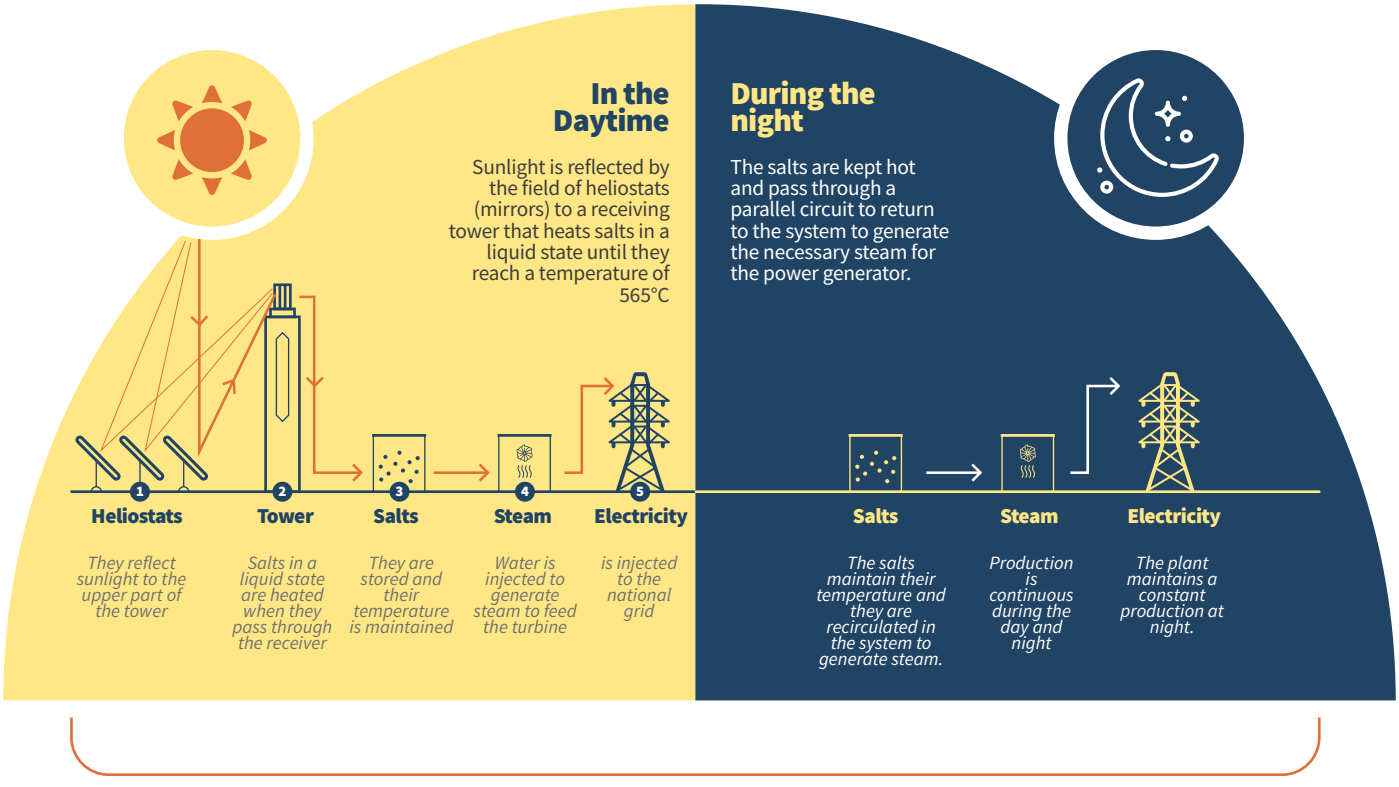
UNREGULATED CUSTOMERS

These are end users whose connected capacity is greater than 5,000 kW (large companies and facilities, municipalities) for which the law allows pricing freedom, assuming that they have a bargaining capacity and the possibility of being supplied electricity in other ways, such as self-generation or supply directly from generators. For these reasons, they are called PPA (Power Purchase Agreement) customers.

Our role in the industry

Our business opportunities relate directly to the dynamism of the local industry and the international urgency with which we are called upon to address the effects of climate change.

How does Cerro Dominador produce energy?



The heliostats are mirrors that reflect the sun's radiation to a receiver that is on the top of the tower. All the rays are directed there so the energy is concentrated as if it were a magnifying glass.

Once the receiver is pre-heated, a pump sends the molten salts upwards, which circulate through panels and are heated to 565°C. The salts are then discharged to water exchangers where steam is produced that causes the turbines to move and produce electricity.

Creating economic and financial value

Material topic

GRI 101-1 101-2 101-3

Why is it important?

According to a study by the Ministry of the Environment, prepared by the Inter-American Development Bank (IDB), the economic and industrial movement to attain carbon-neutrality could increase Chile's GDP to 5.2% by 2050.4 In parallel, many are the impacts on the creation of economic and financial value caused by the energy industry as it relates to diverse actors locally, nationally and/or internationally who also play different roles, such as supplier, collaborator, ally and even competitor.

What does Cerro Dominador do?

Because it has the best solar radiation on the planet, the north of Chile has recently become a pole of solar energy development and our company is an active participant in this challenge. In 2021, we successfully completed the construction of the Cerro Dominador Concentrated Solar Power Plant and put it into operation. Added to that is the photovoltaic plant in operation since 2017. We are also continuing forward with new projects like Likana Solar and Pampa Union that will add 1,200 MW of installed capacity.

[4] Research entitled "Options to Achieve Carbon Neutrality in Chile," by the IDB and the University of Chile, Catholic University of Chile and the RAND Corporation for the Ministry of the Environment.

Likana Solar

Likana Solar requires an investment of US$1.8 billion and it will use the same technology as Cerro Dominador. It will consist of three towers. This will make it one of the renewable energy power plants with the greatest capacity in the world. It will be located on the Quimal Flats, 41 kms to the southwest of Calama.

Each of the towers will reach a height of close to 205 meters. The receiver will rise another 45 meters above that.

The Environmental Assessment Service granted this project authorization in October 2021 to expand its capacity from 450 MW to 690 MW.

The project also plans to optimize the site facilities and camps for a better organization of activities and the least impact possible at the site, both on the environment and the zonal inhabitants. This included a change in the route of the power line (PL) that meant extending it 1.17 kms beyond the initial proposed route.

Cerro Dominador's Customers

We are a young company that has tried to pave its way in this growing industry under a business vision that includes the values of sustainability in each stage of the development of our projects.

As a result, we have cultivated commercial relationships based on transparency and trust: we give our customers truthful, clear and relevant information and demonstrate to them by results that we are a team that has the ability to develop clean energy under high standards of governance, occupational safety and respect for the environment.

We currently supply electricity to

Copec: In 2019 we signed a five-year agreement under which we will supply 50% of their power consumption, which includes 72 service stations in the Copec network and 8 plants in different regions of Chile. We will also supply electricity to the Copec Voltex charging network.

Saesa Group: In 2020 we signed an agreement to supply 600 GWh of clean energy per year, to be distributed to its unregulated customers in the south of Chile.

PF Alimentos: We supply electricity to six plants and two distribution centers located in Santiago and Talca. Power supply started to two facilities in August 2021 and the rest will be added in the first half of 2022.

Municipality of Las Condes: In 2021 we signed an agreement for clean energy supply to the Consistorial Building, the Civic Center (including the Municipal Theater and the El Alba Tennis Park). We also provide power to 44,569 light posts.

Municipality of Lo Barnechea: In 2021 we signed a PPA to supply the Civic Center offices and the Community Development Office (Dideco). In addition to reducing their carbon footprint, the PPA will help them save close to 90 million pesos in a year that can be allocated to other social projects.

These unregulated customers were incorporated under our contract resulting from the public tender with distribution companies.

Direct economic value generated and distributed

GRI 201-1

Cerro Dominador invests in building world-class power plants under the pillars of innovation, competitiveness and integrity.

We have a team committed to performing work of excellence so that we can generate and distribute value to our stakeholders. Our commitment to the creation of value is based on having adopted the principles of sustainability and good governance, as we know that working according to those parameters is what helps us grow, position ourselves and contribute to the national energy industry.

US$ 166,500,479
Economic value generator

US$ 212,428,666
Economic value distributed

US$ 4,004,819
Employees

US$ 126,710,537
Operating costs

US$ 12,419,131
Taxes[5]

US$ 46,829
Donations

US$ 69,247,348
Financiers

Includes all companies in the Cerro Dominador Group

The dividend policy is aligned to the commitments assumed by the company under its bank loans contracted in 2018.

[5] Includes payment of business licenses, signage, garbage collection, etc.

Progress toward goals and objectives

FOCUS	OBJECTIVES	2030 GOAL	2021 PROGRESS
4. PROPEL a solar economy in Chile	Develop means to promote investment in entrepreneurships and innovation of products and services based on 24/7 solar energy.	2 projects a year developed in conjunction with 24/7 solar energy entrepreneurships.	Antofa Innova. How can we reduce osmotized water consumption in cleaning heliostats? Participation in the Antofa Innova Contest sponsored by the Innovation Club and Corfo.
	Transfer know-how on 24/7 solar energy and new technologies.	Explaining concentrated solar power to students in at least 10 schools in the Region of Antofagasta each year.	No specific actions were taken with schools in 2021 but educational visits have been arranged to the extent possible. The Lookout was also handed over to the community, which is a scientific information and observation center.
		Annual project with university innovation centers	CD participated in the CTCI Node Project with 5 universities and provided support to a dust analysis project of the University of Chile Geophysics Department.
	Promote alliances with other technologies.	An alliance with another technology.	In 2021, CD was awarded funding in a contest to conduct a study on green hydrogen products.
5. RENOVATE the energy market in Chile.	Electrify industries, trade and the housing sector to eliminate the use of fossil fuels.	One project annually on electrification of the operations of a large customer.	Supply to Copec's electric charging stations and a PPA with PF Alimentos.
	Engagement in public debate on a sustainable energy transition.	Promotion of the Power Connection Portability Law and incentives for the penetration of CSP technology in the national matrix.	An initiative addressed through the ASCP and our business associations after becoming a 24/7 energy actor in 2020.


CERRO
DOMINADOR

4

People, society and communities

We understand that our position in the industry, combined with a sound economic management, must leverage a team ready to contribute to carbon neutrality that has the tools to lead the construction and operation of our assets under high standards of safety and respect for the environment.

So, our growth plans, together with the commitment of everyone who forms a part of Cerro Dominador, have the potential to foster local employment, encourage the involvement of women in the economy and contribute in the long term to the development of the localities in our area of influence.

Our team

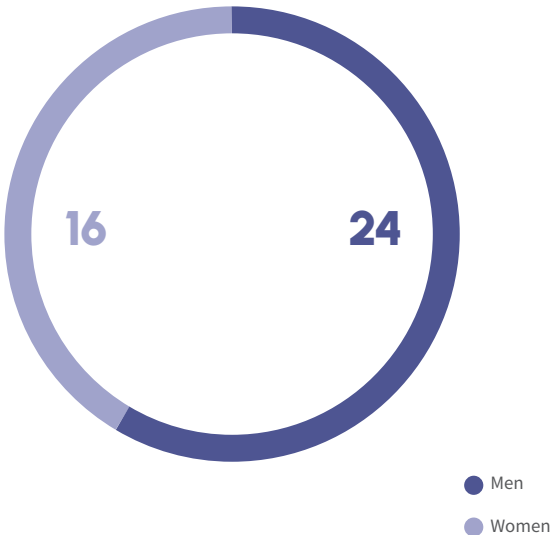
GRI 102-8 405-1

The people who work at Cerro Dominador have the common motivation of contributing to a sustainable world through clean energy production and processes respectful of communities.

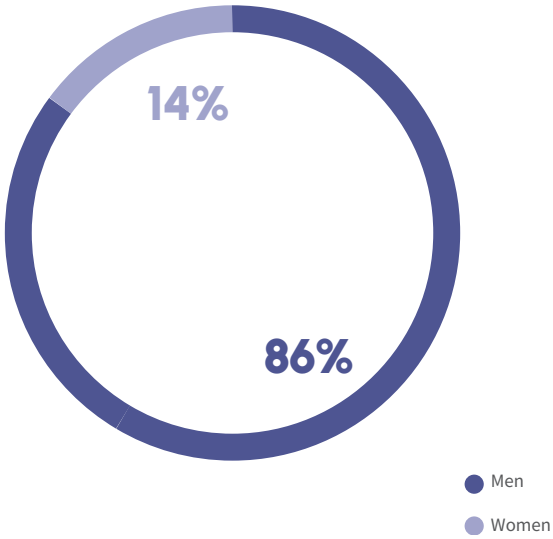
DOTACIÓN	2020	2021
Cerro Dominador (*)	42	40
Proyecto / planta (**)	1.401	597

(*) People working for Cerro Dominador in Santiago or at the plant.
(**) Annual average number of people working at the Cerro Dominador complex, hired by the operating companies.

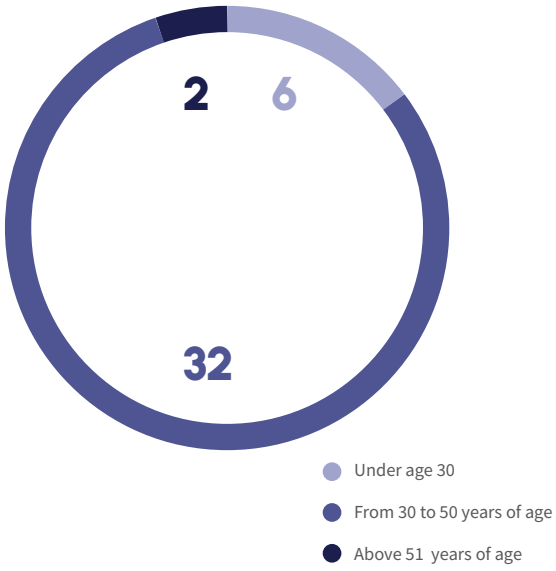
CERRO DOMINADOR DISTRIBUTION BY SEX



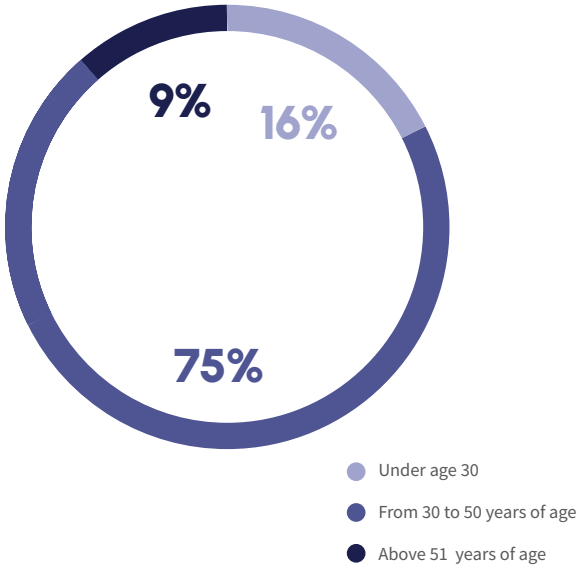
CERRO DOMINADOR DISTRIBUTION BY SEX AT THE PLANTS



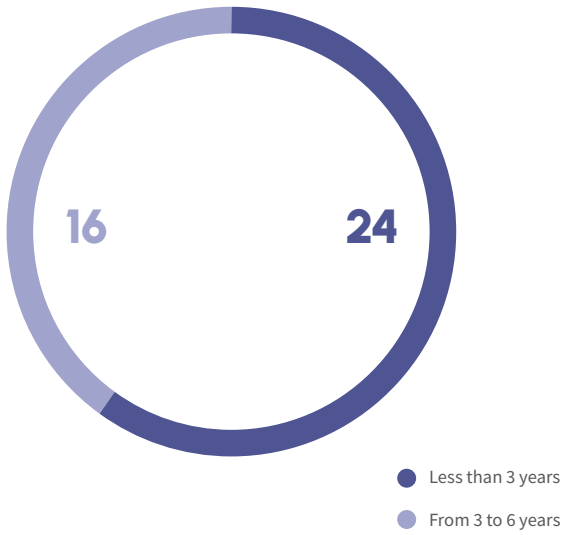
CERRO DOMINADOR EMPLOYEE AGE DISTRIBUTION



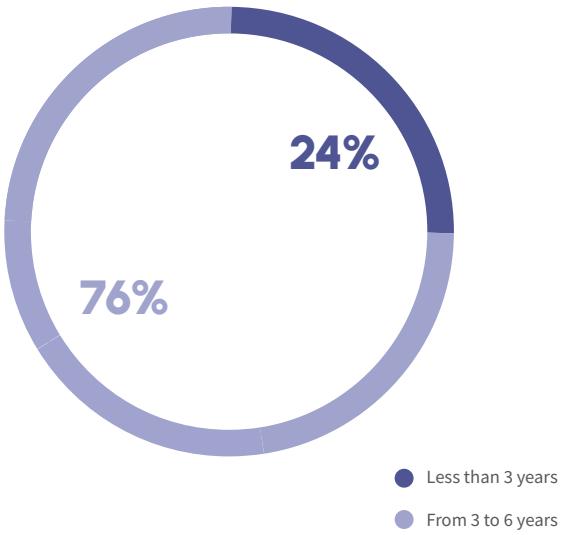
CERRO DOMINADOR PLANT AGE DISTRIBUTION



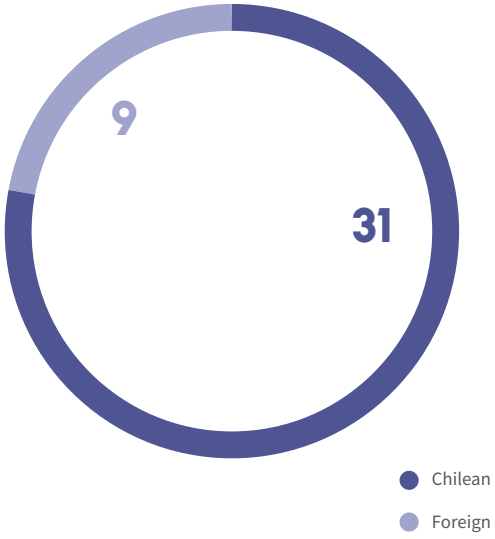
CERRO DOMINADOR EMPLOYEE BY TIME OF EMPLOYMENT



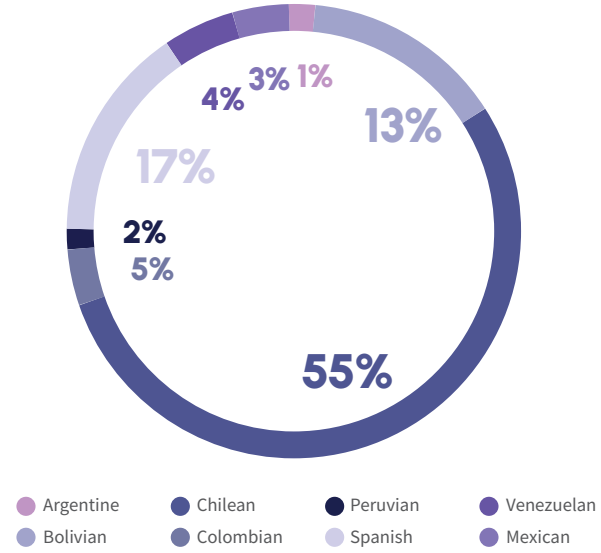
CERRO DOMINADOR PLANT EMPLOYEE BY TIME OF EMPLOYMENT



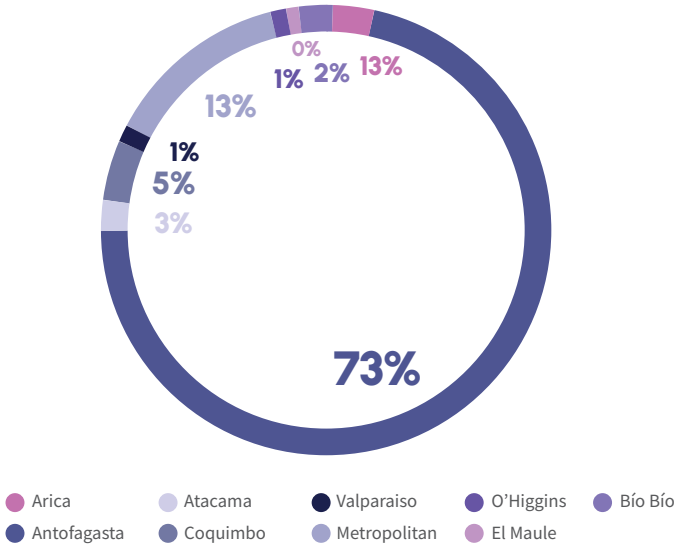
CERRO DOMINADOR EMPLOYEES BY NATIONALITY



CERRO DOMINADOR PLANT EMPLOYEES BY TIME OF EMPLOYMENT



CERRO DOMINADOR PLANT EMPLOYEES BY REGION OF RESIDENCE



DISTRIBUTION BY SEX BY SEGMENT (CERRO DOMINADOR)

	2021				2020			
	Men		Women		Men		Women	
Executive committee	4	67%	2	33%	5	83%	1	6%
Executive positions	11	69%	4	45%	9	56%	7	44%
Workers	9	47%	10	53%	10	50%	10	50%

2021	Men	Women
Executive Committee	4	2
Workers	20	14

Internal culture, development and motivation

Material topic

GRI 101-1 101-2 101-3

Why is it important?

The energy industry is one of the industries that has most changed in the last decade because of decarbonization and the need to adapt to the new regulatory and market requirements. In addition to becoming relevant, Unconventional Renewable Energy (URE) has also changed how projects are developed, from securing financing to managing operations and relating with the communities where the operations are located.

All this means, in addition to new know-how, other critical skills that include communication, collaboration, innovation and flexibility. The discussion of this topic encompasses direct employees, potential employees and contractors.

What does Cerro Dominador do?

Our team is known for its passion and perseverance. After many difficulties during the construction period, the concentrated solar power plant was started up in 2021, a milestone recognized to be symbolic in the country because of its importance to the renovation of the energy matrix. In fact, according to a report by Fundación Imagen de Chile (Chile Image Foundation), 75% of Chileans consider that the construction of the Cerro Dominador plant is a reason for national pride.

The search for solutions was useful in giving meaning to and consolidating the organization. This meant taking advantage of the vast experience acquired to move forward with new projects and ensure management of excellence in the operation of the plants and in corporate functions. The motivation comes from the pride of working for a pioneer in the region that is helping to care for the environment and also wants to be operationally self-sustainable and have sustainable relationships, especially with the community. That energy also makes the professionals set high and challenging goals because they perceive that they are creating paths.

A great place to work

In 2021, it received certification from Great Place to Work, a method that analyzes the work environment of companies based on the perceptions of their employees and an audit of their policies and processes.

Definition of our purpose

During the year, the Executive Committee and a group of employees engaged in an important activity to establish our purpose as a company. The aspects that must identify us were defined with the support of a consultant, who interviewed several members of the organization. Those aspects encompass attributes of the present, such who and how we are, the way in which we relate to our surroundings; and of the future, the legacy that we want to leave as an organization. "Innovatively leading the energy transition so that people can choose a sustainable future" was the statement that summarizes our raison d'etre. More details on the organizational purpose and values can be found in Chapter 2.

Performance management

GRI 404-3

For everyone working at Cerro Dominador, meeting the goals proposed by the company is part of the contribution we make from our roles as professionals and technicians. So, the annual performance review, which has three well-established phases, represents a tool to promote the potential of people and simultaneously strengthen the skills that are needed to develop the corporate project.

In the first phase at the start of each year, goals to be reached are set to according to the SMART method (specific, measurable, achievable, realistic and timely). The second phase consists of a guided evaluation by the supervisor to note progress and opportunities based on the goals set. The third phase is the final evaluation and during that evaluation, the feedback session includes a review of the goals based on the forecasted economic incentives.

Attraction and turnover

GRI 401-1

We are part of a very dynamic industry with attractive projects being developed in Chile. It is an organization that attracts talent and has a low turnover due to the effect of the demand for professionals with know-how and experience in URE.

In 2021, the entire staff of Cerro Dominador –including the Executive Committee– received performance evaluations.

We respect the freedom of association

GRI 102-41

Cerro Dominador respects the freedom of association of our employees and those of contractors. We understand that unionization is a valid way to establish formal dialogue between employees and managers of the organization. There are no unions in Cerro Dominador, but a portion of the employees at the SPV plant are parties to a collective bargaining agreement with Sinami (National Intercompany Union of Industrial Assembly Workers).

NEW HIRES IN 2021	11
Men	6
Women	5

TURNOVER RATE*	
Employees below 30 years of age	2.44%
From 30 to 50 years of age	4.88%
Men	2.44%
Women	4.88%

* Internal turnover of the Cerro Dominador parent company

Female employment in the industry

Material topic

GRI 101-1 101-2 101-3

Why is it important?

The energy industry is an economic sector that has traditionally been a space for the professional development of men. According to a 2018 study by the Ministry of Energy, the average presence of women is 23%, and it is higher in administrative positions and lower in technical, professional and managerial positions. The gap also covers other aspects, such as types of contracts (continuing or fixed-term). Faced with this reality, the new National Energy Policy— now undergoing consultation —proposes gender equity in managerial positions and in the salaries of public and private organizations in the energy sector by 2040. This topic is covered internally (directors and employees) and externally (contractors, suppliers, community, consultants, academia, civic organizations, authorities).

What does Cerro Dominador do?

We have a commitment to gender equity that starts from the corporate conviction that sustainable development needs everyone to be involved. This pushes us to work strongly on this aspect, both within our organization and in any spaces outside where we can have an influence and collaborate. The goal proposed in our sustainability strategy is clear and it aims to achieve full gender equity in our company in 2023, which translates into “Salary gap by position equal to 0 and a female presence of at least 40% in the organization.”

Together we can

The company's governance incorporates a vision of gender equity in the development of projects and initiatives. It also has a Gender Equity Committee that monitors initiatives and commitments.

The Together We Can program summarizes Cerro Dominador's commitment to gender equity. This program encourages selecting employees from a gender approach so that the composition of teams is equitable and representative of female talent now existing on the market. From this viewpoint, we are also working on improving the salary gap existing in the industry. We have extended this concern to our suppliers and contractors to encourage them to hire women.

During the construction period that ended in the first semester of 2021, Cerro Dominador pushed heavily for a change in the hiring pattern. It created the Mirrors Program, consisting of training and hiring women from the community of María Elena to assemble the heliostats of the photovoltaic panels. At its peak, 33% of the manufacture of heliostats and their assembly in the solar field was done by local women.

In 2021, the monthly proportion of the salary of men on the Executive Committee was 28% higher than that of women. It was 55% for employees. This calculation is based on the average gross salary, it includes expatriates and excludes the CEO's salary.

In-house talks

In 2021, we worked on sensitizing our corporate and plant employees to gender equity topics such as family abuse. We held three workshops, two on job well-being and self-care (15 people participated in Santiago and 15 at plants), while the third was held only for plant employees and addressed topics of violence against women and gender equity (25 people attended).

Mentorships for Antofagasta Youths

At the end of 2021, we began mentoring young engineering students at the University of Antofagasta, led by REDEG, with the participation of ACERA and the Regional Office of the Ministry of Energy. The initiative, sponsored by the Energy +Women Program, was intended to connect future professionals with those now working in energy companies. For three months, mentors from Cerro Dominador held workshops and individual sessions with students to share experiences and motivate them to become a part of the industry.

Experience-Sharing Campaign

We participated in the "Women are Pure Energy" campaign as members of the Energy Cluster of the Region of Antofagasta. The goal was to show the experience of 13 women from different areas, such as operators, executives, suppliers and industry benchmarks, among whom there were two employees of Cerro Dominador.

Programs in which we participated

ganarganar
La igualdad de género es un buen negocio

This UN Women's program has been under way since 2018 and aims to promote gender equality by getting the private sector involved. It is oriented toward the economic empowerment of women by working and controlling their resources.

energía +mujer

This is an initiative of the Ministry of Energy of Chile. The objective is to foster female employment in the industry. It promotes the design and implementation of a public-private – voluntary – plan with the Chilean energy industry and its chain of supply in which more than 60 organizations are participating. The goal is to overcome, based on a systematic approach, gender barriers and gaps to incorporate more female talent to the sector.

Health and safety

Material topic

GRI 103-1 103-2 103-3

Why is it important?

Because this is a specialized industry, energy production requires workers to follow technical procedures that sometimes present physical, chemical and other risks, such as falling, getting trapped and/or fire. In the specific case of URE companies, sound Occupational Health and Safety (OHS) systems is virtually a fundamental priority for their operation, needed because of their stakeholders, especially their employees, investors, regulators and unions.

What does Cerro Dominador do?

The health and safety of people, whether Cerro Dominador's own employees or those of contractors working at our plants, are a priority for our company. We have an Occupational Health and Safety Management System (OHSMS) that is based on ISO 45001 and addresses functional elements in the areas of leadership, structure, processes and actions. This tool, combined with a coherent framework for our safety management expectations, allows the specialized team to ensure that it is correctly applied both at the plants and in offices.

We are constantly fostering preventive measures and we impart training courses so that employees have the team tools of self-care and precaution.

Occupational Health and Safety Management System

GRI 403-1 403-8

Our Health and Safety Department is responsible for managing the resources needed for the OHSMS to perform correctly. It is focused on the goal to be attained and of maintaining the goal of no accidents through a series of tools:

1. Leadership and the commitment of the organization.
2. Strategic planning of the management system.
3. Organizational structure and responsibilities.
4. Supplier and contractor management.
5. Training and skills.
6. Risk management.
7. Monitoring and auditing program.

We comply with the regulations in Law 16,744 through the OHSMS and under the premise of continuing improvement, we are aspiring to ISO 45001:2018 certification. That certification audit is scheduled for the first quarter of 2022.

Care against the risks of a concentrated solar power plant

GRI 403-9 403-10

The main hazards present in the Operations and Maintenance (O&M) of any concentrated solar power plant are temperature and pressure because the plants have some lines loaded with steam and others with salts that are at high temperatures. Any leak is high risk because the salts are heated to 560°C and are managed in a liquid state. The pipes have high-strength thermal insulation. Nonetheless, should any leak occur, there would be severe and irreparable damage, so Cerro Dominador has in place and applies strict safety procedures and protocols.

The people who perform this work have been previously evaluated for their physical and psychological aptitudes to do that work. Once trained by specific talks, employees assigned to operate this equipment must have a work permit authorizing them to perform work inside the plant and they are required to use Personal Protective Equipment (PPE) at all times appropriate for the type of work. As a company, we plan and coordinate work every day and we reinforce all aspects of safety to be taken in account before beginning the workday. In this way, teams have key information, such as the pressure existing in the lines, and they have the ability to identify high temperatures, vibrations and pressure factors.

Other risks detected by evaluations by our legal insurance administrator (OAL) are UV radiation and noise exposure. None of our employees suffered these illnesses in 2021 thanks to training and the use of skin and hearing protection.

Services at plants and in offices

GRI 403-3

Services to protect the health of employees at offices and at plants are provided by the Chilean Safety Association (OAL). It provides support in addressing physical, chemical and biological risks, which are addressed by pre-employment physical examinations, physical examinations to test for altitude sickness, the ability to be in confined spaces and risk aversion, and psychosensory testing.

We are affiliated to the Chilean Safety Association (a work accident insurance association) and that affiliation is funded by the payment by Cerro Dominador of 0.93% of all taxable salaries.

The polyclinic at the Cerro Dominador complex is managed by Operadora Atacama, the main plant contractor. Its function is to provide immediate care in the event of an accident. If necessary, the victim is taken by the polyclinic's ambulance to a different care center.

Employee health and safety training

GRI 403-5

We are constantly training employees to encourage self-care and the prevention of risks associated with their jobs. Everyone joining the company must go through an induction that provides basic health and safety training. We imparted 7 courses in 2021 on 26 topics.

TRAINING

	2020	2021
Number of OHS participants	4,957	2,583
Number of OHS training hours	11,034	7,526.15

Joint hygiene and safety committees

Cerro Dominador has three joint hygiene and safety committees: one in the principal company and two in the plant operator that meet monthly. There were active instances of collaboration in 2021 in applying Covid-19 preventive measures. They also worked on defining a psychosocial risk protocol.

Pandemic measures

After a year of facing the health crisis caused by Covid-19, in 2021 we continued with the preventive routine to avoid infection among employees. The following measures were therefore adopted in operations.

- Everyone's temperature was taken daily upon entering the plant.
- A health statement had to be presented.
- Antigen tests were administered immediately if any symptoms appeared.
- A health residence was arranged for if quarantine was required.
- Social distancing in dining halls.
- Mandatory use of a face mask and alcohol gel supplied by the company.
- A safety induction to all plant employees focused on Covid-19 preventive measures during the transition from start-up to operation.

The most relevant measure for corporate office employees was telecommuting and a hybrid in-person work mode comprised of two teams (blue and orange). In-person meetings were also suspended and video conference calls were used instead.

Accidents and fatalities

GRI 403-9

Thanks to all our preventive measures, we had no fatal accidents or injuries to employees of Cerro Dominador. There was one occupational injury among project contractors and no fatal accidents.

Thanks to the commitment of all employees, both our own and those of contractors, the safety measures implemented in 2021 helped avoid accidents.

Community relations and development

Material topic

GRI 103-1 103-2 103-3
SASB RR-ST-160a.2

Why is it important?

In the clean energy industry, clean energy power plants are generally installed in places rich in natural resources like the sun, wind and water, and establishing constructive and close relationships with the communities is an operating requirement due to the magnitude of the projects that require social acceptance to be successful. The same communities are increasingly seeing new opportunities in these operations that start with employment, the possibility of being suppliers and of social investment in the territory. So, community relations become a material factor in the sustainable development of this industry, more so if there is a view capable of responding both to the historic social issues of the territories and of proposing new focuses of social development.

What does Cerro Dominador do?

Our projects are located in the Region of Antofagasta where we came to contribute to the neighboring communities by creating social value. To do this, we aim to establish transparent and close relationships and contribute both to the quality of life and to the development of those communities. On the basis of these aspirations, our sustainability strategy emphasizes dialogue and early involvement throughout the life cycle of projects and the hiring of local labor and suppliers.

Zones of influence

The Antofagasta Region has the highest ratio of direct solar radiation on the planet and the environmental humidity is so low that geographically, its attributes are ideal for the development of solar energy.

This is the zone where the Cerro Dominador solar complex is already installed, in the municipality of María Elena. We also plan to build Likana Solar, where the zones of influence will be Calama, San Pedro de Atacama, Chiu-Chiu and Río Grande; and Pampa Unión, in the Municipality of Sierra Gorda.

Our relationship pillars

SASB RR-ST-160a.2
Cerro 2

Cerro Dominador has a strong commitment to the communities living in the zones where we install our projects. We are respectful of their history and their traditions, and we also want to share with them the possibilities that solar energy creates as a source of development.

We have five pillars of community relations under which we organize and plan the programs and activities that we implement in this respect. Several of them relate to other aspects of our work as a company, such as people and supplier management.

Hiring local labor

- A program to train and educate and to instill skills in solar energy operators and maintenance technicians

Gender-focused hiring

- Mirrors program
- Operator training under CORFO grants
- Mentoring of youths in Antofagasta

Local supplier development

- A procurement program for the development of companies in María Elena.
- Program of Support to the Reactivation of the Pampa Salitrera (Salt Flats).

More information in Chapter 6.

Local tourism development

- A Tourist-Scientific Observation Center in María Elena.
- The Energy Tourism Route Project.

More information in Chapter 5.

Renewable energy education

- Guided visits to Cerro Dominador

GIZ, a German development agency, provided support to our work in 2021 in the form of an evaluation of the perception that local residents have of the ties that we have developed with the communities.

Entrepreneur program

Projects were implemented in 2021 under the Economic Reactivation Plan promoted by Corfo and the Municipality to support María Elena entrepreneurs whose businesses were impacted by the health crisis.

We and other mining and energy companies provided the resources and capacities for two competitive funds: "Reactivating my Pampa Salitrera" and "Together we will promote your Business," that combined, benefitted 46 microentrepreneurs whose businesses were impacted by the health crisis. They received training, assistance and resources to invest in assets and working capital.

Alliance with universities

We wove a new network of relations with different universities during 2021 with which we will be collaborating in different areas of research.

University of Antofagasta: a master agreement to work on the area of energy poverty in communities near the Likana project that do not receive continuous electricity supply. We will provide support to degree thesis candidates and will also implement medical and dental care to the benefit of communities near the project.

University of Chile: research to determine whether the reflections from the mirrors at Cerro Dominador can be used as a telescope.

U. Mayor: research on the material of which the project's salt tanks are made. Resistance and durability will be measured according to the conditions that the salts, heat and temperature must have in order to determine the optimum levels to make the project stable for 30 years.

Formation of capacities and local employment

Material topic

GRI 103-1 103-2 103-3

Why is it important?

The renewable energy industry is dynamically creating job opportunities in Chile for professionals, technicians and workers who must have the expertise and abilities required by the different plants and operations. Companies are thus becoming poles of development for the localities where their projects are built. When public policies are added to the willingness of private actors, it is possible to create virtuous circles of benefit to everyone.

What does Cerro Dominador do?

As a company committed to the communities that house our operations, we want to be a contribution in different dimensions. Forming capacities and employing locals are aspects to which we have dedicated our efforts since the start of construction of the complex where our solar and photovoltaic plants are located, now in operation in the municipality of María Elena.

We want to emphasize what the Mirrors Program did, in effect from 2018 to 2020, under which we promoted the training and hiring of local women, who came to represent 20% and 33% in the heliostat assembly and installation in the solar field during the construction stage. In conjunction with other public and private actors, we are continuing to work on forming capacities so as to ensure that we have skilled female and male workers, who are from or live in the region.

Competitive Formation Program

Cerro 3

Backed by the Antofagasta Corfo Committee, this program was implemented in 2021 to train the operators and maintenance technicians of the Concentrated Solar Power (CSP) plants, the first to be trained in Chile.

The initiative was of benefit to 55 people who were given grants to be trained as control room operators, maintenance technicians and site operators. These three courses were planned after the technical profiles were designed by the Ministry of Energy and Chile Valora, the National Labor Skills Certification System Commission. The work was promoted in the Human Capital Task Force of the Energy Cluster that brings together public and private actors in the Region of Antofagasta. A program was supported by the Regional Office of the Ministry of Energy, was implemented by Codesser, and imparted by the Industrial-Mining Training Center of the Escondida Education Foundation (CEIM).

31 of the recent operator trainees were hired in 2021 to work at our CSP plant in María Elena and 11% of them are women.

Progress toward goals and objectives

STRATEGY PILLAR	OBJECTIVES	2023 GOAL	2021 STATUS
2. RAISE the standard of relationships with people, society and communities	Maintain dialogue and early involvement throughout the life cycle of our projects in respect for the customs of indigenous and local communities.	Dialogue and early consultation were aspects of 100% of our projects, with special respect for indigenous peoples and their customs.	A socialization process was put into effect for the Likana project.
	Ensure that local labor and suppliers are contracted by requiring this of our contractors.	75% of our construction and operation workforce is national.	At the close of 2021, 73% of the employees hired for operation and maintenance of our plants were from the Region of Antofagasta.
		60% of our suppliers are local and/or national.	76% of suppliers contracted by the operating company are national and/or local. In addition, 87% of the suppliers contracted directly by Cerro Dominador are Chilean and/or residents in the municipality of María Elena.
		50 people are trained annually to instill technical competencies related to our business.	55 people were trained under the Competitive Training Program in 2021 and 31 of that number began to work at Cerro Dominador.
	Implement the highest standards of health and safety in operation and construction.	An accident rate of 1 in new projects.	There were no accidents in 2021.
	Attain full gender equity in our company.	The salary gap by position must be equal to 0 and at least 40% of the organization's employees must be female.	In executive positions, it was 0.72. Among regular employees, it was 0.66.
			41% of the employees of Cerro Dominador were women.
	Be one of the great places to work in Chile	Attain a GPTW score of 80 in 2022.	This score was 78 in 2021.

5

The potentials of 24/7 solar energy

One of the pillars of our sustainability strategy aims to facilitate people enjoying the potentials of 24/7 solar energy. We have therefore promised to foster a culture of clean energy among Chileans by instances and activities in public spaces, community infrastructure, functional organizations and, above all, in the localities where we operate.

Promoting solar energy

We believe in the potential of developing solar energy in the country and we have proposed looking for alternatives to promote its enjoyment, use and investigation so that more and more people every day can begin to use renewable energy as part of their everyday life in the near future. That is why we have worked closely since the beginning with schools and the student community. However, the Covid-19 world health crisis impacted the activities that we had conducted with them in previous years that were intended to promote an understanding and practical use of solar energy.

To make up for the impossibility of holding activities with the school community, we began to interact with the academic environment. We participated in the project entitled "Carriage of Mineral Dust in the north of Chile and deposit in the Andean Cryosphere" of the Geophysics Department of the University of Chile, financed by FONDECYT–ANID. The purpose of this investigation was to determine the patterns of dust circulation in the north of Chile, a phenomenon on which there is little documentation, because it is not known with any certainty where the dust goes and the impacts that it might have. The area of Cerro Dominador was chosen for the case study due to the potential dust emissions from our construction operations and the team of geophysicists were allowed to determine the impact of attenuating the quantity of solar radiation arriving at the surface and of the quantity of dust that sits on the solar panels. The quantity of solar radiation has an impact on production efficiency and the dust on the solar panels impacts maintenance because it defines the frequency of cleaning the panels. The results of this investigation will determine the impact of dust on solar-generated electricity and will help design tools to reduce the impact.

Along the same lines, we participated in the Science, Technology, Knowledge and Innovation (CTCI) Node Project, an initiative sponsored by the National Agency for Innovation and Development (ANID) of the Ministry of Science, Technology, Knowledge and Innovation of Chile. It was implemented by the Scientific Technological Park Foundation of the Catholic University of the North (UCN), a university that supports the initiative together with the University of Tarapaca, Arturo Prat University, University of Antofagasta and the University of Atacama. The goal of this project is to develop sustainable energy alternatives for the mining industry in the regions of Arica and Parinacota, Tarapacá, Antofagasta and Atacama. Members of the public, private, academic and social sectors participated in it, who worked on an analysis and shared vision that will help build a road map to strengthen the capacities in the territory.

Replacing firewood by clean energy

We are working in Talca on a program to allow inhabitants of 200 homes to replace firewood by electricity. The government initiative was in the form of a tender in which we participated together with CGE, a power distribution company, that is installing meters and developing the devices to supply electricity. The initiative will begin operation in the winter of 2022.

Energy tourism

Cerro 4

We know that we are in a privileged position to innovate in promoting solar energy: we are part of an emerging industry that has great potential for growth, and we have a motivated team that has the skills to develop the projects that aim to add value, from the moment they are conceived, to the spaces where we operate.

In May 2021, we inaugurated the Tourist-Scientific Observation Center in the Municipality of María Elena, in the midst of the Atacama Desert. Our Cerro Dominador plant has three sun and universe information stations designed by scientists of the Institute of Astronomy of the Pontifical Catholic University of Chile, University of La Serena and Diego Portales University. These facilities have a mural on the Milky Way created by Silvana Zuñiga, an artist specializing in scientific art, and two imposing sculptures 6 meters high made by Federico Assler, winner of the 2009 National Art Prize. The Cerro Dominador facilities can be seen from the stations and visitors can enjoy the pristine skies of the north of Chile.

These facilities were transferred to the municipality of María Elena at the inaugural ceremony for administration, to whom we reaffirmed our commitment to continue promoting the country's scientific and technological development. The facilities form part of the "Energy Tourism Route," which began at our facilities and is planned to go as far as the Quillagua Oasis. Creating this route will help consolidate a tourism circuit that rescues the cultural and historic heritage of our desert and communicates the way in which solar energy is contributing to the sustainable development of Chile.

Due to the health crisis, access to the center was restricted during 2021, but we expect that the entire community will visit it in 2022 to admire and gain an understanding of the potential of solar energy.

Progress toward goals and objectives

STRATEGY FOCUS	OBJECTIVES	2023 GOAL	2021 STATUS
3. FACILITATE people enjoying the potentials of 24/7 solar energy	Create a technical and touristic 24/7 solar energy production capacity to combat energy poverty.	Invest CLP$5,000,000 annually in solar energy for the public infrastructure of the localities were we operate.	Not started
		Develop tourism projects related to our community-managed infrastructure (per project)	The Tourist-Scientific Observation Center was built and delivered to the María Elena Municipality.
	Contribute to public infrastructure through 24/7 solar energy.	Create competitive funding (schools, neighborhood boards, etc.) to promote the use of solar energy.	The Outlook was delivered to María Elena that describes how the plant works and some aspects of astronomy.

ROPEACCESS

6

Local commitment and innovation

The dynamics of the solar energy industry in the country have opened the door to the creation and development of local companies that can become a part of the chain of supply of our projects. We have worked together with suppliers so that not only our production goals attained but also safety goals and respect for the environment. We have looked for alternatives to give them the tools to facilitate their work and help them become a part of the chain of value of the different actors in the industry.

Innovation is a key element in this industrial ecosystem. Therefore, we encourage our teams to work creatively in looking for alternatives to collaborate with other actors in the sector and to explore options that increase our possibilities of taking maximum advantage of the benefits of renewable energy.

Supply chain management

Material topic

GRI 101-1 101-2 101-3

Why is it important?

We endeavor, in both the construction stage and operating stage, to interact with suppliers who can offer us products and services under the standards of quality, reliability and pricing that we need and who can also ensure us that they will meet the sustainability requirements to which we are committed.

Some of these inputs must be acquired in international markets, which entails logistics and transportation, while others are obtained nationally and locally, especially services involving labor.

What does Cerro Dominador do?

We proposed being a contribution to the development of the territories in which operate and we view the procurement and hiring of local products and services to be a great opportunity to contribute to the advancement of the local economy. Bearing the different factors in mind, such as, for example, that the mid-sized and small businesses available to us are still in formation or growth, we are taking care to install the technical capacities that strengthen them and make their businesses viable, which translates into providing a better service to us.

Supply chain

GRI 102-9 102-10 204-1

By selecting national suppliers, we have a real opportunity to contribute to the economy of the zones where we operate. An increase in the flow of money can inject dynamism to the local economy, foster growth and/or strengthen existing businesses, in addition to allowing new entrepreneurships to emerge.

In 2021, we worked with a total of 533 suppliers, which represented an increase of 5.75% in general contracting in comparison to 2020. This increase is in perfect harmony with the multiple services that arise due to the change in phase from construction to operation.

Due to the transition from construction to operation and maintenance of our Cerro Dominador project, an increase of 21% was specifically perceived in the hiring of national and/or local suppliers by our contractor.

2020

504

77.74% of all suppliers were national

>

2021

533

81.33% of all suppliers were national

The main change in our supply chain occurred because of the completion of the construction and the startup of O&M, which increased the need for services from national and local companies.

Our suppliers are classified in two categories:

Indirect suppliers

Suppliers contracted by the construction contractor.

In 2021, our contractor contracted more national and/or local suppliers than in comparison to 2020, increasing that contracting by 13.10%. At the same time, the contracting of foreign suppliers fell. This increase accounted for 76.13% of all procurement and services.

Foreign suppliers are located in Germany, Spain, the U.S., China, Czech Republic, Holland and France, among other locations.

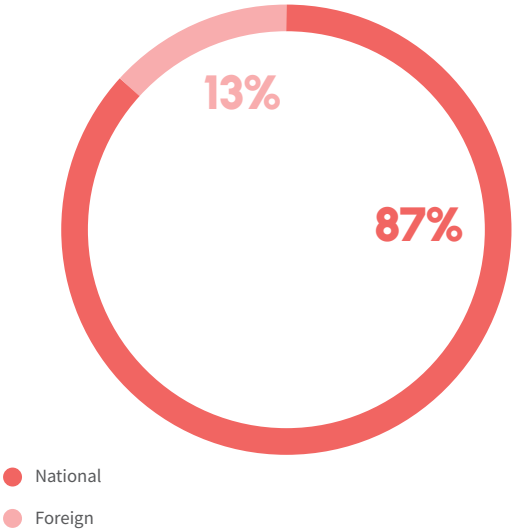
Direct suppliers

Direct suppliers means the procurement and hiring of services that are done directly by Cerro Dominador. In 2021, 86.55% of our procurement came from national and/or local suppliers and 13.45% from foreign suppliers.

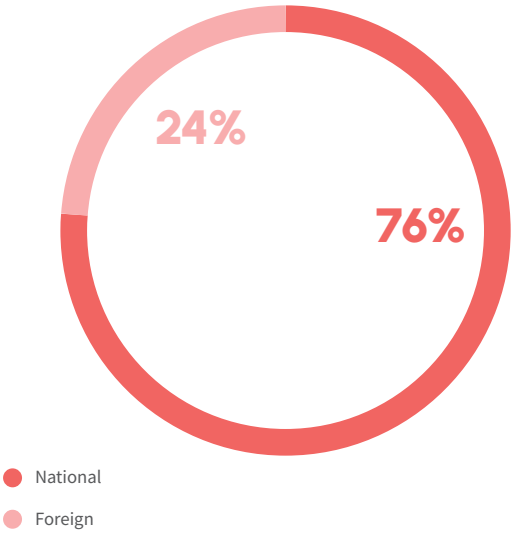
TYPES OF SUPPLIERS

	National	Foreign	Total
Direct (managed by Cerro Dominador)	193	30	223
Indirect (managed by the construction contractor)	236	74	310
Total	429	104	533

DIRECT SUPPLIERS IN 2021



INDIRECT SUPPLIERS IN 2021



Terms of payments are at 30 days to foreign suppliers and at 10 to 15 days to national suppliers.

Strict job controls

GRI 408-1

None of Cerro Dominador's objectives is greater than the safety and dignity of people. As a world-class company, we have developed initiatives to ensure and foster a working environment where job safety, respect for governing law and compliance with the operating standards we have adopted are primary.

We aim to establish business relationships with contractors who share our values and operating standards. We therefore have strict protocols to identify, report and correct practices that may jeopardize the safety of workers, meeting the promised deadlines and our corporate reputation.

We say no, without hesitation, to labor exploitation, which includes the risks of minors participating in our operations and associated activities. We audit contractors monthly and review their personnel hiring records.

There is a strict identity control (using wrist bands and identity card checks) at operations, which reduces the risk of people entering who are not part of the staff and makes it impossible for minors to enter our facilities.

In 2021, our total expense on the procurement of goods and services was US$126,757,367. 86.5% corresponded to national suppliers as the amount paid to indirect suppliers is not managed by us.

Local supplier development

Cerro 3

The solar technology that we are implementing in the north of Chile is new and requires advanced technical and professional skills. For that reason, the work with our contractors has been focused on transferring the skills and expertise so that they can work confidently according to the schedule in our plan. As a result, we have held activities to train the employees of contractors to give them the tools they need to automate and modernize their processes.

Of note in 2021 was the Procurement Program for Business Development implemented in the Municipality of María Elena, sponsored by Corfo, Cerro Dominador and two other companies. The purpose was to improve the operating standards of a group of local suppliers to help them become part of the chain of production and trade in the mining and energy industry in the zone.

Like in 2020, we participated in the "Pampa Salitrera Economic Reactivation Plan," an initiative whereby actors in the public world and in the mining and energy industries endeavored to provide support to entrepreneurs and microentrepreneurs in the zone to face the health crisis. More than 100 million pesos were allocated to the funding of projects to strengthen their businesses. This program won 3rd place in the contest of the Chilean Generators Association.

Substitute payment to suppliers

Despite the growing volume of suppliers participating in our chain of value, our constant purpose is to support not only hiring but also fulfillment of our payment obligations, above all considering the pandemic that we have had to live through. Therefore, we continued to make efforts to keep the average period of payment at 15 days, one of the promptest payment periods in the industry.

Also part of those efforts and processes to fulfill our obligations is ensuring that our contractor also fulfills their responsibilities in the same way. So, in 2021, during a review and monitoring, we found delays in payments by our contractor to its subcontractors. We made an additional effort and agreed on transactions with the contractor, and we have been managing fulfillment of those obligations, which entails not only an extra economic effort but also work that required time by our team, all in the intent to fulfill and maintain our chain of value.

Innovation

Material topic

GRI 103-1 103-2 103-3
Cerro 5

The Unconventional Renewable Energy (URE) industry is the result of numerous technological and systemic innovations developed decades ago. Today, the sense of urgency imposed by the fight against the effects of climate change is mobilizing research and development in the scientific and academic world that is trying to change patterns and create disruptive solutions in an alliance with government agencies and the private sector.

Our participation in the Antofa Innova Innovation Tournament

This initiative is promoted by the Regional Production Development Committee of Antofagasta, implemented by the Innovation Club, that aims to strengthen technologies using an open innovation tournament strategy that will deliver solutions to the mining, energy, logistics, tourism, hydraulic and agricultural industries.

In the second version, we proposed that one issue in the energy area was the development of an alternative system to clean the heliostats (mega-mirrors) that would reduce the consumption of water by 20%. After evaluating the projects presented, we selected the Nano2Chile proposal, called “Nanoglass,” that proposed using a transparent, dust-resistant, waterproof, lightning-proof and antistatic nano material film that will reduce the use of water by 90%.

We are exploring other technologies: the uses of green hydrogen (H2V).

As benchmarks in the development and management of renewable energy generation technologies in Chile, we sponsor projects that adhere to our policy on innovation, competitiveness and integrity for a sustainable future. Towards the end of 2021, we and seven other companies were awarded co-funding to make pre-investment studies of green hydrogen projects in a contest held by the European Union and the Chilean Agency of International Cooperation for Development (Agcid), implemented by the Ministry of Energy and Corfo. The purpose of this initiative is to accelerate the development of products for the production, storage, transport and/or use of green hydrogen to activate the energy industry in Chile and contribute to the progress toward being carbon-neutral by 2050.

Our 100 MW Cerro Dominador photovoltaic plant is in operation and has been supplying electricity to the system since July 2017. The CSP plant has been generating energy since May of 2021. The Cerro Dominador solar complex will be able to produce 100% renewable hydrogen by taking advantage of the huge potential of the north of Chile, and to deliver new alternatives that will enable people and companies to choose to accelerate decarbonization and contribute to the energy transition.

Progress toward goals and objectives

FOCUS	OBJECTIVES	2023 GOAL	2021 STATUS
2. RAISE the standard of relationships with people, society and communities.	Ensure that local labor and suppliers are hired by requiring this of our contractors.	75% of our construction and operations workforce is national.	An objective for new projects.
		60% of our suppliers are local and/or national.	81.33% (direct and indirect combined).
			60% of our suppliers were local and/or national.
		50 people are trained annually in technical skills related to our business.	Corfo Program
4. PROPEL a 24/7 solar energy ecosystem in Chile.	Develop mechanisms for investment in entrepreneurships and innovation in products and services based on 24/7 solar energy.	2 projects annually developed with 24/7 solar energy entrepreneurships.	Talca pilot project (transition from firewood to electricity).
	Transfer 24/7 solar energy know-how and new technologies.	Teach concentrated solar power in at least 10 schools annually in the Region of Antofagasta.	Schools were visited and talks were given at the Outlook, but access was restricted because of Covid-19.
		One project annually with university innovation centers.	Antofa Innova
	Foster alliances with other technologies.	An alliance with another technology.	University of Chile
			H2V project – European Union

7

Positive impact: we are managing our environmental footprint

Our business is an invitation to commit to a future in which Chile has a diversified and decarbonized energy matrix. We have proposed leading by example, not only by giving the country safe and continuous clean energy but also by operating under operating standards that ensure prevention and a mitigation of our impacts on the environment.

Monitoring climate change

Material topic

GRI 103-1 103-2 103-3

Why is it important?

2021 marked a major milestone in our environmental management since, as we explained in Chapter 2 of this report, we took the first step to **report the financial risks related to climate change.**

This work was done according to the recommendations of the **Task Force on Climate-Related Financial Disclosures** (TCFD), which proposes a method developed by the Financial Stability Board (FSB) to consistently communicate the financial impact of climate change to stakeholders (especially investors and shareholders).

What does Cerro Dominador do?

Defining our strategy to manage the risks involved in climate change is an exercise that first required **identifying our greenhouse gas emissions** in scopes 1, 2 and 3.

So, in 2021 **we measured our corporate carbon footprint for the first time**, building what today is the first **greenhouse gas emissions** (GHG) **inventory** and quantification of the corporate carbon footprint. We followed the GHG Protocol Calculation Tool.

The 2020 GHG inventory considered both the solar complex as well as the offices in Santiago, which enabled us to identify the **company's direct emissions (scope 1) and indirect emissions (scopes 2 and 3)** associated with power consumption, acquired goods and services, waste, cargo carriage, business travel, employee transportation and withdrawal of electricity from the grid to fulfill contracts.

Our emissions

GRI 305-1 305-2 305-3 305-4 305-5 305-7

Our projects are a contribution to the decarbonization of the national energy matrix. We are already supplying clean energy to customers, which means a reduction in carbon dioxide (CO_2) emissions.

We forecast the useful life of our operations over a horizon of 30 years. This means a reduction in CO_2 emissions equal to 640 thousand tons. We can thus offset the emissions we generate in the construction stage during which we have no CO_2 emission reduction goals.

In 2021, we measured our Scope 1, Scope 2 and Scope 3 CO_2 emissions using the baseline and the data available for 2020, which is progress compared to our report in 2020 where we provided information only on Scope 2, corresponding to the consumption of diesel fuel in operations because of vehicle traffic, machinery and equipment operation at the construction site.

We quantified a total of 9 emissions categories. 2 categories concentrate 99.5% of all emissions. The most significant category is "Fuel- and Energy-Related Activities," belonging to scope 3, accounting for 97.02% of the total, equal to 241,120 tons of CO_2eq. This was caused by the withdrawals of energy made by Cerro Dominador in the name of its customers to fulfill its PPAs. Second are the emissions because of acquired goods and services, representing 2.3% of the total, equal to 5,706 tons of CO_2eq.

OUR 2020 CARBON FOOTPRINT BROKEN DOWN BY CATEGORY AND ACTIVITY

Categoría	Emisiones (ton CO_2eq)	% del alcance	% del total
1A. Stationary Sources	0	0.00%	0.00%
1B. Mobile emissions	25	41.14%	0.01%
1D. Fugitive emissions - Coolants	23	36.79%	0.01%
1D. Fugitive emissions – Water Treatment	14	22.07%	0.01%
2A. Electricity	5	100.00%	0.00%
3A. Acquired goods and services – water and fuel	5,606	2.26%	2.26%
3A. Acquired goods and services – spare parts	100	0.04%	0.04%
3C. Fuel- and energy-related activities	241,120	97.23%	97.20%
3D. Cargo carriage upstream	867	0.35%	0.35%
3E. Waste treatment and disposal	230	0.09%	0.09%
3F+3G. Transportation of people and business travel	76	0.03%	0.03%

2020 CO_2 EMISSIONS

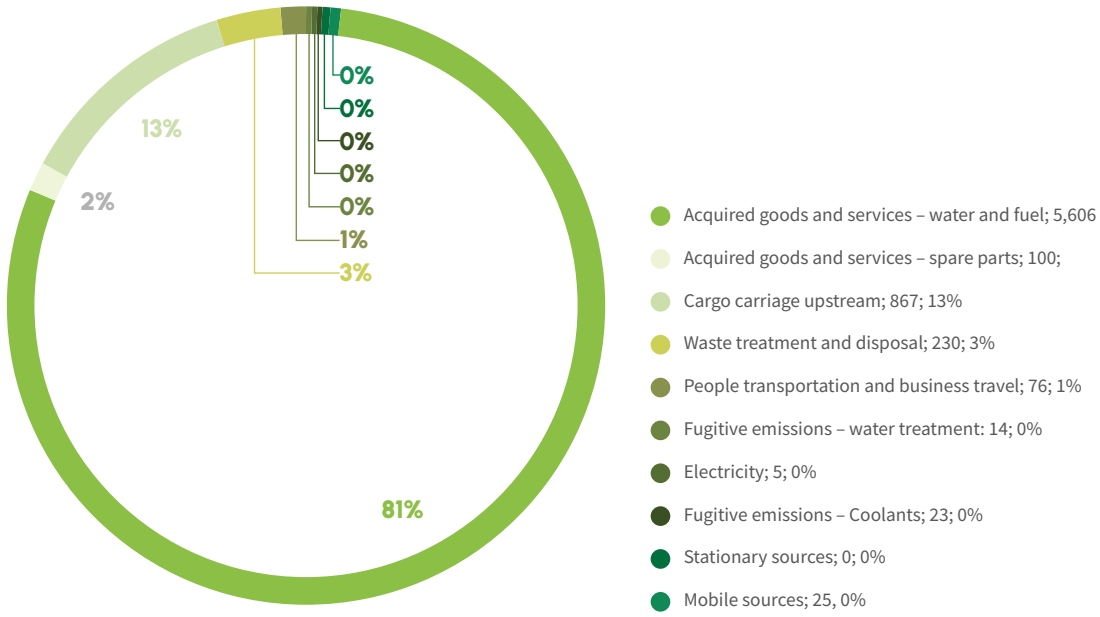
Scope 1	61.2 ton CO_2eq
Scope 2	4,7 ton CO_2eq
Scope 3	131.589 ton CO_2eq

Scope 1 and Scope 2 Emissions

The chart shows the Scopes 1 and 2 emissions by category. Here we see that mobile sources, namely Cerro Dominador vehicles, generate the highest volume of emissions (15 tons of CO_2eq, 38%). Second is the use of coolants for the climatization of offices at the plants, accounting for 38%, and then the fugitive emissions associated with wastewater treatment at the plant, at 21%. Finally, the consumption of electricity by offices accounts for 7% of the Scope 1 and 2 emissions.

Due to the impacts of Covid-19, the quantity of emissions by offices is distorted. It is expected that these emissions will gain a greater share in the coming years as in-person work goes back to normal.

2020 OPERATING EMISSIONS



Scope 3 Emissions

The chart on the Scope 3 emissions excludes the 3C category "Fuel- and energy-related activities." Here we see that the category of acquired goods and services is where a major portion of emissions are concentrated, numbering 5,606 tons of CO_2eq or 81% of Scope 3 emissions (excluding category 3C). This is due to the consumption of fuel by contractors at the plants (5,497 tons of CO_2eq) and, to a lesser extent, the purchase of bottled potable water (94 tons of CO_2eq).

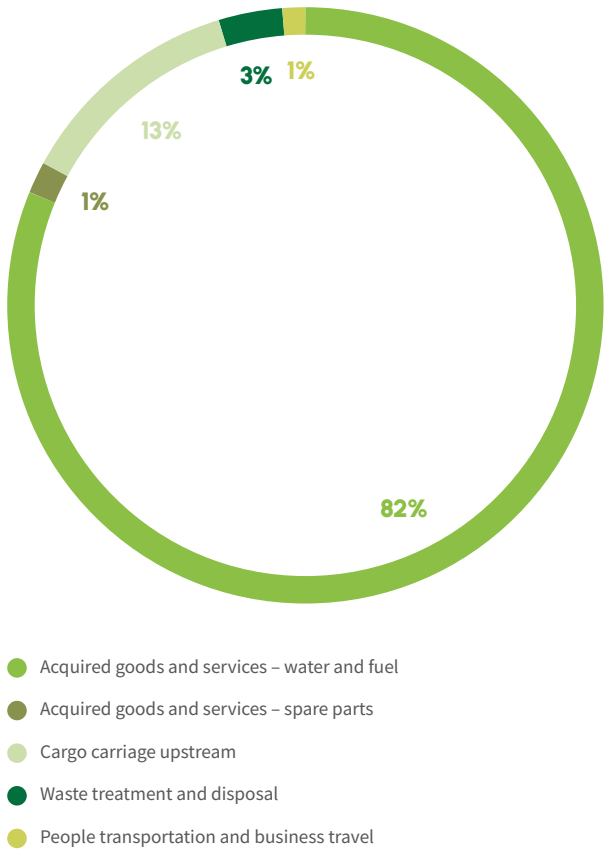
So, emissions associated with making the water supplied by water trucks potable totaled approximately 8.5 tons of CO_2eq. Making the water consumed in offices (Santiago) potable and the manufacture of the fuel used in vehicles owned by Cerro Dominador represent a lesser proportion.

The second category that most contributes to Scope 3 emissions is cargo carriage upstream, at 13% (excluding category 3C). For the time being, this category only includes the carriage of water by water trucks. This number may increase considerably once there is information available on the carriage of spare parts to the photovoltaic power plant and to the concentrated solar power plant.

The third most contaminating category is waste treatment and disposal, accounting for 3% of Scope 3 emissions (excluding category 3C). This is nearly exclusively due to the disposal of waste that can be assimilated to household waste (i.e., municipal waste).

Finally, the categories with the fewest associated emissions are, on the one hand, business travel grouped with personnel transportation and, on the other, the manufacture of spare parts used at the photovoltaic plant and concentrated solar plant.

SCOPE 3 EMISSIONS BY CATEGORY FOR 2020 (EXCLUDING CATEGORY 3C)



The calculations of the intensity of emissions show that Cerro Dominador generated 304 GWh in 2020. That number does not include generation by the concentrated solar power plant because the plant was under construction at the time of the measurement. Therefore, the intensity of emissions is expected to decrease in the coming years once the operation of the CSP plant is included.

This baseline will allow us to compare our annual performance, which we will report in future editions of this sustainability report.

We can say that in our operations, melting salts emits NOX into the atmosphere, but the quantity is marginal because we have an abatement system.

Ecological impacts

Material topic

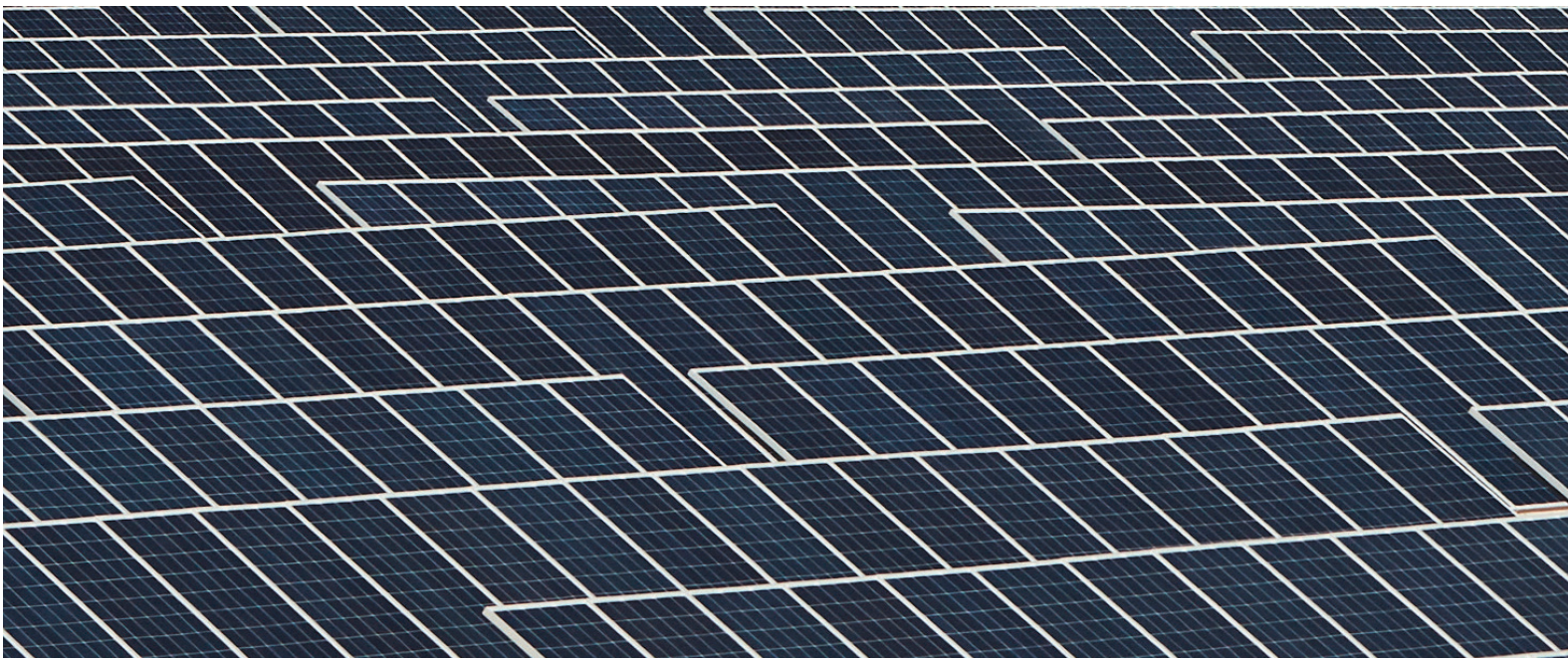
GRI 103-1 103-2 103-3

Why is it important?

Our operations are a contribution to the energy transition of Chile and its struggle against climate change. But our contribution is not limited to producing and injecting 100% renewable energy into the country. We have also proposed operating under high standards of environmental responsibility.

What does Cerro Dominador do?

We are convinced that to be sustainable in the long term, it is indispensable that we act according to sustainability criteria that go beyond the requirements in governing laws. We therefore plan and implement our operations responsibly, using the relevant resources conscientiously, such as water, electricity, gas and oil, and mitigating the potential impacts on the ecosystem in our areas of influence.



Energy management

GRI 302-1 302-4
SASB: RR-ST-130 a.1

Chile has committed to becoming carbon-neutral by the year 2050 and energy efficiency is one of the main measures that must be adopted so that our country achieves this goal. Because we produce clean energy, we have the potential to contribute to the attainment of our goal by managing an operation that supplies clean, safe energy to Chile continuously using environmentally responsible processes.

ENERGY CONSUMPTION IN 2021(*)	TOTAL
Electricity	25,106 MWh
Diesel fuel	1,117 m^3
Liquefied Petroleum Gas	1,187 m^3

(*) 2021 is the period that we will use as the baseline to report our energy consumption and emissions.

Our plants have generated a total of 440.25 GWh. 68.7% was produced at our photovoltaic plant and the remaining 31.3% by the concentrated solar power plant.

Energy intensity was 0.587 GJ/MWh in 2021.

Fuel consumption

The construction phase uses diesel fuel to operate industrial equipment, machinery and vehicles on site. In 2021, diesel fuel consumption totaled 1,117 m3. The variation compared to 2020 was due to the end of the construction phase and consequent start-up of the concentrated solar power plant, which meant a reduction of 48.3%.

Our concentrated solar power plant uses 98% of the diesel fuel consumed. The remaining 2% is used by the photovoltaic plant.

2020

2,159 m³

Diesel fuel

>

-48.3%

2021

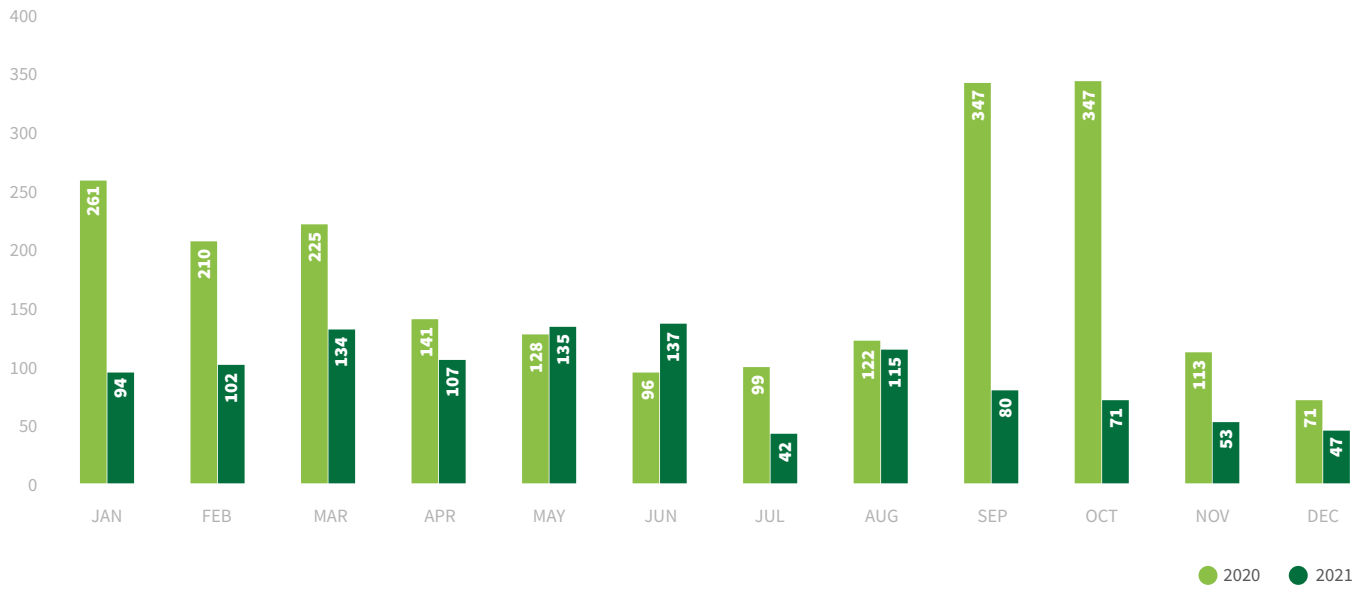
1,117 m³

Diesel consumption

The consumption of this resource fluctuates very little monthly. The monthly average is 93 m³ for 2021, and the peak was in June, at 137 m³. This rise was due to the fact that acceptance testing was performed in that month to be able to provisionally accept the plant. A deep cleaning of the solar field had to be made to do this and to have the necessary reflectivity. A company was hired to provide support in the cleaning, which meant the presence of more trucks and therefore the consumption of more fuel.

The salt melting process, mostly within our operation, uses Liquefied Petroleum Gas (LPG). The salts enter the system once, which took place in June 2020, representing a consumption of 1,187 m³.

DIESEL FUEL CONSUMPTION (m³)

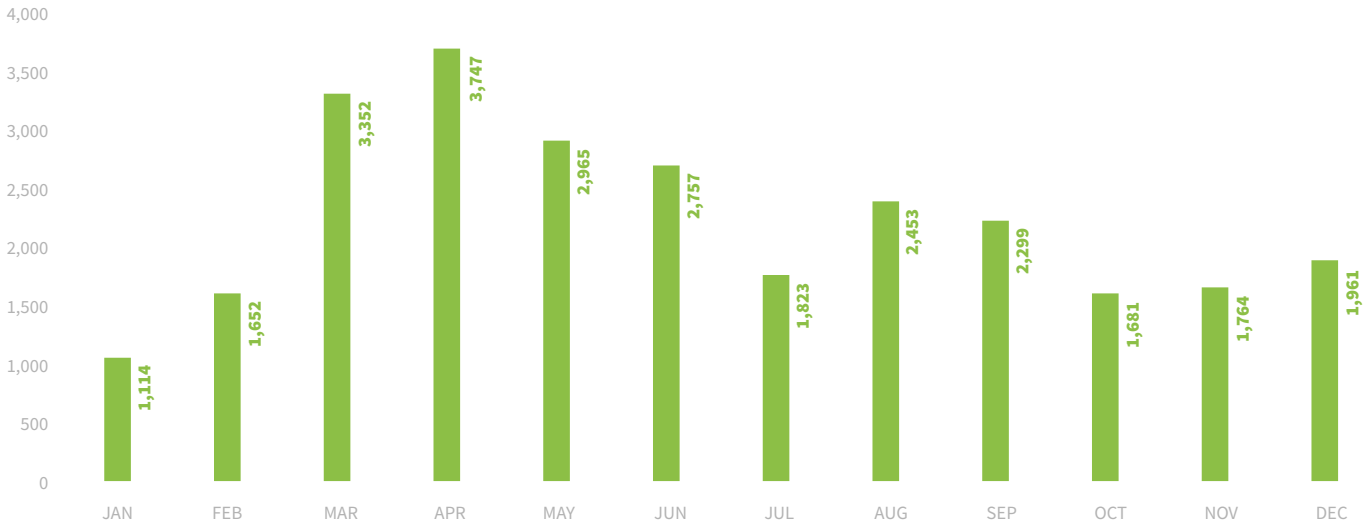


Electricity consumption

Electricity consumed in the period reported totaled 27,568 MWh, equal to 99,244.8 GJ, where the monthly average was 2,297 MWh and the peak consumption was in April, at 3,747 MWh.

Our electricity consumption in 2021 totaled 99,244.8 GJ, all coming from the power grid.

ELECTRICITY CONSUMPTION IN 2021 (MWH)



Water management

GRI 303-3 303-4 303-5
SASB: RR-ST-140 a.1, RR-ST-140 a.2

We have promised to progressively decrease the consumption of industrial and potable water in our operations by monitoring use and identifying opportunities to satisfy the needs of our administrative and production areas responsibly. Water taken from surface sources comes from Ferrocarriles Antofagasta.

The water is used in different ways to satisfy the requirements inherent to construction and production. For example, potable water is for the sanitary system and treated water is for cleaning heliostats.

None of our operations are located in water-stressed zones, but we are aware of the scarcity of water in the communities in which we operate because of the desert climate and the social issues regarding access to water in the Region of Antofagasta.

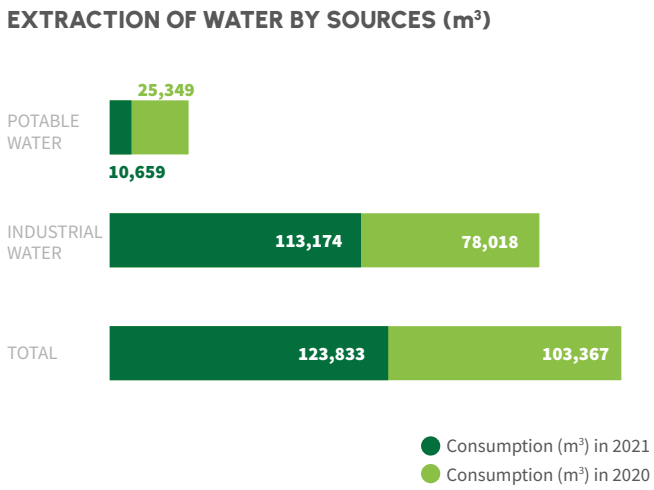
WATER EXTRACTION BY SOURCE (m³)

Source	Use	Consumption (m³)	
		2020	2021
Industrial water (Municipality of Sierra Gorda and Aqueduct)	Construction and operation	78,018	113,174
Potable water	For consumption and use by our employees	25,349	10,659
TOTAL	Operations and consumption by employees	103,367	123,833

We mainly consume industrial water, which represents 91.3% of the total.

As a mitigative measure, we have water treatment plants that allow us to reuse a percentage of the water consumed. The remaining percentage is delivered in conditions appropriate for removal and treatment by sanitary companies. 100% of the potable water consumed in camps in 2021 was treated and 70% was reused to wet roads to help reduce the quantity of dust raised.

The water from aqueducts is treated to be reused in the plant. In operations, the water is cooled in air condensers and then recirculated in a closed system.

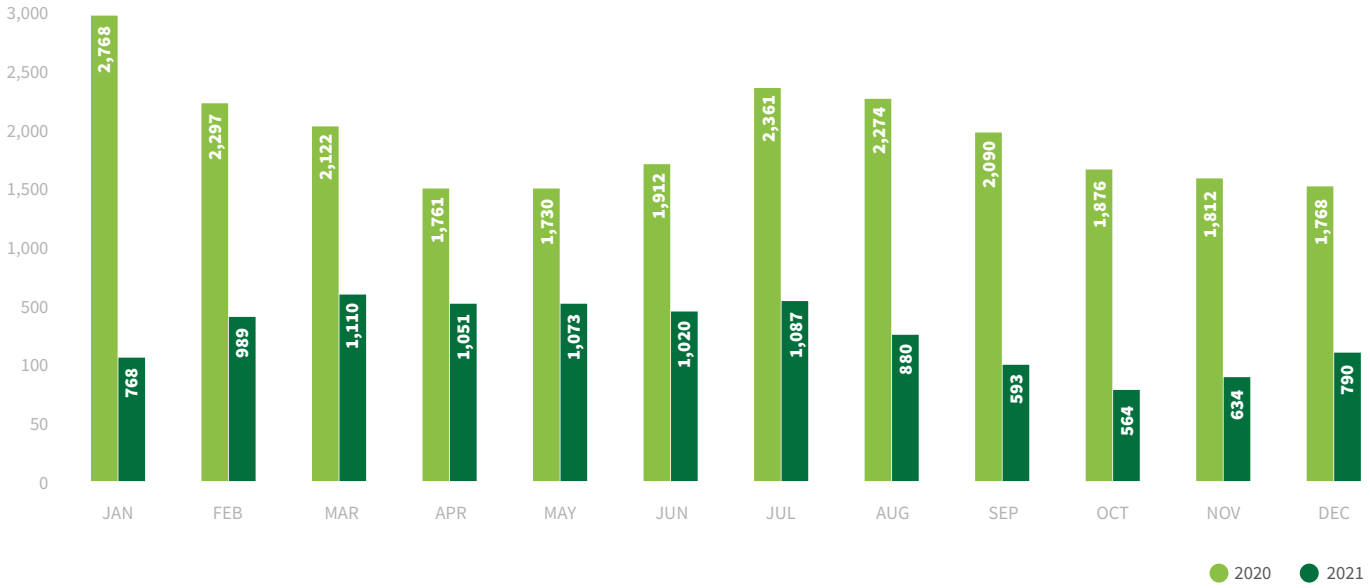


Consumption of potable water (m³)

In 2021, we saw a reduction of 58% in the consumption of potable water compared to the previous period because the construction phase ended, the number of employees decreased, and the Cerro Dominador concentrated solar power plant began operation. A total of 10,659 m³ of potable water was consumed in 2021 compared to the 25,349 m3 consumed in 2020. As with last year, monthly water consumption fluctuates very little.

Water is mainly used at the concentrated solar power plant (99.97%) and the remainder at the photovoltaic plant (0.03%).

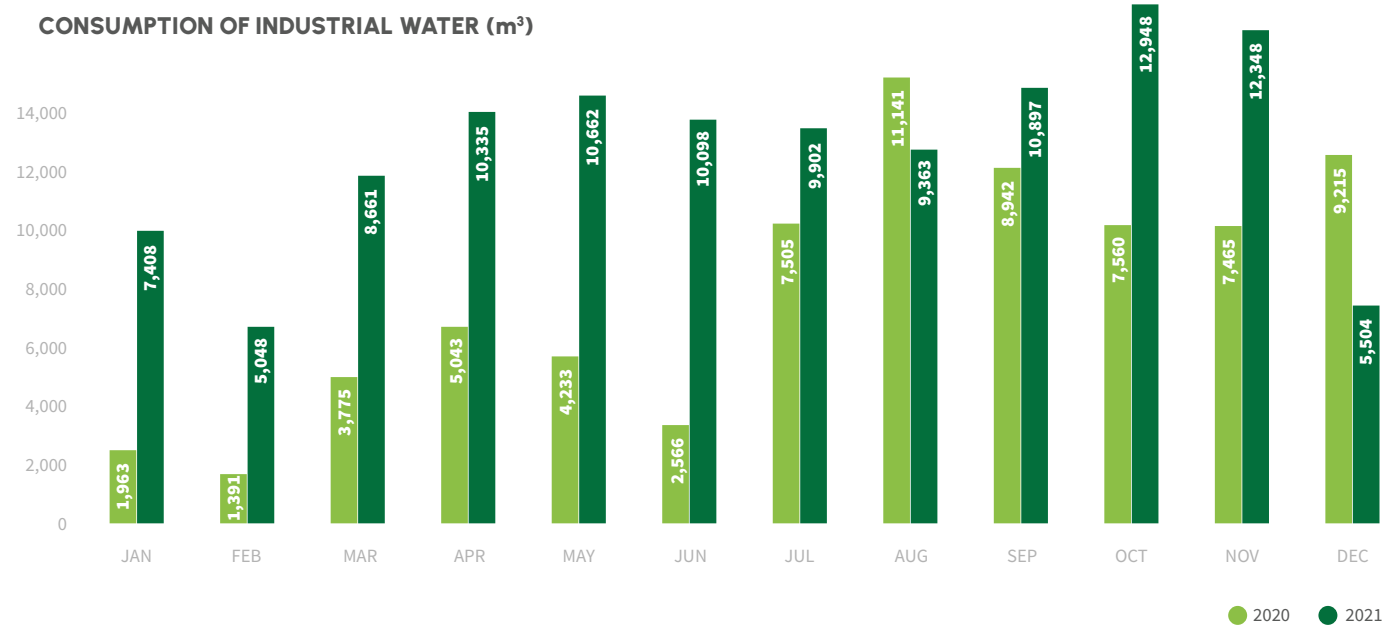
MONTHLY POTABLE WATER CONSUMPTION (m³)



Industrial water consumption (m³)

The consumption of industrial water rose 59.9% after the plant began operation. Consumption totaled 113,174 m3. That number was 70,799 m³ in 2020. The most intensive consumption was in the months of October, November and December because that is when the plant began to be commissioned and started operation. The solar field was also cleaned for the first time.

CONSUMPTION OF INDUSTRIAL WATER (m³)



Biodiversity management

GRI 304-1

All our projects are in compliance with the environmental commitments stipulated in the Environmental Approvals (RCA) granted by the competent authority. These commitments guide our actions to prevent and mitigate the potential and real environmental impacts on the surroundings in our areas of influence.

The ecosystems where we are present are not protected areas or environmentally preserved areas, so our actions involve care for the landscape, the biodiversity and archeological heritage.

Environmental compliance

GRI 102-11 307-1

We strictly monitor our activities and endeavor to operate according to the laws and the commitments we have assumed to our stakeholders.

We were not fined or penalized for a breach of environmental regulations in 2021, nor have we been the subject of investigation by the corresponding authority.

Care for archeological heritage

The region where we operate is rich with pre-Hispanic archeological vestiges whose findings are managed and protected by the National Monuments Law.

In our area of influence, three sites of archeological interest have been identified that we have protected by fences to prevent any disturbance. Delimiting those sites within our area of operation has helped restrict access to them and prevent any potential need for an archeological rescue effort. Please note that these sites are protected and inspected by trained professionals to ensure that they are appropriately managed.

Hazardous waste and materials management

Material topic

GRI 103-1 103-2 103-3 306-3 306-4 306-5
SASB RR-ST-150a.1

Why is it important?

An integral part of the stages of construction and operation of our assets is the responsible management of the materials used and of the resulting waste. Transferring good practices to our employees and contractors is an ongoing concern as we have proposed leading by example and delivering an operation to the north of Chile that meets environmental standards that go beyond the requirements in governing laws.

What does Cerro Dominador do?

Our commitment to the use of materials and to waste management is realized by a conscientious use of those materials and a responsible disposal. This means using the materials needed for our operating efficiently and disposing of the waste generated according to governing environmental and health regulations.

We have and we fulfill the legal duty to record and report the generation and certified disposal of industrial sludge and waste (both non-hazardous and hazardous) to the competent authority.

Waste by type and hazardousness

The hazardous liquid waste we generate consists of oils and lubricants used on sites. Solid hazardous waste is made of wood, plastics and other materials that have come in contact with oils, lubricants or paint.

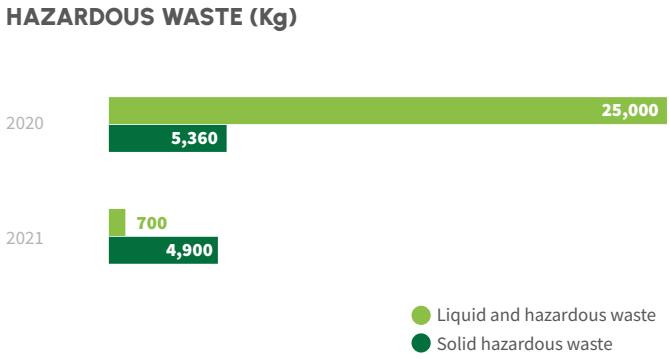
Non-hazardous waste corresponds to household waste, mainly from meal services and industrial waste that is generated by onsite construction work.

TYPES OF WASTE GENERATED

	2020	2021
Household waste (tons)	520**	165
Non-hazardous industrial waste (tons)	1,682.5	939
Solid hazardous waste (tons)	5.4	4.9
Liquid hazardous waste (tons)*	25	0.7

* Oil and lubricant waste, excluding emulsions
** Original values in m3 converted to tons using the waste density calculation standard

Our generation of liquid hazardous waste fell considerably after the completion of construction and start of operation of our concentrated solar power plant. The production of solid hazard waste varied marginally, as shown in the chart.



TYPES OF HAZARDOUS WASTE (Kg)

	2020	2021
Liquid hazardous waste	25,000	700
Solid hazardous waste	5,360	4,900
TOTAL (KG)	**30,360**	**5,600**

The monthly and annual trends in industrial waste generated rose 11.6% in 2021 compared to 2020 because of the startup and completion of the construction phase. A reduction of 49.2% was seen in household waste between the same periods, which was caused by the end of the construction stage.

INDUSTRIAL WASTE (TONS)

	2020	2021
January	108	156
February	74	338
March	48	221
April	45	241
May	89	195
June	21	260
July	36	137
August	71	43
September	39	65
October	46	59
November	175	7
December	90	7
Total	841	1,729

HOUSEHOLD WASTE (TONS)

	2020	2021
January	35	45
February	38	35
March	25	55
April	29	25
May	25	35
June	18	35
July	27	35
August	21	35
September	22	25
October	30	20
November	29	20
December	27	40
Total	325	405

We have a water treatment plant so that water can be subsequently used.

NON-HAZARDOUS LIQUID WASTE MANAGEMENT (m^3)*

	2020	2021
Project Wastewater Treatment Plant Sludge**	897.5	171.5

* Our operations do not generate any solid sludge.

** The figure in 2020 was disaggregated among waste treated at the PV, CSP and IP Plants, but this year, the sludge was treated at just one plant and the IP is no longer operative, so the totals for the period were added up and are compared to the total for the previous period.

SLUDGE IN 2021

Month	Sludge (m^3)
January	2.00
February	36.00
March	39.50
April	6.00
May	11.50
June	14.00
July	13.00
August	15.00*
September	17.50
October	8.00
November	6.00
December	3.00
TOTAL	**171.5**

Materials We Use

GRI 301-1

We use salt in our processes that enter the system only once. A total of 46,374 tons of salt was used in 2021.

These salts are crucial to the power production process. Our heliostats are mirrors that reflect the sunlight toward a receiver located in a tower that concentrates the energy as if it were a magnifying glass. Once the receiver is preheated, a pump sends molten salt that circulates through panels and is heated to 565°C. These salts are then discharged to water exchangers, generating steam that moves the turbines to produce clean electricity.

Progress toward goals and objectives

FOCUS	OBJECTIVES	2023 GOAL	2021 STATUS
1. IMPACT the fight against climate change positively during construction and operation	Generate the least environmental impact as possible during construction and be a carbon-neutral operation.	Implement at least three environmental contribution programs.	Air condenser system which helps make the use of water at the plant efficient.
		All projects will be built under environmental standards (offices and camps).	We reused potable water from camps and treated it to be used in wetting roads.
		Annually reduce the consumption of resources and GHG emissions.	The first GHG emissions inventory was taken and the 2020 carbon footprint was quantified.
	Disclose the climate risks of our management.	Annual report using the TCFD method.	A climate risk survey workshop was held following the TCFD method.
	Attract green financing.	At least 25% of our financing is green.	In process.

8

About this report

Coverage and scope

GRI 102-32 102-48 102-49 102-50 102-51 102-52 102-53 102-54

This document is the fourth edition of our annual sustainability report in which we have disclosed the results of our environmental, social and economic management during 2021 in continuation of the third report published in April 2021.

The preparation and results presented in this document were supervised and approved by the company's Executive Committee.

This report has been prepared according to the basic option of the standards developed by the Global Reporting Initiative (GRI). Some indicators of the Sustainability Accounting Standards Board (SASB) and of the Task Force on Climate-Related Financial Disclosures (TCFD) were also included to better report on the material topics involved in managing the environmental impact of our operations.

The contents of this report show what we have done in our operations in the Region of Antofagasta and in our home office in Santiago from January 1 to December 31, 2021, and there were no changes in the expression of the information or in the preparation of this report in comparison to previous years.

Contact us

Please contact María José López, Corporate Affairs and People Officer, at mjlopez@cerrodominador.com should you have any questions or comments on the information presented in our Sustainability Report.

Materiality process

GRI 102-21 102-42 102-43

We conducted a materiality study to define the contents to present in this report, in which our stakeholders participated. Their opinions were incorporated to prioritize the topics included in this document and to give feedback on the sustainability strategy that we are developing.

In this process, our intent was to examine the topics that were material in 2020 and identify the aspects of our 2021 work that were relevant to our stakeholders as well as the milestones that marked the corporate agenda in the period reported.

IDENTIFICATION
Sustainability setting

Analysis of secondary sources

- Benchmarking against six national and international companies.
- Review of press reporting
- Review of internal company documents and information
- Review of international indexes, standards and rankings

PRIORITIZATION
Internal and external consultation

Internal consultation

- Employee survey (n=17)
- Eight interviews of key internal executives and actors

External consultation

9 interviews were held with representatives of external stakeholders:

- Customers
- Authorities
- Trade associations
- Allies
- The media

VALIDATION
Approval by the Executive Committee

The Executive Committee of Cerro Dominador evaluated the results and the contents proposed for 2021, which were discussed in this document according to the GRI method.

Material topics

GRI 102-44 102-46 102-47

The materiality study resulted in the identification of the following 11 material topics in 2021 management.

- Creation of economic and financial value
- Innovation
- Community relations and development
- Supply chain management
- Female employment in the energy industry
- Formation of skills and local employment
- Operating health and safety
- Internal culture, development and motivation
- Climate change monitoring
- Ecological impacts (water, energy and emissions)
- Management of materials and hazardous waste

Each of these topics is addressed in the pillars of our 24/7 Solar Revolution sustainability strategy. We describe the importance of these topics below:

MATERIAL TOPIC	COVERAGE	WHY IS THIS RELEVANT?	RELATED STRATEGY PILLAR	STAKEHOLDERS INVOLVED
Creation of economic and financial value	Internal and external	Opportunities arise to lead the development of solar energy in Chile from the search for capital to the generation and distribution of value. Correctly deploying our business strategy not only creates value for investors and employees but is also an opportunity to develop a sustainable energy business ecosystem that exploits the natural, professional and industrial potential of the country.	5. RENOVATE the energy market in Chile	Investors Shareholders Authorities Industry
Innovation	Internal and external	Innovation allows us to be a dynamic actor in the energy industry and to conceive our processes creatively, always aiming at continuous improvement.	4. PROPEL a solar economy in Chile.	Employees Community Suppliers
Community relations and development	External	We have proposed being a contribution to the sustainable development of the territories where we are located, especially where there are indigenous communities and vulnerable groups. We want to establish enduring relationships of trust.	3. FACILITATE people enjoying the potentials of 24/7 solar energy.	Local communities Local authorities
Supply chain management	External	We want to explore and exploit the potential of our operations to create a solar economy where local and national suppliers can develop and contribute to the development of the industry by being a part of our supply chain.	2. RAISE the standard of relationships with people, society and communities.	Suppliers
Female employment in the energy industry	Internal and external	The employment of women in industries that traditionally employed mostly men is on the rise. Aware of the gender bias and of the growing social demand to reduce the gender gap in employment, we have worked on becoming a workspace that encourages the participation of women at all levels.	2. RAISE the standard of relationships with people, society and communities.	Employees Industry
Formation of skills and local employment	Internal and external	Being leaders in solar energy generation is an invitation to share our capacities and train professionals and operators who will strengthen this growing industry. This topic is crucial as not only are we able to create local employment but we can also be a contribution, through the transfer of skills, to an increase in the employability in areas where are our projects are being developed.	2. RAISE the standard of relationships with people, society and communities.	Employees Industry Local community
Operating health and safety	Internal	None of the actions that we take justify jeopardizing the integrity of our own employees or those of contractors. We are committed to developing our operations under strict safety protocols to create an organizational culture that has a preventive approach.	2. RAISE the standard of relationships with people, society and communities.	Employees Contractors
Internal culture, development and motivation	Internal	We have proposed being a workspace where our employees have access to the tools and opportunities to develop in their workplace, in a pleasant and professionally challenging environment.	2. RAISE the standard of relationships with people, society and communities.	Employees
Monitoring climate change	Internal	By definition, our business helps mitigate the effects of climate change, but it is also affected by climate change, so we are continuously monitoring the real and potential risks related to this phenomenon.	1. IMPACT the fight against climate change positively during construction and operation	Investors Authorities Society in general
Ecological impacts (management of water, energy and emissions)	Internal	Our commitment to a high level of environmental management has led us to develop systems to prevent, monitor and mitigate the environmental impacts of our operations.	1. IMPACT the fight against climate change positively during construction and operation	Investors Authorities Society in general
Management of materials and hazardous waste	Internal	We have proposed causing the least environmental impact possible during the construction of our projects.	1. IMPACT the fight against climate change positively during construction and operation	Authorities Local community

9

TCFD Recommendations

Cerro 1

The Advancements by Cerro Dominador

In 2015, the Ministers of Finance and Governors of the Central Banks of G20 countries expressed their concern regarding the **climate-related financial risks** faced by companies and, therefore, the need for companies to disclose their exposure to those risks. In view of this, the **Task Force on Climate-Related Financial Disclosures** (TCFD) was set up to design recommendations to integrate this view in companies. These recommendations are structured on four pillars: **governance, strategy, risk management** and the definition of **metrics and goals.**

As part of its sustainability strategy, Cerro Dominador has promised to report in line with the TCFD recommendations so as to measure and show its climate change management according to high standards. Cerro Dominador took its first steps toward this in 2021 with the help of an outside expert.

Governance

A self-assessment was made about the status of governance in relation to climate risks.

Different levels of management were introduced to the measurement of the carbon footprint and the assessment of related physical and transition risks resulting from climate change.

Strategy

The physical and transition risks of Cerro Dominador were surveyed with collaborators from different areas of the company.

Opportunities were found that Cerro Dominador could capture in relation to a carbon-low transition.

Risk management

The stages were defined for the assessment of climate risks in line with the method of the Intergovernmental Panel on Climate Change (IPCC).

It was determined how climate risks would be integrated to the company's taxonomy.

Metrics and objectives

The first corporate carbon footprint of Cerro Dominador was quantified. This is an exhaustive measurement that covers Scopes 1, 2 and 3.

[1] Started by the Bank of England in 2015.

Governance

In 2021, Cerro Dominador worked on incorporating the TCFD recommendations, a project that was led by the **Corporate Affairs and People Officer and was supported by the CEO and other areas.** The project's first stage was sensitization to the risks and opportunities resulting from climate change. A round of interviews was held in order to self-assess the understanding that the executive staff had of these topics. It was concluded from the interviews that there are structural foundations of governance to which responsibilities for climate risk management can be assigned.

Once this first stage of sensitization and assessment ended, Cerro Dominador began a second stage where the work on each of the TCFD pillars was deepened. Different members of the Executive Committee and company employees participated in this work to (1) make the first measurement of the corporate carbon footprint and (2) detect and prioritize the main climate risks and identify potential opportunities for low-carbon development.

Cerro Dominador is working on evaluating options to strengthen its governance in harmony with climate risks. The following points in particular are being worked on:

- Assignment of responsibilities for climate risk management.
- Involvement of the Board of Directors and the CEO.
- Integration of climate-related risks to the company's risk taxonomy.
- Incentives to attain climate goals and objectives.
- Sensitization and training

Strategy

Cerro Dominador has begun an assessment of climate risks, both physical and of transition to a low-carbon economy that could impact the Cerro Dominador solar complex and its chain of value.

Physical risks

Physical risks are defined as potential impacts caused by climate phenomena such as extreme weather (acute risks) or changes in long-term climate patterns (chronic risks). The financial impacts can be direct, such as damage to a fixed asset or operational discontinuity, or indirect, such as problems in the supply chain or rises in the prices of inputs.

Transition risks

The transition to a low-carbon economy means migrating the actual economic system to one resilient to the effects of climate change and low in emissions. The risks derive from the uncertainty associated with the different efforts and changes made (regulatory, technological, market and/or reputational) in order to reduce global GHG emissions.

Risk management

As we said earlier, the risk identification and assessment method is based on the IPCC approach to climate risk assessment. In the assessment, risk is defined as a three-parameter function: **exposure, threat and vulnerability**. Generally, the risk assessment is divided into 5 steps.

1. *Define which system is exposed*
2. *Identify the threats that might affect the exposed system*
3. *Determine the magnitude of the threat*
4. *Determine the vulnerability of the system to each threat*
5. *Determine the risk based on the three risk factors*

The climate risk assessment method was adapted to include the results of the climate assessment to the taxonomy normally used by Cerro Dominador so that based on the threat, exposure and vulnerability, an impact value and probability could be obtained. Given the nature of climate risks, no direct assimilation is possible between the variables in both methods.

- First of all, the level of impact caused by the climate risk was defined to be equal to the interaction between exposure, climate threat and vulnerability of the system to that threat.
- Then the probability was defined as the time that the impact or impacts caused by the climate threat being assessed are expected to occur.

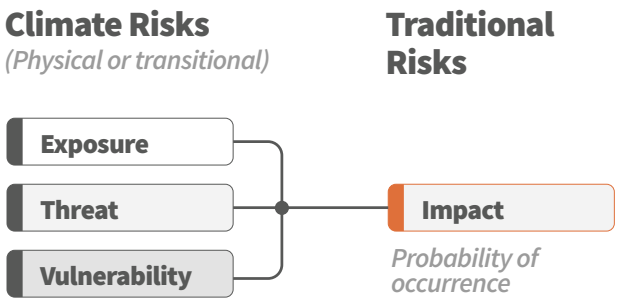
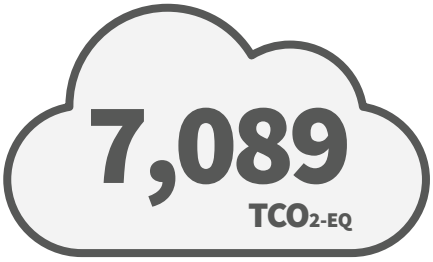


Figure 1: Integration of climate risks to the company's taxonomy.

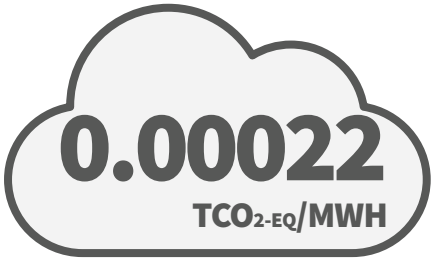
Metrics and Objectives

Environmental management of the operation, monitoring of the effects of climate change on Cerro Dominador, solar energy promotion, the energy transition, regulation and public policy are among the material topics defined by Cero Dominador. All of those topics integrate, to a greater or lesser extent, the climate-related risks and opportunities and require the company to set real goals and metrics to monitor them.

Cerro Dominador is currently defining new metrics and goals focused on climate change and the related risks. One of the most relevant metrics created in 2021 is the **corporate carbon footprint for 2020** using the GHG Protocol method.



Scopes 1, 2 and 3



Scopes 1 and 2

9 emissions categories were quantified that resulted in a footprint of 7,089 tons of CO_2-eq, 99% concentrated in Scope 3. This is mainly because of the consumption of fuel by contractors in the provision of their services. The Cerro Dominador footprint is equal to **1% of the emissions avoided by the company**[7] compared to a baseline where the same energy is generated from carbon-based sources.

The intensity of Cerro Dominador's emissions in 2020 was 0.00022 tons of CO_2-eq per MWh of Scopes 1 and 2 energy generated. This value is significantly lower than that of other generators studied (emissions intensities of 0.27 to 0.69 tons of CO_2-eq per MWh) because there are no emissions associated with Cerro Dominador's generation.

[5] It is estimated that the complex will help avoid average emissions of 640,00 tons of CO2-eq per year over the more than 30 years of its useful life.

Risk Table

Physical risks

The IPCC risk assessment framework was used to assess physical risks. It considers risk based on three variables (threat, exposure and vulnerability) and the information in the Climate Risk Atlas Threat Explorer (Arclim) of the Ministry of the Environment was used to obtain the magnitude of threats in an RCP 8.5 scenario.

Transition risks

The threats caused by an accelerated transition to a low-carbon economy were detected to assess the transition risks and Cerro Dominador's vulnerability to those threats was determined. Threats due to regulatory changes, reputational, technology and market threats were considered as well as the country's carbon advancements and GHG emissions.

LOW	MODERATE	HIGH	CRITICAL

Increase in temperature	Although a temperature increase can accelerate the wear of some equipment, we have already planned for the replacement of such equipment, so it would not be a critical factor. In addition, the equipment is designed to withstand from -7°C to 50°C, i.e., it can withstand extreme temperatures.
Increase in heat waves	A system is in place to cool the equipment most sensitive to high temperatures. Moreover, electrical equipment has been installed in air-conditioned rooms.
Decrease in sunlight	A reduction in solar radiation would cause a considerable decrease in generation. Nonetheless, climate models do not predict any decrease in solar radiation.
Increase in cold waves	Equipment is designed to withstand from -7°C to 50°C, so it is not expected that equipment or equipment operation will be damaged.
Increase in the frequency of mud slides	Mud slides can mean that operations stop because of a shortage of staff or services. However, no increase in these extreme events is predicted.
Increase in heavy winds	When winds are very heavy, the heliostats must be abated, so there will be a loss of power generation but there will be no damage to the heliostats. It may also be that the frequency of maintenance of the panels and heliostats will have to be increased.
Increasing water shortage: operations	There would be a considerable reduction in electricity production and even a shutdown of the plant.
Increasing water shortage: electricity market	It is possible that there will be a disconnection between the price of injection and withdrawal nodes because of the different generating capacities associated with each and because of a drop in hydroelectric generation capacity as a result of the drought in the withdrawal zone, and therefore an increase in diesel-based generation or other generation using more costly technologies. However, it is expected that the planned expansion of the transmission system will avoid a price disconnection. Even so, there is uncertainty about the periods and behavior of demand at the time this infrastructure is put into operation.

LOW	MEDIUM	HIGH	CRITICAL

Decarbonization of the matrix: greater share of renewable energy	As a result of the matrix decarbonization plan, solar, photovoltaic, wind and hydroelectric technologies are expected to penetrate deeper in the country, all with low variable costs. Since Cerro Dominador is located in the north zone, the marginal costs of the Cerro Dominador injection node could decrease during the day, which would impact the Company's income. A delay in the transition infrastructure would accentuate the company's vulnerability to this threat because it is in a zone where lines are saturated. However, Cerro Dominador earns most of its income from its Power Purchase Agreements (PPA), which protects it from the variability of the spot market. There is a differentiating impact between the day and the night for a power plant like Cerro Dominador in the zone where it operates, where the marginal costs drop during the day but increase at night.
Development of storage technologies	In December 2021, an initiative was submitted on an urgent basis that establishes changes to the existing General Electricity Law to allow the storage systems to participate in the energy and capacity transfer market, which could compete with Cerro Dominador's CSP Plant. If there is no differentiation between the advantages of batteries and CSP, the vulnerability will be considerable because batteries could be awarded incentives that should be captured by Cerro Dominador. For the time being, the feasibility that batteries offer a storage capacity that can compete with flexible generators is limited by technical factors (limited storage capacity) and economic factors (high cost of making up for the storage limitation).
Increase in the price of coal and green tax offsetting.	The implicit increase could be transferred to customers if this is stipulated in each PPA, which would decrease this vulnerability. If on the contrary, given the competitive nature of the electricity market, the cost increase could not be transferred to customers, the vulnerability would be grater. In addition, the green tax costs could decrease due to the decarbonization of the power grid, and therefore there would be a lower quantity of emissions assessable by the tax.
Decarbonization of the chain of value	Since most of Cerro Dominador's carbon footprint is in Scope 3 (indirect emissions by suppliers, contractors and other points in the chain of value), the company could experience difficulties when it attempts to take actions to manage its associated emissions. However, it is perceived internally that there are points for improvement where actions could be implanted that would help reduce the emissions in its operations.
Confusing regulatory signals	At this time, the advantages of certain renewable power generation technologies that provide storage are not appreciated over others that do not. In particular, Cerro Dominador CSP technology can generate and store electricity for a period long enough to be injected in a regulated manner at different hours of the day and night, which makes the system flexible. However, these qualities are not captured by the actual regulatory framework, where CSP is considered a technology equal to photovoltaic or wind technology.

Opportunities

The efforts made to mitigate and adapt to climate change can create opportunities for organizations in addition to risks. These opportunities will vary depending on the region, the market and the sector where each organization works. Different opportunities were also found, arising from climate change, during the workshops held to identify and assess climate risks and those opportunities could be captured by Cerro Dominador.

- Change in the regulations to emphasize the benefits and incentives of CSP generation in comparison to other sources of generation, whether renewable or conventional.
- Customers who require 24/7 clean energy supply that can be traced hourly.
- Synergies with the H2V generation market.
- Access to financing that fosters renewable power generation and is favorable to companies leading the low-carbon transition.

Indicator Table

CATEGORY	TYPE	CODE	CONTENT	CHAPTER OR COMMENT	PAGE NO.
FUNDAMENTOS Y CONTENIDOS GENERALES					
GRI 101: Foundations	Foundations	101 Content	1. 1. Reporting Principles 7 2. 2. Using the GRI Standards for sustainability reporting 17 3. 3. Making claims related to the use of the GRI Standards	This report has been prepared and drafted under the GRI Reporting Principles for Sustainability Reporting.	92
GRI 102: General Disclosures	Organizational Profile	102-1 Content	Name of the organization	Back Cover	2
		102-2 Content	Activities, brands, products and services	1. We are Cerro Dominador	8
		102-3 Content	Location of headquarters	Back Cover	2, 8
		102-4 Content	Location of operations	1. We are Cerro Dominador	8
		102-5 Content	Ownership and legal form	Back Cover	2
		102-6 Content	Markets served	1. We are Cerro Dominador	8
		102-7 Content	Scale of the organization	1. We are Cerro Dominador	8
		102-8 Content	Information on employees and other workers	4. People, society and communities	40
		102-9 Content	Supply chain	6. Local commitment and innovation	66
		102-10 Content	Significant changes to the organization and its supply chain	6. Local commitment and innovation	66
		102-11 Content	Precautionary principle or approach	7. Positive impact: we are managing our environmental footprint	84
		102-12 Content	External initiatives	1. We are Cerro Dominador	11
		102-13 Content	Membership of associations	1. We are Cerro Dominador	11
GRI 102: General Disclosures	Strategy	102-14 Content	Statement from senior decision-maker	1. We are Cerro Dominador	6
		102-15 Content	Key impacts, risks and opportunities	2. Our leadership	21
GRI 102: General Disclosures	Ethics and integrity	102-16 Content	Values, principles, standards and norms of behavior	2. Our leadership	17
		102-17 Content	Mechanisms for advice and concerns about ethics	2. Our leadership	19

CATEGORY	TYPE	CODE	CONTENT	CHAPTER OR COMMENT	PAGE NO.
GRI 102: General Disclosures	Governance	102-18 Content	Governance structure	2. Our leadership	14
		102-19 Content	Delegating authority	2. Our leadership	16
		102-21 Content	Consulting stakeholders on economic, environmental and social topics	8. About this report	93
		102-22 Content	Composition of the highest governance body and its committees	2. Our leadership	14
		102-23 Content	Chair of the highest governance body	2. Our leadership	14
		102-24 Content	Nominating and selecting the highest governance body	2. Our leadership	16
		102-26 Content	Role of highest governance body in setting purpose, values and strategy	2. Our leadership	25
		102-32 Content	Highest governance body's role in sustainability reporting	2. Our leadership	16, 92
	Stakeholder engagement	102-40 Content	List of stakeholder groups	2. Our leadership	25
		102-41 Content	Collective bargaining agreements	4. People, society and communities	46
		102-42 Content	Identifying and selecting stakeholders	8. About this report	93
		102-43 Content	Approach to stakeholder engagement	8. About this report	93
		102-44 Content	Key topics and concerns raised	8. About this report	94
	Reporting Practice	102-45 Content	Entities included in the consolidated financial statements	• EIG Atacama Management Spa • Cerro Dominador CSP S.A. • Cerro Dominador PV S.A. • Pampa Unión SpA • Likana Solar SpA	2
		102-46 Content	Defining report content and topic Boundaries	8. About this report	94
		102-47 Content	List of material topics	8. About this report	94
		102-48 Content	Restatements of information	8. About this report	92
		102-49 Content	Changes in reporting	8. About this report	92
		102-50 Content	Reporting period	8. About this report	2, 92
		102-51 Content	Date of most recent report	8. About this report	92
		102-52 Content	Reporting cycle	8. About this report	92
		102-53 Content	Contact point for questions regarding the report	8. About this report	2, 92
		102-54 Content	Claims of reporting in accordance with the GRI Standards	8. About this report	92
		102-55 Content	GRI content index	Indicators Table	106
		102-56 Content	External assurance	This report has not been verified by an external reviewer.	

CATEGORY	TYPE	CODE	CONTENT	CHAPTER OR COMMENT	PAGE NO.
ANTI-CORRUPTION					
GRI 205: Anti-corruption	Anti-corruption	205-2 Content	Communication and training about anti-corruption policies and procedures	2. Our leadership	19
		205-3 Content	Confirmed incidents of corruptions and actions taken	2. Our leadership	19
MATERIAL TOPIC: CREATION OF ECONOMIC AND FINANCIAL VALUE					
GRI 103: Management Approach	Management approach	103-1 Content	Explanation of the material topic and its boundaries	3. The energy market	34
		103-2 Content	The management approach and its components	3. The energy market	34
		103-3 Content	Evaluation of the management approach	3. The energy market	34
GRI 201: Economic Performance	Economic Performance	201-1 Content	Direct economic valuated and distributed	3. The energy market	36
		201-2 Content	Financial implications and other risks and opportunities due to climate change.	3. The energy market	21, 30
MATERIAL TOPIC: INNOVATION AND THE USE OF DIGITAL SOLUTIONS					
GRI 103: Management Approach	Management approach	103-1 Content	Explanation of the material topic and its boundaries	6. Local commitment and innovation	70
		103-2 Content	The management approach and its components	6. Local commitment and innovation	70
		103-3 Content	Evaluation of the management approach	6. Local commitment and innovation	70
Own indicator	Own indicator	Cerro 5	Innovation initiatives	6. Local commitment and innovation	70
MATERIAL TOPIC: COMMUNITY RELATIONS AND DEVELOPMENT					
GRI 103: Management Approach	Management approach	103-1 Content	Explanation of the material topic and its boundaries	4. People, society and communities	53
		103-2 Content	The management approach and its components	4. People, society and communities	53
		103-3 Content	Evaluation of the management approach	4. People, society and communities	53
Own indicator	Own indicator	Cerro 2	Community management model	4. People, society and communities	54
Own indicator	Own indicator	Cerro 4	Solar tourism and education programs	4. People, society and communities	62
SASB	Ecological impacts on project development	RR-ST-160a.2	Description of efforts in solar energy system project development to address community and ecological impacts	4. People, society and communities	53, 54
MATERIAL TOPIC: SUPPLY CHAIN MANAGEMENT					
GRI 103: Management Approach	Management approach	103-1 Content	Explanation of the material topic and its boundaries	6. Local commitment and innovation	66
		103-2 Content	The management approach and its components	6. Local commitment and innovation	66
		103-3 Content	Evaluation of the management approach	6. Local commitment and innovation	66
GRI 204: Procurement practices 2016	Procurement practices	204-1 Content	Proportion of spending on local suppliers	6. Local commitment and innovation	66
GRI 408: Child labor 2016	Child labor	408-1 Content	Operations and suppliers at significant risk for incidents of child labor.	6. Local commitment and innovation	68

CATEGORY	TYPE	CODE	CONTENT	CHAPTER OR COMMENT	PAGE NO.
MATERIAL TOPIC: FEMALE EMPLOYMENT IN THE INDUSTRY					
GRI 103: Management Approach	Management approach	103-1 Content	Explanation of the material topic and its boundaries	4. People, society and communities	47
		103-2 Content	The management approach and its components	4. People, society and communities	47
		103-3 Content	Evaluation of the management approach	4. People, society and communities	47
GRI 405: Diversity and equal opportunity 2016	Diversity and equal opportunity	405-2 Content	Ratio of basic salary and remuneration of women to men	2. Our leadership	16
MATERIAL TOPIC: FORMATION OF CAPACITIES AND LOCAL EMPLOYMENT					
GRI 103: Management Approach	Management approach	103-1 Content	Explanation of the material topic and its boundaries	4. People, society and communities	56
		103-2 Content	The management approach and its components	4. People, society and communities	56
		103-3 Content	Evaluation of the management approach	4. People, society and communities	56
Own indicator	Own indicator	Cerro 3	Programs on the hiring of local labor	4. People, society and communities	56, 69
MATERIAL TOPIC: OCCUPATIONAL HEALTH AND SAFETY					
GRI 103: Management Approach	Management approach	103-1 Content	Explanation of the material topic and its boundaries	4. People, society and communities	50
		103-2 Content	The management approach and its components	4. People, society and communities	50
		103-3 Content	Evaluation of the management approach	4. People, society and communities	50
GRI 403: Occupational health and safety	Occupational health and safety	403-1 Content	Occupational health and safety management system	4. People, society and communities	50
		403-3 Content	Occupational health services	4. People, society and communities	51
		403-5 Content	Worker training on occupational health and safety	4. People, society and communities	51
		403-8 Content	Workers covered by an occupational health and safety management system	4. People, society and communities	50
		403-9 Content	Work-related injuries	4. People, society and communities	51, 52
		403-10 Content	Work-related ill health	4. People, society and communities	51
MATERIAL TOPIC: INTERNAL CULTURE, DEVELOPMENT AND MOTIVATION					
GRI 103: Management Approach	Management approach	103-1 Content	Explanation of the material topic and its boundaries	4. People, society and communities	44
		103-2 Content	The management approach and its components	4. People, society and communities	44
		103-3 Content	Evaluation of the management approach	4. People, society and communities	44
GRI 401: Employment 2016	Employment	401-1 Content	New employee hires and employee turnovers	4. People, society and communities	46
GRI 404: Training and education 2016	Training and education	404-3 Content	Percentage of employees receiving regular performance and career development reviews.	4. People, society and communities	46
GRI 405: Diversity and equal opportunity 2016	Diversity and equal opportunity	405-1 Content	Diversity of governance bodies and employees.	2. Our leadership 4. People, society and communities	16, 40

CATEGORY	TYPE	CODE	CONTENT	CHAPTER OR COMMENT	PAGE NO.
MATERIAL TOPIC: MONITORING OF THE EFFECTS OF CLIMATE CHANGE					
GRI 103: Management Approach	Management approach	103-1 Content	Explanation of the material topic and its boundaries	7. Positive impact: we are managing our environmental footprint	74
		103-2 Content	The management approach and its components	7. Positive impact: we are managing our environmental footprint	74
		103-3 Content	Evaluation of the management approach	7. Positive impact: we are managing our environmental footprint	74
Own indicator	Own indicator	Cerro 1	Progress in implementing the TCFD method	7. Positive impact: we are managing our environmental footprint	21
MATERIAL TOPIC: ECOLOGICAL IMPACTS					
GRI 103: Management Approach	Management approach	103-1 Content	Explanation of the material topic and its boundaries	7. Positive impact: we are managing our environmental footprint	78
		103-2 Content	The management approach and its components	7. Positive impact: we are managing our environmental footprint	78
		103-3 Content	Evaluation of the management approach	7. Positive impact: we are managing our environmental footprint	78
GRI 301: Materials	Materials	301-1 Content	Materials used by weight or volume	7. Positive impact: we are managing our environmental footprint	88
GRI 302: Energy	Energy	302-1 Content	Energy consumption within the organization	7. Positive impact: we are managing our environmental footprint	79
		302-4 Content	Reduction of energy consumption	7. Positive impact: we are managing our environmental footprint	79
SASB	Energy Management in Manufacturing	RR-ST-130a.1	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	7. Positive impact: we are managing our environmental footprint	79
SASB	Water Management in Manufacturing	RR-ST-140a.2	Description of water management	7. Positive impact: we are managing our environmental footprint	81
GRI 304: Biodiversity 2016	Biodiversity	304-1 Content	Operational sites owned, leased, managed in or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	7. Positive impact: we are managing our environmental footprint	81
GRI 305: Emission 2016	Emissions	305-1 Content	Direct (Scope 1) GHG emissions	7. Positive impact: we are managing our environmental footprint	81
		305-2 Content	Energy indirect (scope 2) GHG emissions	7. Positive impact: we are managing our environmental footprint	21, 81
		305-3 Content	Other indirect (Scope 3) GHG emissions	7. Positive impact: we are managing our environmental footprint	81
		305-4 Content	GHG emissions intensity	7. Positive impact: we are managing our environmental footprint	84
		305-5 Content	Reduction of GHG emissions	7. Positive impact: we are managing our environmental footprint	75
		305-7 Content	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	7. Positive impact: we are managing our environmental footprint	75

CATEGORY	TYPE	CODE	CONTENT	CHAPTER OR COMMENT	PAGE NO.
GRI 307: Environmental compliance	Environmental compliance	307-1 Content	Non-compliance with environmental laws and regulations	7. Positive impact: we are managing our environmental footprint	84
MATERIAL TOPIC: MANAGEMENT OF MATERIALS AND HAZARDOUS WASTE					
GRI 103:Management Approach	Management approach	103-1 Content	Explanation of the material topic and its boundaries	7. Positive impact: we are managing our environmental footprint	85
		103-2 Content	The management approach and its components	7. Positive impact: we are managing our environmental footprint	85
		103-3 Content	Evaluation of the management approach	7. Positive impact: we are managing our environmental footprint	85
GRI 306:Effluents and waste	Effluents and waste	306-3 Content	Waste generated	7. Positive impact: we are managing our environmental footprint	85
		306-4 Content	Waste diverted from disposal	7. Positive impact: we are managing our environmental footprint	85
		306-5 Content	Waste directed to disposal	7. Positive impact: we are managing our environmental footprint	85
SASB	Hazardous Waste Management	RR-ST-150a.1	Amount of hazardous waste generated; percentage recycled	7. Positive impact: we are managing our environmental footprint	85

CERRO
DOMINADOR
CONCENTRATED SOLAR POWER

2021 SUSTAINABILITY REPORT